Placement Document
Not for Circulation
Serial Number: _____
Strictly Confidential

DHAMPUR SUGAR MILLS LIMITED

*Dhampur Sugar Mills Limited (the "**Issuer**" or our "**Company**") was incorporated on May 22, 1933, under the Companies Act, 1913 as a company with limited liability having corporate identification number L15249UP1933PLC000511.*

Registered office: Dhampur Sugar Mills Limited, Dhampur (N.R.), District Bijnor – 246761, Uttar Pradesh, India
Corporate office: 241, Okhla Industrial Estate, Phase – III, New Delhi – 110020, India
Telephone No.: +91 11 3065 9400; **Facsimile No.**: +91 11 2693 5697; **Email:** investordesk@dhampur.com; **Website**: www.dhampur.com

Our Company is issuing up to 6,172,655 equity shares of face value of ₹ 10 each (the "**Equity Shares**") at a price of ₹ 98.68 per Equity Share (the "**Issue Price**"), including a premium of ₹ 88.68 per Equity Share, aggregating upto ₹ 609.12 million (the "**Issue**").

ISSUE IN RELIANCE UPON CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014.

THE ISSUE AND DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED UNDER THE SEBI REGULATIONS ("QIBs") IN RELIANCE UPON CHAPTER VIII OF THE SEBI REGULATIONS AND SECTION 42 OF THE COMPANIES ACT, 2013, READ WITH THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QIBs. THIS PLACEMENT DOCUMENT (WHICH INCLUDES DISCLOSURES PRESCRIBED UNDER FORM PAS-4) WILL BE CIRCULATED ONLY TO SUCH QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENT OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THIS ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND/OR OTHER JURISDICTIONS.

INVESTMENTS IN THE EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THIS ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "RISK FACTORS" ON PAGE 35 OF THIS PLACEMENT DOCUMENT AND EXPECTED TO BE INCLUDED IN THE PLACEMENT DOCUMENT BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE EQUITY SHARES IN THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PLACEMENT DOCUMENT.

The Equity Shares are listed on BSE Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**", and together with the BSE, referred to as the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on the BSE and the NSE on June 14, 2016 was ₹ 119.60 and ₹ 119.55 per Equity Share, respectively. In-principle approvals under Regulation 28(1) of the Listing Regulations (as hereinafter defined) for listing of the Equity Shares have been received from the BSE and the NSE on June 15, 2016. Applications to the Stock Exchanges will be made for obtaining final listing and trading approvals for the Equity Shares offered through this Placement Document. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of our business or of the Equity Shares.

A copy of the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as hereinafter defined)) has been delivered to the Stock Exchanges, and a copy of this Placement Document (which shall include disclosures prescribed under Form PAS-4) has also be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, Uttar Pradesh, at Kanpur (the "**RoC**"), and the Securities and Exchange Board of India ("**SEBI**"), each within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended and the SEBI Regulations. The Preliminary Placement Document or this Placement Document has not been reviewed by SEBI, the Reserve Bank of India (the "**RBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by qualified institutional buyers ("**QIBs**" as defined hereinafter). This Placement Document has not been and will not be registered as a prospectus with the registrar of companies in India and will not be circulated or distributed to the public in India or any other jurisdiction. The Issue is meant only for QIBs by way of a private placement and will not constitute a public offer in India or any other jurisdiction.

Invitations for subscription, offer and sale of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to the Preliminary Placement Document, this Placement Document, the Application Form and Confirmation of Allocation Note (as hereinafter defined). For further details, see "Issue Procedure" on page 130 of this Placement Document. The distribution of this Placement Document or the disclosure of its contents without prior consent of our Company to any person, other than QIBs and persons retained by QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document and/ or any of the documents referred to in this Placement Document.

The information in this Placement Document is not complete and may be changed. The information on the website of our Company, any website directly or indirectly linked to our Company's website, or the website of the Global Coordinator and Book Running Lead Manager or their affiliates does not form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in "offshore transactions" (as defined in Regulation S under the U.S. Securities Act ("Regulation S")) in accordance with Regulation S and the applicable laws of the jurisdictions where those offers and sales occur. See "Selling Restrictions" and "Transfer Restrictions" on pages 143 and 148, respectively of this Placement Document.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE.

This Placement Document is dated June 20, 2016

GLOBAL COORDINATOR AND BOOK RUNNING LEAD MANAGER
Religare Capital Markets Limited

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and confirms that to its best knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company including, our Subsidiary and the Equity Shares which are material in the context of this Issue. The statements contained in this Placement Document relating to our Company, our Subsidiary and the Equity Shares are, in all material respects, true and accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Company, our Subsidiary and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company. There are no other facts in relation to our Company, our Subsidiary and the Equity Shares, the omission of which would, in the context of this Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. The information contained in this Placement Document has been provided by our Company and other sources identified herein. Distribution of this Placement Document to any person other than the investor specified by the Global Coordinator and Book Running Lead Manager or its representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of our Company, is prohibited. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The Global Coordinator and Book Running Lead Manager has not separately verified all the information contained in this Placement Document (financial, legal or otherwise). Neither the Global Coordinator and Book Running Lead Manager nor any of its respective members, employees, counsel, officers, directors, representatives, agents or affiliates makes any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Global Coordinator and Book Running Lead Manager as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the issue of the Equity Shares or its distribution. Each person receiving this Placement Document acknowledges that such person has not relied on either the Global Coordinator and Book Running Lead Manager or on any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and our Subsidiary and the merits and risks involved in investing in the Equity Shares, issued pursuant to this Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or the Global Coordinator and Book Running Lead Manager. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than QIBs whose names are recorded by our Company prior to the invitation to subscribe to this Issue (in consultation with the Global Coordinator and Book Running Lead Manager or its representatives) and those retained by QIBs to advise them with respect to their purchase of the Equity Shares is unauthorised and prohibited.

Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The Equity Shares offered in this Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction.. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.

The distribution of this Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by law. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Global Coordinator and Book Running Lead Manager which would permit an issue of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any other

Issue-related materials in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the laws of any state of the United States, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in "offshore transactions" (as defined in Regulation S) in accordance with Regulation S and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described in "Selling Restrictions" and "Transfer Restrictions" on pages 143 and 148 respectively, of this Placement Document. Subscribers of the Equity Shares will be deemed to make the representations set forth in "Representations by Investors" and "Transfer Restrictions" on page 3 and 148, respectively, of this Placement Document.

In making an investment decision, prospective investors must rely on their own examination of our Company, our Subsidiary, and the terms of this Issue, including the merits and risks involved. Investors should not construe the contents of this Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning this Issue. In addition, neither our Company nor the Global Coordinator and Book Running Lead Manager are making any representation to any investor, or subscriber or purchaser of the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares in this Issue, by such investor, or subscriber under applicable legal, investment or similar laws or regulations. Each subscriber of the Equity Shares in this Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Company under Indian laws, including Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and Chapter VIII of the SEBI Regulations and is not prohibited by SEBI or any other statutory, regulatory or judicial authority in India or any other jurisdiction from buying, selling or dealing in securities including the Equity Shares, or otherwise accessing the capital markets in India. Each investor, subscriber or purchaser of the Equity Shares in this Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such document. All references herein to "you" or "your" is to the prospective investors of the Issue.

The information on our Company's website, www.dhampur.com, any website directly and indirectly linked to the website of our Company or on the website of the Global Coordinator and Book Running Lead Manager, or their affiliates, neither constitute nor form part of this Placement Document. Prospective investors should not rely on such information contained in, or available through, such websites.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information in relation to transfer or selling restrictions of the Equity Shares in certain other jurisdictions, see "Selling Restrictions" and "Transfer Restrictions" on pages 143 and 148, respectively, of this Placement Document.

REPRESENTATIONS BY INVESTORS

References herein to “you” or “your” are to the prospective investors in this Issue.

By bidding for and/or subscribing to any Equity Shares in this Issue, you are deemed to have represented, warranted, acknowledged and agreed with our Company and the Global Coordinator and Book Running Lead Manager as follows:

- You are a QIB as defined in Regulation 2(1) (zd) of SEBI Regulations and not excluded as an eligible investor pursuant to Regulation 86(1)(b) of the SEBI Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allocated to you in accordance with Chapter VIII of the SEBI Regulations and undertake to comply with the SEBI Regulations, the Companies Act and all other applicable laws, including any reporting obligations;

- If you are not a resident of India, but are a QIB, you are an Eligible FPI including an FII (including a sub-account other than a sub-account which is a foreign corporate or a foreign individual) having a valid and existing certificate of registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institutuion or an FVCI, and are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“**FEMA 20**”), and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority from buying, selling or dealing in securities;

- You are investing in the Issue under the Foreign Portfolio Investment Scheme or the Portfolio Investment Scheme (each as defined hereinafter), as the case may be;

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;

- If you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges;

- You have made, or are deemed to have made, as applicable, the representations set forth under “Selling Restrictions” and “Transfer Restrictions” on pages 143 and 148, respectively of this Placement Document;

- You are aware that the Equity Shares issued pursuant to the Issue have not been and will not be registered through a prospectus under the Companies Act (as defined hereinafter), the SEBI Regulations or under any other law in force in India. The Preliminary Placement Document and this Placement Document has not been reviewed or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by QIBs. This Placement Document has been filed with the Stock Exchanges for record purposes only and will be displayed on the websites of our Company and the Stock Exchanges. Our Company shall make the requisite filings with the RoC and the SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014;

- You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied with all necessary formalities, to enable you to commit to participation in this Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

- You agree that neither our Company nor the Global Coordinator and Book Running Lead Manager or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with this Issue and your participation in this Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the Global Coordinator and Book Running Lead Manager. Neither the Global Coordinator and Book Running Lead Manager nor any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to this Issue and are not in any way acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or this Issue; or (ii) if you have participated in or attended any of our Company Presentations: (a) you understand and acknowledge that the Global Coordinator and Book Running Lead Manager may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Global Coordinator and Book Running Lead Manager has advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information relating to our Company and this Issue that was not publicly available;

- All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our Company's future financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company's present and future business strategies and environment in which our Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Placement Document. Our Company assumes no responsibility to update any of the forward-looking statements contained in this Placement Document;

- You are aware and understand that the Equity Shares are being offered only to QIBs and are not being offered to the general public, and the Allotment of the same shall be on a discretionary basis at the discretion of our Company and the Global Coordinator and Book Running Lead Manager;

- You are aware that if you are Allotted any Equity Shares, our Company is required to disclose details such as your name, address and the number of Equity Shares Allotted to the RoC and the SEBI, and you consent to such disclosures;

- You are aware that if you are Allotted more than 5% of the Equity Shares in this Issue, our Company is required to disclose your name and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their website, and you consent to such disclosures. Further, if you are one of the top 10 Equity Shareholders, our Company will be required to make a filing with the RoC within 15 days of the change in shareholding as per Section 93 of the Companies Act, 2013;

- You have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document and have read it in its entirety, including in particular, "Risk Factors" on page 35 of this Placement Document;

- In making your investment decision, you have (i) relied on your own examination of our Company, our Subsidiary, and the terms of this Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company, our Subsidiary, the Equity Shares and the terms of this Issue based solely on the information contained in the Preliminary Placement Document and this Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors (including tax advisors) or otherwise have satisfied yourself concerning, without limitation, the effects of local laws, (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in this Issue;

- Neither the Global Coordinator and Book Running Lead Manager nor any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to this Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Global

Coordinator and Book Running Lead Manager or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including but not limited to this Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against our Company or the Global Coordinator and Book Running Lead Manager or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in this Issue for your own investment and not with a view to resell or distribute them. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or the Global Coordinator and Book Running Lead Manager or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with this Issue, including losses arising out of non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares;

- When you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a 'promoter' (as defined under the SEBI Regulations) of our Company or any of its affiliates and are not a person related to the promoter, either directly or indirectly and your Bid does not directly or indirectly represent the 'promoter', or 'promoter group', (as defined under the SEBI Regulations) or person related to promoters of our Company;

- You agree that in terms of Section 42(7) of the Companies Act, 2013, we shall file the list of QIBs (to whom the Placement Document are circulated) along with other particulars with the RoC and SEBI within 30 days of circulation of the Preliminary Placement Document and other filings required under the Companies Act, 2013;

- You have no rights under a shareholders' agreement or voting agreement with the promoter or persons related to the promoter, no veto rights or right to appoint any nominee director on the Board of Directors of our Company other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the promoter;

- You will have no right to withdraw your Bid after the Bid/Issue Closing Date;

- You are eligible to apply and hold the Equity Shares Allotted to you pursuant to this issue together with any Equity Shares held by you prior to this Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law or regulation;

- The Bid made by you would not result in triggering a tender offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**");

- To the best of your knowledge and belief, your aggregate holding, together with other QIBs in this Issue that belong to the same group or are under common control as you, pursuant to the Allotment under this Issue shall not exceed 50 % of this Issue. For the purposes of this representation:

  (a) the expression 'belong to the same group' shall derive meaning from the concept of 'companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act, 1956; and

(b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares is issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1) of the Listing Regulations, for listing and admission of the Equity Shares on the Stock Exchanges were made and approval has been received from the Stock Exchanges, and (ii) the applications for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final approvals for listing of the Equity Shares will be obtained in time or at all. Our Company shall not be responsible for any delay or non-receipt of such final approval or any loss arising from such delay or non-receipt;

- You are aware and understand that the Global Coordinator and Book Running Lead Manager has entered into a placement agreement with our Company, whereby the Global Coordinator and Book Running Lead Manager has, subject to the satisfaction of certain conditions set out therein, agreed to manage this Issue and use their reasonable efforts as agents of our Company to procure subscriptions for the Equity Shares on the terms and conditions set forth therein;

- The contents of this Placement Document are exclusively the responsibility of our Company, and neither the Global Coordinator and Book Running Lead Manager nor any person acting on its behalf has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting a participation in this Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Global Coordinator and Book Running Lead Manager or our Company or any of its affiliates or any other person, and neither the Global Coordinator and Book Running Lead Manager nor our Company nor any other person will be liable for your decision to participate in this Issue based on any other information, representation, warranty or statement that you may have obtained or received;

- You understand that the Global Coordinator and Book Running Lead Manager does not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in this Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with this Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

- You are eligible to invest in India under applicable laws, including the FEMA 20, as amended and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities;

- You agree that any dispute arising in connection with this Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Delhi, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;

- You agree to indemnify and hold our Company and the Global Coordinator and Book Running Lead Manager and their respective officers, directors, affiliates, associates and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Placement Document. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts; and

- You acknowledge that our Company, the Global Coordinator and Book Running Lead Manager, their affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Global Coordinator and Book Running Lead Manager on their own behalf and on behalf of our Company, and you agree that each of the representations, warranties, acknowledgments and agreements set out above shall continue to be true and accurate at all times upto and including the Allotment, listing and trading of the Equity Shares issued pursuant to the Issue;

OFFSHORE DERIVATIVE INSTRUMENTS (P-NOTES)

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI (Foreign Portfolio Investors) Regulations, 2014, as amended (the "**SEBI FPI Regulations**"), FPIs (other than Category III foreign portfolio investors and unregulated broad based funds, which are classified as Category II FPIs (as defined in the SEBI FPI Regulations) by virtue of their investment manager being appropriately regulated unless such FPIs have entered into an offshore derivative instrument with an FII prior to January 7, 2014 or were registered as clients of an FII prior to January 7, 2014), including the affiliates of the Global Coordinator and Book Running Lead Manager, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying, and all such offshore derivative instruments are referred to herein as "P-Notes"), for which they may receive compensation from the purchasers of such instruments. P-Notes may be issued only in favour of those entities which are regulated by any appropriate foreign regulatory authority, subject to compliance with 'know your client' requirements. An FPI shall also ensure that no further issue or transfer of any instrument referred to above is made to any person other than such entities regulated by appropriate foreign regulatory authorities. P-Notes have not been and are not being offered or sold pursuant to this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including, without limitation, any information regarding any risk factors relating thereto.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Global Coordinator and Book Running Lead Manager do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Global Coordinator and Book Running Lead Manager and do not constitute any obligations of or claims on the Global Coordinator and Book Running Lead Manager. Affiliates of the Global Coordinator and Book Running Lead Manager which are Eligible FPIs or FIIs may purchase, to the extent permissible under law, the Equity Shares in this Issue, and may issue P-Notes in respect thereof.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document has been submitted to the Stock Exchanges. The Stock Exchanges does not in any manner:

(1) warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Document;

(2) warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of our Company;

and it should not for any reason be deemed or construed to mean that this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the prospective investors in this Issue, references to our 'Company, 'DSML' or 'Issuer' are to Dhampur Sugar Mills Limited 'and references to 'we', 'us' or 'our' are to our Company and our Subsidiary on a consolidated basis.

In this Placement Document, references to 'US$', 'USD' and 'U.S. Dollar' are to the legal currency of the United States of America and references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and the 'Government' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable, and the words "lakh" or "lac" mean "100 thousand" and the word "million" means "10 lakh" and the word "crore" means "10 million" or "100 lakhs" and the word "billion" means "1,000 million" or "100 crores".

The financial year of our Company commences on April 1 of each year and ends on March 31 of the following year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'Fiscal Year' or 'fiscal' or 'FY' are to the twelve month period ended on March 31 of that year. The consolidated financial statements of our Company as of and for the Fiscal Years ended March 31, 2016, 2015, 2014 and 2013, included herein, have been prepared in line with the accounting principles generally accepted in India and have been audited by the Auditors in accordance with the applicable generally accepted auditing standards in India prescribed by the ICAI.

In this Placement Document, references to '**Sugar Season**' or '**SS**' are to the 12 month period ended September 30 of a particular year.

Our Company publishes its financial statements in Indian Rupees. Unless the context otherwise requires and unless so specified, all financial data in this Placement Document are derived from our Company's consolidated financial statements prepared in accordance with Indian GAAP. Indian GAAP differs in certain significant respects from International Financial Reporting Standards (the "**IFRS**") and U.S. GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Each of U.S. GAAP, French GAAP and IFRS differs in significant respects from Indian GAAP. See the section "Risk Factors – Risks Associated with doing Business with an Indian Company – Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition" on page 35 of this Placement Document. Accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with the respective accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

Further, the Companies (Indian Accounting Standards) Rules, 2015 effective from February 16, 2015 (the "IAS Rules"), provides that the financial statements of the companies to which they apply shall be prepared and audited in accordance with Indian Accounting Standards ("Ind-AS"). The IAS Rules state that any company may voluntarily implement Ind-AS for the accounting period beginning from April 1, 2015. We have considered adopting Ind-AS for the accounting period beginning from April 1, 2017. However, we have not determined with any degree of certainty the impact such adoption will have on its financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under Ind-AS than under Indian GAAP. See the section "Risk Factors - Internal Risks and Risks Associated with our Business - Our Company, in consultation with our statutory auditor, is proposing a transition in accounting standards and is planning to prepare its financial statements under Ind-AS. The transition to Ind-AS in India may adversely affect us" on page 35 of this Placement Document.

In this Placement Document, certain monetary thresholds have been subjected to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Further, all figures in the Placement Document have been rounded off to one digit after decimal.

INDUSTRY AND MARKET DATA

Information included in this Placement Document regarding market position, growth rates and other industry data pertaining to our businesses consists of estimates based on data reports compiled by government bodies, professional organisations and analysts, data from other external sources and knowledge of the markets in which we operate. Unless stated otherwise, statistical information included in this Placement Document pertaining to the various sectors in which we operate has been reproduced from trade, industry, and government publications and websites. We confirm that such information and data has been accurately reproduced, and that as far as they are aware and are able to ascertain from information published by third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. In this context, please note that we have relied on sugar industry reports, namely, CRISIL Research, Sugar Report, March 2016 (the "CRISIL Report") and the Hand Book on Sugar Stastics (2014-2015) by Indian Sugar Mills Association ("ISMA Handbook") in relation to the industry data included in this Placement Document.

This information is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so we have relied on internally developed estimates.

Neither we nor the Global Coordinator and Book Running Lead Manager have independently verified this data, nor do we or the Global Coordinator and Book Running Lead Manager make any representation regarding the accuracy of such data. Similarly, internal estimates and surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither we or the Global Coordinator and Book Running Lead Manager make any representation as to the accuracy and completeness of information based on trade, industry and government publications and websites, data reports complied by government bodies, professional organisations and analysts, or from other external sources.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute 'forward-looking statements'. These statements express views of the management of our Company and expectations based upon certain assumptions regarding trends in the Indian and international financial markets and regional economies, the political climate in which our Company operates and other factors. Prospective investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would' or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's or our Subsidiary's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's/ or our Subsidiary's business strategy, planned projects, planned revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements and any other projections contained in this Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, amongst others:

- general, political, social and economic conditions in India and elsewhere;
- our Company's dependence on our Sugar Segment for a significant portion of our revenue;
- adverse effect of competition on margins, market share and profits of the Company;
- increase in raw material costs;
- changes in technology;
- central and state government policy in the sectors in which we operate; and
- level of government support through subsidies and grants.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under "Risk Factors", "Industry Overview", "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 35, 86, 96 and 64, respectively, of this Placement Document. Our Company and the GCBRLM expressly disclaim any obligation or undertaking to release publically any updates or revision to any forward looking statements contained herein to effect any changes in our Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statements are based.

The forward-looking statements contained in this Placement Document are based on the beliefs of management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. The forward-looking statements appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. All the Directors and the key managerial personnel named herein are residents of India and all or a substantial portion of the assets of our Company and such persons are located in India. As a result, it may be difficult or may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code (as defined below), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

Under Section 14 of the Civil Procedure Code, a court in India shall upon the production of any document purporting to be a certified copy of a foreign judgement, presume that the judgement was pronounced by a court of competent jurisdiction, unless the contrary appears on record; but such presumption may be displaced by proving want of jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, Singapore and Hong Kong has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or repatriate outside India any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and any such amount may be subject to income tax in accordance with applicable laws. We cannot assure that Indian courts and/ or authorities would not take a longer amount of time to adjudicate and conclude similar proceedings in their respective jurisdictions.

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Rupee and the foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on Equity Shares.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the U.S. dollar (in Rupees per U.S. dollar). The exchange rates are based on the reference rates released by the RBI, which are available on the website of the RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

On June 14, 2016, the exchange rate (RBI reference rate) was ₹ 67.15 to US$ 1.0 (*Source:* www.rbi.org.in).

	Period End*	**Average(1)**	**High(2)**	**Low(3)**
Financial Year ending March 31:				(₹per US$)
2016	66.3	65.5	68.8	62.2
2015	62.6	61.2	63.8	58.4
2014	60.1	60.5	68.4	53.7
Quarter ended:				
March 31, 2016	66.3	67.5	68.8	66.2
December 31, 2015	66.3	65.9	67.0	64.7
September 30, 2015	65.7	64.9	66.7	63.4
Month ended:				
May 31, 2016	67.2	66.9	67.7	66.3
April 30, 2016	66.5	66.5	66.7	66.2
March 31, 2016	66.3	67.0	68.2	66.3
February 29, 2016	68.6	68.2	68.8	67.6
January 31, 2016	67.9	67.3	68.1	66.2
December 31, 2015	66.3	66.6	67.0	66.1

***** *The price for the period end refers to the price as on the last trading day of the respective financial year, quarterly or monthly periods.*
Source: www.rbi.org.in

Note:

1. Average of the official rate for each working day of the relevant period.
2. Maximum of the official rate for each working day of the relevant period.
3. Minimum of the official rate for each working day of the relevant period.

DEFINITIONS AND ABBREVIATIONS

Our Company has prepared this Placement Document using certain definitions and abbreviations which you should consider when reading the information contained herein.

Company Related Terms

Term	Description
"Company" or "our Company" or "Issuer" or "DSML"	Dhampur Sugar Mills Limited, a public limited company, incorporated under the Indian Companies Act,1913 and having its registered office at Dhampur Sugar Mills Limited, Dhampur (N.R.), District Bijnor – 246761, Uttar Pradesh, India and corporate office at 241, Okhla Industrial Estate, Phase – III, New Delhi – 110020, India It is clarified that references to "us", "we" or "our" are to our Company, together with our Subsidiary on a consolidated basis
Articles/Articles of Association	Articles of association of our Company as amended from time to time
Auditor/Statutory Auditor	The statutory auditor of our Company, Mittal Gupta & Company, Chartered Accountants
Board / Board of Directors	The board of directors of our Company or duly constituted committee thereof
Chemicals Segment	Our chemicals segment as per our segment reporting, in keeping with applicable accounting principles, in our annual audited financial statements.
Corporate Office	Corporate office of our Company located at 241, Okhla Industrial Estate, Phase – III, New Delhi – 110020, India
Directors	The directors of our Company
Equity Shares	Equity shares of our Company having face value of ₹ 10 each
Joint Statutory Auditors	The joint statutory auditors of our Company till March 31, 2015, and in particulaar for the financial years ended March 31, 2015, March 31, 2014 and March 31, 2013, namely, Mittal Gupta & Company, Chartered Accountants and S Vaish & Company, Chartered Accountants
Memorandum/Memorandum of Association	Memorandum of association of our Company, as amended from time to time
Power Segment	Our power segment as per our segment reporting, in keeping with applicable accounting principles, in our annual audited financial statements.
Preference Shares	18,01,817, 8% cumulative redeemable preference shares of ₹ 100 each fully paid-up of which ₹ 83.4 per share remains outstanding and pending for redemption
Promoters	The Promoters of our Company, being: 1. Mr. Vijay Kumar Goel; 2. Mr. Ashok Kumar Goel; 3. Mr. Gautam Goel; and 4. Mr. Gaurav Goel
Promoter Group	Promoter group of our Company as defined in Regulation 2(1)(zb) of the SEBI Regulations
Registered Office	Registered office of our Company located at Dhampur Sugar Mills Limited, Dhampur (N.R.), District Bijnor – 246761, Uttar Pradesh, India
Subsidiary	Dhampur International Pte Limited
Sugar Segment	Our sugar segment as per our segment reporting, in keeping with applicable accounting principles, in our annual audited financial statements.

Issue Related Terms

Term	Description
Allocated /Allocation	The allocation of Equity Shares following the determination of the Issue Price to the QIBs on the basis of the Application Form submitted by them, by our Company in consultation with the Global Coordinator and Book Running Lead Manager and in compliance with Chapter VIII of the SEBI Regulations
Allot/Allotment/Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares to be issued pursuant to this Issue
Allottees	QIBs to whom Equity Shares are issued and Allotted pursuant to this Issue

Term	Description
Application Form	The form (including any revisions thereof) pursuant to which QIB shall submit a Bid for the Equity Shares in this Issue
Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company for the last four Fiscal Years i.e. Fiscal Year 2016, Fiscal Year 2015, Fiscal Year 2014 and Fiscal Year 2013. Financials for Fiscal Year 2016 are subject to the approval by our shareholders.
Bid(s)	Indication of interest of a QIB, including all revisions and modifications thereto, as provided in the Application Form, to subscribe for the Equity Shares pursuant to this Issue
Bid/Issue Closing Date	June 20, 2016, which is the last date up to which the Application Forms shall be accepted by our Company (or the Global Coordinator and Book Running Lead Manager on behalf of our Company)
Bid/Issue Opening Date	June 15, 2016, which is the date on which our Company (or the Global Coordinator and Book Running Lead Manager on behalf of our Company) shall commence the acceptance of duly completed Application Forms for this Issue
Bid/Issue Period/Bidding Period	Period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revision thereof
Bidder	Any prospective investor, a QIB, who makes a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
CAN/Confirmation of Allocation Note	Note or advice or intimation sent only to successful Bidders confirming Allocation of Equity Shares to such successful Bidders after determination of the Issue Price and requesting payment for the entire applicable Issue Price for all Equity Shares Allocated to such successful Bidders.
Closing Date	The date on which Allotment of Equity Shares pursuant to this Issue shall be made, i.e. on or about June 24, 2016
Cut-off Price	The Issue Price of the Equity Shares to be issued pursuant to this Issue which shall be finalised by our Company in consultation with the Global Coordinator and Book Running Lead Manager
Designated Date	The date of credit of the Equity Shares to the successful Bidders demat account, as applicable to the respective successful Bidders
Escrow Account	The non-interest bearing, no-lien, current bank account entitled "DSML – Escrow A/C" with regard to any money received towards the subscription of the Equity Shares, opened with the Escrow Bank, subject to the terms of the Escrow Agreement
Escrow Agreement	Agreement dated June 17, 2016, entered into amongst our Company, the Escrow Bank and the Global Coordinator and Book Running Lead Manager for collection of the bid amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	HDFC Bank Limited
Floor Price	The floor price of ₹ 103.87 which has been calculated in accordance with Chapter VIII of the SEBI Regulations. In terms of the SEBI Regulations, the Issue Price cannot be lower than the Floor Price. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the SEBI Regulations
Global Coordinator and Book Running Lead Manager/ GCBRLM	Global Coordinator and Book Running Lead Manager to this Issue, namely, Religare Capital Markets Limited
Issue	The offer, issue and Allotment of 6,172,655 Equity Shares of face value of ₹ 10 each at a price of ₹ 98.68, including a premium of ₹ 88.68 per Equity Share aggregating ₹ 609.12 million, to the QIBs, pursuant to Chapter VIII of the SEBI Regulations and the provisions of the Companies Act, 2013
Issue Price	₹ 98.68 per Equity Share
Issue Size	The Issue of 6,172,655 Equity Shares aggregating up to ₹ 609.12 million
Lock-up Period	180 days from the date of Allotment of Equity Shares
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	A minimum of 10% of the Equity Shares proposed to be Allotted in this Issue, which is available for Allocation to Mutual Funds
Net Proceeds	The total proceeds of this Issue after deduction of Issue expenses including fees, commission and other expenses

Term	Description
Pay-in Date	The last date specified in the CAN sent to the succesful Bidders for payment of application monies by the successful Bidders
Placement Agreement	Agreement dated June 15, 2016 entered into amongst our Company and the Global Coordinator and Book Running Lead Manager
Placement Document	This placement document to be issued in accordance with the provisions of Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014
Preliminary Placement Document	The preliminary placement document dated June 15, 2016 issued by our Company in accordance with Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014
QIBs or Qualified Institutional Buyers	Qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI Regulations and not excluded pursuant to Regulation 86 of the SEBI Regulations
QIP	Qualified institutions placement to QIBs under Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014
Relevant Date	June 15, 2016 which is the date of the meeting of the Board, or any committee duly authorised by the Board, deciding to open this Issue
Uniform Listing Agreement	The uniform listing agreement as notified by the SEBI, on October 13, 2015. Our Company has entered into the uniform listing agreement for continuing the listing of its Equity Shares with the Stock Exchanges pursuant to requirements of Regulation 109 of the Listing Regulations.

Conventional and General Terms/ Abbreviations

Term/Abbreviation	Description
AGM	Annual General Meeting
AIF(s)	Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	BSE Limited
Category III FPI	An FPI registered as a category III foreign portfolio investor under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Civil Procedure Code	The Code of Civil Procedure, 1908, as amended
Companies Act	The Companies Act, 2013 or the Companies Act, 1956, as applicable
Companies Act, 1956	The Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder, to the extent in force pursuant to notification of the Notified Sections
Competition Act	The Competition Act, 2002, as amended
Delisting Regulations	Securities Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended
Depository	A body corporate registered under the SEBI (Depositories and Participant) Regulations, 1996
DIPP	The Indian Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP ID	Depository Participant’s Identity Number
DP/Depository Participant	A depository participant as defined under the Depositories Act, 1996, as amended
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Eligible FPIs	FPIs that are eligible to participate in the Issue and does not include Category III FPIs who are not eligible to participate in the Issue

Term/Abbreviation	Description
EGM	Extraordinary General Meeting
EPS	Earnings Per Share, i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares during that fiscal year
FCNR(B)	Foreign currency non-resident (bank)
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 together with rules and regulations thereunder
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FIIs	Foreign institutional investors and foreign portfolio investors as defined under the SEBI FPI Regulations other than category 3 foreign portfolio investors that are corporates or individuals.
Fiscal Year/Financial Year/Fiscal/FY	Period of 12 months ended 31 March of that particular year, unless otherwise stated
FIPB	Foreign Investment Promotion Board of the Ministry of Finance, Government of India
Form PAS-4	Form PAS-4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes person who has been registered under the SEBI FPI Regulations. Any foreign institutional investor who holds a valid certificate of registration is deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 or till it obtains a certificate of registration as an FPI, whichever is earlier
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
GAAP	Generally accepted accounting principles
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GIR Number	General Index Register Number
GoI/Government	Government of India, central or state, as applicable
GST	Goods and services tax; a proposed reform to Indian tax laws relating to indirect taxes on goods and services
HNIs	High net worth individuals
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
IND-AS	Indian accounting standards converged with IFRS, which has been notified by the MCA
India	The Republic of India
Indian GAAP	Generally Accepted Accounting Principles followed in India
ISO	International Standards Organisation
IT	Information Technology
IT Act	The Income Tax Act, 1961, as amended
Listing Regulations	The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
MAT	Minimum alternate tax
MCA	The Ministry of Corporate Affairs, Government of India
MoU	Memorandum of understanding
Mn/Million	Million
NEAT	National Exchange for Automated Trading
NEFT	National Electronic Fund Transfer
Notified Sections	Sections of the Companies Act, 2013 that have been notified by the Government of India
NRE	Non-Resident (external)
NRI	Non-Resident Indian

Term/Abbreviation	Description
NRO	Non-Resident Ordinary
NSDL	National Securities Depositary Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
Prudential Norms	Prudential norms on income recognition, asset classification and provisioning pertaining to advances issued by the RBI on July 1, 2015
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies, Uttar Pradesh at Kanpur
Indian Rupees/Rs./Rupees/INR/₹	The official currency of India
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, notified by the SEBI
SCRA	Securities Contracts (Regulation) Act 1956, as amended
SCRR	Securities Contracts (Regulation) Rules 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEC	United States Securities and Exchange Commission
SENSEX	Index of 30 stocks traded on BSE representing a sample of large and liquid listed companies
Stock Exchanges	BSE and NSE
STT	Securities Transaction Tax
Sugar Season / SS	The 12 month period ended September 30 of that particular year, unless otherwise stated
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended
U.S. $/U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S./United States	The United States of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VAT	Value added tax
VCF	A Venture Capital Fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 or the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as the case may be

Technical and Industry Terms

Term/Abbreviation	Full Form/Description
Asmoli Facility	Our manufacturing facility located in Asmoli, a village in the Sambhal district of Uttar Pradesh, India
Capex	Capital Expenditures
CCEA	Cabinet Committee of Economic Affairs
CENVAT	Central Value Added Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970, as amended

Term/Abbreviation	Full Form/Description
CPCB	Central Pollution Control Board
Cr.	Crore; a numerical unit equal million
CRISIL	CRISIL Limited
CRISIL Report	CRISIL Research, Sugar Report, March 2016
Dhampur Facility	Our manufacturing facility located in the Bijnor district of Uttar Pradesh, India
ESI Act	Employees' State Insurance Act
FRP	Fair and Remunerative Price
ISMA	Indian Sugar Mills Association
ISMA Handbook	Hand Book on Sugar Stastics (2014-2015) by Indian Sugar Mills Association
KL	Kiloleter
Lakh or Lac	A numerical unit; equal to 100 thousand
LPD	Litres per day
MW	Megawatts
Mansurpur Facility	Our manufacturing facility located in the Muzzafarnagar district of Uttar Pradesh, India
Meerganj Facility	Our manufacturing facility located in the Bareilly district of Uttar Pradesh, India
MoEF	Ministry of Environment and Forest
OMC	Oil Marketing Companies
PCB	Pollution Control Board
PPA	Power Purchase Agreement
Rajpura Faciltiy	Our manufacturing facility located in the Bheemnagar District of Uttar Pradesh
SAP	State Advised Price
SPCB	State Pollution Control Board
TCD	Tonnes of cane crushed per day
TPH	Tonnes per hour
U.P.	Uttar Pradesh
VCF	Venture Capital Funds
YoY	Year on Year

Not withstanding the foregoing, terms in "Financial Statements" and "Statement of Tax Benefits"on pages 185 and 155, respectively, of this Placement Document shall have the meanings ascribed to such terms in those respective sections.

DISCLOSURE REQUIREMENTS UNDER FORM PAS-4 PRESCRIBED UNDER THE COMPANIES ACT, 2013

The table below sets out the disclosure requirements as provided in PAS-4 and the relevant pages in this Placement Document where these disclosures, to the extent applicable, have been provided:

Sr. No.	Disclosure Requirements	Relevant page of this Placement Document
1.	**GENERAL INFORMATION**	
a.	Name, address, website and other contact details of the company indicating both registered office and corporate office.	Cover Page and 184
b.	Date of incorporation of the company.	Cover Page and 184
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any.	96
d.	Brief particulars of the management of the company.	117
e.	Names, addresses, DIN and occupations of the directors.	117
f.	Management's perception of risk factors.	35
g.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:	
(i)	Statutory dues;	Not Applicable
(ii)	Debentures and interest thereon;	Not Applicable
(iii)	Deposits and interest thereon; and	Not Applicable
(iv)	Loan from any bank or financial institution and interest thereon.	Not Applicable
h.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process.	184
2.	**PARTICULARS OF THE OFFER**	
a.	Date of passing of board resolution.	28
b.	Date of passing of resolution in the general meeting, authorising the offer of securities.	28
c.	Kinds of securities offered (i.e. whether share or debenture) and class of security.	Cover Page
d.	Price at which the security is being offered including the premium, if any, along with justification of the price.	28
e.	Name and address of the valuer who performed valuation of the security offered.	Not applicable
f.	Amount which the company intends to raise by way of securities.	28
g.	Terms of raising of securities:	
(i)	Duration, if applicable;	Not applicable
(ii)	Rate of dividend;	62
(iii)	Rate of interest;	Not applicable
(iv)	Mode of payment; and	Not applicable
(v)	Repayment.	Not applicable
h.	Proposed time schedule for which the offer letter is valid.	28
i.	Purposes and objects of the offer.	58
j.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects.	Not applicable
k.	Principle terms of assets charged as security, if applicable.	Not applicable
3.	**DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.**	
a.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	117
b.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.	176

Sr. No.	Disclosure Requirements	Relevant page of this Placement Document
c.	Remuneration of directors (during the current year and last three financial years).	117
d.	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.	117, 185
e.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.	64
f.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries.	176
g.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.	176
4.	**FINANCIAL POSITION OF THE COMPANY**	
a.	The capital structure of the company in the following manner in a tabular form:	
(i)(a)	The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	60
(b)	Size of the present offer; and	60
(c)	Paid up capital:	60
(A)	After the offer; and	60
(B)	After conversion of convertible instruments (if applicable);	Not applicable
(d)	Share premium account (before and after the offer).	60
(ii)	The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.	60
	Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case.	60
b.	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter.	185
c.	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid).	62
d.	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter.	31
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.	185
f.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	64
5.	**A DECLARATION BY THE DIRECTORS THAT**	
a.	The company has complied with the provisions of the Act and the rules made thereunder.	186
b.	The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed	

Sr. No.	Disclosure Requirements	Relevant page of this Placement Document
	by the Central Government.	
c.	The monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter.	

SUMMARY OF BUSINESS

Overview

We are an integrated Indian sugar manufacturing company with sugar, industrial alcohol manufacturing and power cogeneration facilities. We process sugarcane, the raw material used in the production of sugar. From the by-products, we produce industrial alcohol and other chemicals. Further, we also generate power at our sugar mills. We have a combined sugarcane crushing capacity of 45,500 TCD. During the Sugar Season ("**SS**") 2016, our manufacturing unit in Dhampur crushed 1.59 million tonnes of sugarcane, which was the highest sugarcane that was crushed by a single mill in the state of Uttar Pradesh during this period. In addition, two of our mills have distilleries which together have a combined capacity to produce 300,000 litres of industrial alcohol per day. We also have cogeneration and bio-gas facilities, which have an aggregate installed capacity of 209 MW. Of this installed capacity, around 125 MW of power is in excess of the amount generally required to operate our business. We sell this surplus power to the Uttar Pradesh state grid under long term power purchase agreements.

In Fiscal Years 2016 and 2015, we had total revenue of ₹ 22,577.1 million and ₹ 17,977.0 million, respectively, EBITDA of ₹ 2,356.90 million and ₹ 1,420 million, respectively. In Fiscal Year 2016, we had profits of ₹ 258.8 million and losses of ₹ 128.3 million in Fiscal Year 2015. In Fiscal Years 2016 and 2015, 58.7% and 65.6%, respectively, of our gross revenue from operations (including intersegment revenue) was attributable to our sugar segment; 13.4% and 13.2%, respectively, to our chemicals segment; and 15.5% and 15.4%, respectively, to our power segment.

We own and operate a total of five manufacturing facilities, all of which are located in the north Indian state of Uttar Pradesh. At these facilities, we operate our sugar mills and cogeneration plants. Additionally, we operate our distilleries at our Dhampur and Asmoli Facilities. We have, in the recent past, made capital investments in relation to innovative technological advancements that are aimed at increasing our productivity. Please see "--Our ability to innovate in each of the business segments in which we operate ensures optimum utilisation and maximum efficiency of our resources." and "—Research and Development" on pages 23 and 96, respectively, of this Placement Document. For instance, the spent wash fired boiler recently installed at our Dhampur Facility enables us to further sweat our assets, and as a result, increase our industrial alcohol production.

We have integrated our sugarcane processing operations with downstream industries across all of our manufacturing units. We use molasses to produce industrial alcohol (primarily ethanol) and bagasse (fibrous residue of crushed sugarcane) to produce power. We transport molasses from our Meerganj, Mansurpur and Rajpura Facilities to the nearby Dhampur and Asmoli Facilities, where our distilleries are located. Further, all of our manufacturing facilities are equipped with cogeneration plants from which we produce power for captive consumption and sale. This allows us to efficiently use molasses and bagasse, by-products of the sugar manufacturing process, to diversify our business.

Our business is primarily divided into three verticals, namely the sugar manufacturing segment (the "**Sugar Segment**"); the distillery segment for the manufacture of chemicals (the "**Chemicals Segment**"); and the renewable energy segment (the "**Power Segment**").

Sugar Segment

All of our cane crushing units are located in western or central Uttar Pradesh and generally draw their cane from within their reserved areas which may extend to a distance of around 30 kilometres of each such unit. Our Company sources its raw materials from around 190,000 farmers. The products manufactured by our Sugar Segment are (a) refined (or sulphurless) sugar; and (b) white (or sulphated) sugar. During the SS 2016 we produced 0.5 million tonnes of sugar across our mills. Refined sugar constituted approximately 41.5% of the total sugar produced by our Company in SS 2016. Our Sugar Segment enhanced its 'average sugar recovery' from 9.6% in SS 2015 to 10.7% in SS 2016. Total revenue from Sugar Segment (including excise duty) contributed to 58.7% and 65.6% of our total revenues (including excise duty) during Fiscal Year 2016 and Fiscal Year 2015, respectively. For further information please see "Managements' Discussion and Analysis and Results of Operations" on page 64 of the Placement Document.

Chemicals Segment

We have distilleries at two of our manufacturing facilities. Our first chemical unit was set up at our Dhampur manufacturing facility in the year 1991 to process molasses, produced as a by-product of our sugarcane processing operations, into alcohol and other industrial chemicals. Today, our distilleries use the molasses to manufacture ethanol, rectified spirit, extra neutral alcohol, ethyl acetate, organic manure and carbon dioxide. Recently, during the year 2014, our Company has strengthened the viability of its distillery business by foraying into the branded Indian Made Foreign

Liquor segment. Total revenue from Chemicals Segment (including excise duty) contributed to 13.4% and 13.2% of our total revenue (including excise duty) in Fiscal Year 2016 and Fiscal Year 2015, respectively. Our Company produced 71 million litres and 37.2 million litres of industrial alcohol in Fiscal Year 2016 and Fiscal Year 2015, respectively.

Power Segment

Our Company has recognised, that a power intensive business like sugar manufacturing, needs to maximise generation of power from downstream utilisation of its by-products. Our Company has installed 205 MW of cogeneration capacity at all five of our manufacturing facilities. Our Company's multi-fuel boilers ensure year-long power generation. Further, we have also installed a 4MW bio-gas (methane based) gen set at our Asmoli Facility. Total revenue from Power Segment (including excise duty) contributed to 15.5% and 15.4% of our total revenues (including excise duty) in Fiscal Year 2016 and Fiscal Year 2015, respectively.

Competitive Strengths

We are one of the leading sugar manufacturing companies in India

We are one of the largest sugar manufacturers in India, with a sugarcane crushing capacity of 45,500 TCD. We have an operating history of over eight decades. Our Dhampur Facility crushed the highest quantity sugarcane amongst all sugar mills in Uttar Pradesh during SS 2016, amounting to 1.59 million tonnes. Our size allows us to have better economies of scale. We believe that our strong operational base allows us to enter new segments, such as our foray into the chemicals business in the past, and enhance our product portfolio.

We have an integrated business model that enables us to balance the cyclical effects of the sugar business

To mitigate the effects of downward price cycles in the Indian sugar industry, we have adopted a business model that integrates the sugar manufacturing process with the production of a diverse array of products such as industrial chemicals and power. As a result, we are able to utilise the by-products of our existing sugar production processes to increasingly manufacture products that may be more profitable than sugar, such as industrial alcohol, and in particular, ethanol. In addition, we sell excess power that we generate from the bagasse produced by our sugar operations to the Uttar Pradesh state grid. During Fiscal Year 2016, while our Sugar Segment incurred EBIT losses amounting to ₹ 401.5 million, EBIT profits from our Chemical Segment and Power Segment amounting to ₹ 646.6 million and ₹ 1,887.7 million, respectively, resulting in our Company being profitable as a whole for the period.

Flexibility in our operations, empowers us to alter our product mix in response to the market.

Our integrated business model allows us to maintain flexibility in our operations and our product mix in response to changing market dynamics. For instance, our Dhampur, Asmoli and Rajpura Facilities utilise multi-fuel boilers which can support year-long power generation. These boilers can run on bagasse, coal, rice husk, other bio-fuels or a combination of any of the above. Accordingly, we have increased our power production, or altered the combination of raw materials used for power generation depending on the selling price of power and availability and prevailing prices of such raw materials, in the past. During Fiscal Year 2016 and 2015, we purchased an aggregate of 0.2 million tonnes of bagasse for our power generation.

Moreover, we have installed at our Dhampur Facility, instead of a single one, two multi-fuel boilers with an individual capacity of 170 TPH, each of which supports a turbine of 30 MW. This gives us flexibility of running only one boiler in accordance with our requirements.

Further, we have in the past increased the production of ethanol and other industrial alcohol from our distilleries, based on the prevailing prices and demand, which are regulated by the government. For instance, our Company is able to procure molasses from a number of sugar mills in the region who do not have attached distilleries. Such access to raw materials and sufficient capacity at our distilleries enable us to increase our industrial alcohol production, as required. An increase in Ethanol prices over the last three years has prompted us to steadily increase sales from our Chemicals Segment. Further, basis the demand for our industrial alcohol products, we can alter the product mix of our Chemicals Segment to capitalise on prevailing market trends. For instance, while our sale of rectified spirit decreased from 7.3 million litres in Fiscal Year 2015 to 0.3 million litres in Fiscal Year 2016, our sale of absolute alcohol increased significantly from 20.6 million litres in Fiscal Year 2015 to 64.7 million litres in Fiscal Year 2016.

Our ability to innovate in each of the business segments in which we operate ensures optimum utilisation and maximum efficiency of our resources.

Since inception, our Company has shown the ability to innovate in each of the segments in which we operate. This has enabled us to set industry benchmarks, integrate our businesses, and make optimum use and maximise the efficiency of our resources. For instance, we believe our Company was amongst the first sugar companies in India to install a sugar refinery; launch sulphur-less sugar; install multi-fuel high pressure boilers that are currently the industry norm; provide clean energy alternatives through cogeneration and ethanol; and establish a chemicals unit to process molasses into alcohol and other chemicals, amongst other things. Further, we believe that we were one of the first sugar companies in Uttar Pradesh to sell excess power generated by our cogeneration plants to the state grid.

We continue to innovate at present in order to increase our operational efficiency. In order to reduce the level of moisture in our bagasse used for power generation, our Company has in the recent past invested in bagasse driers. The dried bagasse enables us to generate more steam from the same amount of bagasse consumed. Further, each of the spent wash fired boilers/incinerators installed at our Dhampur Facility, and currently being installed at our Asmoli Facility, will enable us to operate up to a period of 330 days in a calendar year as compared to 270 days earlier, which in turn shall enable us to generate approximately 11.4 MW of additional power. This allows us to sweat our existing assets even during monsoons, resulting in an increase in our chemicals production capacities, amongst other things. Additionally, we are in the process of setting up bio-methane generators at our Dhampur Facility, which is expected to result in an increase of our power generating capacity by 4.5 MW.

We have strong relationships with sugarcane farmers

We generally endeavour to make timely payments to sugarcane farmers for sugarcane purchased. We have no sugarcane purchases from farmers in arrears as at the date of the Placement Document. As a result, we have built strong relationships and goodwill with farmers in our reserved areas. Despite the cyclical nature of the sugar industry, we have strong ties with around 190,000 sugarcane growers. We believe that these relationships are a competitive advantage as farmers have no obligation to grow sugarcane or sell their cane to us. They may from time to time switch to other crops that may be more profitable or sell their cane to other buyers. However, we believe that paying farmers on a timely basis provides an incentive for farmers to continue cultivating sugarcane and selling to us. We periodically run campaigns within our reserved areas to educate the farmers with modern agricultural techniques and methods to improve the quality and quantity of their crop.

Our cane development initiatives enable us to satisfy our growing cane appetite

In order to carry out cane development and cane procurement activities effectively and smoothly, we have a dedicated cane department to control and supervise cane development and procurement activities. We purchase sugarcane directly from the farmers without involvement of any intermediaries. Based on the age of the crop, variety and maturity, a harvesting program is chalked out for desired quantity and quality of cane to be procured on a day-to-day basis. The cane managers issue cutting orders / harvesting permits based on date-wise cum pre-harvesting maturity survey. We also coordinate and manage the harvesting and transportation of cane, which saves the farmers effort, time and money. Accordingly cane transporting vehicles along with harvesting groups are allotted for harvesting and transporting cane to the mill. This also enables us to obtain fresh and mature sugarcane, which increases the yield of sugar.

In addition, our cane development initiatives in our reserved areas include (a) providing farmers with agro-inputs and fertilizer subsidies to encourage sugarcane production; (b) educating the farmers and equipping them with modern agricultural techniques; and (c) providing subsidies to farmers for the acquisition of quality seeds. As a result of these cane development initiatives, our sugar recovery increased to 10.5% in Fiscal Year 2016, compared to 9.5% in Fiscal Year 2015 and 9.3% in Fiscal Year 2014.

Our operations are strategically located within the largest domestic market for sugar.

Our operations are located in India, one of the largest markets for sugar in the world in terms of consumer demand for sugar. In particular, all of our manufacturing facilities are located in the north Indian state of Uttar Pradesh, which was generally the second largest sugar producing state in India in SSs 2015, 2014 and 2013 (*Source: ISMA Handbook and CRISIL Report*). Given our location, we benefit from the following advantages. Firstly, our proximity to sugarcane is an important factor because expedient crushing of sugarcane within a very short time of harvest ensures a better recovery of sugar. Secondly, Uttar Pradesh is on the Gangetic River belt and the water table is higher than most other areas in India and is well irrigated. As a result, sugarcane growth is relatively less exposed to the vagaries of monsoons compared to other sugarcane producing states in the country. Thirdly, our northern-based location generally offers us better price realizations from sugar sales compared to southern-based mills because northern India has a higher population and higher demand for sugar.

We have a committed and experienced management team

Mr. Vijay Kumar Goel, the Chairman of our Board has around 56 years of experience in the sugar industry and is a reputed sugar technologist. He was also, formerly, the President of the Indian Sugar Mills Association. Mr. Ashok Kumar Goel, the Vice Chairman of our Board, has around 47 years of experience in the sugar industry; is the founder member of the Indian Agro Paper Mills Association; and is a former president of the Indian Sugar Mills Association and the UP Sugar Mills Association. Mr. Gautam Goel, son of Mr. Vijay Kumar Goel, and Mr. Gaurav Goel, son of Mr. Ashok Kumar Goel, are the present Managing Directors of our Company. For further information, please see "Board of Directors and Key Managerial Personnel", on page 117 of this Placement Document. Further, most of our senior management have been associated with our Company for over two decades. We have developed a strong relationship between the promoter directors and the senior managerial personnel of our Company. This is reflected in the way the management is planning our future growth and taking advantage of the improving dynamics of the sugar industry. Since inception our Company has gone about in a systematic manner to increase the manufacturing capacities to gain advantages of economies of scale.

Our Strategies

Our current capacity enables us to capitalise on future upward pricing trends.

Since 2004, we have expanded our sugarcane crushing capacity through a combination of greenfield mills, brownfield expansions and selective acquisitions. We believe our expanded crushing capacity has enabled us to become one of the largest sugar manufacturers in India with a sugarcane crushing capacity of 45,500 TCD. As a result of this expansion, we believe that we are currently in a position to sweat our existing assets in the following manner:

- As we improve the yield of sugarcane in our reserved area, we are in a position to produce higher volumes of sugar, without further capital expenditure, which puts us at an advantageous position to benefit from any upward demand and price trend in the Indian sugar cycle;

- During downward sugar cycles, when the price of sugar is low due to the excess supply of sugar, we are in a position to increase the output of our Chemicals Segment and Power Segment, by efficiently utilising the increased quantity of the by-products of sugarcane (available as a result of high sugar supply); and

- To take further advantage of such downward sugar cycles, we are able to procure molasses and bagasse from third parties to fully capitalise on the production capacity of our Chemicals Segment and Power Segment and take advantage of upward pricing trends in the products manufactured by these segments.

We have positioned our business to produce a high volume of industrial alcohol to meet the anticipated growth in India's Ethanol demand.

Over the last 12 years, we have expanded the capacity of our distilleries to process molasses, one of the by-products of our sugar manufacturing operations, and convert it into industrial alcohol, primarily ethanol. Ethanol is a cleaner fuel than gasoline. As a result of our expansion efforts, we believe that we will be one of the largest suppliers of ethanol to OMCs in Fiscal Year 2016. Our distilleries currently have the capacity to produce 300,000 litres of industrial alcohol per day. Industrial alcohol production offers better realisations than molasses at current pricing. Therefore, it is advantageous for us to convert the large quantity of molasses we generate into industrial alcohol and other chemicals, rather than sell it directly. The price for ethanol as fixed by the Indian government (Cabinet Committee of Economic Affairs) has grown in the recent past as a result of favourable government policy. This is also a significant departure from the earlier regime of unregulated pricing, which was subject to market forces. Furthermore, while India does not use ethanol on a large scale at present because ethanol blending programs are still in nascent stages, we believe that with our existing distilleries, we are ideally placed to cater to future programs to shift to a more environment friendly fuel regime in India. We believe that with an increase in demand for ethanol, we are in a position to increase production from our Chemicals Segment, by procuring molasses from third parties. Further, any increase in the demand for our industrial alcohol products, enables us to capitalise on prevailing market trends, as a result of the agility in our product mix. For instance, while our sale of rectified spirit decreased from 7.3 million litres in Fiscal Year 2015 to 0.3 million litres in Fiscal Year 2016, our sale of absolute alcohol increased significantly from 20.6 million litres in Fiscal Year 2015 to 64.7 million litres in Fiscal Year 2016.

We expect to innovate in diversifying our products and increasing the production of value-added products.

We are increasingly adding value to the by-products of our sugar manufacturing process to diversify our product line, realize higher revenue from our sugar processing operations and mitigate the effects of over reliance on sugar sales, particularly during downward price trends and seasonal variations in the Indian sugar industry. Our diversified product mix comprises refined sugar, power and a variety of industrial chemicals/ethanol.

We have increasingly been converting one of our by-products, molasses, into industrial alcohol, primarily ethanol. Ethanol is a cleaner fuel than gasoline, and is increasingly being blended with it as per government directions. Accordingly, we increased our industrial alcohol / ethanol capacity to 300,000 litres per day from 270,000 litres per day in Fiscal Year 2013. Today, we are well-positioned to take advantage of any increase in the demand for ethanol in the future. We have also recently undertaken certain technological enhancements such as the installation of effluent free spent wash incinerators that would enable us to produce ethanol for up to 330 days in a year. This would significantly add to our ethanol and chemicals manufacturing capacity for future years.

In addition, bagasse, another by-product of our sugar manufacturing process, is used by us as a fuel to generate power, which is used to generate the electric power required to run our operations. Currently, we generate more power than is required for our own sugar manufacturing process; and as a result, we sell the excess power generated from bagasse to the Uttar Pradesh state grid. However, our multi-fuelled boilers generating steam for cogeneration also run on coal and bio-fuels other than bagasse. Accordingly, if the sugar cycle results in a decrease in the production of bagasse or if it becomes more profitable to sell bagasse and use coal or other bio-fuels, we can supplement bagasse with coal or other bio-fuels for generating power. Further, our recent move of installing bio-methane generators is expected to augment our current power generation capacity by 4.5 MW from Fiscal Year 2017.

As a result of our diversified product mix, we are able to optimise the margins, from our manufacturing and power generation businesses, according to the prevailing demand and prices of our products and raw materials, at different points of the business cycle.

We intend to reduce our debt to equity ratio through prudent financial management.

The cyclical nature of the sugar industry and consequent operational losses from our Sugar Segment over the last several years has required us to increase our consolidated net debt to equity ratio, which is 4.1x (Net Debt /(Shareholders Fund-Preference Share-Revaluation Reserve) as of March 31, 2016. As a result, we are highly leveraged and intend to reduce this ratio through a combination of prudent management initiatives, including repayment of certain of our debts through the proceeds from this Issue and through internal accruals. In addition, we have no significant planned capital expenditures in Fiscal Years 2017 and 2018, other than as disclosed in this Placement Document. For further details, please see "—Capital Expenditure" on page 96 of this Placement Document.

Continue to educate farmers on ways to increase yield and build on our existing farmer relationships

To incentivise sugarcane planting and protect the sugarcane acreage in our reserve areas, we have in the past, and shall continue to, remunerate the farmers in a timely manner. Our Company is favourably located in the second largest sugar producing state of India, which enjoys a healthy sugarcane crushing season. However, our ability to procure sugarcane is restricted to the reserve areas in which we operate. As a result, we seek to make optimum utilisation of the sugarcane procured from the farmers within our reserved areas. To facilitate cane increase in yield, we seek to educate the farmers in our reserved area and equip them with modern agricultural techniques. This will enable us to increase the quantity of sugarcane that we are able to procure and amount of sugarcane juice that we are able to extract from such sugarcane without increasing the size of our reserved areas. In addition, we believe that our coordinated management of the harvesting and transportation of cane enables us to procure fresh and mature sugarcane in a timely manner, thereby increasing the yield. We also work with the farmers to improve soil quality and fertility.

SUMMARY OF THE ISSUE

The following is a general summary of this Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information appearing elsewhere in this Placement Document, including under "Risk Factors", "Use of Proceeds", "Placement and Lock Up", "Issue Procedure" and "Description of the Equity Shares" on pages 35,58,141,130 and 152, respectively, of this Placement Document.

Issuer	Dhampur Sugar Mills Limited
Issue Size	Up to 6,172,655 Equity Shares aggregating up to ₹ 609.12 million. A minimum of 10% of the Issue Size, or at least 617,265 Equity Shares, shall be available for Allocation to Mutual Funds only, and the balance 5,555,390 Equity Shares shall be available for Allocation to all QIBs, including Mutual Funds. In case of under-subscription or no subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allocated to other QIBs.
Issue Price	₹ 98.68 per Equity Share.
Date of Board Resolution	April 14, 2016.
Date of Shareholders' Resolution	May 23, 2016.
Floor Price	The floor price of ₹ 103.87 which has been calculated in accordance with Chapter VIII of the SEBI Regulations. In terms of the SEBI Regulations, the Issue Price cannot be lower than the Floor Price. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the SEBI Regulations.
Eligible Investors	QIBs as defined in regulation 2(1)(zd) of the SEBI Regulations other than foreign venture capital investors and international multilateral and bilateral development financial institutions and not excluded pursuant to Regulation 86(1)(b) of the SEBI Regulations who are outside of the United States acquiring Equity Shares in an offshore transaction in reliance on Regulation S. See "Issue Procedure – Qualified Institutional Buyers" on page 130 of this Placement Document.
Equity Shares issued and outstanding immediately prior to this Issue	60,214,935 Equity Shares.
Equity Shares issued and outstanding immediately after this Issue	66,387,590 Equity Shares.
Lock-up	The Promoters and the Promoter Group of DSML, jointly and severally, agrees that, without the prior written consent of the GCBRLM, he or it will not, and will not announce any intention to enter into any transaction whether any such transaction which is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, during the period commencing on the date hereof and ending 180 days after the date of Allotment of the Equity Shares pursuant to the QIP (the "**Lock-up Period**"), directly or indirectly, issue, offer, lend, sell, contract to sell, pledge, encumber, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale, lend or otherwise transfer or dispose of directly or indirectly, any Equity Shares, including but not limited to any options or warrants to purchase any Equity Shares, or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive, Equity Shares or enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or deposit any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or which carry the rights to subscribe for or purchase Equity Shares, in any depositary receipt facility or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity

	Shares in any depositary receipt facility. However, the foregoing restrictions shall not be applicable if any of the actions mentioned above are required to be undertaken pursuant to any employee stock option scheme or inter-se transfers between promoter group or any change in applicable law, or a direction of a court of law or the Reserve Bank of India post the date of execution of the Placement Agreement. In addition, each of the Promoters and Promoter Group of DSML, jointly and severally, agree that, without the prior written consent of the GCBRLM, he or it will not, during the Lock-up Period, make any demand for or exercise any right with respect to, the registration or sale or deposition of any Equity Shares or any other securities of our Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Equity Shares or any such substantially similar securities, whether now owned or hereinafter acquired. Our Company has undertaken that it will not for a period commencing the date hereof and ending 180 days from the date of Allotment, without the prior written consent of the GCBRLM, directly or indirectly: a. offer, sell, issue, contract to issue, sell, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing, or b. enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or c. deposit Equity Shares with any other depositary in connection with a depositary receipt facility, or d. publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above.
Transferability Restrictions	The Equity Shares to be issued pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. See "Transfer Restrictions" on page 148 of this Placement Document.
Use of Proceeds	The gross proceeds from this Issue will be approximately ₹ 609.12 million. The net proceeds from this Issue, after deducting fees, commissions and expenses of this Issue, will be approximately ₹ 590.93 million. See "Use of Proceeds" on page 58 of this Placement Document for information regarding the use of net proceeds from this Issue.
Risk Factors	See "Risk Factors" on page 35 of this Placement Document for a discussion of risks that prospective investors should consider before investing in the Equity Shares.
Pay-In Date	Last date specified in the CAN sent to the Bidders for payment of application money for Equity Shares being issued pursuant to the Issue.
Listing	Our Company has made applications to the BSE and NSE and has obtained in-principle approvals each dated June 15, 2016 in terms of Regulation 28(1) of the

	Listing Regulations, respectively for listing of the Equity Shares being issued pursuant to this Issue from each of such Stock Exchanges. Our Company will make applications to each of the Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after Allotment of the Equity Shares in the Issue.	
Closing	The Allotment of the Equity Shares, expected to be made on or about June 24, 2016.	
Ranking	The Equity Shares to be issued pursuant to this Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares of our Company, including rights in respect of dividends. The shareholders of our Company (who hold Equity Shares as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, the Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act. See "Dividend Policy" and "Description of the Equity Shares" on pages 62 and 152, respectively of this Placement Document.	
Security Codes for the Equity Shares	**ISIN**	INE041A01016
	ISIN (for 2,105 partly paid Equity Shares of our Company)	INE041A01022
	BSE Scrip Code	500119
	NSE Scrip Code	DHAMPURSUG

SUMMARY FINANCIAL INFORMATION

The following selected information is extracted from and should be read in conjunction with our Audited Consolidated Financial Statements prepared in accordance with Indian GAAP, each included elsewhere in this Placement Document. You should refer to "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on page 64 of this Placement Document for further discussion and analysis of the Audited Consolidated Financial Statements of our Company. The financial information included in this Placement Document does not reflect our result of operations, financial position and cash flows for the future and our past operating results are no guarantee of our future operating performance.

SUMMARY DATA OF CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016, MARCH 31, 2015, MARCH 31, 2014 and MARCH 31, 2013

(₹ in Millions)

Particulars		31.03.2016	31.03.2015	31.03.2014	31.03.2013
Equity and Liabilities					
Shareholders' funds					
Share capital		753.0	759.6	804.1	833.6
Reserves and surplus		6,353.9	3,465.1	3,608.7	4,037.0
Money received against Equity share warrants		0.0	12.4	24.8	0.0
Non-current liabilities					
Long-term borrowings		5,463.4	5,718.9	5,447.4	3,912.2
Deferred tax liabilities		0.0	0.0	0.0	55.9
Other long-term liabilities		9.9	34.9	51.5	54.4
Long-term provisions		208.2	206.5	199.5	180.3
Current liabilities					
Short-term borrowings		9,284.7	8,942.7	6,654.0	9,055.2
Trade payables		4,714.3	6,750.1	8,584.0	6,184.1
Other current liabilities		5,041.2	4,284.6	1,869.1	1,997.5
Short-term provisions		126.4	102.7	104.2	258.6
Total		**31,955.0**	**30,277.5**	**27,347.3**	**26,568.8**
Assets					
Non-current assets					
Fixed assets					
Tangible assets		14,957.1	12,539.3	10,860.2	10,730.1
Capital work-in-progress		281.7	177.4	2070.3	194.2
Non-current investments		8.0	7.8	19.7	7.8
Deferred tax Assets (Net)		352.1	451.0	0.0	0.0
Long-term loans and advances		199.3	127.7	135.9	249.5
Other non-current assets		1.9	2.1	2.3	2.5
Current assets					
Inventories		12,613.0	12,522.6	12,243.4	13,112.6
Trade receivables		2,512.2	2,229.6	1,192.6	1,440.6
Cash and cash equivalents		258.0	167.3	195.3	237.3
Short-term loans and advances		369.2	395.1	352.4	547.1
Other current assets		402.5	1657.6	275.2	47.1
Total		**31,955.0**	**30,277.5**	**27,347.3**	**26,568.8**

SUMMARY DATA OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED MARCH 31, 2016, MARCH 31, 2015, MARCH 31, 2014 and MARCH 31, 2013

(₹ in Millions)

Particulars		2015-16	2014-15	2013-14	2012-13
Income					
Revenue from operations		23,250.4	18,560.6	18,977.8	15,328.7
Less : Excise duty and other taxes		920.2	658.2	749.8	516.5
Other income		246.9	74.6	59.7	73.9
Total revenue		**22,577.1**	**17,977.0**	**18,287.7**	**14,886.1**
Expenses					
Cost of Raw materials consumed		15,158.2	12,740.6	13,437.0	15,177.9
Purchases of Stock-in-Trade		2,370.8	1,042.2	223.3	246.8
(Increase)/Decrease in inventories of finished goods, Work-in-progress and traded goods		(169.0)	199.3	696.3	(5217.6)
Employee benefits expense		843.8	761.9	733.4	711.0
Finance costs		1,586.5	1,496.6	1,422.1	1,126.7
Depreciation and amortization expense		551.4	552.3	758.8	781.9
Less : transferred from general reserve		0.0	0.0	0.0	(14.3)
Other expenses		2,023.7	1,725.7	1,856.2	1,681.2
Total Expenses		**22,365.4**	**18,518.6**	**19,127.1**	**14,493.6**
Profit before exceptional and extraordinary items and tax		**211.7**	**(541.6)**	**(839.4)**	**392.5**
Exceptional items		102.2	0.0	0.0	81.9
Transfer from General Reserves		0.0	0.0	0.0	(81.9)
Profit before extraordinary items and tax		**313.9**	**(541.6)**	**(839.4)**	**392.5**
Extraordinary items		0.0	0.0	0.0	0.0
Profit/(loss) before tax		**313.9**	**(541.6)**	**(839.4)**	**392.5**
<u>Tax expense:</u>					
Current tax/ Income tax adjustments		41.1	16.0	3.2	59.7
MAT credit entitlement		(41.1)	0.0	(3.2)	(59.5)
Deferred tax assets/(liability) (Net)		(55.1)	429.3	55.9	(165.2)
Profit/(loss)		**258.8**	**(128.3)**	**(783.5)**	**227.1**
Earning per equity share (nominal value of share ₹ 10/- each)					
Basic (₹ per share)		4.1	(2.5)	(14.0)	3.6
Diluted (₹ per share)		4.1	(2.5)	(13.3)	3.6

SUMMARY DATA OF CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH

31, 2016, MARCH 31, 2015, MARCH 31, 2014 and MARCH 31, 2013

(₹ in Millions)

	Particulars	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013
A.	**Cash flow from operating activities:**				
	Net Profit/(Loss) before tax and exceptional items	211.7	(541.6)	(839.4)	392.5
	Adjustment for:				
	Depreciation	551.4	552.3	758.8	767.6
	Profit/ Loss on sale of fixed assets (Net)	(12.6)	5.0	(14.3)	(8.1)
	Finance Cost	1,586.5	1,496.6	1,422.1	1,126.7
	Provision for impairment of investment reversed	(32.4)	0.0	0.0	0.0
	Interest and other investment income	(30.3)	(15.5)	(41.2)	(7.1)
	Molasses storage fund	1.6	1.0	1.3	1.9
	Provision for doubtful debts & balance written off/back	(23.7)	1.9	0.0	79.5
	Operating profit before working capital changes	-	-	-	-
	Adjustments for:				
	Trade and other receivables	1,055.8	(2,469.4)	254.1	727.0
	Inventories	(90.2)	(279.2)	869.4	(5,420.2)
	Trade and other payables	(1,536.3)	444.4	2,382.4	905.6
	Cash generated from operation	1,681.5	(804.5)	4,793.2	(1,434.6)
	Taxes refund/(paid)	0.6	(2.6)	(10.5)	(51.5)
	Net cash from operating activities (A)	**1,682.1**	**(807.1)**	**4,782.7**	**(1,486.1)**
B.	**Cash flow from investing activities :**				
	Purchases of fixed assets (Net)	(485.0)	(489.6)	(2,150.2)	(860.5)
	Loans (Net)	0.0	0.0	0.0	124.3
	Purchases/Sale of investments (Net)	35.4	12.2	(18.5)	(0.1)
	Interest and other investment income	32.5	15.5	41.8	10.4
	Net cash used in investing activities (B)	**(417.1)**	**(461.9)**	**(2,126.9)**	**(725.9)**
C.	**Cash flow from financing activities :**				
	Redemption of preference shares	(21.6)	(59.5)	(29.4)	(7.8)
	Money Received against share warrants/Equity Share Capital	37.1	37.1	24.8	0.0
	Proceeds from borrowings (Net)	471.1	2,733.4	(1,033.1)	3,450.2
	Change in deposit pledged against margin money/guarantee with bank	(3.2)	9.1	0.0	0.0
	Dividend including dividend distribution tax	0.0	(3.8)	(103.4)	(81.1)
	Finance Cost Paid	(1,657.4)	(1,470.1)	(1,568.4)	(1,156.0)
	Net cash used in financing activities (C)	**(1,174.0)**	**1,246.2**	**(2,709.5)**	**2,205.3**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**91.0**	**(22.8)**	**(53.7)**	**(6.7)**
	Opening Balance of Cash and Cash Equivalents*	94.0	117.3	171.0	132.1
	Opening Balance from Amalgamated Company	0.0	0.0	0.0	111.9
	Closing Balance of Cash and Cash Equivalents as per cash flow	185.0	94.5	117.3	237.3

* excluding cash and cash equivalents relating to a company cease to be subsidiary during the year

Reconciliation of Cash & Cash Equivalents :

Particulars	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014
Closing Balance of Cash & Cash Equivalents as per Cash Flow Statement	185.0	94.5	117.3
Add: Balance in Unpaid Dividend account	2.6	2.6	3.4
Add: Deposit pledged against margin money/guarantee	25.9	22.7	39.4
Add: Deposits earmarked for Fixed Deposit	36.6	0.0	0.0
Add: Deposit with original maturity more than 3 months but upto 12 months	0.0	35.7	35.2
Add: Deposits earmarked for Molasses Storage Fund	7.9	11.8	0.0
Closing Balance of Cash & Cash Equivalents	**258.0**	**167.3**	**195.3**

RISK FACTORS

This offering and an investment in Equity Shares involve a high degree of risk. You should carefully consider the risks described below as well other information in this Placement Document and the Placement Document expected to be prepared in connection with the Issue before making an investment decision. If any one or a combination of the risks described below actually occurs, our business, prospects, financial condition, results of operations and cash flows could be seriously affected, the trading price of our shares could decline and you may lose all or part of your investment. Unless specified in the risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below. We have described the risks and uncertainties that our management believes are material but the risks set out in this Placement Document may not be exhaustive or complete, and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material, as the case may be, in the future. This section should be read together with "Industry Overview", "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 86, 96 and 64 of this Placement Document, respectively, as well as the financial statements, including the notes thereto, and other financial information included elsewhere in this Placement Document. This Placement Document also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Placement Document. Additional risks not described below or not currently known to us or that we currently deem immaterial may also adversely affect the market price of our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and the risks involved.

Internal Risks and Risks Associated with our Business

Sugarcane is the principal raw material used for the production of sugar. Any fall in quality or quantity of available sugarcane may adversely affect our results of operations.

Our business depends on the availability of sugarcane and any shortage of sugarcane may adversely affect our financial condition and results of operations. For the year ended March 31, 2016 and March 31, 2015 sugarcane comprised of 90.5% and 91.2% of our raw materials costs, respectively. A variety of factors beyond our control may contribute to a shortage of sugarcane in any given harvest period. Some of the main factors that could contribute to a shortage of sugarcane are set forth below.

Farmers are not required to grow sugarcane and may cultivate other crops.

We do not own any land for the cultivation of sugarcane and we purchase all of our sugarcane directly from sugarcane growers' societies and around 190,000 independent farmers. Under Indian law, we are bound to purchase all sugarcane grown within our reserved area, irrespective of the prices of sugar and sugarcane. A reserved area will differ for each sugar mill but is subject to a minimum distance of 15 kilometers between any two sugar mills pursuant to Indian law. Please see "Supervision and Regulations" on page 108 of this Placement Document. However, the farmers within our reserved areas have no legal or contractual obligation to cultivate sugarcane and may instead grow other crops. Several factors may prompt farmers to grow crops other than sugarcane in our reserved area, including their ability to cultivate more profitable crops and concerns in relation to late payments from sugarcane companies to farmers in general. This is further elevated in cases where the payment cycles to farmers are disrupted due to low margins.

If more farmers within our reserved areas cultivate other crops, or otherwise limit their cultivation of sugarcane, we may have a shortage of raw material. Any reduction in the supply of sugarcane may adversely affect our financial condition and results of operations.

Sugarcane grown within our reserved areas may be sold to manufacturers of jaggery and khandsari instead of us.

Some of the total sugarcane grown in our reserved areas is diverted to manufacturers of sugarcane-based sweeteners known as jaggery and khandsari, which are forms of crude sugar. In- the off-season, we work with the farmers to determine the schedule for when they will clear their fields and supply us with sugarcane. However, if the farmers are able to realize a higher price or better payment terms for sales of their sugarcane to jaggery and khandsari manufacturers or want to harvest their crop earlier to realize sales of sugarcane sooner than we have scheduled and grow other crops during any part of the SS, the farmers may have an incentive to sell the sugarcane to parties other than us. Diversion of sugarcane within our reserved areas to the production of jaggery and khandsari reduces the sugarcane available to us and may adversely affect our financial condition and results of operations.

Adverse weather conditions, crop disease and certain sugarcane crop varieties grown by farmers may adversely affect sugarcane crop yields and sugar recovery rates for any given harvest.

Our sugar production depends on the volume and sucrose content of the sugarcane that is supplied to us. Crop yields and sucrose content depend primarily on the variety of sugarcane grown and is impacted by any crop disease and weather conditions such as rainfall and temperature, which vary. Adverse weather conditions have caused crop failures and reduced harvests and resulted in volatility in the sugar and industrial alcohol industries and consequently in our operating results. Flood, drought or frost can adversely affect the supply and pricing of the agricultural commodities that we sell and use in our business. For instance, in SS 2016, the yield of our sugarcane reduced due to low levels of rainfall in the state. There can be no assurance that future weather patterns, potential crop disease or the cultivation of certain sugarcane crop varieties will not reduce the amount of sugarcane or sugar that we can recover in any given harvest. Any reduction in the amount of sugar recovered could have a material adverse effect on our results of operations.

Our sugar recovery rates depend on how efficiently we process sugarcane delivered to us.

High sucrose levels in sugarcane results in better sugar recovery rates. Sucrose levels are the highest immediately after harvesting, and decrease with the passage of time. Specifically, a delay of more than 24 hours in crushing the sugarcane results in a reduction in the sucrose level of such sugarcane, decreasing our sugar recovery rate. Accordingly, our sugar recovery rates depend upon how efficiently we process the sugarcane delivered to us. Any delay in crushing the sugarcane delivered to us, or any adverse change in the expected volume or delivery schedule of sugarcane being delivered to us, results in reduction of sucrose content of the sugarcane supplied to us and as such, adversely affects our results of operations.

Our power generation business is substantially bagasse-based and our chemicals production business is substantially molasses-based, each of which is derived from sugarcane. Any constraint on the availability of sugarcane may adversely affect our power generation and chemicals business.

The by-products of sugar production are bagasse and molasses. Our power generation business is primarily bagasse based and our chemicals production business is primarily molasses based. Since our access to external supply of raw material is dependent on prevailing sugar cycles, any constraint in the availability of sugarcane may affect the production and availability of bagasse and molasses. This may affect the current or future business of our power generation plants and/or chemical production units / distilleries, and as such adversely affect our financial condition and results of operations.

There are outstanding litigation proceedings against our Company, Subsidiary, Promoters and Directors, an adverse outcome in which, could have a material adverse impact on our reputation, business, financial condition, results of operations and cash flows.

Our Company, Subsidiary, Promoter and Directors are involved in certain legal proceedings. A summary of all litigations and disputes against the Company, Subsidiary, Promoter and Directors involving potential financial implication on the net worth of the Company, is in the following tables:

Litigation against our Company

(*₹ in million*)

Nature of Litigation	**Number of Outstanding Litigation**	**Amount Involved**
Civil Proceedings	64	33.2
Criminal Proceedings	18	N.A.
Tax Proceedings	63	2,276.1
Arbitration Proceedings	1	53.3
Total	**146**	**2,362.7**

Litigation by our Company

(*₹ in million*)

Nature of Litigation	**Number of Outstanding Litigation**	**Amount Involved**
Civil Proceedings	62	96.8
Criminal Proceedings	14	0.4
Tax Proceedings	109	583.5
Arbitration Proceedings	6	20.7
Total	**191**	**701.4**

Litigation against our Subsidiary

(*₹ in million*)

Nature of Litigation	Number of Outstanding Litigation	Amount Involved
Civil Proceedings	N.A.	N.A.
Criminal Proceedings	N.A.	N.A.
Tax Proceedings	N.A.	N.A.
Arbitration Proceedings	N.A.	N.A.
Total	**N.A.**	**N.A.**

Litigation by our Subsidiary

(*₹ in million*)

Nature of Litigation	Number of Outstanding Litigation	Amount Involved
Civil Proceedings	N.A.	N.A.
Criminal Proceedings	N.A.	N.A.
Tax Proceedings	N.A.	N.A.
Arbitration Proceedings	N.A.	N.A.
Total	**N.A.**	**N.A.**

Litigation against our Promoters

(*₹ in million*)

Nature of Litigation	Number of Outstanding Litigation	Amount Involved
Civil Proceedings	N.A.	N.A.
Criminal Proceedings	3	N.A.
Tax Proceedings	N.A.	N.A.
Arbitration Proceedings	N.A.	N.A.
Total	**3**	**N.A.**

Litigation by our Promoters

(*₹ in million*)

Nature of Litigation	Number of Outstanding Litigation	Amount Involved
Civil Proceedings	N.A.	N.A.
Criminal Proceedings	1	N.A.
Tax Proceedings	N.A.	N.A.
Arbitration Proceedings	N.A.	N.A.
Total	**1**	**N.A.**

Litigation against our Directors

(*₹ in million*)

Nature of Litigation	Number of Outstanding Litigation	Amount Involved
Civil Proceedings	3	N.A.
Criminal Proceedings	1	N.A.
Tax Proceedings	N.A.	N.A.
Arbitration Proceedings	N.A.	N.A.
Total	**4**	**N.A.**

Litigation by our Directors

(*₹ in million*)

Nature of Litigation	Number of Outstanding Litigation	Amount Involved
Civil Proceedings	N.A.	N.A.
Criminal Proceedings	N.A.	N.A.
Tax Proceedings	N.A.	N.A.
Arbitration Proceedings	N.A.	N.A.
Total	**N.A.**	**N.A.**

Please see "Legal Proceedings" on page 176 of this Placement Document for further details of the aforementioned legal proceedings.

These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally from us and other parties. Such proceedings could divert management time and attention, and consume financial resources in their defence or prosecution. Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and liabilities. An adverse outcome in any such proceedings may affect our business, results of operations and financial condition.

Inability to set/control the cost of sugarcane or the selling price of sugar

Our profitability depends significantly on the cost of our primary raw material, sugarcane, and the selling price of sugar. We are neither able to set the cost of sugarcane nor the selling price for our sugar. Some of the main reasons that contribute to fluctuations in the margin between our raw material cost and the selling price of our sugar are set forth below.

The price we pay for sugarcane is determined by the government of the state of Uttar Pradesh where our mills are located and we may be adversely affected by rising sugarcane prices, particularly in the event of a decrease in the price of sugar.

We purchase all of the sugarcane that we use in our production of sugar directly from the independent sugarcane growers and sugarcane growers' societies located in our reserved areas. The state government of Uttar Pradesh, where all our mills are located, annually declares the sugarcane procurement price which is known as the State Advised Price ("**SAP**"). The SAP is a minimum price we must pay to sugarcane growers for sugarcane. The determination of the SAP is not related to the prevailing market price of sugar and is only loosely related to the quality of sugarcane. For example, political motives may result in the declaration of higher SAPs. Rising SAPs, particularly if sugar prices remain stable or decrease during the same period, may adversely affect our results of operations and financial condition.

We operate in the sugar industry where the market price for our products is cyclical, while the price at which we procure our raw materials is regulated. These pricing conditions cause our margins to fluctuate and may affect our financial condition, cash flows and results of operation.

The sugar industry has historically been cyclical and sensitive to changes in supply and demand. The market in India has experienced periods of limited supply, causing sugar prices and industry profit margins to increase, followed by periods of excess production that result in oversupply, causing declines in sugar prices and industry profit margins. For additional details, please see "Industry" on page 86 of this Placement Document. Fluctuations in demand and supply and as a result, the price of our products, occur for various reasons, including:

- changes in the availability and price of our primary raw material, sugarcane;
- variances in the production capacities of our competitors; and
- the availability of substitutes for the sugar products that we produce.

Further, we operate in a seasonal industry in which the crushing season for sugarcane, typically lasts for around six months in a year. This requires us to generate large amounts of working capital during such crushing seasons in order to procure our raw material. Accordingly, the cyclical nature of the sugar industry may cause our margins to fluctuate and adversely affect our cash flows, hampering our ability to finance our working capital requirements in a timely manner or at all.

Sugar production in India is currently at low levels as compared to the consumer demand which continues to rise because of population growth, rising income levels, and a shift away from traditional sweeteners such as gur and khandsari to sugar. Stronger demand may result in higher prices for sugar. Profitable sugar manufacturers may make prompt payments to farmers who may in turn switch to cultivating sugarcane rather than other crops which have become relatively less profitable. An increase in sugarcane cultivation may lead to an increase in sugar production and a subsequent reduction in sugar prices, which may materially and adversely affect our results of operation and our financial condition.

The prices we are able to obtain for the sugar that we produce depend largely on prevailing market prices. These market conditions, both domestically and internationally, are beyond our control.

The wholesale price of sugar has a significant impact on our profits. Like other agricultural commodities, sugar is subject to price fluctuations resulting from weather, natural disasters, domestic and foreign trade policies, shifts in supply and demand and other factors beyond our control. In addition, a material amount of total worldwide sugar production is traded on commodity exchanges and is thus subject to speculation, which could affect the price of sugar worldwide. Any prolonged decrease in sugar prices could have a material adverse effect on us and our results of operations.

In addition to being regulated, bio-fuel prices are subject to market forces.

The prices we receive for our bio-fuel are subject to market forces which are beyond our control. In particular, our revenues and profits are likely to be significantly affected by movements in the global crude oil price, as this is expected to affect the prices we can achieve for bio-fuel sales. If the market prices for bio-fuel fall to uneconomical levels, our financial performance will be materially adversely affected.

Based on actual demand and experience to date, we believe there is market capacity to sell all our planned production of bio-fuel. However, if we fail to secure contracts for the uncontracted balance of our forecast production or we do not satisfy conditions in our off take agreements, this may adversely affect our financial condition and performance.

If we are, for whatever reason, unable to enter into agreements for the sale of a substantial proportion of the biofuel that we intend to produce or have to source alternative arrangements for the sale of our bio-fuel, this will adversely impact our financial condition and results of operation. No assurances can be given that such agreements or alternative arrangements will be entered into on favourable terms or at all.

As bagasse and other bio-mass based fuels are the basic raw materials for our power generation business and molasses is the basic raw material for our chemicals/ethanol production business, an increase in the price of these raw materials may have an adverse impact on our business and results of operations.

Bagasse and other bio-mass based products, such as rice husk, cane trash, mustard stalk / husk woodchips are raw materials for our power generation business. These raw materials are also used in other industries, such as paper and paper board. The availability of bagasse and other bio-mass based raw materials for power generation is subject to changes in consumption patterns and other market forces affecting those other industries. The availability of molasses for our chemical/ethanol production is subject to changes in sugarcane production and other forces. For further information please see "—Our power generation business is substantially bagasse-based and our chemicals production business is substantially molasses-based, each of which is derived from sugarcane. Any constraint on the availability of sugarcane may adversely affect our power generation and chemicals business." on page 35 of this Placement Document. Additionally, other industries may offer higher prices for these raw materials which may divert the supply of externally sourced raw material, which may in turn adversely affect the availability or pricing of these raw materials and could adversely affect our business, and as such our financial condition and results of operations.

We have expanded our industrial alcohol business and broadened our product base to include power, bio-compost, liquid biofertilizers and liquor. Our expansion and diversification exposes us to a number of risks, some of which are set forth below.

We may not be able to successfully manage our growth and diversification.

The implementation of our growth strategy from 2010 to 2016 involved substantial investments into the expansion of the capacities of our existing sugar mills and industrial alcohol distilleries at our Dhampur and Asmoli Facilities, as well as the integration of a sugar mill, located at Meerganj, and power co-generation facilities located at all our facilities, and facilities for the manufacture of bio-compost at our Dhampur and Asmoli Facilities and liquid biofertilizer at our Rajpura Facility. Our success in managing our growth and diversification and maximizing the return from our recent investments will depend on, among other factors, our ability to successfully manage our financing obligations in relation to these investments, control costs and maintain sufficient operational and financial controls. Furthermore, the expansion and diversification of our business requires significant management attention that would otherwise be available for our core sugar business. Any failure by us to adequately manage our expansion, exercise controls over our different businesses or allocate our managerial resources could have a material adverse effect on our overall business, financial condition and results of operations.

We may not be able to successfully integrate our Meerganj Facility, which we acquired in the year 2013, and expanded operations into our existing business.

Integration of the new unit at Meerganj and expanded operations may require considerable management and financial resources. There may be unforeseen operating difficulties and expenditure. They may also require significant management attention that would otherwise be available for on-going development of our existing business. Our inability to manage and finance such undertakings, while managing our existing operations, may have a material adverse impact on our overall operations and its financial condition. Any failure to integrate the new facilities and expanded operations into our existing business or any failure to manage these successfully could materially and adversely affect our financial performance.

We have significantly expanded our sales of industrial alcohol to third parties by increasing the capacities of our existing distilleries and establishing new distilleries. This expansion exposes us to certain material risks, some of which are distinct from those relating to our sugar mill operations.

We produce industrial alcohol at the distilleries located at two of our sugar mills. Our industrial alcohol production is dependent on molasses as the principal raw material. The availability of molasses is dependent on the amount of sugarcane that we crush each year. Any constraint in the availability of sugarcane or a decrease in the amount of sugarcane that we crush will result in lower quantities of molasses, which would have an adverse effect on our industrial alcohol production and operations. Furthermore, operating distilleries involves many significant hazards that could result in fires, explosions, spills, discharge, leaks, release of hazardous materials, and other unexpected or dangerous conditions, accidents and environmental risks.

Delays in offtake by OMCs are likely to result in additional carrying costs

Although, we have currently entered into arrangements with OMCs that are valid till November 2016, for 95.5 million litres of ethanol. Any delays in offtake by OMCs can have an adverse effect on our overall business, financial condition and results of operations.

Our inability to supply ethanol to OMCs will lead to defaults under our existing contracts

Failure to maintain the commitments, specifically with regard to the quantity of ethanol to be supplied to OMCs as per our arrangements with OMCs under supply agreements shall result in significant penalties being levied on us under such agreements. Further, our inability to fulfil our contractual obligations may restrict our ability to procure such contracts with OMCs in the future. Accordingly, any adverse effect on our ethanol operation, which results in a default under such contracts, may affect our financial condition, cash flows and results of operations.

We sell surplus power through our co-generation facilities, which exposes us to certain material risks, some of which are distinct from those relating to our sugar mill operations.

We operate the power generation facilities that run our existing sugar mills and we have been selling surplus power from our co-generation facilities since 2007. However, we may relatively lack experience with respect to our power business which could have a material adverse effect on the financial performance of our co-generation facilities. In addition, our co-generation process is based on bagasse as fuel. The quantity of bagasse available to us is dependent on the amount of sugarcane that is crushed each year, as well as our ability to procure bagasse from external sources. Any constraint in the availability of sugarcane, or our ability to procure bagasse from external sources will result in lower quantities of bagasse available for power generation, which could have an adverse effect on our co-generation operations. Further, the generation of electricity involves many significant hazards that could result in fires, explosions, spills, discharge, leaks, release of hazardous materials, and other unexpected or dangerous conditions, accidents and environmental risks. Co-generation facilities are also subject to mechanical failure and equipment shutdown. Any significant decrease in the amount of sugarcane that we crush, any restriction on our ability to procure bagasse externally or the occurrence of any major hazards or accidents mentioned above may adversely affect our income from the business.

Additionally, we sell all of the excess power generated by us to the Uttar Pradesh state grid, for which we enter into power purchase agreements. The price of the power is regulated by the state government and a decrease in the regulatory price will lead to a loss of revenue and may affect our financial condition and results of operation.

We are subject to significant regulatory risks.

We are subject to environmental regulations and may be exposed to liability as a result of our handling of hazardous materials and potential costs for environmental compliance.

We are subject to Indian laws and regulations concerning the discharge of effluent water and solid particulate matter during our manufacturing processes. We are required to obtain certain clearances and authorizations from government authorities for the collection, treatment, storage and disposal of hazardous waste. For details of applicable regulations, please see "Supervision and Regulations" on page 108 of this Placement Document. The Government may take steps towards the adoption of more stringent environmental regulations and we cannot assure you that we will be at all times in full compliance with these regulatory requirements. These regulations can often require us to purchase and install expensive pollution control equipment or make operational changes to limit any adverse impact or potential adverse impact on the environment and any violation of these regulations may result in substantial fines, criminal sanctions, revocations of operating permits and/or shutdown of our facilities. Due to the possibility of unanticipated regulatory or other developments, the amount and timing of future environmental expenditures may vary substantially from those currently anticipated. If there is any unanticipated change in the environmental regulations, we may need to incur substantial capital expenditures to comply with such new regulations. We cannot assure you that our costs of complying with current and future environmental laws and our liabilities arising from the release of hazardous substances will not adversely affect our business, results of operations or financial condition.

We operate in a highly regulated environment and central and state government policies and regulations affecting the agricultural sector and related industries could adversely affect our operations and our profitability.

Several aspects of our operations, including the sourcing and pricing of raw material and the sale of our products are regulated by the central and state governments. Agricultural production and trade flows are significantly affected by government policies and regulations. Government policies affecting the agricultural industry, such as environmental regulations, taxes, tariffs, duties, subsidies and import and export restrictions on agricultural commodities and commodity products, can influence industry profitability, the planting of certain crops as opposed to other crops, the location and size of crop production, whether unprocessed or processed commodity products are traded, and the volume and types of imports and exports. Further, the price at which we procure sugar is set by the Uttar Pradesh government under the SAP mechanism. Future government policies in India and elsewhere may adversely affect the supply and demand for and prices of our products and raw materials, and restrict our ability to do business in our existing and target markets and could adversely affect our results of operations. For details of central government policies applicable to us, please see "Supervision and Regulations" on page 108 of this Placement Document.

Our ethanol business is highly dependent on Government policy.

Ethanol demand and price largely depend on Government policy towards cleaner fuels. The Government has targeted that Indian oil companies in 21 states and certain union territories blend up to 10% ethanol in gasoline. However, the ethanol blending limit is currently set at 5% by the Government of India (Cabinet Committee of Economic Affairs), and even that has not been achieved in the past. Further, Government policy may change. If Government regulations mandate oil companies to blend less ethanol in gasoline, the demand for ethanol may decrease which may adversely affect our ethanol operations and may have an adverse impact on our results of operations and our profitability.

If we are not able to obtain, renew or maintain the permits and approvals required to operate our businesses, this may have a material adverse effect on our businesses.

The success of our strategy to grow and optimise its existing operations in the various sectors in which we operate is contingent upon, among other factors, receipt of all required licences, permits and authorisations, including environmental permits and health and safety permits. In the future, we may be required to renew such permits and approvals or to obtain new permits and approvals.

Public interest litigation has been filed before Allahabad High Court, Lucknow Bench seeking issuance of directions to the State Excise Authorities in relation to ban on preparation, storage, manufacture and supply of ethanol by the distilleries not complying with the Petroleum Act, 1934 and Petroleum Rules, 2002 and withdrawal of licence of such non- complying distilleries. Our Company has ethanol manufacturing facilities located at Dhampur and Asmoli Facilities. If, such directions are issued to the State Excise Authorities by the Allahabad High Court, we may be required to comply with the provisions of the Petroleum Act, 1934 and Petroleum Rules, 2002 and obtain applicable licenses in relation to manufacturing of ethanol.

Further, an application has also been filed before National Green Tribunal by Social Action for Forest and Environment, non-governmental organisation seeking directions for closure of all ethanol producing distilleries in all the states not complying with Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 ("**Chemical Rules**").

Our Company has taken steps to ensure compliance with the Petroleum Act, 1934 and Petroleum Rules, 2002 and Chemical Rules and has also obtained in -principal approval(s) from Petroleum and Explosives Safety Organisation on May 11, 2016.

There can be no assurance that the relevant authorities will issue any such permits or approvals in the timeframe anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits and approvals and intellectual property and technology licences may interrupt our operations and may have a material adverse effect on our results of operations, financial condition and prospects.

We have outstanding claims due from the Central Government based on certain policy incentives from which we expected to benefit and which remain outstanding; if we are not able to benefit from such incentives, our expected financial condition and results of operations could be adversely affected.

The Central Government, with a view to promote growth of the sugar industry, announced Minimum Indicative Export Quotas, which was based on providing certain fiscal incentives to sugar manufacturing units in India. The policy was effective for SS 2016 and was withdrawn on May 19, 2016 with immediate effect. While we have already traded our sugar export quota under the scheme for a loss, there can be no assurance that the fiscal incentives under the scheme shall be provided to us in a timely manner or at all.

We have not paid dividend to our equity shareholders during the financial years ended March 31, 2014, March 31, 2015 and March 31, 2016. Our ability to pay dividends in the future will be affected by our future earnings, financial condition or cash flows.

Our ability to pay dividends in future will depend on the earnings, financial condition and capital requirements of our Company and that of our Subsidiary and other consolidated entities, and the dividends they distribute to us. Our business is capital intensive as we are required to innovate from time to increase margins, which may result in additional capital expenditure. Further, we may not be able to distribute dividends in certain circumstances such as default in payment of interest and/or principal, amongst others, based on certain of our high cost financing arrangements. We may be unable to pay dividends in the near or medium-term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our projects, financial condition and results of operations.

We have incurred losses in the past, and in particular for the financial years ended March 31, 2015 and March 31, 2014, and may incur losses in the future.

We have incurred losses in the past. During Fiscal Year 2015 and 2014, we incurred losses of ₹ 128.3 and ₹ 783.5 million, respectively. In particular, our Sugar Segment, which is the primary manufacturing business of our Company, has incurred significant losses in the past and there is no assurance that it will not incur similar losses in the future. In the event of such loss in the future, our results of operations and financial conditions will be materially and adversely affected.

We face significant competition in our business from Indian sugar manufacturers, which may adversely affect our profitability.

The sugar industry is highly competitive. Domestically, we compete with numerous small to medium size producers. Despite increased consolidation, the Indian sugar industry remains highly fragmented. Our major competitors in India are sugar mills based in the north Indian state of Uttar Pradesh and nearby states. Further, we also face competition from the sugar mills based in the Indian state of Maharashtra. Further, excess sugar stocks may be dumped by competitors from other states into the northern India region markets, leading to excess supply and price drop.

We are substantially dependent on our revenue from sugar.

We are substantially dependent on our revenues from sale of sugar and any decline in our revenues from sugar will adversely impact our profit margins. For example, our revenue from operations (including excise duty) from our Sugar Segment during Fiscal Year 2016 and 2015 amounted to ₹ 18,146.5 million and ₹ 16,247.9 million respectively. Although our strategy is to actively grow our other lines of business, our sugar business will continue to constitute a significant portion of our revenues. Any decline in our sugar revenues will adversely affect the results of our operations.

We are dependent on a single customer group, the Uttar Pradesh State grid, to whom we sell all of the surplus power we produce.

We have entered into power purchase agreements ("PPAs") with the Uttar Pradesh State grid through its distribution companies in relation to the excess power produced by some of our co-generation plants. The Uttar Pradesh State grid is in effect the sole customer for the majority of our excess power, and there can be no assurance that the Uttar Pradesh State grid will be able to continue meeting its payment obligations under the PPAs in the future. If the Uttar Pradesh State grid fails to pay or experiences any difficulty paying us for the power we supply, we will not have any customers for a significant portion of our excess power, which could have an adverse effect on our financial condition and results of operations. In addition, the power rates payable to us set out in the PPAs are intended to cover our production cost incurred in the generation of electricity; however, the power rates in our PPAs do not take into account certain production costs we may incur or certain increases in our manufacturing expenses. If we incur any significant increase in production costs or manufacturing expenses, and there is no corresponding adjustment in the power rates payable to us under the PPAs, we will achieve a lower rate of return under the PPAs and, our profits may be adversely affected. Further, the terms of the PPAs entered into by us, permit the Uttar Pradesh state government to unilaterally terminate such PPAs, which would have an adverse effect on our financial condition and results of operation.

We depend on the services of our senior management and other key personnel, and if we are unable to retain our senior personnel or recruit suitable replacements, this could have a negative impact on our business, financial

condition and results of operations.

We are currently managed by a relatively small number of senior management and key personnel, many of whom have many years of experience with us and in the sugar industry and who would be difficult to replace. Our senior managers have extensive knowledge of our business, industry and operations. Any loss or interruption of the services of our senior management or other key personnel, or our inability to recruit sufficient qualified personnel, could adversely affect our business, financial condition and results of operations. In addition, certain aspects of our production processes depend upon highly skilled employees. We devote considerable resources to recruiting and training such individuals and encouraging such individuals to remain employed by us. While we believe that we have been successful in securing the loyalty of our key employees, it is possible that in the future we may experience personnel changes and may have difficulty in retaining sufficient numbers of skilled employees. For details of the key managerial personnel, please see "Board of Directors and Key Managerial Personnel" on page 117 of this Placement Document.

Our results of operations could be adversely affected by a disruption of operations at our manufacturing facilities.

We own and operate five sugar production facilities at the following locations: Dhampur, Asmoli, Mansurpur, Rajpura and Meerganj. All of these facilities are subject to operational risks, including:

- equipment failure;
- failure to comply with applicable regulations and standards;
- obtaining and maintaining necessary licenses;
- raw material and/or energy supply disruptions;
- labour force shortages or work stoppages; and
- natural disasters.

Our Dhampur Facility is located in the Bijnor district of Uttar Pradesh which is an area that is prone to flooding, the most recent floods having occurred in 2014. For further information please see "—Some of our corporate records, including but not limited to allotments of our equity shares in the past, are not traceable" on page 35 of this Placement Document. Further, our Mansurpur Facility is located in the district of Muzzafarnagar, which has witnessed heavy rioting in the past.

While our facilities are insured against standard risks such as fire, there can be no assurance that the proceeds available from our insurance policies would be sufficient to protect us from possible loss or damage. In addition, we do not currently have business interruption insurance. As a result, a significant disruption in operations at any of these production facilities resulting from the events above or other events may adversely affect our business, financial condition and results of operations.

If we fail to comply with environmental, employee-related or health and safety laws and regulations or any other local laws or regulations in the countries in which we operate, this may adversely affect our business and results of operations.

As a manufacturing company, we are required to comply with various laws and regulations relating to the environment. Although we believe that we comply in all material respects with all applicable statutes and with the regulations thereunder, we may incur substantial costs to comply with requirements of environmental laws and regulations in the future.

Our sugar manufacturing, power generation and Ethanol projects are subject to, amongst other laws, environmental laws and regulations promulgated by the Ministry of Environment of the Government of India and State Pollution Control Boards. These include laws and regulations that limit the discharge of pollutants into the air and water and establish standards for the treatment, storage and disposal of hazardous waste materials.

Environmental laws and regulations in India are not as extensive as they are in other countries, such as the United States. They have, however, been increasingly stringent and it is possible that they will become significantly more stringent in the future. If any of our facilities are shut down, we will continue to incur costs in complying with regulations, appealing any decision to stop construction and paying labour and other costs which continue even if production has ceased. As a result, our overall operating expenses may increase, adversely affecting our business and results of operations.

We are also subject to health and safety laws and regulations as well as laws and regulations governing our relationship with our employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring and terminating employees, contract labour and work permits.

Changes in laws or regulations in the countries in which we operate may result in our incurring significant costs in order to maintain compliance with such laws and regulations.

Our crushing operations are subject to availability of water

We operate five manufacturing facilities across four districts in Uttar Pradesh. Our crushing operations at each of these sugar mills are subject to the availability of ample amounts of water in the respective regions. For instance, low rainfall and droughts in the state of Maharashtra has resulted in the state government of Maharashtra requiring sugar mills in the state to curtail their operations. Non-availability of water at any of our units would result in us not being able to carry out our crushing operations efficiently or at all and accordingly, adversely affect our revenues, financial condition and results of operation.

We are highly dependent on our cane development initiative to increase our raw material

Under Indian law, we are required to purchase all of our raw material (sugarcane) from within our reserved area. The restriction on our ability to procure sugarcane from beyond our reserved area means that the only way for us to increase the volume of raw material procured by us, is to improve the yield of the sugarcane grown within our reserved areas. As a result we focus on developing the quality of the sugarcane, to ensure better recovery rates; and the quantity of sugarcane, to increase the volume of raw material accessible to us. Our inability to effectively manage our cane development initiative and improve the yield of the sugarcane in our reserved areas will affect the volume of raw material that we procure, our revenues, financial condition and results of operation.

Our indebtedness, including various conditions and restrictions imposed on us by our financing agreements, could adversely affect our ability to react to changes in our business, and we may be limited in our ability to use debt to fund future capital needs.

As of March 31, 2016, our consolidated debt amounted to ₹ 16,565.1 million. Our substantial indebtedness could:

- require us to dedicate a substantial portion of our cash flow from operations to payments in respect of our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate expenditures;

- increase our vulnerability to adverse general economic or industry conditions;

- limit our flexibility in planning for, or reacting to, competition and/or changes in our business or our industry;

- limit our ability to borrow additional funds;

- restrict us from making strategic acquisitions, introducing new products or services or exploiting business opportunities; and

- place us at a competitive disadvantage relative to competitors that have less debt or greater financial resources.

We cannot guarantee that we will be able to generate enough cash flow from operations or that we will be able to obtain enough capital to service our debt or fund our planned capital expenditures. In addition, we may need to refinance some or all of our indebtedness on or before maturity. We cannot guarantee that we will be able to refinance our indebtedness on commercially reasonable terms or at all. In addition, adverse changes in the business conditions affecting us could cause the amount of refinancing proceeds to be insufficient to meet our interest payments or fully repay any existing debt upon maturity and we may be unable to fund the payment of such shortfalls. If we cannot obtain alternative sources of financing or our costs of borrowings become significantly more expensive, then our financial condition and results of operations will be adversely affected.

Moreover, the agreements governing certain of our debt obligations include terms that, in addition to certain financial covenants, restrict our ability to make capital expenditures and investments, declare dividends, merge with other entities, incur further indebtedness and incur liens on, or dispose of, our assets, undertake new projects, change our management and board of directors, allow any director on our board of directors who has been identified as a wilful defaulter, modify our promoter / promoter group shareholding, materially amend or terminate any material contract or document and modify our capital structure. Further, we are required to obtain the consent of our lender's in relation to this Issue and we have made applications to the respective lenders for their approval. However, as on the date of the Placement Document we have not received approvals from majority of our lenders in this regard. Any failure on our part to comply with these terms in our loan agreements would generally result in events of default under these loan agreements. In such a case, the lenders under each of these respective loan agreements may, at their discretion, accelerate payment and declare the entire outstanding amounts under these loans due and payable, and in certain instances, enforce their security which has been constituted over our various assets and take possession of those assets, which could adversely affect our liquidity and materially and adversely affect our business and operations. In addition, to the extent that we cannot make payments on accelerated amounts, such non-payment could result in the cross-default and/or cross-acceleration of some or all of our other outstanding indebtedness, and payment of penalty interest, which could likewise adversely affect our liquidity and materially and adversely affect our business and operations.

We guaranteed farmer loans from UCO Bank aggregating to ₹1,832.9 million, which we may be required to repay immediately along with accrued interest.

We had guaranteed/facilitated loans to farmers originally aggregating to ₹ 1,832.9 million. The repayment date for such loans with UCO Bank has expired in March 31, 2015; and further, these loan funds are currently lying with us and are repayable by us along with accrued interest to UCO Bank. As per UCO Bank's estimations, an amount of ₹ 1,903.2 million remains outstanding as at April 18, 2016, which includes interest up to March 31, 2016. While UCO Bank has demanded immediate payment of the total outstanding dues (including accrued interest), we are in discussions with the bank for converting the farmer loans into a term loan to the Company. The proposal for converting the loan is currently under consideration with UCO Bank. No assurances can be given as to whether the conversion of the farmer loans into a term loan to the Company shall be allowed by the Bank with favorable terms or at all. If we are required to repay all or part of the loan, it may materially adversely affect our liquidity and cash flows, amongst other things, which would in turn result in a material adverse effect on our business, results of operations and financial condition.

Accidents at our facilities could lead to property damage, production loss or accident claims.

Any accident in any of our facilities could result in claims being brought against us for damages. As a result, we could suffer reduced production, receive adverse publicity and experience diversion of management attention and resources to defend any such claims. Such event, if material, could have an adverse effect on our business, financial condition and results of operations.

We may face potential adverse effects on our results of operations from competition by alternative sweeteners.

We believe that the use of alternative sweeteners, especially artificial sweeteners such as saccharine and high fructose corn syrup, has reduced the demand for sugar in the rest of the world. Soft drink bottlers and confectioners in many countries have switched from sugar to, or increased consumption of, alternative sweeteners. In addition, the use of alternative sweeteners by sugar consumers, including soft drink bottlers and confectioners, may also reduce the demand for sugar. A substantial decrease in sugar consumption, or the increased use of alternative or artificial sweeteners in India, could have a material adverse effect on our results of operations and financial condition.

We have contingent liabilities as at March 31, 2016 and our financial condition may be adversely affected if these contingent liabilities materialize.

We have substantial contingent liabilities, which could adversely affect our business and results of operations. Our contingent liabilities aggregated to ₹ 2,461.9 million on a consolidated basis as at March 31, 2016. The contingent liabilities consist primarily of liabilities on account of disputed tax demand including interest thereon. In the event that any of our contingent liabilities materialize, our results of operation and financial condition may be adversely affected. For further information, please see "Management's Discussion and Analysis of Condition and Results of Operations — Contingent Liabilities and Contractual Obligations" and "Financial Statements" on pages 64 and 185 of this Placement Document.

We will continue to be controlled by our Promoters and certain Promoter Group entities after the completion of the Issue and our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders.

The pre-Issue shareholding of our Promoters and Promoter Group, as on March 31, 2016, was 55.8%. Consequently, our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine matters requiring shareholder approval or approval of our Board of Directors. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. By exercising their control, our Promoters could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

Our promoters and managing directors, Mr. Gautam Goel and Mr. Gaurav Goel have been prohibited from dealing directly or indirectly in securities and accessing the capital markets, amongst other things

By an *ex-parte ad interim* order of SEBI dated March 29, 2016, our promoters and managing directors Mr. Gautam Goel and Mr. Gaurav Goel, have been prohibited from directly or indirectly dealing in securities and/or accessing the capital markets, amongst other things. As a result, as per applicable law, we are unable to access capital through public and/or rights issues during the subsistence of this order against our promoters and managing directors.

Our operations and growth strategy requires significant capital expenditure and we may not be able to raise the required amount of capital in a timely manner and on favourable terms.

Our Company's businesses and operations involve significant capital expenditure / working capital for payment to farmers for procurement of raw materials, manufacturing, plant, building, and factories which will require our Company to commit significant amounts of capital for the relevant periods, which in turn requires funding through equity investment or borrowing. Operational and execution delays can decrease our Company's return on capital employed and increase the amount of, and length of time for which, funding is required. We cannot assure you that the cash generated from our operations will be sufficient to cover our capital expenditure or that our Company will be able to source external funding in a timely manner and on commercially acceptable terms.

If our Company is unable to generate or obtain sufficient funds from its operations to make capital expenditures, investments or acquisitions, or if restrictions in its financing agreements and other arrangements do not permit it to use available funds for such purposes, it may need to suspend or delay its growth strategy or reduce the scale of its operations, either of which may adversely affect our Company's business, results of operations and financial condition.

We have entered into a number of related party transactions and may continue to enter into related party transactions, which may involve conflicts of interest.

We have entered into a number of related party transactions, within the meaning of AS-18. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour. For further details, please refer to the statement of related party transactions in "Financial Statements" on page 185 of this Placement Document.

We may not have adequate insurance coverage.

As at March 31, 2016, all of our manufacturing facilities and plant and machinery were insured under (a) fire insurance policies; (b) industrial all risk policies; and (c) special perils policies. There can be no assurance that our insurance coverage will cover actual losses incurred by us. To the extent that actual losses incurred by us exceed the amount insured, we could have to bear substantial losses, which may have a material adverse effect on its financial position and results of operations. In line with industry practice, we operate with certain business risks uninsured, including business interruptions and loss of profit or revenue. To the extent that uninsured risks materialise, our cash flows and results of operations may be materially and adversely affected. For further details on insurance arrangements, please see "Our Business– Insurance" on page 96 of this Placement Document.

Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.

We employ a significant number of employees. As on March 31, 2016, we had 1,037 permanent employees on our rolls. In addition, as at March 31, 2016, we had 1,919 seasonal workers, who are employees of the Company and work only during the sugarcane crushing season. Further, there are 15 recognized trade unions at four of our facilities taken together, with no affiliations to trade unions at our Rajpura Facility. Historically, we have not experienced any significant strikes or other labour disputes. However, there can be no assurance that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

We are also dependent on the farmers, that we are associated with, within our reserved area and if they experience disruptions related to their work force, including strikes and work stoppages, it may have an adverse effect on our business and results of operations.

Some of our corporate records, including but not limited to allotments of our equity shares in the past, are not traceable.

Our Company was incorporated in the year 1933. Historically, we ensured that all our corporate records, including but not limited to (a) statutory filings for allotments of our equity shares; (b) statutory filings for alteration of charter documents; (c) statutory filings for registration of charges; (d) records of our board and shareholders meetings' minutes; and (e) copies of statutory registers were maintained at the Company's registered office located at Dhampur, Uttar Pradesh. However, heavy rainfall in the Dhampur region during the month of July 2014, resulted in floods at our Dhampur Facility, and as a result, most of our corporate (statutory) records until the date of the flood were damaged.

For instance, we are unable to trace copies of certain corporate records and filings in relation to equity shares issued and allotted by the Company in the past, and in particular, on allotments of equity shares of the Company from its incorporation in 1933 till March 29, 2001. We have placed reliance on other documents, for corroborating the share capital history of the Company for period from March 29, 2001 to the date of this Placement Document; however, such corroboration in the absence of earlier corporate filings may be inaccurate.

Our Company, in consultation with our statutory auditor, is proposing a transition in accounting standards and is planning to prepare its financial statements under Ind-AS. The transition to Ind-AS in India may adversely affect us.

The Ministry of Corporate Affairs ("MCA") notified the "Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015 (the "IAS Rules"). The IAS Rules provide that the financial statements of the companies to which they apply (as more specifically described below) shall be prepared and audited in accordance with Indian Accounting Standards ("Ind-AS"). While, the IAS Rules prescribe that any company having a net worth of more than ₹ 5,000 million, and any holding company, subsidiary, joint venture or an associate company of such company, would have to mandatorily adopt Ind-AS for the accounting period beginning from April 1, 2016 with comparatives for the period ending March 31, 2016, the IAS Rules, also state that any company may voluntarily implement Ind-AS for the accounting period beginning from April 1, 2015. Our Company will adopt Ind-AS for the accounting period beginning from April 1, 2017. However, we have not determined with any degree of certainty the impact such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under Ind-AS than under Indian GAAP. Further, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is increasing competition for the small number of Ind-AS experienced accounting personnel available as more Indian companies begin to prepare Ind-AS financial statements. Additionally, there is no significant body of established practice on which to draw in forming judgments regarding the new system's implementation and application. There can be no assurance that adoption of Ind-AS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt Ind-AS could adversely affect our business, financial condition and results of operations.

Statistical and financial data in this Placement Document may be incomplete or unreliable.

We have not independently verified data obtained from industry publications and other sources referred to in this Placement Document and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in other industry publications. Therefore, discussions of matters relating to India, its economy and the sectors in which we currently operate in this Placement Document are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to, or place on, such facts or statistics. In addition, internal company reports may be based on a number of variables and have not been verified by independent sources and may be incomplete or unreliable. Also, please see "Industry Overview" on page 86 of this Placement Document.

We, on an ongoing basis, explore new manufacturing techniques aimed at reducing costs, and/or improving margins and/or quality/timelines for manufacturing our products, that are untested.

We, on an ongoing basis, explore new manufacturing techniques and/or methods that are aimed at lowering our costs, and/or improving our margins and/or quality / timelines for manufacturing all of our products. A failure to implement such new manufacturing techniques and/or methods in time or at all may result in a material adverse effect of our business, financial condition and results of operations.

Any failure in our IT systems could adversely impact our business.

Any delay in implementation or disruption of the functioning of our IT systems could disrupt our ability to track, record and analyze our work in progress / inventory and cause loss of data and disruption to our operations, including an inability to assess the progress of our inventory. This could have a material adverse effect on our business.

Changes in technology may render existing technologies obsolete and our inability to identify evolving industry trends

and customer preferences and make capital investments in new technology may adversely affect our business, financial condition, results of operations or prospects.

Changes in technology may render some of our techniques of manufacturing and manufacturing equipment obsolete or less attractive. Our ability to anticipate changes in technology and regulatory standards and to successfully introduce new and enhanced products in a timely manner is a significant factor in our ability to remain competitive. This is particularly important in order to compete effectively in the sugar, ethanol and power business.

We cannot assure you that we will be able to secure the necessary technological knowledge or capability, through technical assistance agreements or otherwise, which will allow us to develop our products in a manner that meets the demands of our customers, or that we will be able to expand capacity and install and commission new equipment required to manufacture our existing or new products. If we are unable to obtain access to technology in a timely manner or at all, we may be unable to effectively implement our strategies, and our business, results of operations and prospects may be adversely affected.

We have issued preference shares that have not been redeemed post completion of the term of such preference shares.

We have issued and allotted 1,801,817 8% cumulative redeemable preference shares of ₹ 100 each to JK Tyre & Industries Limited. These Preference Shares have been issued pursuant to the scheme of amalgamation of JK Sugar Limited with us. The Preference Shares were redeemable in three equal annual instalments commencing from April 1, 2014. Since the three instalment dates have now lapsed, all of the Preference Shares are immediately redeemable along with accumulated dividends. As at March 31, 2016, an amount of ₹ 196.4 million remained outstanding with respect to accumulated dividend (dividend tax included) and redemption amounts payable on these Preference Shares. Further, please note that in the recent past, we have delayed in redeeming our outstanding preference shares beyond the redemption date. For instance, we redeemed our 6% cumulative redeemable preference shares that were due on December 31, 2015 on March 9, 2016. We cannot assure you that they will not institute proceedings against us in the future due to our inability to redeem the Preference Shares on time or charge us default interest for the delay in payment. We propose to use part of the proceeds raised from this Issue to facilitate the redemption of such preference shares. For further details, please see "Use of Proceeds" on page 58 of this Placement Document.

All our manufacturing units are located within the state of Uttar Pradesh and, consequently, any significant decrease in growth in Uttar Pradesh due to force majeure event(s) or otherwise in the region may affect our manufacturing activities, business, financial condition, and results of operations or prospects.

We primarily operate in the state of Uttar Pradesh where all of our manufacturing units, reserved areas, and farmers with which we are affiliated are located. While the state of Uttar Pradesh is expected to experience growth at a significant rate in the near future for sugar manufacturers, growth at a rate lower than expectations in such geographies may result in decline in demand for our sugar and our other products, which may in-turn result in a material adverse effect on our business and margins. Further, as all of manufacturing facilities are located within the same geographical region, any calamities and force majure event(s) in such region would directly adversely affect our manufacturing activities, business, financial condition, and results of operations or prospects.

New Government measures may not result in improving our long term profit margins

The state and central government have announced a variety measures like, compulsory 5% ethanol blending from October 2008 and targeted 10% ethanol blending, priced at ₹ 48.5 /litre nationwide for SS 2016; extended export subsidies to provide relief to the sugar industry; subsidies for cane price payments; and soft loans. While we have benefited from such government incentives and policies in the past, there can be no certainty that the government will continue to incentivise the sugar industry in the manner that they used to or at all. A change in the government's current support to the sugar industry will affect our profit margins, financial condition and results of operations.

While the sugarcane prices in Uttar Pradesh have not increased for the Fiscal Years 2016, 2015 and 2014; there can be no assurances that prices will not rise in the future

The prices at which we procure sugarcane is regulated by the government of Uttar Pradesh, and due to its impact on the livelihood of the farmers comprising a significant majority of the population in the state, price fixing decisions are fraught with political ramifications. While the sugarcane prices have remained stable over Fiscal Years 2016, 2015 and 2014, there can be no assurance that sugarcane prices shall not rise over the next sugar cycle or in future due to politically motivated sociological reasons or otherwise. In the event sugarcane prices go up in the next sugar cycle or in the future, it may impact our margins, which in-turn may adversely affect our business, prospects, financial condition and results of operation.

Any downgrading of our debt rating by a credit rating agency could have a negative impact on our business.

Any adverse revision to our Company's credit rating or the rating of India's domestic or international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such funding is available. On December 31, 2015, Credit Analysis & Research Limited has retained our Medium Term Instruments (Fixed-Deposit) to 'CARE BBB- (FD)'. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

Brazil's change in strategy (from ethanol to sugar) may anytime flood the global sugar market and put pressure on prices

A majority of cane crushed in Brazil is diverted towards ethanol for blending with gasoline based on the blending policies adopted by the government of Brazil. For more details, please see "Industry Overview— Brazil's Ethanol Policy and Diversion from Sugar to Ethanol" on page 86 of this Placement Document. In the event Brazil decides to change its blending policy or the private industry at Brazil otherwise decides to divert sugarcane juice from ethanol to sugar, the global supply of sugar may increase significantly, thereby resulting in a significant decrease in sugar prices. This would in-turn result in a material adverse effect on our business prospects, financial condition and results of operations.

Payment to farmer is staggered currently; however any change in this might put further cash flow pressure on the company

We function in a regulated sector wherein the time within which we have to pay our sugarcane farmers are set by the Government of Uttar Pradesh. While the Government of Uttar Pradesh has allowed staggered payments to farmers during this SS 2016, there can be no assurance that the state would continue to allow staggered payment cycles in the forthcoming SSs. Under the original enactment, we are required to pay the full cane price to farmers within 14 days from supply. If the payment cycle is reduced for any reason, this will result in diminished cash flows in the hands of our company, which may in turn increase our working capital costs, and affect our operations and results.

We have a high inventory build-up of sugar at the beginning of every Fiscal Year, which is sold during the course of the Fiscal Year. Any loss or damage to our inventory due to natural calamities such as earthquake and floods, or for any other reason, may result in a material adverse effect on our business and results

Generally, all of the sugarcane procured and crushed by us in a SS is between the period commencing on October 1 of each year until around the end of April the following year. As a result, we usually record a high level of sugar inventory at around the beginning of each Fiscal Year, which is then subsequently sold by the Company during the year. A loss to our sugar inventory on account of any natural calamities such earthquakes and floods, or perils such as fires, theft or pilferage, amongst others, may result in a material adverse effect on our business and results.

Risks Associated with doing Business with an Indian Company

The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.

The Indian Parliament enacted the Companies Act, 2013, most of the provisions of which have been notified by the Government of India, which also has started promulgating various rules and regulations there under. To the extent the Companies Act, 2013 has not been notified the Companies Act, 1956 continues to be applicable. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in offer document, corporate governance norms, accounting policies and audit matters, related party transactions, internal control on financial reporting introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors, insider trading, and restrictions on directors and key managerial personnel from engaging in forward dealing. We are also expected to spend, in each financial year, at least 2.0% of our average net profits during three immediately preceding financial years towards corporate social responsibility activities. Further, the Companies Act, 2013 imposes greater monetary and other liability on our Company and Directors for any non-compliance. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations issued by SEBI). Recently, SEBI issued revised corporate governance guidelines which are effective from October 1, 2014. Pursuant to the revised guidelines, we will be required to, amongst other things, ensure that there is at least one woman director on our Board at all times, establish a vigilance mechanism for directors and employees, and reconstitute certain committees in accordance with the revised guidelines. We may face difficulties in complying with any such overlapping requirements. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.

The Competition Act, 2002, as amended (the "**Competition Act**") regulates practices having "appreciable adverse effects on competition" ("**AAEC**") in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and results in imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, shares the market by way of geographical area or number of subscribers in the relevant market, or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC in the relevant market in India and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the CCI. Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011 (as amended) which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, but we have received notice in the past, in relation to non-compliance with the Competition Act or the agreements entered into by us. For details, please see "Legal Proceedings" on page 176 of this Placement Document. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects.

The Indian economy has had sustained periods of high interest rates and/or inflation.

The majority of our direct costs are incurred in India. India has experienced high levels of inflation since 1980, with the wholesale price index based inflation rate peaking at an annual rate of 13.7% in 1991. Notwithstanding recent reductions in the inflation rate, based on the wholesale price index, which was 9.6% in the financial year 2011, 8.9% in the financial year 2012, 7.4% in the financial year 2013 and 6.0% in the financial year 2014 *(Source: Reserve Bank of India)*, we tend to experience inflation-driven increases in certain of our costs, such as salaries and related allowances, that are linked to general price levels in India. However, we may not be able to increase the tariffs that we charge for our services sufficiently to preserve operating margins. Accordingly, high rates of inflation in India could increase our costs and decrease our operating margins, which could have an adverse effect on our business and results of operations.

Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.

Our financial statements are prepared and presented in conformity with Indian GAAP. No attempt has been made to reconcile any of the information given in this Placement Document to any other principles or to base it on any other standards. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting framework with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Accordingly, the degree to which the financial information included in this Placement Document will provide meaningful information is dependent on your familiarity with Indian GAAP.

Investors may not be able to enforce a judgment of a foreign court against our Company

Our Company is a limited liability company incorporated under the laws of India. Most of our Directors are residents of India and the assets of our Company are substantially located in India. As a result, it may not be possible for investors to effect against them judgments obtained in courts outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy. For details see "Enforcement of Civil Liabilities" on page 12 of this Placement Document.

India's infrastructure may be less developed than that of many developed nations.

India's infrastructure may be less developed than that of many developed nations, and problems with its port, rail and road networks, electricity grid, communication systems or other public facilities could disrupt our normal business activity. Any material deterioration of India's infrastructure, including technology and telecommunications, adds costs to doing business in India. These problems could interrupt our business operations and reduce demand for our services, which could have an adverse effect on our business and results of operations.

Terrorist attacks, communal disturbances and regional conflicts in South Asia may have a material adverse effect on our business and on the market for securities in India.

Terrorist attacks, whether in India or another country may adversely affect Indian and worldwide financial markets. These acts may also result in a loss of business confidence and have other consequences that could adversely affect our business, results of operations and financial condition. Some parts of India have experienced communal disturbances and riots during recent years. If such events recur, our business and financial condition may be adversely affected.

South Asia has, from time to time, experienced instances of civil unrest. Military activity or terrorist attacks in the future could adversely affect the Indian economy, and the financial condition and results of operations of Indian companies, including us, which would have an adverse effect on the trading price of our Equity Shares.

A downgrade in India's credit rating may have an adverse effect on our business, results of operations or Equity Shares.

Downgrades to India's sovereign credit rating by any rating agency, as well as negative changes to the perceived creditworthiness of Indian Government-related obligations, could have an adverse impact on financial markets and economic conditions in India and worldwide. Any volatility in the capital markets in India or in other developed or emerging countries, whether resulting from a downgrade of the sovereign credit rating of Indian debt obligations or otherwise, may have an adverse effect on our business and the trading price of our Equity Shares.

A slowdown in economic growth in India and other countries in which we operate could cause our business to suffer.

Our results of operations and financial condition are dependent on, and have been adversely affected by, conditions in financial markets in the global economy, and, particularly in India and the other countries in which we operate. In the recent past, the Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture, rising inflation rates and various other factors. GDP growth for the financial year 2014 increased marginally to 4.7% from 4.5% for the financial year 2013. The RBI, in its recent monetary policy reviews, has indicated that inflation continues to be a concern and further tightening measures may be required. Risk management initiatives by banks and lenders in such circumstances could affect the availability of funds in the future or the withdrawal of our existing credit facilities. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, financial condition and the trading price of our Equity Shares.

The uneven global recovery reflects several underlying issues and consequent risks. First, despite indications of a gathering recovery momentum, and tax reliefs, raising questions on the sustainability of such policy approach and the impact of the eventual unwinding and reversal of these stimuli. Should a further downgrade of the sovereign credit ratings of the U.S. government occur, it is foreseeable that the ratings and perceived creditworthiness of instruments issued, insured or guaranteed by institutions, agencies or instrumentalities directly linked to the U.S. government could also be correspondingly affected by any such downgrade. Instruments of this nature are widely used as collateral by financial institutions to meet their day-to-day cash flows in the short-term debt market. Any increase in borrowing rates in the U.S. may result in lesser foreign investments into emerging economies such as India, possibly impacting their economic growth.

In Europe, especially the Eurozone, large budget deficits and rising public debts have triggered sovereign debt finance crisis that resulted in the bailouts of Greece, Ireland, Portugal and Spain and elevated the risk of government debt defaults, forcing governments to undertake aggressive budget cuts and austerity measures, in turn underscoring the risk of global economic and financial market volatility.

Japan has also experienced deflationary pressure since the early 1990s, made worse by the devastating earthquake and tsunami of March 2011 and the consequent damage to its nuclear industry. Prime Minister Abe Shinzo's policy of monetary easing which includes measures such as inflation targeting at a 2% annual rate, correction of the excessive yen appreciation, setting negative interest rates, radical quantitative easing and expansion of public investment has resulted in a weaker Yen, thus increasing the cost of imports, including food, oil and other natural resources upon which Japan is highly reliant. In emerging and developing economies, particularly China, India, Brazil and Russia, risks to macroeconomic and financial stability have arisen from the influx of short-term capital, excessive currency movements and pressures on general and asset price inflation. These have necessitated further policy tightening, introduction of liquidity management measures and imposition of some forms of capital controls.

The resulting economic pressure on the economies in which we operate, a general lack of confidence in the financial markets and fears of a further worsening of the economy have affected and may continue to affect the economic conditions in such countries. We cannot assure you that the markets in which we operate will undergo a full, timely and sustainable recovery. The economic turmoil may continue or take place in the future, adversely affecting our business, results of operations and financial condition.

There may be less information available about the companies listed on the Indian securities markets compared with information that would be available if we were listed on securities markets in certain other countries.

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants in India and that in the markets in the United States and certain other countries. The SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about companies listed on an Indian stock exchange compared with information that would be available if that company was listed on a securities market in certain other countries.

Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of its Equity Shares may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The governments in the past have sought to implement economic reforms policies and have undertaken initiatives that continue the economic liberalization policies pursued by the previous governments. There can be no assurance that liberalization policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting power or manufacturing sector, foreign investment and other matters affecting investment in our securities could change as well. A new government was elected in May 2014. The newly elected government may announce new policies or withdraw existing benefits, which may be applicable to our sector. Any significant change in such policies could adversely affect business and economic conditions in India, generally, and our results of operations and financial condition, in particular.

Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our articles of association, regulations of our board of Directors and Indian law govern our corporate affairs. Legal principles related to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

Anti-takeover provisions under Indian law could prevent or deter an entity from acquiring us.

The Takeover Code contains certain provisions that may delay, deter or prevent a future takeover or change in control. These provisions may discourage a third party from attempting to take control over our business, even if change in control would result in the purchase of our Equity Shares at a premium to the market price or would otherwise be beneficial to the investor.

For more information, see “The Securities Market of India” on page 149 of this Placement Document.

Risks relating to the Issue

We intend to deploy our issue proceeds in our existing business for general corporate purposes, amongst other things, and we may not apply the proceeds in ways that yield a favourable result to us.

Our management will have broad discretion to use the proceeds from this offering, and you will be relying on the judgment of our management regarding the application of these proceeds. Please see “Use of Proceeds” on page 58 of this Placement Document. We may not be able to apply the proceeds of this offering in ways that may lead to a favourable return to us in all cases or at all.

We cannot guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner or will be listed at all.

In accordance with Indian law and practice, after the Board passes the resolution to allot the Equity Shares but prior to crediting such equity shares into the Depository Participant accounts of the QIBs, we are required to apply to the Stock Exchanges for final listing approval. After receiving the final listing approval from the Stock Exchanges, we will credit the equity shares into the Depository Participant accounts of the respective QIBs and apply for the final trading approval from the Stock Exchanges. There could be a delay in obtaining these approvals from the Stock Exchanges, which in turn could delay the listing or commencement of trading of the Equity Shares on the Stock Exchanges. Any delay in our own ability to obtain these approvals would restrict your ability to dispose of your equity shares.

An investor will not be able to sell any of the Equity Shares, allotted pursuant to the Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of this Issue.

The Equity Shares in the Issue are subject to restrictions on transfers. Pursuant to the SEBI Regulations, for a period of 12 months from the date of the issue of the Equity Shares, QIBs subscribing to such Equity Shares may only sell their Equity Shares on the Stock Exchanges and may not enter into any off market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price and liquidity of these Equity Shares.

The price of the Equity Shares may be volatile.

The trading price of our equity shares may fluctuate after this Placement due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India’s fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian internet and advertising industry and the perception in the market about investments in the advertising industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our equity shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our equity shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our equity shares.

Any future issuance of equity shares by our Company or sales of our equity shares by any of our Company’s significant shareholders may adversely affect the trading price of our equity shares.

Any future issuance of equity shares by us, including pursuant to a new employee stock option scheme, or pursuant to any acquisition that we may undertake, could dilute your shareholding. Any such future issuance of our equity shares or sales of our equity shares by any of our significant shareholders may also adversely affect the trading price of our equity shares, and could impact our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further equity shares or that the shareholders will not dispose of, pledge, or otherwise encumber their equity shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our equity shares.

Investors may be restricted in your ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of your ownership position.

Pursuant to the Companies Act, 2013 a company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution when the votes cast in favor of the resolution by the holders who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting. However, if the law of the jurisdiction you are in does not permit you to exercise your pre-emptive rights without us filing a placement document or registration statement with the applicable authority in the jurisdiction you are in, you will be unable to exercise your pre-emptive rights unless we make such a filing. If we elect not to make such a filing, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian would receive upon the sale of such securities, if any, and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by you, your proportional interest in us would be reduced.

Investors may be subject to Indian taxes arising out of capital gains on the sale of our equity shares.

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months of acquisition in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if securities transaction tax has been paid on the transaction. Securities transaction tax will be levied on and collected by a domestic stock exchange on which our equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no securities transaction tax has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of our equity shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of our equity shares. The above statements are based on the current tax laws. However, the Government has proposed the introduction of the Direct Tax Code, 2013 which will revamp the implementation of direct taxes. If the same is brought into effect, the tax impact mentioned above will be altered by the Direct Tax Code, 2013.

The proposed new taxation system in India could adversely affect our business and the trading price of the Equity Shares.

The Government has proposed two major reforms in Indian tax laws, namely the goods and services tax and provisions relating to GAAR.

As regards the implementation of the goods and service tax and the direct tax code, the Government has not specified any timeline for their implementation. The goods and services tax would replace the indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, surcharge and excise currently being collected by the central and state governments. As regards GAAR, the provisions have been introduced in the Finance Act, 2012 to come into effect from April 1, 2017. The GAAR provisions intend to catch arrangements declared as "impermissible avoidance arrangements", which is any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. If GAAR provisions are invoked, then the tax authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty. As the taxation system is intended to undergo the said overhaul, its consequent effects on our Company cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of our equity shares.

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted (subject to certain exceptions) if they comply with, among other things, the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares does not comply with such pricing guidelines or reporting requirements, or falls under any of the exceptions referred to above, then prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate any such foreign currency from India will require a no objection or a tax clearance certificate from the income tax authorities. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

SEBI operates an index-based market-wide circuit breaker. Any operation of a circuit breaker may adversely affect a shareholder's ability to sell, or the price at which it can sell, the Equity Shares at a particular point in time.

We are subject to an index-based market-wide circuit breaker generally imposed by SEBI on Indian stock exchanges. This may be triggered by an extremely high degree of volatility in the market activity (among other things). Due to the existence of this circuit breaker, there can be no assurance that shareholders will be able to sell the Equity Shares at their preferred price or at all at any particular point in time.

Applicants to the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

In terms of the SEBI Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to 10 days from the Bid/Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence without the prior approval of SEBI. We may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner**.**

The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations or financial condition, including in the following respects:

- A natural or man-made disaster, could result in damage to our assets or losses in our projects, or the failure of our counterparties to perform, or cause significant volatility in global financial markets.
- Pandemic disease, caused by a virus such as H5N1, the "avian flu" virus, the Ebola virus, or H1N1, the "swine flu" virus, could have a severe adverse effect on our business.
- Political tension, civil unrest, riots, acts of violence, situations of war or terrorist activities may result in disruption of services and may potentially lead to an economic recession and/or impact investor confidence.

Since our Equity Shares are quoted in Indian Rupees in India, foreign investors may be subject to potential losses arising out of exchange rate risk on the Indian Rupee and risks associated with the conversion of Indian Rupee proceeds into foreign currency.

Foreign investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian Rupees on the Indian Stock Exchanges on which they are listed. Dividends on our Equity Shares will also be paid in Indian Rupees. Investors that seek to convert the Indian Rupee proceeds of a sale of equity shares into foreign currency and export the foreign currency will need to obtain the approval of the RBI for each such transaction. Holders of Indian Rupees in India may also generally not purchase foreign currency without general or special approval from RBI.

MARKET PRICE INFORMATION

The Equity Shares are listed and traded on the BSE and the NSE. As on the date of this Placement Document, 60,214,935 Equity Shares have been issued, subscribed and are fully paid up, including 2105 partly paid equity shares.

On June 14, 2016, the closing price of the Equity Shares on the BSE and the NSE was ₹ 119.60 and ₹ 119.55 per Equity Share, respectively. The market price and other information for each of the BSE and the NSE has been given separately.

i) The following tables set forth the reported high, low, average market prices and trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading volumes for Financial Years ended March 31, 2016, 2015 and 2014:

NSE											
Financial Year	**High (₹)**	**Date of High**	**Number of Equity Shares traded on the date of high**	**Total volume of Equity Shares traded on the date of high (In ₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total volume of Equity Shares traded on the date of low (In ₹ million**	**Average price for the year (In ₹)***	**Total volume of Equity Shares traded in the Financial Year**	
										In number	**(In ₹ million)**
2016	94.9	March 30, 2016	4,255,810	390.7	27.7	September 1, 2015	161,641	4.7	47.6	77,908,762	5,124.0
2015	66.7	June 6, 2014	2,482,455	162.8	34.1	March 27, 2015	86,815	3.0	48.7	39,239,910	2,111.3
2014	49.5	April 8, 2013	215,341	10.6	28.0	November 18, 2013	101,879	2.9	35.6	20,845,382	782.0

Source: www.nseindia.com

* Average of the daily closing Prices

BSE											
Financial Year	**High (₹)**	**Date of High**	**Number of Equity Shares traded on the date of high**	**Total volume of Equity Shares traded on the date of high (In ₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total volume of Equity Shares traded on the date of low (In ₹ million**	**Average price for the year (In ₹)***	**Total volume of Equity Shares traded in the Financial Year**	
										In number	**(In ₹ million)**
2016	95.3	March 30, 2016	988,056	90.9	27.7	September 1, 2015	129,759	3.7	47.6	19,667,487	1264.5
2015	66.7	June 6, 2014	886,970	58.2	34.3	March 27, 2015	23,117	0.8	48.7	11,782,407	633.7
2014	49.5	April 8, 2013	32,774	1.6	28.1	November 18, 2013	27,292	0.8	35.5	9,016,941	338.0

Source: www.bseindia.com

* Average of the daily closing Prices

Notes:

1. High, low and average prices are based on the daily closing prices.
2. In case of two days with the same closing price, the date with the higher volume has been chosen.

ii) The following tables set forth the reported high, low, average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total volume of Equity Shares traded during each of the last six months:

NSE										
Month Year	**High (In ₹)**	**Date of High**	**Number of Equity Shares**	**Total volume of Equity**	**Low (₹)**	**Date of low**	**Number of Equity Shares**	**Total volume of Equity**	**Average price for**	**Total volume of Equity Shares traded in the month**

			traded on the date of high	Shares traded on the date of high (In ₹ million)			traded on the date of low	Shares traded on the date of low (In ₹ million)	the month (In ₹)*	In number	(In ₹ million)
May, 2016	93.6	May 9, 2016	1,444,273	133.4	83.5	May 24, 2016	610,508	51.1	89.5	20,545,776	1860.1
April, 2016	97.8	April 6, 2016	1,850,949	177.8	83.6	April, 28, 2016	314,603	26.6	90.3	16,169,186	1497.3
March, 2016	94.9	March 30, 2016	4,255,810	390.7	56.9	March 3, 2016	171,218	9.7	76.6	24,914,264	2019.2
February, 2016	67.5	February 1, 2016	486,110	32.5	53.2	February 11, 2016	513,665	29.0	58.8	6,390,779	381.3
January, 2016	78.1	January 11, 2016	1,969,922	152.1	58.3	January 21, 2016	658,637	39.9	68.0	16,401,527	1165.1
December 2015	65.8	December 31, 2015	247,955	16.2	57.1	December 9, 2015	138,173	8.1	62.6	3,721,468	236.4

Source: www.nseindia.com
* Average of the daily closing Prices

BSE											
Month Year	High (₹)	Date of High	Number of Equity Shares traded on the date of high	Total volume of Equity Shares traded on the date of high (In ₹ million)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total volume of Equity Shares traded on the date of low (In ₹ million)	Average price for the month (In ₹)*	Total volume of Equity Shares traded in the month	
										(In number)	(In ₹ million)
May, 2016	93.5	May 9, 2016	221,091	20.5	83.9	May 24, 2016	167,285	14.0	89.5	3,706,477	334.8
April, 2016	97.7	April 6, 2016	302,316	29.0	83.6	April 28, 2016	72,077	6.1	90.2	3,415,101	314.6
March, 2016	95.3	March 30, 2016	988,056	90.9	56.5	March 3, 2016	77,487	4.4	76.5	5,380,978	437.2
February, 2016	67.3	February 1, 2016	176,612	11.8	53.5	February 17, 2016	78,239	4.0	58.9	1,519,963	91.1
January, 2016	77.9	January 11, 2016	537,410	41.6	58.3	January 21, 2016	146,077	8.8	68.0	3,981,637	284.5
December 2015	65.6	December 31, 2015	52,544	3.4	57.2	December 9, 2015	46,292	2.7	62.6	974,244	61.6

Source: www.bseindia.com
* Average of the daily closing Prices

Notes:
1. High, low and average prices are based on the daily closing prices.
2. In case of two days with the same closing price, the date with the higher volume has been chosen.

iii) The following table sets forth the market price on the Stock Exchanges on April 18, 2016, the first working day following the approval of the Board of Directors for the Issue:

NSE						BSE					
Open (In ₹)	High (In ₹)	Low (In ₹)	Close (In ₹)	Total number of Equity Shares traded	Total volume of Equity Shares traded (In ₹ million)	Open (In ₹)	High (In ₹)	Low (In ₹)	Close (In ₹)	Total Number of Equity Shares traded	Total volume of Equity Shares traded (In ₹ million)
88.5	93.5	87.2	92.7	1,474,989	135.3	87.6	93.4	87.3	92.8	243,306	22.3

Source: www.bseindia.com and www.nseindia.com

USE OF PROCEEDS

The gross proceeds from this Issue will be approximately ₹ 609.12 million.

The net proceeds from this Issue, after deducting fees, commissions and expenses of this Issue, will be approximately ₹ 590.93 million (the "**Net Proceeds**").

Subject to compliance with applicable laws and regulations, we intend to use the Net Proceeds of the Issue for general corporate purpose, including but not limited to redemption of our Preference Shares, repayment of our existing debt, or any other purposes as approved by our Board. Our main objects clause and objects incidental or ancillary to the main objects clause of our Memorandum of Association enables us to undertake our existing activities.

In accordance with the policies instituted by our Board and as may be permissible under applicable laws and government policies, our management will have the flexibility in deploying the Issue proceeds. Pending utilisation for the purposes mentioned above, we intend to temporarily invest funds in creditworthy instruments, including money market Mutual Funds and deposits with banks and corporates. Such investments would be in accordance with the investment policies as approved by the Board from time to time and will also be in accordance with all applicable laws and regulations.

Neither our Promoters nor our Directors are making any contribution either as part of this Issue or separately in furtherance of the objects of this Issue.

Details of Preference Shares to be redeemed

We have issued 18,01,817 8% cumulative redeemable preference shares of ₹ 100 each fully paid-up to, JK Tyres & Industries Limited, of which ₹ 83.4 per share remains outstanding and pending for redemption. The Preference Shares were redeemable in three equal annual instalments commencing from April 1, 2014 and thereafter on April 1, 2015 and April 1, 2016. Since the three redemption dates have now lapsed, all of the Preference Shares are immediately redeemable along with accumulated dividends. As at March 31, 2016, an amount of ₹ 196.4 million remained outstanding with respect to accumulated dividend (dividend tax included) and redemption amounts payable on these Preference Shares.

Details of debt proposed to be repaid in Fiscal Year 2017

As mentioned above, we propose to pay down certain of our debt set out in the table below which would be due for repayment during Fiscal Year 2017 from the Net Proceeds of the Issue.

(*₹ in million*)

Sr. No.	**Particulars**	**Sanctioned Amount**	**Outstanding as on March 31, 2016**	**Repayments due during Fiscal Year 2017**
1.	Punjab National Bank	6,560.3	5,097.3	942.6
2.	Central Bank of India	1,347.2	869.5	119.1
3.	Prathama Bank	450.0	285.0	72.5
4.	Bank of Baroda	400.0	100.0	75.0
5.	Sugar Development Fund	1,773.8	436.2	253.7
	Total	**10,531.3**	**6,788.0**	**1,462.9**

CAPITALISATION STATEMENT

The Board of Directors has, at its meeting on April 14, 2016, approved this Issue and our Company's shareholders, pursuant to a special resolution passed on May 23, 2016 approved this Issue. Upon the completion of this Issue, the Board of Directors or a committee thereof shall pass a resolution authorising the Allotment of the Equity Shares pursuant to this Issue.

The following table sets forth our Company's capitalisation as of March 31, 2016 based on our Company's Audited Consolidated Financial Statements, and our Company's capitalization as adjusted to reflect the receipt of the net proceeds of this Issue and the application thereof.

This capitalisation table should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 64 and 185, respectively, of this Placement Document and related notes included elsewhere in this Placement Document.

(₹ in million)

	As of March 31, 2016	As adjusted for this Issue
Shareholders' Funds (Equity)		
Share capital	753.0	814.7
Securities Premium	3,269.6	3,816.0
Reserves and surplus*	3,085.3	3,085.3
Money received against share warrants	0.0	0.0
Total Shareholders' Funds (A)	**7,106.9**	**7,716.0**
Non- Current Liabilities		
Long-term borrowings	5,463.4	5,463.4
Current Liabilities		
Short-term borrowings	9,284.7	9,284.7
Current Maturity of Long term borrowings	1,817.0	1,817.0
Total Debt (B)	16,565.1	16,565.1
Total Capitalization	**23,672.0**	**24,281.1**

*includes Revaluation Reserve of Rs. 2950.8 Millions and Capital Reserves, not created out of profits, of ₹ 106.4 Millions

CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Placement Document is set forth below:

(In ₹ in million except share data)

	Aggregate value
A. AUTHORIZED SHARE CAPITAL	
113,826,000 Equity Shares	1,138.3
6,917,400 Preference Shares	691.7
B. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE	
Issued, subscribed and paid up share capital:	
60,214,935 Equity Shares(1)	602.2
1,801,817 8% Cumulative Redeemable Preference Shares of ₹100 each of which ₹ 83.4 per share outstanding and pending for redemption	150.2
C. PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT(2) Upto 6,172,655 Equity Shares aggregating to ₹ 609.1 million	61.7
D. PAID-UP CAPITAL AFTER THIS ISSUE	
66,387,590 Equity Shares of ₹ 10 each fully paid up	663.9
325,496 Equity Shares forfeited**	0.7***
1,801,817 8% Cumulative Redeemable Preference Shares of ₹100 each of which ₹ 83.4 per share outstanding and pending for redemption	150.2
E. SECURITIES PREMIUM ACCOUNT	
Before this Issue*	3,268.6
After this Issue	3,816.0

Note:

(1) An aggregate of 325,496 Equity Shares issued by our Company aggregating to ₹0.7 million were forfeited on March 31, 1997 and July 31, 2003 on account of non-payment of call money by certain shareholders of our Company.

(2) This Issue has been authorized by the Board of Directors on April 14, 2016 and by the shareholders of our Company pursuant to a resolution passed at the extraordinary general meeting held on May 23, 2016.

** As of March 31, 2016*

*** 325,000 Equity Shares and 496 Equity Shares were forfeited by the company on March 31, 1997 and July 31, 2003 respectively, on account of non-payment of call money by certain shareholders of our Company.*

**** Represents the paid up value of shares at the time of forfeiture*

Equity Share Capital History of our Company

The history of the equity share capital of our Company is provided in the following table:[1]

Date of Allotment	Number of Equity Shares	Face Value per Equity Shares (in ₹)	Issue price per Equity Share (in ₹)	Nature of Consideration (cash, bonus, other than cash)	Cumulative Issued Capital (in ₹)
March 29, 2001	3,472,550	10	17.0	Cash	147,822,710.0
June 25, 2001	16,03,630	10	17.0	Cash	163,859,010.0
March 25, 2002	10,000,000	10	10.0	Cash	263,859,010.0
January 16, 2004	864,632	10	10.0	Cash	272,505,330.0
January 16, 2004	7,234,031	10	10.0	Cash	308,675,485.0
March 3, 2006	525,000	10	N.A.	Other than Cash (Pursuant to the scheme of	348,727,640.0[2]

Date of Allotment	Number of Equity Shares	Face Value per Equity Shares (in ₹)	Issue price per Equity Share (in ₹)	Nature of Consideration (cash, bonus, other than cash)	Cumulative Issued Capital (in ₹)
				amalgamation of Mansurpur Sugar Limited)	
April 5, 2006	11,150,000	10	215.0	Cash	460,227,640.0
February 17, 2007	1,456,804	10	156.8	Cash	476,163,680.0[3]
April 21, 2007	13,803	10	231.3	Cash	476,301,710.0
October 16, 2007	141,052	10	194.6	Cash	477,712,230.0
December 20, 2007	3,000,000	10	63.0	Cash	507,712,230.0
January 17, 2008	1,000,000	10	63.0	Cash	517,712,230.0
June 17, 2008	1,000,000	10	67.0	Cash	527,712,230.0
November 27, 2009	1,200,000	10	67.0	Cash	539,712,230.0
August 9, 2013	3,308,960	10	-	Other than Cash (Pursuant to scheme of amalgamation of JK Sugar Limited)[4]	572,801,830.0
March 30, 2015	1,500,000	10	33.0	Cash	587,801,830.0
September 28, 2015	1,500,000	10	33.0	Cash	602,801,830.0

1. All of our statutory filings, and specifically all records and filings pertaining to the allotment of our Equity Shares prior to March 29, 2001, are not available. As a result, we do not have any information regarding share built-up of Equity Shares from the date of incorporation till March 29, 2001. For further details, see "Risk Factors – Some of our corporate records, including but not limited to allotments of our equity shares in the past, are not traceable", on page 35 of this Placement Document.

2. An amount of ₹34,802,155 was cumulated to our paid up share capital as a result of the call money received during the year.

3. An amount of ₹1,368,000 was cumulated to our paid up share capital as a result of call money received during the year.

4. The shares were allotted pursuant to the scheme of amalgamation of JK Sugar Limited. with our Company as sanctioned by the High Court of Allahabad on March 18, 2013 and the High Court of Kolkata on May 17, 2013.

DIVIDEND POLICY

The declaration and payment of dividend will be recommended by the Board of Directors and approved by the shareholders at their discretion and will depend on our Company's revenues, cash flows, financial condition (including capital position) and other factors. The Board may also from time to time pay interim dividends. The declaration and payment of equity dividend would be governed by the applicable provisions of the Companies Act and Articles of Association of our Company.

The following table details the dividend declared by our Company on the Equity Shares for the Fiscal Year 2016, 2015 and 2014:

(In ₹ in million other than dividend rate)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
Rate of dividend*	Nil	Nil	Nil
Amount	Nil	Nil	Nil
Dividend Tax	Nil	Nil	Nil

**Rate as a percentage of the face value of the Equity Shares. Face value of each Equity Share is ₹10*

The following table details the dividend declared by our Company on the 6% preference shares for the Fiscal Year 2016, 2015 and 2014:

(In ₹ in million other than dividend rate)

Particulars	Year ended March 31, 2016**	Year ended March 31, 2015	Year ended March 31, 2014
Rate of dividend*	N.A.	Nil	6.0
Amount	N.A.	Nil	2.3
Dividend Tax	N.A.	Nil	0.4

**Rate as a percentage of the unredeemed value of the 6% preference shares. Face value of each 6% preference share is ₹100.*

*** Please note that the 6% preference shares were redeemed by the Company in Fiscal Year 2016.*

The following table details the dividend declared by our Company on the 1% preference shares for the Fiscal Year 2016, 2015 and 2014:

(In ₹ in million other than dividend rate)

Particulars	Year ended March 31, 2016**	Year ended March 31, 2015	Year ended March 31, 2014
Rate of dividend*	N.A.	Nil	1.0
Amount	N.A.	Nil	0.3
Dividend Tax	N.A.	Nil	0.1

**Rate as a percentage of the unredeemed value of the 1% preference shares. Face value of each 1% preference share is ₹100.*

*** Please note that the 1% preference shares were redeemed by the Company in Fiscal Year 2016.*

The following table details the dividend declared by our Company on the 8% Preference Shares for the Fiscal Year 2016, 2015 and 2014:

(In ₹ in million other than dividend rate)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
Rate of dividend*	Nil	Nil	Nil
Amount	Nil	Nil	Nil
Dividend Tax	Nil	Nil	Nil

**Rate as a percentage of the face value of the 8% Preference Shares. Face value of each 8% Preference Share is ₹100 and the dividend declared being nil per share.*

For a summary of certain Indian tax consequences of dividend distributions to shareholders, see "Statement of Tax Benefits" on page 155 of this Placement Document.

Further, the amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Audited Consolidated Financial Statements as of and for the financial years ended March 31, 2016, 2015, 2014 and 2013 including the schedules and notes thereto and report thereon included elsewhere in this Placement Document.

Our Financial Statements are prepared in accordance with Indian GAAP, which differs in certain material respects with IFRS and U.S. GAAP. This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "Risk Factors" on page 35 of this Placement Document.

Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12 month period ended March 31 of that year.

We hold 48.5% of the outstanding equity shares in Kashipur Sugar Mills Ltd, an associate of our Company. Due to erosion of its net worth, Kashipur Sugar Mills Ltd had become a sick company and was consequently admitted to the Board for Industrial and Financial Reconstruction. Based on its review, the Board for Industrial and Financial Reconstruction, by its order dated May 8, 2013, recommended that the company be wound up. The Allahabad High Court ordered the winding up by its order dated September 9, 2013, and appointed an official liquidator in that regard. Since our share in the losses in Kashipur Sugar Mills Ltd had substantially exceeded the carrying amount of our investments, we had written off our investments in Kashipur Sugar Mills Ltd in Fiscal Year 2013 as per applicable accounting standards; and accordingly, these investment do not appear in our standalone and consolidated financial statements as at and for the years ended March 31, 2016, 2015, 2014 and 2013.

Overview

We are an integrated Indian sugar manufacturing company with sugar, industrial alcohol manufacturing and power cogeneration facilities. We process sugarcane, the raw material used in the production of sugar. From the by-products, we produce industrial alcohol and other chemicals. Further, we also generate power at our sugar mills. We have a combined sugarcane crushing capacity of 45,500 TCD. During the Sugar Season ("**SS**") 2016, our manufacturing unit in Dhampur crushed 1.59 million tonnes of sugarcane, which was the highest sugarcane that was crushed by a single mill in the state of Uttar Pradesh during this period. In addition, two of our mills have distilleries which together have a combined capacity to produce 300,000 litres of industrial alcohol per day. We also have cogeneration and bio-gas facilities, which have an aggregate installed capacity of 209 MW. Of this installed capacity, around 125 MW of power is in excess of the amount generally required to operate our business. We sell this surplus power to the Uttar Pradesh state grid under long term power purchase agreements.

In Fiscal Years 2016 and 2015, we had total revenue of ₹ 22,577.1 million and ₹ 17,977.0 million, respectively, EBITDA of ₹ 2,356.90 million and ₹ 1,420 million, respectively. In Fiscal Year 2016, we had profits of ₹ 258.8 million and losses of ₹ 128.3 million in Fiscal Year 2015. In Fiscal Years 2016 and 2015, 58.7% and 65.6%, respectively, of our gross revenue from operations (including intersegment revenue) was attributable to our sugar segment; 13.4% and 13.2%, respectively, to our chemicals segment; and 15.5% and 15.4%, respectively, to our power segment.

We own and operate a total of five manufacturing facilities, all of which are located in the north Indian state of Uttar Pradesh. At these facilities, we operate our sugar mills and cogeneration plants. Additionally, we operate our distilleries at our Dhampur and Asmoli Facilities. We have, in the recent past, made capital investments in relation to innovative technological advancements that are aimed at increasing our productivity. Please see "--Our ability to innovate in each of the business segments in which we operate ensures optimum utilisation and maximum efficiency of our resources." and "—Research and Development" on pages 23 and 96, respectively, of this Placement Document. For instance, the spent wash fired boiler recently installed at our Dhampur Facility enables us to further sweat our assets, and as a result, increase our industrial alcohol production.

We have integrated our sugarcane processing operations with downstream industries across all of our manufacturing units. We use molasses to produce industrial alcohol (primarily ethanol) and bagasse (fibrous residue of crushed sugarcane) to produce power. We transport molasses from our Meerganj, Mansurpur and Rajpura Facilities to the nearby Dhampur and Asmoli Facilities, where our distilleries are located. Further, all of our manufacturing facilities are equipped with cogeneration plants from which we produce power for captive consumption and sale. This allows us to efficiently use molasses and bagasse, by-products of the sugar manufacturing process, to diversify our business.

Our business is primarily divided into three verticals, namely the sugar manufacturing segment (the "**Sugar Segment**"); the distillery segment for the manufacture of chemicals (the "**Chemicals Segment**"); and the renewable energy segment (the "**Power Segment**").

Sugar Segment

All of our cane crushing units are located in western or central Uttar Pradesh and generally draw their cane from within their reserved areas which may extend to a distance of around 30 kilometres of each such unit. Our Company sources its raw materials from around 190,000 farmers. The products manufactured by our Sugar Segment are (a) refined (or sulphurless) sugar; and (b) white (or sulphated) sugar. During the SS 2016 we produced 0.5 million tonnes of sugar across our mills. Refined sugar constituted approximately 41.5% of the total sugar produced by our Company in SS 2016. Our Sugar Segment enhanced its 'average sugar recovery' from 9.6% in SS 2015 to 10.7% in SS 2016. Total revenue from Sugar Segment (including excise duty) contributed to 58.7% and 65.6% of our total revenues (including excise duty) during Fiscal Year 2016 and Fiscal Year 2015, respectively. For further information please see "Managements' Discussion and Analysis and Results of Operations" on page 64 of the Placement Document.

Chemicals Segment

We have distilleries at two of our manufacturing facilities. Our first chemical unit was set up at our Dhampur manufacturing facility in the year 1991 to process molasses, produced as a by-product of our sugarcane processing operations, into alcohol and other industrial chemicals. Today, our distilleries use the molasses to manufacture ethanol, rectified spirit, extra neutral alcohol, ethyl acetate, organic manure and carbon dioxide. Recently, during the year 2014, our Company has strengthened the viability of its distillery business by foraying into the branded Indian Made Foreign Liquor segment. Total revenue from Chemicals Segment (including excise duty) contributed to 13.4% and 13.2% of our total revenue (including excise duty) in Fiscal Year 2016 and Fiscal Year 2015, respectively. Our Company produced 71 million litres and 37.2 million litres of industrial alcohol in Fiscal Year 2016 and Fiscal Year 2015, respectively.

Power Segment

Our Company has recognised, that a power intensive business like sugar manufacturing, needs to maximise generation of power from downstream utilisation of its by-products. Our Company has installed 205 MW of cogeneration capacity at all five of our manufacturing facilities. Our Company's multi-fuel boilers ensure year-long power generation. Further, we have also installed a 4MW bio-gas (methane based) gen set at our Asmoli Facility. Total revenue from Power Segment (including excise duty) contributed to 15.5% and 15.4% of our total revenues (including excise duty) in Fiscal Year 2016 and Fiscal Year 2015, respectively.

Significant Factors Affecting Our Results of Operations

Our Company's results of operations have been, and will be, affected by many factors, some of which are beyond our control. This section sets out certain key factors that senior management believe have affected our results of operations during the period under review or could affect our results of operations in the future. Differences in the timing of the impact of certain of these factors may make it difficult to compare our financial information for the period under review. For a discussion of certain additional factors that may adversely affect our results of operations and financial condition, please see "Risk Factors" on page 35 of this Placement Document.

A number of factors affect our financial condition and results of operations, including the following:

Sales Volume of Sugar, Industrial Alcohol and Power

Sugarcane is the principal raw material used in the production of sugar. All of our cane crushing units draw their cane from farmers residing up to a distance of around 30 kilometres of each such unit. Our production volume of sugar is directly dependent on the amount of cane we procure from these farmers. Achieving high sales volumes in sugar, industrial alcohol and power is critical to maintaining and increasing our revenues. Most of our sales are in and around the State of Uttar Pradesh. Our efforts have resulted in an increased presence in these markets.

Our chemicals production business is substantially molasses-based, and our power generation business is substantially bagasse-based, each of which is derived from sugarcane. Higher production of sugar results in higher quantities of molasses. We have been expanding our industrial alcohol production capacity to process the increased amounts of molasses we produce. Our sales volume of industrial alcohol increased from 37.5 million litres in Fiscal Year 2015 to 69.6 million litres in Fiscal Year 2016 and constituted approximately 7.9% and 12.4% of our consolidated gross sales in Fiscal Year 2015 and Fiscal Year 2016, respectively. Further, our cogeneration facilities have an aggregate installed capacity of approximately 205 MW. Of this installed capacity, approximately 125 MW of power is in excess of the amount generally required to operate our business. We sell this surplus power to the Uttar Pradesh state grid.

Our ability to procure cane from the farmers within our reserved areas; our ability to process the cane to achieve high sugar recovery rates; our ability to efficiently use the by-products of the cane to manufacture chemicals and power; and our ability to increase sales volumes of sugar, industrial alcohol and power are all significant factors affecting our results of operations.

Selling Price of Sugar, Industrial Alcohol and Power

The sugar industry in India is very fragmented. As a result, our pricing power is limited. Our sugar is sold at market prices determined by demand and supply in the markets where we sell sugar. Demand for sugar has been generally increasing as a result of the increase in population and a shift in preference from traditional sweeteners such as *gur* and *khandsari* to sugar. We sold 533,769 tonnes of sugar in Fiscal Year 2016, which was 34.4% higher than our sales of 397,070 tonnes of sugar in Fiscal year 2015. Our average realized price of sugar decreased by 11.6% from ₹ 30.2/kg in Fiscal Year 2015 to ₹ 26.7/kg in Fiscal Year 2016. The table below sets out our average sugar selling prices for the periods indicated.

Fiscal Year	**Our average selling price**
	₹ per kilogram
2016	26.7
2015	30.2
2014	31.0
2013	33.3

Further, the sugar industry has historically been cyclical and sensitive to changes in supply and demand. The market in India has experienced periods of limited supply, causing sugar prices and industry profit margins to increase, followed by periods of excess production that result in oversupply, causing declines in sugar prices and industry profit margins. Fluctuations in demand and supply and as a result, the price of our products, occur for various reasons, including but not limited to (a) changes in the availability and price of our primary raw material, sugarcane; (b) variances in the production capacities of our competitors; and (c) the availability of substitutes for the sugar products that we produce. We manage our inventories so that we are able to sell our sugar towards the end of or after the crushing season when the selling prices are higher.

Demand for industrial alcohol products, especially ethanol, is generated by oil companies for use as an additive to gasoline. The price for ethanol as fixed by the Indian government (Cabinet Committee of Economic Affairs) has grown in the recent past as a result of favourable government policy. This is also a significant departure from the earlier regime of unregulated pricing, which was subject to market forces. Fluctuations in price are largely the result of change in government policy. The table below sets out our average industrial alcohol selling prices for the periods indicated.

Fiscal Year	**Our average selling price**
	₹ per litre
2016	41.6
2015	38.7
2014	36.9
2013	30.9

Industrial alcohol production depends on molasses and sugar production, which in turn depends on availability of sugarcane.

Further, we have entered into agreements with the Uttar Pradesh state grid for sale of the excess power produced at our co-generation facilities. The price for purchase of power is fixed by the State of Uttar Pradesh from time to time. Accordingly, the price at which we sell power is largely dependent on government power purchase policy that is currently prevailing.

Production Cost

Our cost of production principally comprises raw material costs and salaries and related costs. The availability of sugarcane, our key raw material, is affected by weather conditions, governmental trade policies and regulations and the amount of sugarcane planted by farmers, including substitution by farmers of other agricultural commodities for sugarcane. The SAP, which is the minimum price per quintal of sugarcane payable to farmers as determined by the State Government of Uttar Pradesh at the start of every SS, is the principal determinant of our production cost for sugar and industrial alcohol in a given SS. Further, our production cost is also directly linked to our sugar recovery rates. Our ability to maintain high recovery rates from the sugarcane we procure factors into reducing our production cost, whereas, a drop in our recovery rates would significantly increase our cost of production.

Our ability to manage growth

We have experienced rapid growth in the past decade, which creates pressure and increasing demand on our management and other resources. Our success in managing our growth and diversification and maximizing the return from our recent investments will depend on, among other factors, our ability to successfully manage our financing obligations in relation to these investments, control costs and maintain sufficient operational and financial controls. Furthermore, the expansion and diversification of our Chemicals Segment and Power Segment requires significant management attention that would otherwise be available for our core sugar business. Our ability to address the challenges associated with such rapid expansion may affect our financial condition and results of operations.

Competitive Environment

We operate in an intensely competitive environment. While we primarily face competition from the sugar mills located in the state of Uttar Pradesh, we also face competition from sugar mills located in Karnataka and Maharashtra. Our competition in the industrial sugar segment is primarily with other sugar mills who manufacture refined sugar. Such competitive environment in the businesses we operate may affect our results of operations.

Regulations and policies in India affecting the sectors in which we operate

We operate in a highly regulated environment. Several aspects of our operations, including the sourcing and pricing of raw material and the sale of our products are regulated by the central and state governments. Agricultural production and trade flows are significantly affected by government policies and regulations. Government policies affecting the agricultural industry, such as environmental regulations, taxes, tariffs, duties, subsidies and import and export restrictions on agricultural commodities and commodity products, can influence industry profitability, the planting of certain crops as opposed to other crops, the location and size of crop production, whether unprocessed or processed commodity products are traded, and the volume and types of imports and exports. Further, the price at which we procure sugar is set by the Uttar Pradesh state government under the SAP mechanism. Future government policies in India and elsewhere may affect the supply and demand for and prices of our products and raw materials, and consequently, our ability to do business in our existing and target markets.

Significant Accounting Policies

i. Basis of Preparation of Financial statement

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Policies in India (Indian GAAP) to comply with the Accounting Standards specified under **Section 133 of the Companies Act, 2013**, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("The 2013 Act") / **Section 211(3C) of the Companies Act, 1956**. The Financial Statements have been prepared on Accrual Basis on the Historical cost convention except for certain tangible fixed assets which are carried on revalued amounts.

All assets and liabilities have been classified as current and non-current as per Company's normal Operating Cycle and other criteria set out in the Companies Act, 2013/1956. The company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

ii. Principles of Consolidation

The consolidated financial statements relate to Dhampur Sugar Mills Limited ("The Company") and of the Financial Statements of its wholly owned subsidiary/subsidiaries as given below. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March of respective financial years.
b) The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating the intra-group balances and intra-group transactions resulting in unrealized profits or losses.
c) The operating activities of subsidiaries are being treated as integral foreign operations and accordingly the financial statements are translated as if the transactions of the foreign operation have been those of the Company itself.
d) As far as possible, the consolidated financial statements have been prepared using uniform accounting policies, like transaction and events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
e) The excess of cost to the Company of its investments in the subsidiary companies is recognized in the financial statement as goodwill and the excess of company's portion of equity of the subsidiaries over the cost of the investments therein is treated as capital reserve.
f) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above. If, the amount of losses applicable to the minority on consolidation exceeds the minority interest in the equity of the subsidiary, the excess, and any further losses applicable to the minority, are adjusted against the majority interest except to the extent that minority has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently report profits, all such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.
g) The list of subsidiary companies which are included in the consolidation and the groups' holding therein are as under:

S. No.	Name of the Company	Country of Incorporation	Ownership in % either directly or through subsidiaries			
			2015-16	2014-15	2013-14	2012-13
1.	Dhampur International Pte. Ltd. (DIPL)	Singapore	100%	100%	100%	100%
2.	Dhampur Global Pte. Ltd. (Subsidiary of DIPL)	Singapore	N.A.	100%	100%	N.A.

- These consolidated financial statements are based, in so far as they relate to amounts included in respect of the subsidiaries, on the audited financial statements for the year ended 31st March, 2016 & 31st March, 2015 and unaudited financial statements for the year ended 31st March, 2014 & 31st March, 2013 prepared for consolidation.

iii. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management of the company to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities)and the reported income and expenses during the year.

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

iv. Fixed Assets and work-in-progres

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

Expenditure during construction period: Directly attributable expenditure (Including finance cost related to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation and capital assets under installation are treated as pre-operative expenses pending allocation to assets and are shown under “Capital work-in-progress”. Capital Work-in-progress is stated at the amount expended up to the date of Balance Sheet for the cost of fixed assets that are not ready for their intended use.

Assets identified and technically evaluated as obsolete are retired from active use and held for disposal are stated at the lower of their net book value and estimated realizable value.

v. Depreciation and Amortization

<u>For the year 2015-16 & 2014-15:</u>

Depreciation on fixed assets is provided for over the useful life of assets specified in the Schedule – II of Companies Act, 2013 as under:

Depreciation on plants and buildings acquired up to 31^{st} March 1989 and other assets acquired up to 31^{st} March, 2014 is provided on written down value method.

Depreciation on plants and buildings acquired after 31st March 1989 and other fixed assets acquired after 31^{st} March, 2014 is provided on straight line method.

<u>For the year 2013-14 & 2012-13:</u>

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

Depreciation on other fixed assets is provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

vi. Foreign Exchange Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate on the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are restated at year -end rates. In case of items which are covered by forward exchange contracts, the premium or discount arising out at the inception of such contracts is amortized as income or expense over the life of the contract. Further exchange difference on such contracts i.e. difference between the exchange rate at the exchange reporting/settlement date and the exchange rate on the date of inception of contract/the last reporting date, is recognized as income/ expense for the year except that the exchange differences, including premium or discount on forward exchange contracts, arising in respect of long term borrowings or liabilities relating to the acquisition of the depreciable capital assets which are adjusted to the cost of fixed assets.

Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

vii. Inventories

Raw material, process chemicals, stores, spares and packing material are carried at weighted average cost.
Finished goods, Goods in Process and Traded goods except by-products are carried at lower of cost and net realizable value. Cost of trading goods is determined using FIFO basis. Cost of finished goods and Goods in Process 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.
Stock of finished farm products, molasses and bagasse are carried at estimated Net Realizable Value.
Standing cane and other crops are carried at cost.

Loose tools and instruments are carried at depreciated value.
By-products are carried at net realizable value.

viii. Excise duty

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

ix. Employees Benefits

Defined contribution plan:
Company's contributions paid/payable during the year to provident fund and pension fund are recognized in the profit and loss account.

Defined benefit plan:

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

Short term benefits are recognized as expense at the undiscounted amount in the Statement of the profit and loss account for the year in which the related service is rendered.

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.

x. Leases

Leases rentals in respect of operating leases, if any, are expensed with reference to lease term, except for rentals pertaining to the period up to the date of commissioning of the assets which are capitalized.

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

xi. Investments

Investments are either classified current or long-term based on Management's intention at the time of acquisition:
Current investments are carried at lower of cost and net realizable value.
Long term investment is stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary.
Cost includes acquisition price and directly attributable acquisition charges such as brokerage, fee and duties.

xii. Revenue Recognition

Revenue is recognized only when it can be reliably measured and is reasonable to expect ultimate collection. Revenue from sale of goods is recognized on transfer of significant risk and reward of ownership to the customer. Revenue includes excise duty and excludes sales tax/VAT, trade discount and rebates. Interest income is recognized when no significant uncertainty as to measurability or collectability exists.
Insurance claim are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims. .
Export benefits are accounted for in the year of exports based on eligibility and when there is no significant uncertainty in receiving the same.

xiii. Borrowing Costs

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

xiv. Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits under the provision of Income Tax Act, 1961. Deferred tax resulting from timing differences between taxable income and accounting income is accounted for using the tax rates and Laws that are enacted or substantively enacted on the balance sheet date. The deferred tax assets is recognized and carried forward only if there is virtual certainty that the assets will be realized in future. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which Minimum Alternate Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Notes issued by the Institute of Chartered Accountants of India, the said asset is created by the way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal Income Tax during the specified period.

xv. Impairment of Assets

The Carrying amount of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/ external 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. Impairment losses recognized in prior accounting period are reversed if there is any change in the estimate of the recoverable amount.

xvi. Government Grants

Government grants are recognized where there is reasonable assurance that the condition attach to them will be complied and the grants will be received. Government grants are accounted for as under:

Government grants of the nature of promoters’ contribution are credited to the capital reserve and treated as a part of the Shareholders’ Fund.

Government grants related to specific depreciable fixed assets are adjusted with the value of assets. Government grants related to the specific non-depreciable fixed assets are credited to capital reserve.

Government grants that are receivable as compensation for expenses or losses incurred or for the purpose of giving immediate financial support are either deducted from the expenditure in case these relate to specific expenditure and in other cases, are treated as other income. These grants, if available, to the industry in general are treated as ordinary items and if available only to the company are treated as an extraordinary item and disclosed accordingly.

xvii. Provisions, Contingent Liabilities and Assets

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

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

Contingent assets are not recognized in the financial statements.

xviii. 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 carry insignificant risk of changes in value.

xix. 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 Company are segregated.

xx. Earning Per Share

Basic earnings per share are computed by dividing the net profit/(loss) after tax (including the post-tax effect of extra ordinary items, if any), attributable to the equity shareholders, by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed by dividing the net profit/(loss) after tax (including the post-tax effect of extra ordinary items, if any), attributable to the equity shareholder, 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. Dilutive potential equity shares are determined as at the end of each period presented.

xxi. Segment Reporting

Segments are identified based on dominant source and nature of risks and returns and the internal organizational and management structure. The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole. In addition, the following specific accounting policies have been followed for segment reporting:

Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter segment transfers. Inter segment transfers are accounted for, based on the estimated market price in case of marketable product and cost plus markup basis in case of non-marketable product.

Results of Operation

The following table sets forth, for the Fiscal Years indicated, certain items from our Audited Consolidated Financial Statements, in each case also stated as a percentage of total income.

(₹ in millions)

Particulars		2015-16	2014-15	2013-14	2012-13
Income					
Revenue from operations		23,250.4	18,560.6	18,977.8	15,328.7
Less : Excise duty and other taxes		920.2	658.2	749.8	516.5
Other income		246.9	74.6	59.7	73.9
Total revenue		**22,577.1**	**17,977.0**	**18,287.7**	**14,886.1**
Expenses					
Cost of Raw materials consumed		15,158.2	12,740.6	13,437.0	15,177.9
Purchases of Stock-in-Trade		2,370.8	1,042.2	223.3	246.8
(Increase)/Decrease in inventories of finished goods, Work-in-progress and traded goods		(169.0)	199.3	696.3	(5,217.6)
Employee benefits expense		843.8	761.9	733.4	711.0
Finance costs		1,586.5	1,496.6	1,422.1	1,126.7
Depreciation and amortization expense		551.4	552.3	758.8	781.9
Less : transferred from general reserve		0.0	0.0	0.0	(14.3)
Other expenses		2,023.7	1,725.7	1,856.2	1,681.2
Total Expenses		**22,365.4**	**18,518.6**	**19,127.1**	**14,493.6**
Profit before exceptional and extraordinary items and tax		**211.7**	**(541.6)**	**(839.4)**	**392.5**
Exceptional items		102.2	0.0	0.0	81.9
Transferred from General Reserve		0.0	0.0	0.0	(81.9)
Profit before extraordinary items and tax		**313.9**	**(541.6)**	**(839.4)**	**392.5**

Extraordinary items		0.0	0.0	0.0	0.0
Profit/(loss) before tax		**313.9**	**(541.6)**	**(839.4)**	**392.5**
Tax expense:					
Current tax/ Income tax adjustments		41.1	16.0	3.2	59.7
MAT credit entitlement		(41.1)	0.0	(3.2)	(59.5)
Deferred tax assets/(liability) (Net)		(55.1)	429.3	55.9	(165.2)
Profit/(loss)		**258.8**	**(128.3)**	**(783.5)**	**227.1**
Earning per equity share (nominal value of share ₹ 10/- each)					
Basic (₹ per share)		4.1	(2.5)	(14.0)	3.6
Diluted (₹ per share)		4.1	(2.5)	(13.3)	3.6

Principal Components of our Statement of Profit and Loss Account:

Revenues

Revenues from operations

We derive a substantial portion of our total revenues from operations, which consists of (i) revenues from sale of products which comprises sale of finished goods and traded goods; and (ii) other operating revenues which comprises insurance claims received, subsidies received, scrap sale and others.

Other Income

In addition to our revenue from operations, we derive other income in the form of (i) interest; (ii) rent; (iii) profit on sale of assets; (iv) income from renewable energy certificates ("REC"); (v) income from consultancy services (vi) service charges; (vii) provisions for impairment of investment reversed; (viii) dividend; (ix) net foreign exchange differences; and (x) profit / (loss) on sale of investments.

Expenses

Our expenses primarily comprises the following:

(i) Cost of raw materials consumed;

(ii) Purchases of stock-in-trade;

(iii) Increase / (Decrease) in inventories of finished goods, work-in-progress and traded goods along with an increase / (decrease) of excise duty on inventories;

(iv) Employee benefit expenses which includes salaries, wages and bonus, contribution to provident and other funds, workmen and staff welfare expenses, gratuity expenses and voluntary retirement compensation; and

(v) Other expenses which includes repairs and maintenance expenses, consumption of stores, spares and other manufacturing expenses, packing material expenses, selling expenses, power and fuel expenses, expenditure on crops, payment to auditors and other miscellaneous expenses.

Tax Expenses

Tax expenses comprise current tax (net of minimum alternate tax credit) and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Fiscal Year 2016 compared to Fiscal Year 2015

Particulars	For the years ended March 31			
	2016 (₹ in million)	**% of total revenue**	**2015 (₹ in million)**	**% of total revenue**
Income				
Revenue from operations (gross)	23,250.4	103.0%	18,560.6	103.2%
Less: Excise duty and other taxes	920.2	4.1%	658.2	3.7%
Revenue from operations (net)	22,330.2	99.0%	17,902.4	99.6%
Other income	246.9	1.1%	74.6	0.4%
Total Revenue	**22,577.1**	**100.0%**	**17,977.0**	**100.0%**
Expenses				
Cost of raw materials consumed	15,158.2	67.1%	12,740.6	70.9%
Purchases of stock-in-trade	2,370.8	10.5%	1,042.2	5.8%
(Increase) / Decrease in inventories of finished goods, work-in-progress and traded goods	(169.0)	-0.7%	199.3	1.1%
Employee benefits expenses	843.8	3.7%	761.9	4.2%
Finance costs	1,586.5	7.0%	1,496.6	8.3%
Depreciation and amortization expenses	551.4	2.4%	552.3	3.1%
Other expenses	2,023.7	9.0%	1,725.7	9.6%
Total Expenses	**22,365.4**	**99.1%**	**18,518.6**	**103.0%**
Profit / (loss) before exceptional and extraordinary items and tax	**211.7**	**0.9%**	**(541.6)**	**-3.0%**
Exceptional items	102.2	0.5%	0.0	0.0%
Profit / (loss) before extraordinary items and tax	**313.9**		**(541.6)**	**-3.0%**
Extraordinary items	0.0	0.0%	0.0	0.0%
Profit / (loss) before tax	**313.9**	**1.4%**	**(541.6)**	**-3.0%**
Tax Expenses				
Current tax / income tax adjustments	41.1	0.2%	16.0	0.0%
Less: MAT credit entitlement	(41.1)	0.2%	-	-
Deferred tax assets / (liability) (net)	(55.1)	0.2%	429.3	2.4%
Profit / (loss)	**258.8**	**1.1%**	**(128.3)**	**-0.7%**

Total Revenue

Total revenue increased by 25.6% from ₹ 17,977.0 million for the Fiscal Year 2015 to ₹ 22,577.1 million for the Fiscal Year 2016, primarily due to an increase in revenue from operations.

Revenue from operations (net)

Revenue from operations (net of excise duty and other taxes) increased by 24.7% from ₹ 17,902.4 million in Fiscal Year 2015 to ₹ 22,330.2 million in Fiscal Year 2016 due to an increase in the sale of all our segments, and primarily due to an increase in sugar sales. The production of sugar in SS 2015 increased due to a higher yield as compared to periods under review of which stock was sold by the Company during Fiscal 2016. It may be noted that as at April 1, 2015, our stock of sugar was 348,698.6 tonnes as compared to 306,062.3 tonnes as at April 1, 2014

Other income

Other income increased by 231.0% from ₹74.6 million in Fiscal Year 2015 to ₹246.9 million in Fiscal Year 2016. This increase is primarily attributable to the reclassification of gains from the sale of renewable energy certificates (in the nature of marketable securities that were allotted to the Company as per regulations issued by Central Electricity Regulatory Commission) from revenue from operations in Fiscal Year 2015 to other income in Fiscal Year 2016. This increase can also be partially attributable to gains from the sale of investment in units of CRB Mutual Funds, which were previously written off by us.

Cost of raw materials consumed

The cost of raw materials consumed increased by 19.0% from ₹ 12,740.6 million in Fiscal Year 2015 to ₹ 15,158.2 million in Fiscal Year 2016 primarily due to the non-availability of financial subsidy for the payment of sugarcane price to farmers in SS 2016 that were granted by the Government of Uttar Pradesh in SS 2015. Further, this increase was also partially due to an increase in the consumption of molasses procured externally from ₹ 324.4 million in Fiscal Year 2015 to ₹ 584.1 million in Fiscal Year 2016, which is in-turn attributable to an increase in production of ethanol during the period under review.

Purchases of stock-in-trade

Purchases of stock-in-trade increased by 127.5% from ₹1,042.2 million in Fiscal Year 2015 to ₹2,370.8 million in Fiscal Year 2016. The increase can be primarily attributable to the increase in trading of raw sugar and other agri-products during Fiscal Year 2016 as compared to Fiscal Year 2015.

Change in inventories of finished goods, work-in-progress and traded goods

The change in inventories of finished goods, work-in-progress and traded goods, including excise duty thereon, amounted to a decrease of ₹199.3 million in Fiscal Year 2015 as compared to an increase of ₹169.0 million in Fiscal Year 2016.

Employee benefits expenses

The employee benefit expenses increased by 10.8% from ₹ 761.9 million in Fiscal Year 2015 to ₹843.8 million in Fiscal Year 2016 primarily due to an increase in salaries, wages and bonus expenses.

Finance costs

Finance costs increased by 6.0% from ₹1,496.6 million in Fiscal Year 2015 to ₹1,586.5 million in Fiscal Year 2016 primarily due to an increase in working capital costs in Fiscal Year 2016 as compared to Fiscal Year 2015. Further in Fiscal Year 2016, the amount of interest cost capitalized has reduced as compared to Fiscal Year 2015.

Depreciation and amortization expenses

Depreciation and amortization expenses decreased by 0.2% from ₹552.3 million in Fiscal Year 2015 to ₹ 551.4 million in Fiscal Year 2016.

Other expenses

Other expenses increased by 17.3% from ₹1,725.7 million in Fiscal Year 2015 to ₹2,023.7 million in Fiscal Year 2016 primarily due to an increase in consumption of stores, spares and other manufacturing expenses, and power and fuel expenses in line with increase in production in our Sugar, Chemicals and Power Segments. Further, this increase can also be partially attributable to increase in repair and maintenance expenses, and loss on sale of export quota obligations, partially offset by a reduction in other selling expenses in relation the export of chemical products.

Profit before exceptional and extraordinary items and tax

For the reasons mentioned above, we incurred a loss before exceptional and extraordinary items and tax, amounting to ₹541.6 million in Fiscal Year 2015 as compared to a profit before exceptional and extraordinary items and tax, amounting to ₹ 211.7 million in Fiscal Year 2016.

Exceptional Items

Exceptional items (income) amounted to nil in Fiscal Year 2015 and increased to ₹102.2 million in Fiscal Year 2016.

Profit before extraordinary items and tax

As a result of the foregoing, we incurred a loss before extraordinary items and tax, amounting to ₹541.6 million, in Fiscal Year 2015 as compared to a profit before extraordinary items and tax, amounting to ₹313.9 million, in Fiscal Year 2016.

Extraordinary items

Extraordinary items amounted to nil in both Fiscal Year 2015 and Fiscal Year 2016.

Profit/Loss before Tax

As a result of the foregoing, we incurred a loss before tax, amounting to ₹541.6 million, in Fiscal Year 2015 as compared to a profit before tax, amounting to ₹313.9 million, in Fiscal Year 2016.

Tax expenses

While our current tax adjustment expenses (net of Mat credit entitlement) decreased from ₹16.0 million in Fiscal Year 2015 to nil in Fiscal Year 2016, we recognised deferred tax assets of ₹429.3 million in Fiscal Year 2015 on losses but we have provided for deferred tax liability of Rs 55.1 million during Fiscal Year 2016.

Profit / Loss for the year

As a result of the foregoing, our profit for the year increased, from a loss of ₹128.3 million in Fiscal Year 2015 to a profit of ₹258.8 million in Fiscal Year 2016.

Fiscal Year 2015 compared to Fiscal Year 2014

The following table sets forth, for the Fiscal Years indicated, certain items from our Audited Consolidated Financial Statements, in each case also stated as a percentage of total income.

(*₹ in millions*)

Particulars	**For the years ended March 31**			
	2015 (₹ in million)	**% of total revenue**	**2014** (₹ in million)	**% of total revenue**
Income				
Revenue from operations (gross)	18,560.6	103.2%	18,977.8	103.8%
Less: Excise duty and other taxes	658.2	3.7%	749.8	4.1%
Revenue from operations (net)	17,902.4	99.6%	18,228.0	99.7%
Other income	74.6	0.4%	59.7	0.3%
Total Revenue	**17,977.0**	**100.0%**	**18,287.7**	**100.0%**
Expenses				
Cost of raw materials consumed	12,740.6	70.9%	13,437.0	73.5%
Purchases of stock-in-trade	1,042.2	5.8%	223.3	1.2%
(Increase) / Decrease in inventories of finished goods, work-in-progress and traded goods	199.3	1.1%	696.3	3.6%
Employee benefits expenses	761.9	4.2%	733.4	4.0%
Finance costs	1,496.6	8.3%	1,422.1	7.8%
Depreciation and amortization expenses	552.3	3.1%	758.8	4.1%
Other expenses	1,725.7	9.6%	1,856.2	10.1%
Total Expenses	**18,518.6**	**103.0%**	**19,127.7**	**104.6%**
Profit / (loss) before exceptional and extraordinary items and tax	**(541.6)**	**-3.0%**	**(839.4)**	**-4.6%**
Exceptional items	0.0	0.0%	0.0	0.0%
Profit / (loss) before extraordinary items and tax	**(541.6)**	**-3.0%**	**(839.4)**	**-4.6%**
Extraordinary items	0.0	0.0%	0.0	0.0%
Profit / (loss) before tax	**(541.6)**	**-3.0%**	**(839.4)**	**-4.6%**
Tax Expenses				
Current tax / income tax adjustments	16.0	0.1%	3.2	0.0%
Less: MAT credit entitlement	-	-	(3.2)	0.0%
Deferred tax assets / (liability) (net)	429.3	2.4%	55.9	0.3%
Profit / (loss)	**(128.3)**	**-0.7%**	**(783.5)**	**-4.1%**

Total Revenue

Total revenue decreased by 1.7% from ₹18,287.7 million for the Fiscal Year 2014 to ₹17,977.0 million for the Fiscal Year 2015, primarily due to a decrease in revenue from operations.

Revenue from operations (net)

Revenue from operations (net of excise duty and other taxes) decreased by 1.8% from ₹18,228.0 million for the Fiscal Year 2014 to ₹17,902.4 million for the Fiscal Year 2015. This decrease can be attributed primarily to lower sales of sugar on account of lower availability of sugarcane in SS 2014 as compared to SS 2013. A decrease in the production of sugar was accompanied by a decrease in availability of molasses and other raw materials, which resulted in lower chemicals sale. This was partially offset by an increase in our revenue from the Power Segment resulting from the commissioning of our power plant at our Rajpura Facility.

Other income

Other income increased by 25.0% from ₹59.7 million in Fiscal Year 2014 to ₹74.6 million in Fiscal Year 2015. This increase is primarily attributable to foreign exchange related gains due to higher export sales in Fiscal Year 2015, which was partially offset by a decrease in interest income in Fiscal 2014.

Cost of raw materials consumed

The cost of raw materials consumed decreased by 5.2% from ₹13,437.0 million in Fiscal Year 2014 to ₹12,740.6 million in Fiscal Year 2015. This decrease can be primarily attributed to the decrease in the cost of molasses consumed from ₹851.1 million in Fiscal Year 2014 to ₹324.4 million in Fiscal Year 2015 and a decrease in the cost of bagasse and other fuel consumed from ₹191.4 million in Fiscal Year 2014 to ₹24.8 million in Fiscal Year 2015 due to non-availability of additional molasses and bagasse externally, which in turn was due to lower crushing of sugarcane in SS 2014.

Purchases of stock-in-trade

Purchases of stock-in-trade increased significantly by 366.7% from ₹223.3 million in Fiscal Year 2014 to ₹1,042.2 million in Fiscal Year 2015. The increase can be primarily attributable to the increase in trading of coal and other agri-products during Fiscal Year 2015 as compared to Fiscal Year 2014.

Change in inventories of finished goods, work-in-progress and traded goods

The decrease in inventories of finished goods, work-in-progress and traded goods, including excise duty thereon, was ₹696.3 million in Fiscal Year 2014, as compared to a decrease in inventories of finished goods, work-in-progress and traded goods, including excise duty thereon, of ₹199.3 million in Fiscal Year 2015 due to lower valuation of sugar stock, which was marked to market in Fiscal Year 2015.

Employee benefits expenses

The employee benefit expenses increased by 3.9% from ₹733.4 million in Fiscal Year 2014 to ₹761.9 million in Fiscal Year 2015 primarily due to an increase in expenses on salaries, wages and bonus from ₹621.6 million in Fiscal Year 2014 to ₹648.3 million in Fiscal 2015.

Finance costs

Finance costs increased by 5.2% from ₹1,422.1 million in Fiscal Year 2014 to ₹1,496.6 million in Fiscal Year 2015, primarily due to the reduction in the interest cost capitalized in Fiscal Year 2015 as compared to Fiscal 2014.

Depreciation and amortization expenses

Depreciation and amortization expenses decreased by 27.2% from ₹758.8 million in Fiscal Year 2014 to ₹552.3 million in Fiscal Year 2015 due to change in useful life of depreciable assets prescribed under the Companies Act, which came into effect for periods commencing from April 1, 2014.

Other expenses

Other expenses decreased by 7.0% from ₹1,856.2 million in Fiscal Year 2014 to ₹1,725.7 million in Fiscal Year 2015, primarily due to a decrease in other selling expenses for our products in Fiscal Year 2015 on account of lower production and sale of chemicals.

Loss before tax

For the reasons mentioned above, our loss before taxes tax reduced from ₹839.4 million in Fiscal Year 2014 to ₹541.6 million in Fiscal Year 2015.

Tax expenses

Our current tax/ income tax expenses (net of MAT credit entitlement) increased from nil in Fiscal Year 2014 to ₹16.0 million in Fiscal Year 2015. In Fiscal Year 2015, we recognised deferred tax assets of ₹451.3 million on losses in Fiscal Year 2015. In Fiscal 2014, we recognized deferred tax assets only up to the amount of deferred tax liability provided for in earlier years.

Loss for the year

As a result of the foregoing, our loss for the year decreased from ₹783.5 million in Fiscal Year 2014 to ₹128.3 million in Fiscal Year 2015.

Fiscal Year 2014 compared to Fiscal Year 2013

The following table sets forth, for the Fiscal Years indicated, certain items from our Audited Consolidated Financial Statements, in each case also stated as a percentage of total income.

(₹ *in millions*)

Particulars	**For the year ended March 31**			
	2014 (₹ in million)	**% of total revenue**	**2013** (₹ in million)	**% of total revenue**
Revenue				
Revenue from operations (gross)	18,977.8	103.7%	15,328.7	103.0%
Less: Excise duty and other taxes	749.8	4.1%	516.5	3.5%
Revenue from operations (net)	18,228.0	99.7%	14,812.2	99.5%
Other income	59.7	0.3%	73.9	0.5%
Total Revenue (I)	**18,287.7**	**100.0%**	**14,886.1**	**100.0%**
Expenses				
Cost of raw materials consumed	13,437.0	73.5%	15,177.9	102.0%
Purchases of stock-in-trade	223.3	1.2%	246.8	1.6%
(Increase) / Decrease in inventories of finished goods, work-in-progress and traded goods	696.3	3.8%	(5,217.6)	-35.1%
Employee benefits expense	733.4	4.0%	711.0	4.8%
Other expenses	1,856.2	10.1%	1,681.2	11.3%
Total Expenses (II)	16,946.2	92.7%	12,599.3	84.6%
Earnings before interest, taxes, depreciation and amortization (EBITDA) (I – II)	**1,341.5**	**7.3%**	**2,286.8**	**15.4%**
Depreciation and amortization expense	758.8	4.1%	767.6	5.2%
Finance costs	1422.1	7.8%	1126.7	7.6%
Profit / (loss) before tax & Exceptional Items	**(839.4)**	**-4.6%**	**392.5**	**2.6%**
Exceptional Items	0.0	0.0%	81.9	0.6%
Transferred from General Reserve	0.0	0.0%	(81.9)	(0.6)%
Tax Expenses				
Current tax	3.2	0.0%	59.7	0.4%
Less: MAT credit entitlement	(3.2)	0.0%	(59.5)	0.4%
Deferred tax assets / (liability) (net)	55.9	0.3%	(165.2)	-1.1%
Profit / (loss)	**(783.5)**	**-4.3%**	**227.1**	**1.5%**

Total Revenue

Total revenue increased by 22.9% from ₹14,886.1 million for the Fiscal Year 2013 to ₹18,287.7 million for the Fiscal Year 2014, primarily due to an increase in revenue from operations.

Revenue from operations (net)

Revenue from operations (net of excise duty and other taxes) increased by 23.1% from ₹14,812.2 million for the Fiscal Year 2013 to ₹18,228.0 million for the Fiscal Year 2014. This increase is attributed primarily to an increase in the production of sugar in SS 2013 due to a higher yield that season as compared to SS 2014, which stock was sold by us during Fiscal Year 2014. Further, the sales from our Chemicals Segment increased in Fiscal Year 2014 as compared to Fiscal Year 2013 was due to the higher availability of external molasses and other raw materials in Fiscal Year 2014. This increase was partially offset by a decrease in revenues from our Power Segment due to a shorter sugar crushing season as well as reduced utilization of our power Meerganj Facility.

Other income

Other income decreased by 19.2% from ₹73.9 million in Fiscal Year 2013 to ₹59.7 million in Fiscal Year 2014.

Cost of raw materials consumed

The cost of raw materials consumed decreased by 11.5% from ₹15,177.9 million in Fiscal Year 2013 to ₹13,437.0 million in Fiscal Year 2014. This decrease can be primarily attributed to lower cane crushed in Fiscal Year 2014, which led to a decrease in the cost of bagasse and other fuel consumed from ₹525.4 million in Fiscal Year 2013 to ₹191.4 million in Fiscal Year 2014.

Purchases of stock-in-trade

Purchases of stock-in-trade decreased by 9.5% from ₹246.8 million in Fiscal Year 2013 to ₹223.3 million in Fiscal Year 2014.

Change in inventories of finished goods, work-in-progress and traded goods

The change in inventories of finished goods, work-in-progress and traded goods, including excise duty thereon, amounted to an increase of ₹5,217.6 million in Fiscal Year 2013 as compared to a decrease of ₹696.3 million in Fiscal Year 2014. The decrease in Fiscal Year 2014 can be primarily attributable to lower production of sugar, which resulted in sale of the sugar lying in our stock. Further, the increase in stock in Fiscal Year 2013 was due to higher sugar stock on account of higher production and acquisition of our Meergunj Facility.

Employee benefits expenses

The employee benefit expenses increased by 3.2% from ₹711.0 million in Fiscal Year 2013 to ₹733.4 million in Fiscal Year 2014 primarily due to an increase in salaries, wages and bonus expenses from ₹578.4 million in Fiscal Year 2013 to ₹621.6 million in Fiscal Year 2014.

Other expenses

Other expenses increased by 10.4% from ₹1,681.2 million in Fiscal Year 2013 to ₹1,856.2 million in Fiscal Year 2014 primarily due to an increase in packing expenses in Fiscal Year 2013 on account of jute substituting other lower cost packing materials (as a result of change in government policy) and export of chemicals, an increase in cane development expenses in Fiscal Year 2014 and an increase in miscellaneous expenses during the same period. This increase was primarily offset by a decrease in the provision for doubtful debts from ₹79.5 million in Fiscal Year 2013 to nil in Fiscal Year 2014.

Earnings before interest, taxes, depreciation and amortization

Earnings before interest, taxes, depreciation and amortization decreased by 41.3% from ₹2,286.8 million in Fiscal Year 2013 to ₹1,341.5 million in Fiscal Year 2014.

Depreciation and amortization expenses

Depreciation and amortization expenses decreased by 1.2% from ₹767.6 million in Fiscal Year 2013 to ₹758.8 million in Fiscal Year 2014.

Finance costs

Finance costs increased by 26.2% from ₹ 1,126.7 million in Fiscal Year 2013 to ₹1,422.1 million in Fiscal Year 2014, primarily due to the increase in interest expense from ₹1,111.2 million in Fiscal Year 2013 to ₹1,474.6 million in Fiscal Year 2014 resulting from enhanced utilization of working capital limit because of high inventory levels during the year.

Profit/Loss before tax

As a result of the foregoing, we incurred loss before tax of ₹839.4 million in Fiscal Year 2014 as compared to a profit of ₹392.5 million in Fiscal Year 2013.

Tax expenses

In Fiscal 2014, we recognized deferred tax assets only up to the amount of deferred tax liability provided for in earlier years, which amounted to 55.9 million in Fiscal Year 2014. Further, we provided for deferred tax liabilities of 165.2 million in Fiscal Year 2013 based on profits earned in that year.

Loss for the year

For the reasons mentioned above, we incurred loss of ₹783.5 million for Fiscal Year 2014 as compared to a profit of ₹227.1 million in Fiscal Year 2013.

Liquidity and capital resources

As of March 31, 2016, we had cash and bank balances of ₹258.0 million. Cash and bank balances primarily consist of (i) cash and cash equivalents comprising of cash on hand amounting to ₹16.8 million and balances with scheduled banks amounting to ₹170.8 million and; (ii) other bank balance comprising of deposits pledged against margin money / guarantees, and deposits earmarked for Fixed Deposits and Molasses Storage Fund amounting to ₹70.4 million. We had fixed deposits of ₹70.4 million, ₹70.2 million, ₹74.6 million and ₹63.5 million as at the end of Fiscal Year 2016, Fiscal Year 2015, Fiscal Year 2014 and Fiscal Year 2013, respectively. Our liquidity requirements have been to finance our working capital requirements for operations and our capital expenditures. Historically, we have relied on the cash flows generated from our operating activities and financing activities.

Net Cash Flows

The following table sets forth certain data from our cash flow statement:

(₹ in million)

Particulars	**For the year ended March 31, 2016**	**For the year ended March 31, 2015**	**For the year ended March 31, 2014**	**For the year ended March 31, 2013**
Net cash generated from/ (used in) operating activities	1,682.1	(807.1)	4,782.7	(1,486.1)
Net cash generated from/used in investing activities	(417.1)	(461.9)	(2,126.9)	(725.9)
Net cash used in financing activities	(1,174.0)	1,246.2	(2,709.5)	2,205.3
Net increase/(decrease) in cash and cash equivalents	91.0	(22.8)	(53.7)	6.7
Cash and cash equivalents at beginning	94.0	117.3	171.0	132.1

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
of the year				
Opening Cash from amalgamated company	0.0	0.0	0.0	111.9
Cash and cash equivalents at the end of the year	185.0	94.5	117.3	237.3

Cash Flows Generated From /(Used in) Operating Activities

Net cash generated from operating activities amounted to ₹1,682.1 million in Fiscal Year 2016. This amount was derived from the profit amounting to ₹211.7 million, as adjusted for a total of ₹2,040.5 million of (i) depreciation, (ii) loss on sale of fixed assets, (iii) finance costs, (iv) provision for impairment of investment reversed, (v) molasses storage fund, and (vi) provision for doubtful debts and balance written back, resulting in an operating profit before working capital changes of ₹2,252.2 million. Further, working capital movements during the year used cash of ₹570.7 million resulting in net cash generated from operations ₹1,681.5 million. After receiving ₹0.6 million in taxes during the year, net cash generated from operations amounted to ₹1,682.1 million.

Net cash used in operating activities amounted to ₹807.1 million in Fiscal Year 2015. This amount was derived from the loss amounting to ₹541.6 million, adjusted for a total of ₹2,041.3 million of (i) depreciation, (ii) loss on sale of fixed assets, (iii) finance costs, (iv) interest and other investment income, (v) molasses storage fund, and (vi) provision for doubtful debts and balance written off; resulting into an operating profit before working capital changes of ₹1,499.7 million. Further, working capital movements during the year used cash of ₹2,304.2 million resulting in a net cash used in operations of ₹804.5 million. After paying ₹2.6 million in cash taxes during the year, net cash used in operations amounted to ₹807.1 million.

Net cash generated from operating activities amounted to ₹4,782.7 million in Fiscal Year 2014. This amount was derived from the loss amounting to ₹839.4 million, adjusted for a total of ₹2,126.7 million of (i) depreciation, (ii) loss on sale of fixed assets, (iii) finance costs, (iv) interest and other investment income, (v) molasses storage fund, and (vi) provision for doubtful debts and balance written off; resulting into an operating profit before working capital changes of ₹1,287.3 million. Further, working capital movements during the year used cash of ₹3,505.9 million resulting in a net cash generated from operations of ₹4,793.2 million. After paying ₹10.5 million in cash taxes during the year, net cash generated from operations amounted to ₹4,782.7 million.

Cash Generated from/(Used in) Investing Activities

Net cash used in investing activities amounted to ₹417.1 million in Fiscal Year 2016. This amount consisted of cash used primarily in purchase of fixed assets (net) amounting to ₹485.0 million as set off by purchase/sale of investments (net) and interest and other investment income amounting to ₹67.9 million.

Net cash used in investing activities amounted to ₹461.9 million in Fiscal Year 2015. This amount consisted of cash used primarily in purchase of fixed assets (net) amounting to ₹489.6 million as set off by purchase/sale of investments (net) and interest and other investment income amounting to ₹27.7 million.

Net cash used in investment activities amounted to ₹2,126.9 million in Fiscal Year 2014. This amount consisted of cash used primarily in purchase of fixed assets (net) and loans (net) amounting to ₹2,168.7 million as set off by interest received amounting to ₹41.8 million.

Net Cash (Used in)/ Generated from Financing Activities

Net cash flow used in financing activities amounted to ₹1,174.0 million in Fiscal Year 2016. This amount consisted of cash primarily used in payment of finance costs amounting to ₹1,657.4 million, net proceeds from borrowings amounting to ₹471.1 million, redemption of preference shares amounting to ₹21.6 million and deposit pledged against margin money / guarantee amounting to ₹3.2 million, as offset by money received against share warrants amounting to ₹37.1 million.

Net cash generated from financing activities amounted to ₹1,246.2 million in Fiscal Year 2015. This amount consisted of cash primarily used in payment of finance costs amounting to ₹1,470.1 million, redemption of preference shares amounting to ₹59.5 million, and dividend paid including dividend distribution tax amounting to ₹3.8 million, which was more than offset by proceeds from borrowings amounting to ₹2,733.4 million and money received against share warrants amounting to ₹37.1 million and change in deposit raised against margin money / guarantee with banks amounting to ₹9.1 million.

Net cash flow used in financing activities amounted to ₹2,709.5 million in Fiscal Year 2014. This amount consisted of cash primarily used in payment of finance costs amounting to ₹1,568.4 million, net proceeds from borrowings amounting to ₹1,033.1 million, dividend paid including dividend distribution tax amounting to ₹103.4 million, and redemption of preference shares amounting to ₹29.4 million, as offset by money received against share warrants / equity shares amounting to ₹24.8 million.

Indebtedness

Long Term Borrowings

(₹ in millions)

Particulars	Non-current (as at March 31)				Current (as at March 31)			
	2016	2015	2014	2013	2016	2015	2014	2013
Debentures – Secured (A)								
Zero Coupon Non-convertible debentures including premium	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24.0
Total (A)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**24.0**
Term Loans								
Secured (B)								
Rupee term loans from banks	3,498.1	3,415.3	3,348.1	2,755.7	853.9	770.8	835.5	662.0
Rupee term loans from banks SEFASU	669.4	1,034.5	1,095.3	0.0	365.1	60.8	0.0	0.0
Rupee term loans from banks Soft loan	990.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Foreign currency term loan from bank (ECB)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	217.2
Foreign currency term loan from bank	0.0	448.0	0.0	0.0	0.0	240.5	0.0	0.0
Zero coupon rupee term loans from banks	0.0	0.0	20.6	61.9	0.0	20.6	41.2	41.2
Rupee term loans from sugar development fund	182.4	440.7	686.6	1,026.4	253.7	258.3	326.0	391.5
Total (B)	**5,340.8**	**5,338.5**	**5,150.6**	**3,844.0**	**1,472.7**	**1,351.0**	**1,202.7**	**1,311.9**
Unsecured (C)								
Deposits from related parties	41.3	26.8	0.0	19.8	26.8	58.0	20.3	16.0
Deposits from the public	47.6	42.0	23.00	44.8	20.8	25.2	25.5	19.8
Buyers' credit from bank	33.7	311.6	270.2	0.0	296.7	0.0	0.0	48.6
Deferred payment liabilities	0.0	0.0	3.6	3.6	0.0	0.0	3.5	3.5

Particulars	Non-current (as at March 31)				Current (as at March 31)			
	2016	2015	2014	2013	2016	2015	2014	2013
Total (C)	**122.6**	**380.4**	**296.8**	**68.2**	**344.3**	**83.2**	**49.3**	**87.9**
Total (A+B+C)	**5,463.4**	**5,718.9**	**5,447.4**	**3,912.2**	**1,817.0**	**1,434.2**	**1,252.0**	**1,423.8**

Short Term Borrowings

(₹in million)

Particulars	March 31			
	2016	2015	2014	2013
Secured (A)				
Cash credits from banks	9,193.2	8,585.8	5,634.7	7,740.1
Rupee loans from banks	0.0	300.0	797.6	1,150.0
Total (A)	**9,193.2**	**8,885.8**	**6,432.3**	**8,890.1**
Unsecured (B)				
Deposits from related parties	33.0	8.0	52.9	0.0
Deposits from the public	52.6	36.4	164.1	140.9
Short term loans and advances from related parties	5.9	3.9	4.7	24.2
Short term loans and advances from others	0.0	8.6	0.0	0.0
Total (B)	**91.5**	**56.9**	**221.7**	**165.1**
Total (A+B)	**9,284.7**	**8,942.7**	**6,654.0**	**9,055.2**

Interest Coverage Ratio

Set forth below is the information in respect of our interest coverage for Fiscal Year 2016, Fiscal Year 2015, Fiscal Year 2014 and Fiscal Year 2013 on a consolidated basis:

(₹in million except interest coverage ratio)

	For the year ended March 31			
Particulars	**2013**	**2014**	**2015**	**2016**
Net Profit after tax + Depreciation and Amortisation + Interest Expenses (A)	2,072.9	1,286.7	1,833.3	2,301.8
Interest Expenses (B)	1,078.2	1,311.4	1,409.3	1,491.6
Interest coverage ratio (A/B)	1.9	1.0	1.3	1.5

Contingent Liabilities

Following are our contingent liabilities (as per AS 29) as on March 31, 2016:

(₹in million)

Particulars	As on March 31, 2016
I Demands being disputed by the Company:	
a) Excise duty and Service Tax demands	445.1
b) Trade Tax and Entry Tax demands	493.4
c) Other demands	80.8
d) Estimated amount of interest on above	1,128.7

(₹in million)

Particulars	As on March 31, 2016
II Claims against the company not acknowledged as debt	
a) Statutory Liabilities being disputed by Authorities	3.6
b) Income Tax demand on processing of TDS returns	2.5
c) Other liabilities	261.7

Capital and other commitments

(₹in million)

Particulars	As on March 31, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	127.8
Corporate guarantees given by Company	3,250
Arrears on Preference Shares (including corporate on dividend)	46.2

Reservations, Qualifications and Adverse Remarks Included In Financial Statements

Based on the review of the audited financial statements as at and for the financial years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 and the auditors' report thereon, the Statutory Auditors of the Company have included the following Emphasis of Matter paragraph in the auditors' report for the year ended March 31, 2015:

"We draw attention to the Note No. '26(b)' of the annexed financial statements, which explains the reasons for recognition of subsidy announced by the Government of Uttar Pradesh."

Note No. "26(b)" to the financial statements read as under:

"The Government of Uttar Pradesh has also announced Subsidy of Rs. 40 per quintal of cane for the Sugar Industry for the Sugar Season 2014-15 linked to the average selling price of sugar and its by-products during the period 1st Oct. 2014 to 31st May 2015 as per press release dtd. 12th Nov. 2014. Under the Scheme, the Government has notified subsidy of Rs. 20 per quintal of Sugar Cane by way of cash subsidy of Rs. 8.60 per quintal of sugar cane and balance Rs. 11.40 per quintal of sugar cane by way of remission of purchase tax and entry tax and reimbursement of sugar cane society commission. The remaining subsidy of Rs. 20.00 will be notified based on the recommendation of selected committee. The average selling price of Sugar and the by-product have been significantly lower than the thresholds specified in the scheme considering the actual and future realization. In view of the above, the company has estimated and recognized entire subsidy (including additional subsidy of Rs. 20.00 per quintal which is yet to be notified by the State Government) amounting to Rs. 1226.1 million during the year. The company is confident of realizing the subsidy in view of the past and current price of sugar and by-products."

The Statutory Auditors have further stated that the entire subsidy, as aforesaid, was received by the Company during the financial year ended March 31, 2016.

Recent Developments

By its order dated April 29, 2016, the Ministry pf Consumer Affairs, Food and Public Distribution, Department of Food and Public Distribution, hoarding of sugar by dealers for trading at any time have been restricted to 5,000 quintals in Uttar Pradesh.

Segment Reporting (For the Year ended March 31, 2016)

(₹ in million)

Particulars	Sugar	Chemicals	Power	Others	Total
1. Segment Revenue (Including Excise Duty)					
a) External Sales	14,733.3	4,075.4	2,186.7	2,255.0	23,250.4
Previous year	(13,508.5)	(3,218.4)	(1,632.7)	(201.0)	(18,560.6)
b) Inter Segment Sales	3,413.2	54.8	2,602.1	1,572.8	7,642.9
Previous year	(2,739.4)	(48.4)	(2,171.4)	(1,254.6)	(6,213.8)
c) Total Revenue	18,146.5	4,130.2	4,788.8	3,827.8	30,893.3
Previous year	(16,247.9)	(3,266.8)	(3,804.1)	(1,455.6)	(24,774.4)
2. Segment Results					
(Profit(+)/Loss(-) before tax and interest from each segment)	(401.5)	646.6	1,887.7	(80.6)	2,052.2
Previous year	(-909.1)	(470.2)	(1,603.4)	(-57.9)	(1,106.6)
Less : Finance costs					1,586.5
Previous year					(1,496.6)

Particulars	Sugar	Chemicals	Power	Others	Total
Less/ Add :Other Unallocable Expense/Income					
Net off Unallocable Income/Expenses					151.8
Previous year					(151.6)
Net Profit(+)/Loss(-) Before Tax					313.9
Previous year					(-541.6)
Less: Tax expense (Net)					(55.1)
Previous year					(413.3)
Net Profit after Tax (Before Adjustment of Minority Interest)					258.8
Previous year					(-128.3)
Share of Profit/Loss to Minority					-
Previous year					-
Net Profit after Tax (after adjustment of Minority Interest)					258.8
Previous year					(-128.3)
3. Other Information					
a) Segment Assets	21,064.7	3,398.5	6,741.5	243.4	31,448.1
Previous year	(20,168.1)	(3,055.7)	(6,797.7)	(164.1)	(30,185.6)
Unallocable Corporate Assets					506.9
Previous year					(91.9)
Total Assets					31,955.0
Previous year					(30,277.5)
b) Segment Liabilities	7,829.3	116.3	38.3	165.5	8,149.4
Previous year	(9,524.8)	(210.3)	(45.7)	(49.7)	(9,830.5)
Unallocable Corporate Liabilities					16,698.7
Previous year					(16,209.9)
Total Liabilities					24,848.1
Previous year					(26,040.4)
c) Capital Expenditure	219.6	221.3	52.0	6.8	499.7
Previous year	(157.2)	(27.5)	(192.4)	(37.4)	(414.5)
d) Depreciation	316.1	87.4	141.8	6.1	551.4
Previous year	(391.1)	(87.9)	(137.6)	(8.2)	(624.8)
e) Non Cash Expenditure other than Depreciation	3.4	0	0	0	3.4
Previous year	(8.4)	(0.2)	(0.9)	0	(9.5)

INDUSTRY OVERVIEW

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Overview

Sugar is produced in around 100 countries across the world from sugarcane in tropical areas and sugar beet in the temperate zones. Around 80 per cent of the sugar produced in the world is produced from sugarcane, with beet sugar accounting for the rest. The choice of sugarcane or sugar beet for sugar production is influenced by weather conditions, crop diseases, soil quality, international trade agreements and domestic price support programmes. Producing sugar from cane is less expensive than producing it from beet.

Sugar beet is produced mainly in Europe and, to a lesser extent, in Asia and North America. Brazil, India, Thailand, Australia and Cuba are the largest sugarcane producing countries. The European Union is the largest beet sugar producer. Other beet sugar producing countries include the United States, Turkey, Ukraine, Poland and Russia.

Sugar is a widely traded commodity. On an average, about 70 per cent of world sugar production is consumed in its country of origin, and the balance 30 per cent is traded in the international markets. A part of the international sugar trade occurs under specific agreements (preferential trade and long-term agreements, amongst others) that, in some cases, include clauses on import prices.

The demand-supply position is the main factor explaining changes in international prices for sugar. It is difficult to measure consumption. Therefore, it is often estimated in terms of depletion of stocks. The best indicator for explaining changes in sugar prices is the stocks-to-use ratio that takes into account the growth in consumption. There is generally an inverse relation between changes in the stocks-to-use ratio and prices.

The Global Sugar Industry

Production surplus for the fourth consecutive year in Sugar Season 2015. However, Sugar Season 2016 is projected to be the first year of deficit.

Global sugar production had increased at a CAGR of around 3% from 153.3 million tonnes in SS 2010 to 174.9 million tonnes in SS 2015. This increase in production was driven by rise in sugar production from India and Thailand. India's sugar production during the period grew at a CAGR of around 7%, whereas, production from Thailand grew by a CAGR of 9% year on year. Sugar production from Brazil on the other hand remained range bound. Global sugar consumption grew at a CAGR of 2% from 154.0 million tonnes in SS 2010 to 171.0 million tonnes in SS 2015.

Global Demand Supply Situation

(million tonnes)	SS 2010	SS 2011	SS 2012	SS 2013	SS 2014	SS 2015	SS 2016 (P)
Opening stock	28.8	27.6	26.9	32.9	43.1	48.3	52.2
Production	153.3	159.6	168.1	174.5	173.2	174.9	167.7
Consumption	154.5	160.3	162.1	164.3	168.1	171.0	173.7
Trade	52.2	47.8	58.2	55.3	51.8	51.6	52.9
Closing stock	**27.6**	**26.9**	**32.9**	**43.1**	**48.3**	**52.2**	**46.1**
Closing stock as months consumption	2.1	2.0	2.4	3.1	3.4	3.7	3.2
New York Raw Sugar prices (US$/tonne)		585	500	401	383	306	327 – 333

Source: CRISIL Report

In SS 2015, global sugar production increased by around 1% y-o-y to ~174.9 million tonnes (vis-a-vis around 1% drop seen in SS 2014) primarily driven by higher output from India. Rise in output from India and the European Union (which produces sugar via beet) more than offset the decline in production in Brazil, China and Thailand. Moreover, with production exceeding consumption for the fourth consecutive season, global inventory levels remained elevated.

In sharp contrast to SS 2015, sugar production is expected to decline by around 4% y-o-y to 167.7 million tonnes in SS 2016, largely owing to a drop in production from India and the European Union (EU). Production in India is expected to be impacted by lower yields, while drop in acreage and recovery rates would pull down beet sugar production in EU. Also, sugar production in Brazil is expected to decrease marginally on account of increased diversion towards ethanol, while lower acreage would reduce production from China.

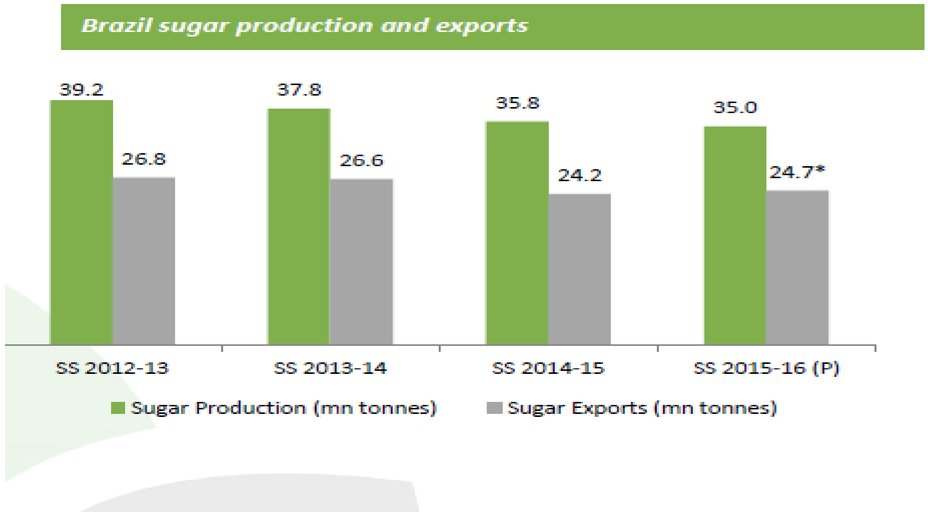
Consumption on the other hand, is expected to grow at a steady rate of around 2% y-o-y to 173.7 million tonnes. As a result, CRISIL Research expects SS 2016 to run into a deficit of around 6.0 million tonnes. The global closing stock as months' consumption is also expected to decline to 3.2 months from 3.7 months in SS 2015.

Brazil

Brazil is the world's largest producer of sugarcane, sugar and fuel alcohol (ethanol), and the lowest-cost sugar producer in the world. It is also the largest exporter of sugar in the world. Sugarcane is extensively grown in Brazil on account of the favourable returns compared to other crops, availability of adequate land, attractive land prices, expansion programs by mills to increase output, and elimination of export taxes. Sugar production is largely concentrated in the state of Sao Paulo (Centre South Region) which accounts for close to 60-65% of the total Brazilian sugar production.

Brazil has had the biggest influence on the world sugar market over the past decade. Sugar production in Brazil has grown from 20 million tonnes in SS 2001 to 38.0 million tonnes in SS 2014. However, the production dipped by 5% y-o-y to 36.0 million tonnes in SS 2015 on account of severe drought conditions which significantly impacted yield during the year. Moreover, sugar production was also hit as cane diversion towards sugar dipped by around 200 bps y-o-y on account of rise in domestic demand for fuel ethanol. With hike in price of gasoline by the government, ethanol became more economical for vehicle owners, driving demand for the latter.

With rise in sugar production over the years, Brazilian exports grew from 8.0 million tonnes in SS 2001 to 24.0 million tonnes in SS 2014. However, production issues in SS 2015 resulted in sugar exports fall to 22.0 million tonnes. At 22-24 million tonnes of exports, Brazil accounts for about 45-50% of world sugar exports. Due to its significant share in global trade, fluctuations in Brazilian Real against the USD have an impact on world sugar prices.



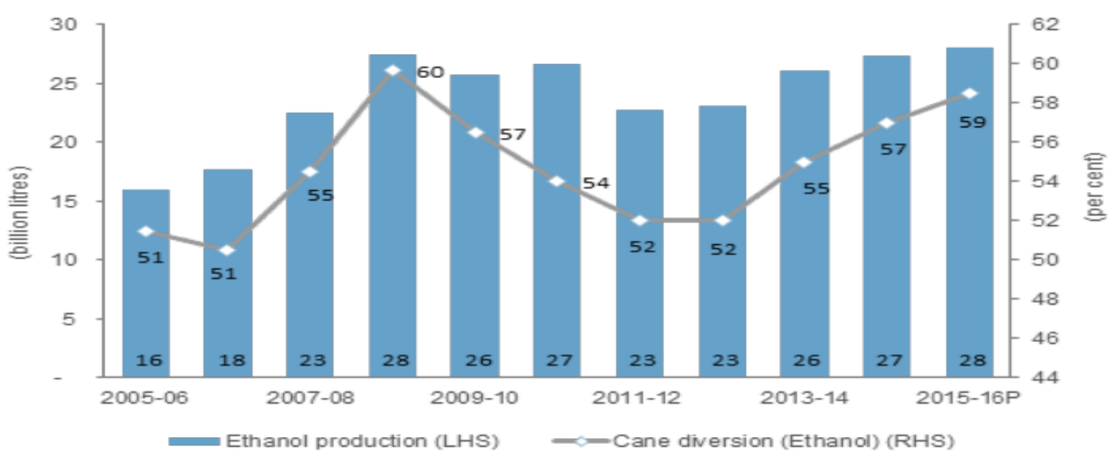
Source: CRISIL Research: Sugar 2016; Brazilian Sugarcane Industry Association; ISMA Research: Sugar 2016

Brazil's Ethanol Policy and Diversion from Sugar to Ethanol

Brazil has been a pioneer in using ethanol as a fuel. The Brazilian ethanol sector was liberalised since 1999. Brazil's sugar production is closely linked to its ethanol policy. The Brazilian government continues to fix the minimum quantity of ethanol that must be blended with petrol (at 27.5 per cent in SS 2015). The decision on the percentage of ethanol in petrol is made on the basis of a comparative analysis of the price of sugar and ethanol. Higher world ethanol prices make sugar less attractive and ethanol more attractive for sugarcane growers in Brazil and vice versa.

In SS 2015, the diversion of sugarcane to ethanol rose by 200 bps to 57%, resulting in 27.3 billion liters of ethanol production. This sharp rise in diversion towards ethanol was driven by increase in mandatory ethanol blending rate by the government to 27.5% in SS 2015 as compared to 25% earlier. Moreover, various government's efforts such as imposition of taxes on gasoline led to higher demand towards ethanol and consequently higher prices as compared to subdued sugar prices globally. Brazilian mills have the ability to switch between ethanol and sugar, depending on the profitability of each.

Trend in diversion of sugarcane towards production of sugar and ethanol



Source: UNICA, CRISIL Research

World sugar prices

World sugar prices are extremely volatile. Raw sugar prices are more exposed to volatility than refined sugar, as the share of international trade is higher for raw than for refined sugar.

($ per tonne)	Raw	Refined white
2004-05	230	264
2005-06	349	405
2006-07	230	326
2007-08	273	345
2008-09	339	418
2009-10	448	575
2010-11	585	710
2011-12	500	607
2012-13	401	503
2013-14	383	459
2014-15	306	377

Note: The prices are for the respective sugar season (October - September)

Source: CRISIL Research

There are several reasons for the volatility in world sugar prices. These include:

- High level of distortion in the international sugar market
- Level of trade -- trend in exports as a percentage of production
- Exports concentrated mainly in Brazil, Thailand and Australia

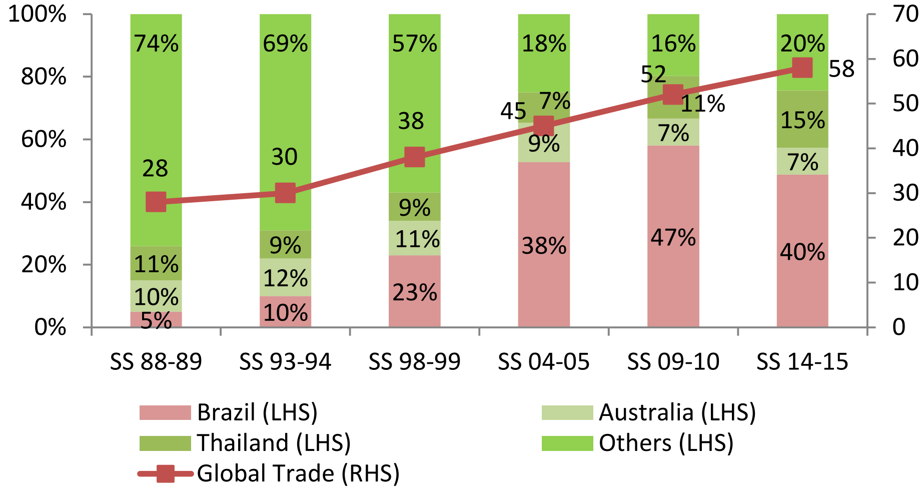
World Sugar Trading

Exports concentrated mainly in Brazil, Thailand and Australia

Sugar exports are concentrated among a small group of countries that are also leading producers. In SS 2015, Brazil, Thailand and Australia have accounted for close to 70% of the global sugar trade. Such a heavy concentration means that the global sugar prices are much more vulnerable to supply developments in just a few countries. A poor crop or a bumper crop in any of these countries can have a profound impact on prices. Other things remaining constant, sugar prices will increase if there is a sharp decline in output in any of the major producing countries, and vice-versa. Sugar production is not particularly responsive to changes in prices. In other words, production cannot increase/decrease quickly in response to changes in the price scenario/outlook. However, production is very sensitive to weather conditions.

Since the mid-1990s, Brazil, which alone accounts for 45-50 per cent of world sugar exports, appears to be setting the floor for world sugar prices. The depreciation of the Brazilian real, initiated in 1999, further lowered the price at which Brazil could export (since the export realisation, in terms of local currency, did not decline significantly). Over the last 5 years, Brazil has seen about 60-70% of its domestic sugar production directed towards exports.

Trend in share of countries in global exports



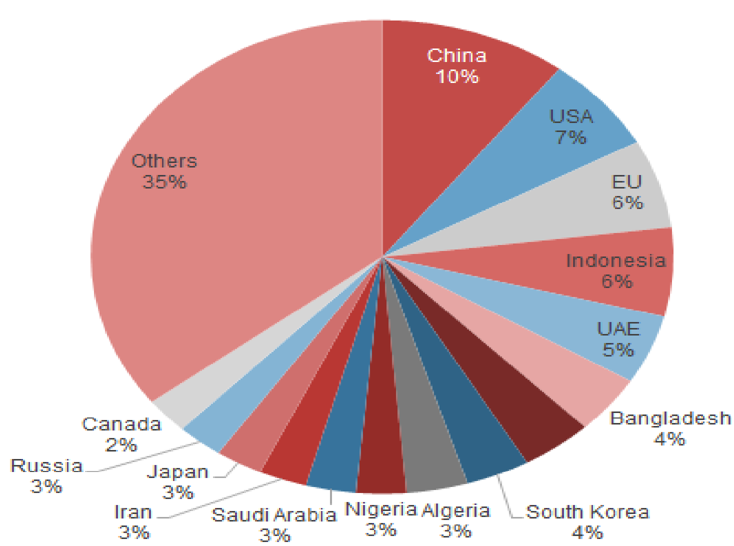
Source: USDA and CRISIL Research

Imports diversified across the world

On the other hand, the import requirements of around 15-20 countries have to be added up to arrive at the quantum of exports by the top three exporters. This reflects the widely dispersed nature of imports and heavy dependence on the sugar production of Brazil, Thailand and Australia, resulting in the global prices also being heavily influenced by any major events in these countries. China is the largest importer of sugar in 2014-15 followed by the United States, EU and Indonesia.

Increasingly over the past few years, India and China have started to play a significant role. India has dipped considerably into world trade whenever it has seen low production or higher prices. China has seen its production grow at a much slower pace compared to its domestic consumption given the limited arable land, reduction in cane purchase price as well as weather related issues.

Trend in share of countries in global imports (SS 2015)



Source: USDA and CRISIL Research

Domestic / Indian Industry Structure

Evolution of the domestic industry

India is one of the largest producers and consumers of sugar in the world. The Indian sugar industry recorded a turnover of around ₹ 660 billion in SS 2015 and is one of the largest agro-based industry in India. The sugar industry in India began with the inception of a few mills in Bihar and Uttar Pradesh in the first decade of the twentieth century.

Prior to 1956, most of the sugar factories were in the private sector. There were just three co-operative sugar factories as compared to 140 in the private sector. The Indian government then decided to encourage the growth of the co-operative sector by subscribing to the share capital of cooperatives and supporting them. The cooperative sector took off as a result, so much so that by the 1990s the cooperatives formed 55-60 per cent of the total sugar factories in India.

Highly fragmented industry

The sugar industry in India is highly fragmented. According to National Federation of Cooperative Sugar Factories Ltd (the "**NFCSF**"), approximately 516 sugar factories are estimated to be under operation for SS 2015 as of January 2015. Of these, around 40 per cent of mills are cooperative, while private mills accounted for the balance share. The concentration of cooperative mills/factories is higher in states such as Gujarat (84 per cent of total factories operating in Gujarat in SS 2015) and Maharashtra (56 per cent of total factories in Maharashtra operating in SS 2015). However, the share of cooperative mills is minimal in other states like Uttar Pradesh (19 per cent) and Karnataka (23 per cent), where most of the mills are owned by private players. In addition, there are a number of players in the unorganised segment, producing *gur* and *khandsari*.

Domestic sugar inventory expected to decline in SS 2016

Domestic sugar production increased by 16% y-o-y to 28.3 million tonnes in SS 2015, largely led by Maharashtra and Karnataka. With decline in exports and relatively slower consumption growth, inventories rose to ~10 million tonnes by the end of SS 2015, from 7.5 million tonnes at the start of the sugar season.

During SS 2016, domestic sugar production is expected to shrink by about 9% y-o-y to 25.5-26 million tonnes due to lower rainfall in two consecutive years (2014 and 2015), resulting in a drop in yields especially in Maharashtra and Karnataka. However, the sugar production in UP is expected to slightly improve by 2% y-o-y to 7.3 million tonnes due to improvement in sugar recovery by 35 bps y-o-y on account of better cane quality and agro-climatic conditions.

Domestic Demand-Supply Situation

(million tonnes)	**SS 2010**	**SS 2011**	**SS 2012**	**SS 2013**	**SS 2014**	**SS 2015**	**SS 2016 (P)**
Opening stock	2.5	4.2	5.2	6.2	8.6	7.5	9.9
Production	18.9	24.5	26.2	24.8	24.3	28.3	25.7
Imports	4.2	0.0	0.0	0.7	0.0	0.0	0.0
Consumption	21.3	20.8	22.0	23.0	24.1	24.8	25.6
Exports	0.2	2.7	3.2	0.1	1.2	1.1	1.5
Closing stock	**4.2**	**5.2**	**6.2**	**8.6**	**7.5**	**9.9**	**8.4**
Closing stock as months consumption	2.4	3.0	3.4	4.5	3.8	4.8	4.0

Domestic Sugar Price Trend

A sharp rise in domestic production, coupled with lacklustre exports, pulled down domestic sugar prices in SS 2015. Prices of Mumbai S-30 variety fell to ₹ 25.3 per kg in September 2015 from ₹ 30 per kg in October 2014. Domestic sugar prices for the entire season averaged at about ₹ 26.1 per kg as compared to ₹ 30.2 per kg in previous season, 14% decline on a y-o-y basis.

In SS 2016, sugar inventories are expected to decline by ~1.5 million tonnes as domestic sugar consumption at 25.6 million tonnes coupled with exports of around 1.5 million tonnes will be more than sugar production of 25.7 million tonnes. Consequently, sugar prices are expected to increase by 12-14% in SS 2016 to ₹ 29.5-30 per kg. The 9% decline in sugar production would also help the increase in prices, however sugar exports of around 1.5 million tonnes, which is much less than the minimum export of 3.2 million tonnes mandated by the Government is expected to keep the price rise under check. Though the inventory would be high at the end of SS 2016 at 4.0 months of consumption, the expected decline in sugar production in SS 2017 will continue to weigh on the sugar prices.

We do not expect sugar exports in SS 2016 to go beyond 1.5 million tonnes despite government mandating minimum mill-wise export aggregating to 3.2 million tonnes. This is because, the increase in domestic prices by 12-14% y-o-y would make exports less lucrative for the mills as the export realisations will be ₹ 1 per kg lower than domestic prices in SS 2016.

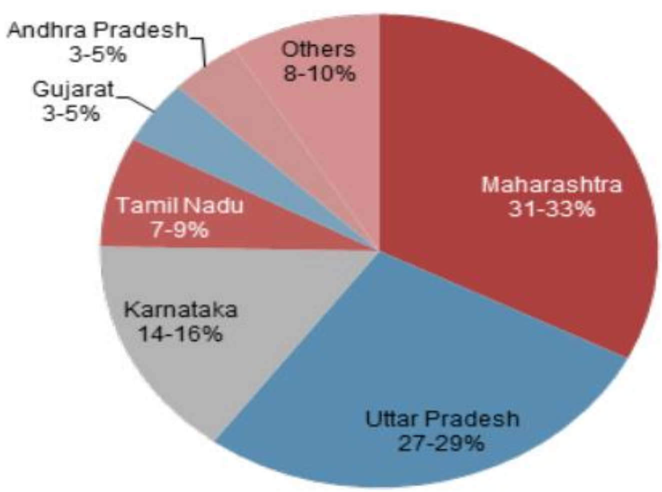
Trend in domestic sugar prices (Mumbai S-30) variety

(Rs per kg)	SS 2011-12	SS 2012-13	SS 2013-14	SS 2014-15	SS 2015-16 P
Mumbai S-30 price	30.9	32.4	30.2	26.1	29.5-30

Source: Industry and CRISIL Research
P: Projected
SS: Sugar Season (October to September)

State-wise sugar production breakup

Since sugarcane is the primary raw material from which sugar is manufactured in India, sugar mills are set up in cane growing states such as Uttar Pradesh, Maharashtra, Tamil Nadu, Karnataka, Andhra Pradesh and Gujarat. These six above mentioned states together account for around 85-90 per cent of the sugarcane production in the country. Hence, sugar capacities and production are concentrated in these states.



Source: NFCSF
Note: Share is average of production for SS 2012, SS 2013, SS 2014

UP's sugar production expected to increase marginally in SS 2016 while that of other major states decline. During SS 2016, sugar production is expected to dip by 8-9% y-o-y to about 25.5-26 million tonnes mainly on account of significant decline in production from Mahararashtra and Karnataka. On the other hand, output from Uttar Pradesh is expected to see a marginal increase.

State-wise domestic sugar production

	Units	SS 10-11	SS 11-12	SS 12-13	SS 13-14	SS 14-15	SS 15-16P
Maharashtra	Million tonnes	9.2	9.1	8.0	7.7	10.5	8.5
Y-o-Y Growth	*Per cent*	*31*	*-1*	*-12*	*-5*	*38*	*-19*
Uttar Pradesh	Million tonnes	5.9	6.9	7.4	6.4	7.1	7.3
Y-o-Y Growth	*Per cent*	*14*	*17*	*7*	*-14*	*11*	*2*
Tamil Nadu	Million tonnes	1.6	1.9	1.9	1.7	1.3	1.3
Y-o-Y Growth	*Per cent*	*25*	*18*	*4*	*-13*	*-26*	*0*
Karnataka	Million tonnes	3.7	4.0	3.4	4.2	5.0	4.3
Y-o-Y Growth	*Per cent*	*46*	*6*	*-14*	*24*	*18*	*-13*
Others	Million tonnes	4.1	4.0	4.0	4.3	4.3	4.3
Y-o-Y Growth	*Per cent*	*43*	*-1*	*-1*	*8*	*1*	*0*
Total	**Million tonnes**	**24.5**	**25.9**	**24.8**	**24.3**	**28.3**	**25.7**
Y-o-Y growth	***Per cent***	***30***	***6***	***-4***	***-2***	***16***	***-9***

E: Estimated; P: Projected; Others include states such as Andhra Pradesh,

Gujarat, Punjab, Bihar.

Source: NFSCF and CRISIL Research

Source: CRISIL Research, NFCSF

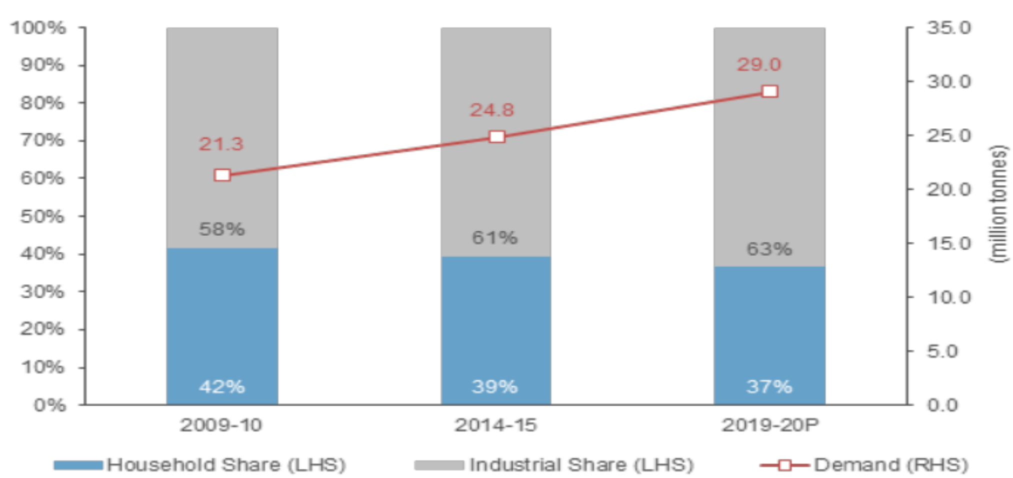
Demand

Industrial users to drive sugar consumption over next five years

Domestic households and industrial users (manufacturers of confectioneries and chocolates, sweets, soft drinks and fruit drinks) drive direct and indirect demand for sugar respectively. Domestic consumption recorded a steady 3 per cent CAGR between sugar season (SS) 2010 and SS 2015 to reach 24.8 million tonnes. Demand declined by 7 per cent and 2 per cent in SS 2010 and SS 2011 respectively, as lower production impacted industrial consumption.

Going forward, domestic demand is expected to rise steadily, recording a CAGR of 3-3.5 per cent over 2014-15 to 2019-20 to reach 29 million tonnes.

Trend in share of domestic sugar consumption



Source: CRISIL Research

P - Projected

Sugarcane prices

Modest rise in cane prices in SS 2016

In SS 2016, sugarcane procurement costs rose by a modest 3-5 cent (to ₹ 10-15 per quintal), following almost two years of largely stable realisations for farmers. (The government has increased the F&RP by ₹ 10 per quintal to ₹ 230 per quintal for SS 2016) The relatively higher sugarcane prices vis-a-vis sugar prices, over the last 4-5 years, severely impacted the financial position of sugar mills and their paying capacity.

Average Statutory Cane Price Fixed by Central Government

(₹ per quarter)

State	SS 2010	SS 2011	SS 2012	SS 2013	SS 2014	SS 2015
North Bihar	129.84	139.12	145.00	170.00	210.00	220.00
Eastern U.P	129.90	139.12	145.00	170.00	210.00	222.32
Central U.P	131.35	139.12	145.00	170.00	210.00	220.00
Western U.P	129.84	139.12	145.00	170.00	210.00	220.00
Uttrakhand	130.28	139.12	145.00	170.00	210.00	220.00
Punjab	132.04	139.12	145.00	170.00	210.00	220.00
Haryana	135.14	139.12	145.00	170.00	216.63	220.00
Rajasthan	129.84	139.12	145.00	170.00	210.00	220.00
Madhya Pradesh	138.22	139.12	148.06	173.40	216.63	229.28
Chhattisgarh	129.84	139.12	145.00	170.00	210.00	220.00
Gujarat	146.71	155.18	152.65	189.86	238.73	257.12
Maharashtra	155.40	168.32	172.54	204.18	251.99	264.08
Karnataka	142.00	156.64	166.42	199.35	229.89	254.80
Andhra Pradesh	137.08	139.12	149.59	175.19	212.21	224.64
Tamil Nadu & Pondy.	134.25	139.12	145.00	170.00	210.00	220.00
Kerala & Goa	129.84	139.12	145.00	170.00	210.00	220.00
Others	133.73	139.12	145.00	170.00	210.00	220.00
All India	141.82	149.34	155.71	183.42	221.05	236.24

State advised Cane Price

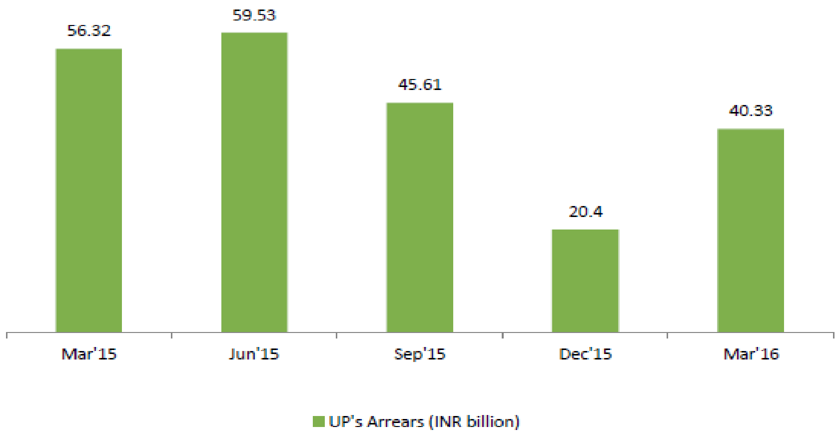
(₹ per quarter)

State	2010-11	2011-12	2012-13	2013-14	2014-15
North Bihar	205	225	255	255	255
Uttar Pradesh	205	240	280	280	280
Uttrakhand	210	250	285	285	280
Punjab	190	220	240	280	295
Haryana	210	221	271	295	305
Maharashtra	200**	180 to 205	210 to 250	236 to 275	220
Karnataka	180	200	220-240	250	220
Andhra Pradesh	180/200	200	240-260	240-260	260
T.N. & Pondy	190$	200$	225$	255$	240

$ linked to 9.5% recovery
***** 1st advance***

Lower cane arrears signalling sector recovery

Cane arrears have come down, especially in the There has been marginal improvement in sugarcane arrears in last five quarters. Please see the chart below showing sugarcane arrears in last five quarters in Uttar Pradesh.

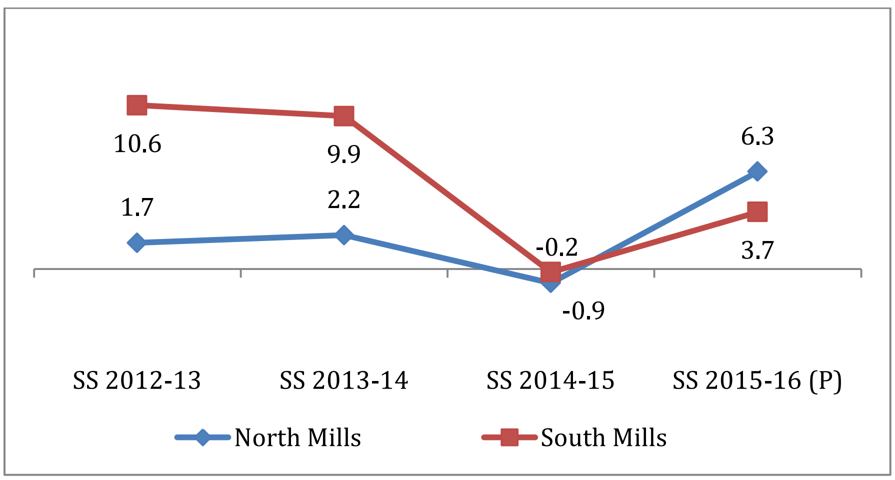


Profitability

Increase in sugar prices to improve profitability of mills in SS 2016

Over the last three sugar seasons (SS 2013, SS 2014 and SS 2015), domestic sugar prices have lagged the average cost of production. While a huge surplus pushed sugar prices down, cane costs remained high across various regions. Consequently, losses of both north and south-based mills have increased significantly. In SS 2015, sugar prices dropped by 14% year on year to about ₹ 26 per kg, which further exacerbated the losses of the north and south based mills to ₹ 33 billion and ₹ 4 billion, respectively.

However, the re-bound in sugar prices by 17% quarter on quarter to ₹ 27.8 per kg in first quarter of SS 2016, coupled with increased sugar recovery, helped the north based mills to register a net profit of ₹ 0.7 billion in the first quarter of SS 2016. On the other hand the south based mills posted a loss of ₹ 0.4 billion as against a loss of ₹ 1.2 billion in the same quarter of the previous year.



Profitability of mills to recover as sugar realisations improve

The operating margin of the distillery segment is expected to see some significant improvement due to higher realizations, whereas the margin of the cogeneration segment would also see some improvement. Apart from higher recovery, the UP government has continued providing cane subsidy of a maximum of ₹ 34.7 per quintal (only marginally lower than ₹ 40 per quintal given in SS 2016). In case of cogeneration segment, realizations would improve due to increase in power tariff provided by UPCL in Jan 2015. The ethanol segment is also expected to see a rise in realizations by 10% year on year with removal of excise duty of the fuel ethanol for SS 2016. Therefore, we expect the operating margin for the north-based mills to improve by around 700 basis points on a year on year basis.

BUSINESS

The following information is qualified in its entirety, and should be read together with the more detailed financial and other information included in this Placement Document, including the information contained in "Financial Statements" and "Risk Factors" on pages 186 and 36, respectively, of this Placement Document. Except as indicated otherwise, all references in this section to "we", "us", "our", or "our Company" are to Dhampur Sugar Mills Limited and / or its Subsidiary, as appropriate.

Overview

We are an integrated Indian sugar manufacturing company with sugar, industrial alcohol manufacturing and power cogeneration facilities. We process sugarcane, the raw material used in the production of sugar. From the by-products, we produce industrial alcohol and other chemicals. Further, we also generate power at our sugar mills. We have a combined sugarcane crushing capacity of 45,500 TCD. During the Sugar Season ("**SS**") 2016, our manufacturing unit in Dhampur crushed 1.59 million tonnes of sugarcane, which was the highest sugarcane that was crushed by a single mill in the state of Uttar Pradesh during this period. In addition, two of our mills have distilleries which together have a combined capacity to produce 300,000 litres of industrial alcohol per day. We also have cogeneration and bio-gas facilities, which have an aggregate installed capacity of 209 MW. Of this installed capacity, around 125 MW of power is in excess of the amount generally required to operate our business. We sell this surplus power to the Uttar Pradesh state grid under long term power purchase agreements.

In Fiscal Years 2016 and 2015, we had total revenue of ₹ 22,577.1 million and ₹ 17,977.0 million, respectively, EBITDA of ₹ 2,356.90 million and ₹ 1,420 million, respectively. In Fiscal Year 2016, we had profits of ₹ 258.8 million and losses of ₹ 128.3 million in Fiscal Year 2015. In Fiscal Years 2016 and 2015, 58.7% and 65.6%, respectively, of our gross revenue from operations (including intersegment revenue) was attributable to our sugar segment; 13.4% and 13.2%, respectively, to our chemicals segment; and 15.5% and 15.4%, respectively, to our power segment.

We own and operate a total of five manufacturing facilities, all of which are located in the north Indian state of Uttar Pradesh. At these facilities, we operate our sugar mills and cogeneration plants. Additionally, we operate our distilleries at our Dhampur and Asmoli Facilities. We have, in the recent past, made capital investments in relation to innovative technological advancements that are aimed at increasing our productivity. Please see "--Our ability to innovate in each of the business segments in which we operate ensures optimum utilisation and maximum efficiency of our resources." and "—Research and Development" on pages 23 and 96, respectively, of this Placement Document. For instance, the spent wash fired boiler recently installed at our Dhampur Facility enables us to further sweat our assets, and as a result, increase our industrial alcohol production.

We have integrated our sugarcane processing operations with downstream industries across all of our manufacturing units. We use molasses to produce industrial alcohol (primarily ethanol) and bagasse (fibrous residue of crushed sugarcane) to produce power. We transport molasses from our Meerganj, Mansurpur and Rajpura Facilities to the nearby Dhampur and Asmoli Facilities, where our distilleries are located. Further, all of our manufacturing facilities are equipped with cogeneration plants from which we produce power for captive consumption and sale. This allows us to efficiently use molasses and bagasse, by-products of the sugar manufacturing process, to diversify our business.

Our business is primarily divided into three verticals, namely the sugar manufacturing segment (the "**Sugar Segment**"); the distillery segment for the manufacture of chemicals (the "**Chemicals Segment**"); and the renewable energy segment (the "**Power Segment**").

Sugar Segment

All of our cane crushing units are located in western or central Uttar Pradesh and generally draw their cane from within their reserved areas which may extend to a distance of around 30 kilometres of each such unit. Our Company sources its raw materials from around 190,000 farmers. The products manufactured by our Sugar Segment are (a) refined (or sulphurless) sugar; and (b) white (or sulphated) sugar. During the SS 2016 we produced 0.5 million tonnes of sugar across our mills. Refined sugar constituted approximately 41.5% of the total sugar produced by our Company in SS 2016. Our Sugar Segment enhanced its 'average sugar recovery' from 9.6% in SS 2015 to 10.7% in SS 2016. Total revenue from Sugar Segment (including excise duty) contributed to 58.7% and 65.6% of our total revenues (including excise duty) during Fiscal Year 2016 and Fiscal Year 2015, respectively. For further information please see "Managements' Discussion and Analysis and Results of Operations" on page 64 of the Placement Document.

Chemicals Segment

We have distilleries at two of our manufacturing facilities. Our first chemical unit was set up at our Dhampur manufacturing facility in the year 1991 to process molasses, produced as a by-product of our sugarcane processing operations, into alcohol and other industrial chemicals. Today, our distilleries use the molasses to manufacture ethanol, rectified spirit, extra neutral alcohol, ethyl acetate, organic manure and carbon dioxide. Recently, during the year 2014, our Company has strengthened the viability of its distillery business by foraying into the branded Indian Made Foreign Liquor segment. Total revenue from Chemicals Segment (including excise duty) contributed to 13.4% and 13.2% of our total revenue (including excise duty) in Fiscal Year 2016 and Fiscal Year 2015, respectively. Our Company produced 71 million litres and 37.2 million litres of industrial alcohol in Fiscal Year 2016 and Fiscal Year 2015, respectively.

Power Segment

Our Company has recognised, that a power intensive business like sugar manufacturing, needs to maximise generation of power from downstream utilisation of its by-products. Our Company has installed 205 MW of cogeneration capacity at all five of our manufacturing facilities. Our Company's multi-fuel boilers ensure year-long power generation. Further, we have also installed a 4MW bio-gas (methane based) gen set at our Asmoli Facility. Total revenue from Power Segment (including excise duty) contributed to 15.5% and 15.4% of our total revenues (including excise duty) in Fiscal Year 2016 and Fiscal Year 2015, respectively.

Competitive Strengths

We are one of the leading sugar manufacturing companies in India

We are one of the largest sugar manufacturers in India, with a sugarcane crushing capacity of 45,500 TCD. We have an operating history of over eight decades. Our Dhampur Facility crushed the highest quantity sugarcane amongst all sugar mills in Uttar Pradesh during SS 2016, amounting to 1.59 million tonnes. Our size allows us to have better economies of scale. We believe that our strong operational base allows us to enter new segments, such as our foray into the chemicals business in the past, and enhance our product portfolio.

We have an integrated business model that enables us to balance the cyclical effects of the sugar business

To mitigate the effects of downward price cycles in the Indian sugar industry, we have adopted a business model that integrates the sugar manufacturing process with the production of a diverse array of products such as industrial chemicals and power. As a result, we are able to utilise the by-products of our existing sugar production processes to increasingly manufacture products that may be more profitable than sugar, such as industrial alcohol, and in particular, ethanol. In addition, we sell excess power that we generate from the bagasse produced by our sugar operations to the Uttar Pradesh state grid. During Fiscal Year 2016, while our Sugar Segment incurred EBIT losses amounting to ₹ 401.5 million, EBIT profits from our Chemical Segment and Power Segment amounting to ₹ 646.6 million and ₹ 1,887.7 million, respectively, resulting in our Company being profitable as a whole for the period.

Flexibility in our operations, empowers us to alter our product mix in response to the market.

Our integrated business model allows us to maintain flexibility in our operations and our product mix in response to changing market dynamics. For instance, our Dhampur, Asmoli and Rajpura Facilities utilise multi-fuel boilers which can support year-long power generation. These boilers can run on bagasse, coal, rice husk, other bio-fuels or a combination of any of the above. Accordingly, we have increased our power production, or altered the combination of raw materials used for power generation depending on the selling price of power and availability and prevailing prices of such raw materials, in the past. During Fiscal Year 2016 and 2015, we purchased an aggregate of 0.2 million tonnes of bagasse for our power generation.

Moreover, we have installed at our Dhampur Facility, instead of a single one, two multi-fuel boilers with an individual capacity of 170 TPH, each of which supports a turbine of 30 MW. This gives us flexibility of running only one boiler in accordance with our requirements.

Further, we have in the past increased the production of ethanol and other industrial alcohol from our distilleries, based on the prevailing prices and demand, which are regulated by the government. For instance, our Company is able to procure molasses from a number of sugar mills in the region who do not have attached distilleries. Such access to raw materials and sufficient capacity at our distilleries enable us to increase our industrial alcohol production, as required.

An increase in Ethanol prices over the last three years has prompted us to steadily increase sales from our Chemicals Segment. Further, basis the demand for our industrial alcohol products, we can alter the product mix of our Chemicals Segment to capitalise on prevailing market trends. For instance, while our production of rectified spirit for sale decreased from 7.3 million litres in Fiscal Year 2015 to 0.3 million litres in Fiscal Year 2016, our production of absolute alcohol increased significantly from 20.6 million litres in Fiscal Year 2015 to 64.7 million litres in Fiscal Year 2016.

Our ability to innovate in each of the business segments in which we operate ensures optimum utilisation and maximum efficiency of our resources.

Since inception, our Company has shown the ability to innovate in each of the segments in which we operate. This has enabled us to set industry benchmarks, integrate our businesses, and make optimum use and maximise the efficiency of our resources. For instance, we believe our Company was amongst the first sugar companies in India to install a sugar refinery; launch sulphur-less sugar; install multi-fuel high pressure boilers that are currently the industry norm; provide clean energy alternatives through cogeneration and ethanol; and establish a chemicals unit to process molasses into alcohol and other chemicals, amongst other things. Further, we believe that we were one of the first sugar companies in Uttar Pradesh to sell excess power generated by our cogeneration plants to the state grid.

We continue to innovate at present in order to increase our operational efficiency. In order to reduce the level of moisture in our bagasse used for power generation, our Company has in the recent past invested in bagasse driers. The dried bagasse enables us to generate more steam from the same amount of bagasse consumed. Further, each of the spent wash fired boilers/incinerators installed at our Dhampur Facility, and currently being installed at our Asmoli Facility, will enable us to operate up to a period of 330 days in a calendar year as compared to 270 days earlier, which in turn shall enable us to generate approximately 11.4 MW of additional power. This allows us to sweat our existing assets even during monsoons, resulting in an increase in our chemicals production capacities, amongst other things. Additionally, we are in the process of setting up bio-methane generators at our Dhampur Facility, which is expected to result in an increase of our power generating capacity by 4.5 MW.

We have strong relationships with sugarcane farmers

We generally endeavour to make timely payments to sugarcane farmers for sugarcane purchased. We have no sugarcane purchases from farmers in arrears as at the date of the Placement Document. As a result, we have built strong relationships and goodwill with farmers in our reserved areas. Despite the cyclical nature of the sugar industry, we have strong ties with around 190,000 sugarcane growers. We believe that these relationships are a competitive advantage as farmers have no obligation to grow sugarcane or sell their cane to us. They may from time to time switch to other crops that may be more profitable or sell their cane to other buyers. However, we believe that paying farmers on a timely basis provides an incentive for farmers to continue cultivating sugarcane and selling to us. We periodically run campaigns within our reserved areas to educate the farmers with modern agricultural techniques and methods to improve the quality and quantity of their crop.

Our cane development initiatives enable us to satisfy our growing cane appetite

In order to carry out cane development and cane procurement activities effectively and smoothly, we have a dedicated cane department to control and supervise cane development and procurement activities. We purchase sugarcane directly from the farmers without involvement of any intermediaries. Based on the age of the crop, variety and maturity, a harvesting program is chalked out for desired quantity and quality of cane to be procured on a day-to-day basis. The cane managers issue cutting orders / harvesting permits based on date-wise cum pre-harvesting maturity survey. We also coordinate and manage the harvesting and transportation of cane, which saves the farmers effort, time and money. Accordingly cane transporting vehicles along with harvesting groups are allotted for harvesting and transporting cane to the mill. This also enables us to obtain fresh and mature sugarcane, which increases the yield of sugar.

In addition, our cane development initiatives in our reserved areas include (a) providing farmers with agro-inputs and fertilizer subsidies to encourage sugarcane production; (b) educating the farmers and equipping them with modern agricultural techniques; and (c) providing subsidies to farmers for the acquisition of quality seeds. As a result of these cane development initiatives, our sugar recovery increased to 10.5% in Fiscal Year 2016, compared to 9.5% in Fiscal Year 2015 and 9.3% in Fiscal Year 2014.

Our operations are strategically located within the largest domestic market for sugar.

Our operations are located in India, one of the largest markets for sugar in the world in terms of consumer demand for sugar. In particular, all of our manufacturing facilities are located in the north Indian state of Uttar Pradesh, which was generally the second largest sugar producing state in India in SSs 2015, 2014 and 2013 (*Source: ISMA Handbook and CRISIL Report*). Given our location, we benefit from the following advantages. Firstly, our proximity to sugarcane is an important factor because expedient crushing of sugarcane within a very short time of harvest ensures a better recovery of sugar. Secondly, Uttar Pradesh is on the Gangetic River belt and the water table is higher than most other areas in India and is well irrigated. As a result, sugarcane growth is relatively less exposed to the vagaries of monsoons compared to other sugarcane producing states in the country. Thirdly, our northern-based location generally offers us better price realizations from sugar sales compared to southern-based mills because northern India has a higher population and higher demand for sugar.

We have a committed and experienced management team

Mr. Vijay Kumar Goel, the Chairman of our Board has around 56 years of experience in the sugar industry and is a reputed sugar technologist. He was also, formerly, the President of the Indian Sugar Mills Association. Mr. Ashok Kumar Goel, the Vice Chairman of our Board, has around 47 years of experience in the sugar industry; is the founder member of the Indian Agro Paper Mills Association; and is a former president of the Indian Sugar Mills Association and the UP Sugar Mills Association. Mr. Gautam Goel, son of Mr. Vijay Kumar Goel, and Mr. Gaurav Goel, son of Mr. Ashok Kumar Goel, are the present Managing Directors of our Company. For further information, please see "Board of Directors and Key Managerial Personnel", on page 117 of this Placement Document. Further, most of our senior management have been associated with our Company for over two decades. We have developed a strong relationship between the promoter directors and the senior managerial personnel of our Company. This is reflected in the way the management is planning our future growth and taking advantage of the improving dynamics of the sugar industry. Since inception our Company has gone about in a systematic manner to increase the manufacturing capacities to gain advantages of economies of scale.

Our Strategies

Our current capacity enables us to capitalise on future upward pricing trends.

Since 2004, we have expanded our sugarcane crushing capacity through a combination of greenfield mills, brownfield expansions and selective acquisitions. We believe our expanded crushing capacity has enabled us to become one of the largest sugar manufacturers in India with a sugarcane crushing capacity of 45,500 TCD. As a result of this expansion, we believe that we are currently in a position to sweat our existing assets in the following manner:

- As we improve the yield of sugarcane in our reserved area, we are in a position to produce higher volumes of sugar, without further capital expenditure, which puts us at an advantageous position to benefit from any upward demand and price trend in the Indian sugar cycle;

- During downward sugar cycles, when the price of sugar is low due to the excess supply of sugar, we are in a position to increase the output of our Chemicals Segment and Power Segment, by efficiently utilising the increased quantity of the by-products of sugarcane (available as a result of high sugar supply); and

- To take further advantage of such downward sugar cycles, we are able to procure molasses and bagasse from third parties to fully capitalise on the production capacity of our Chemicals Segment and Power Segment and take advantage of upward pricing trends in the products manufactured by these segments.

We have positioned our business to produce a high volume of industrial alcohol to meet the anticipated growth in India's Ethanol demand.

Over the last 12 years, we have expanded the capacity of our distilleries to process molasses, one of the by-products of our sugar manufacturing operations, and convert it into industrial alcohol, primarily ethanol. Ethanol is a cleaner fuel than gasoline. As a result of our expansion efforts, we believe that we will be one of the largest suppliers of ethanol to OMCs in Fiscal Year 2016. Our distilleries currently have the capacity to produce 300,000 litres of industrial alcohol per day. Industrial alcohol production offers better realisations than molasses at current pricing. Therefore, it is advantageous for us to convert the large quantity of molasses we generate into industrial alcohol and other chemicals, rather than sell it directly. The price for ethanol as fixed by the Indian government (Cabinet Committee of Economic Affairs) has grown in the recent past as a result of favourable government policy. This is also a significant departure from the earlier regime of unregulated pricing, which was subject to market forces. Furthermore, while India does not use ethanol on a large scale at present because ethanol blending programs are still in nascent stages, we believe that with our existing distilleries, we are ideally placed to cater to future programs to shift to a more environment friendly fuel regime in India. We believe that with an increase in demand for ethanol, we are in a position to increase production from our Chemicals Segment, by procuring molasses from third parties. Further, any increase in the demand for our industrial alcohol products, enables us to capitalise on prevailing market trends, as a result of the agility in our product mix. For instance, while our production of rectified spirit for sale decreased from 7.3 million litres in Fiscal Year 2015 to 0.3 million litres in Fiscal Year 2016, our production of absolute alcohol increased significantly from 20.6 million litres in Fiscal Year 2015 to 64.7 million litres in Fiscal Year 2016.

We expect to innovate in diversifying our products and increasing the production of value-added products.

We are increasingly adding value to the by-products of our sugar manufacturing process to diversify our product line, realize higher revenue from our sugar processing operations and mitigate the effects of over reliance on sugar sales, particularly during downward price trends and seasonal variations in the Indian sugar industry. Our diversified product mix comprises refined sugar, power and a variety of industrial chemicals/ethanol.

We have increasingly been converting one of our by-products, molasses, into industrial alcohol, primarily ethanol. Ethanol is a cleaner fuel than gasoline, and is increasingly being blended with it as per government directions. Accordingly, we increased our industrial alcohol / ethanol capacity to 300,000 litres per day from 270,000 litres per day in Fiscal Year 2013. Today, we are well-positioned to take advantage of any increase in the demand for ethanol in the future. We have also recently undertaken certain technological enhancements such as the installation of effluent free spent wash incinerators that would enable us to produce ethanol for up to 330 days in a year. This would significantly add to our ethanol and chemicals manufacturing capacity for future years.

In addition, bagasse, another by-product of our sugar manufacturing process, is used by us as a fuel to generate power, which is used to generate the electric power required to run our operations. Currently, we generate more power than is required for our own sugar manufacturing process; and as a result, we sell the excess power generated from bagasse to the Uttar Pradesh state grid. However, our multi-fuelled boilers generating steam for cogeneration also run on coal and bio-fuels other than bagasse. Accordingly, if the sugar cycle results in a decrease in the production of bagasse or if it becomes more profitable to sell bagasse and use coal or other bio-fuels, we can supplement bagasse with coal or other bio-fuels for generating power. Further, our recent move of installing bio-methane generators is expected to augment our current power generation capacity by 4.5 MW from Fiscal Year 2017.

As a result of our diversified product mix, we are able to optimise the margins, from our manufacturing and power generation businesses, according to the prevailing demand and prices of our products and raw materials, at different points of the business cycle.

We intend to reduce our debt to equity ratio through prudent financial management.

The cyclical nature of the sugar industry and consequent operational losses from our Sugar Segment over the last several years has required us to increase our consolidated net debt to equity ratio, which is 4.1x (Net Debt /(Shareholders Fund-Preference Share-Revaluation Reserve) as of March 31, 2016. As a result, we are highly leveraged and intend to reduce this ratio through a combination of prudent management initiatives, including repayment of certain of our debts through the proceeds from this Issue and through internal accruals. In addition, we have no significant planned capital expenditures in Fiscal Years 2017 and 2018, other than as disclosed in this Placement Document. For further details, please see "—Capital Expenditure" on page 96 of this Placement Document.

Continue to educate farmers on ways to increase yield and build on our existing farmer relationships

To incentivise sugarcane planting and protect the sugarcane acreage in our reserve areas, we have in the past, and shall continue to, remunerate the farmers in a timely manner. Our Company is favourably located in the second largest sugar producing state of India, which enjoys a healthy sugarcane crushing season. However, our ability to procure sugarcane is restricted to the reserve areas in which we operate. As a result, we seek to make optimum utilisation of the sugarcane procured from the farmers within our reserved areas. To facilitate cane increase in yield, we seek to educate the farmers in our reserved area and equip them with modern agricultural techniques. This will enable us to increase the quantity of sugarcane that we are able to procure and amount of sugarcane juice that we are able to extract from such sugarcane without increasing the size of our reserved areas. In addition, we believe that our coordinated management of the harvesting and transportation of cane enables us to procure fresh and mature sugarcane in a timely manner, thereby increasing the yield. We also work with the farmers to improve soil quality and fertility.

Company History

We were incorporated on May 22, 1933 as The Dhampur Sugar Mills Ltd, with the objective of carrying on the business of sugar manufacturing and refinery; industrial alcohol, brewers, distillers and other allied business; and to carry on the business of manufacturing, selling, importing, exporting and dealing in all kinds of chemicals, acids, alkalis, yeast, drugs, pharmaceuticals, pesticides and weedicides. The registered office of our Company is located at Dhampur Sugar Mills Limited, Dhampur (N.R.), District Bijnor – 246761 Uttar Pradesh, India, while the corporate office of our Company is located at 241, Okhla Industrial Estate, Phase – III, New Delhi – 110020, India.

Our first mill was located at Dhampur in the Bijnor district in the central region of Uttar Pradesh, India, an area rich in sugarcane. The crushing capacity has increased in stages to reach its present level of 15,000 TCD. Our Dhampur Facility is associated with around 65,000 farmers in its reserved area. We set up a chemical unit at Dhampur in 1991 to process molasses into alcohol and other chemicals. Today, our Dhampur Faciltiy is an integrated sugar mill with cogeneration and distiller facilities, and has the capacity to generate power of 65 MW and produce 200,000 litres of industrial alcohol per day.

In 1987, we had taken on lease a sick unit at Mansurpur, in the Muzaffarnagar district of Uttar Pradesh, with a sugar crushing capacity of 1,800 TCD. Thereafter, the facility was finally merged with our Company in Fiscal Year 2006. Today, our Mansurpur Facility is an integrated sugar mill with a sugar crushing capacity of 8,000 TCD and cogeneration facilities that can generate up to 33 MW of renewable energy. In the year 2004, we set up a refinery at our Mansurpur Facility which can manufacture up to 800 TPD of refined sugar. During the year 1995, we also set up our first distillery at our Dhampur Facility with a capacity to produce 100,000 LPD of industrial alcohol.

Subsequently, in 2004, we expanded the cane crushing capacity of our Mansurpur Facility to 6,000 TCD. During the year 2004, we also increased the capacity of the distillery at our Dhampur Facility to 140,000 LPD.

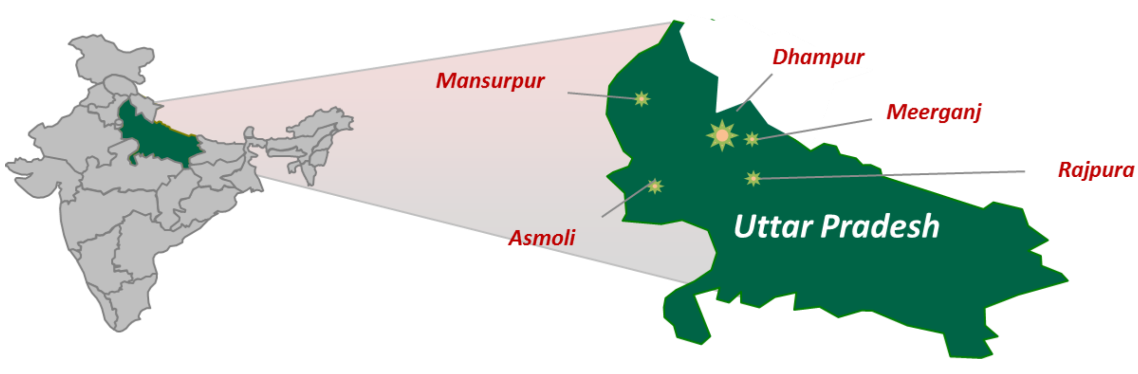
We issued global depository receipts in the year 2006 which were listed on the Luxembourg stock exchnage. Subsequently, by 2008, we increased the cane crushing capacity of our Dhampur, Asmoli and Mansurpur Facilities to 15,000 TCD, 9,000 TCD and 8,000 TCD, respectively. We also set up a new sugar refinery at our Asmoli Facility with capacities of up to 900 TPD. During the year we increased the capacity of our Dhampur distillery to 170,000 LPD.

In 2007, our Rajpura Facility was set up as a green-field project with a crushing capacity of 7,500 TCD.

In 2013, JK Sugar Mills Limited merged with us under a cashless scheme of amalgamation with effect from April 1, 2012) and consequently we came to own the Meerganj Facility in the Bareilly district of Uttar Pradesh. Our Meerganj Facility is associated with around 35,500 farmers and has a cane crushing capacity of 5,000 TCD. Further, our Meerganj Facility has cogeneration facilities of up to 19 MW. During the year 2013, we increased the capacity of the distillery at our Dhampur Facility to 200,000 LPD and also set up methane based power generation at our Asmoli Facility.

In 2014, we expanded our Rajpura Facility to a sugar cane crushing capacity of 8,500 TCD and set up a cogeneration plant of up to 35.5 MW at this facility, due to which our total power generating capacity increased to 48 MW at this facility. Post this expansion in 2014, our aggregate sugarcane crushing capacity, power generation capacity and industrial alcohol manufacturing capacity stood at 45,500 TCD, 209 MW and 300,000 LPD, respectively.

The following map shows the location of our current sugar mills, distilleries and cogeneration facilities.



Operations

Sugar

Sugar Production Process

The sugar production process involves three steps: (i) crushing, (ii) clarification and crystallization and (iii) separation. First, sugarcane is crushed to extract the sugarcane juice. Then, the juice is filtered to remove any impurities, a process known as clarification, and the juice is boiled until the sugar crystallizes, forming a syrup. These impurities are recycled into soil conditioners and fertilizers known as press mud. Finally, the syrup is spun in a centrifuge which separates the sugar crystals (also called plantation white sugar) and molasses. In our Asmoli and Mansurpur Facilities, we have refining facilities for producing refined sugar. The plantation white sugar and the refined sugar are dried, graded according to the size of the crystals and packed at our sugar factories. We use the molasses generated from the production process to produce industrial alcohol, particularly ethanol. Another by-product of the sugar production process is bagasse, the fibrous residue or sugarcane stalk, left over after crushing the sugarcane and extracting its juice. We use bagasse as a fuel to generate power at our cogeneration facilities. During the crushing season, all of our power needs are satisfied from burning bagasse and we sell the excess power that we produce to the Uttar Pradesh state grid.

We focus on controlling our sugar losses in the production process even though the actual amount of recoverable sugar is largely dependent on the quality and variety of the sugarcane grown by farmers.

Production Capacity and Output

As of March 31, 2016, our total sugarcane crushing capacity was 45,500 TCD. Sugar production capacity is dependent upon the quantity of sugarcane available for crushing and the recovery percentage of sugar from sugarcane. In India, sugar production is seasonal and commences in October and generally ceases by the end of April, by which time the sugarcane available in the reserved area is exhausted. The duration of the crushing period also determines the amount of sugar that is produced.

The following table indicates the installed crushing capacity, sugarcane crushed and the sugar production at our 5 mills during past two Fiscal Years.

		Sugarcane Crushed and Sugar Production							
	Crushing Capacity (TCD)	**Sugarcane Crushed (MT)**		**Average Recovery Rate (% of sugarcane crushed)**		**Sugar Production (MT)**		**Total No. of Days in Operation**	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**
Dhmapur	15,000	1,473,196	1,777,905	10.12%	11.13%	149,110	197,832	141	165
Asmoli	9,000	920,227	982,279	9.59%	10.85%	88,237	106,587	134	140
Rajpura	8,500	667,601	650,213	9.35%	10.20%	62,420	66,323	112	106
Mansurpur	8,000	1,011,655	1,070,946	8.58%	9.65%	86,839	103,390	144	155
Meerganj	5,000	510,002	349,191	9.20%	9.94%	46,900	34,696	111	90

The following table sets out a comparison of the average recovery of sugar as a percentage of sugarcane crushed and the duration of crushing season (simple average) in various producer states in the SS 2015.

Region	**Punjab**	**Haryana**	**Uttar Pradesh**	**North Bihar**	**Maharashtra**	**Karnataka**	**Andhra Pradesh**	**Tamil Nadu and Pondicherry**
Average recovery rate (% of sugarcane crushed)	9.42	9.94	9.54	9.18	11.29	11.06	9.38	8.67
Length of crushing Season (Days)	128	143	125	101	149	151	92	124

Source: ISMA Handbook

All of the sugarcane that we crush is used to produce sugar. We produce ethanol from the molasses and power from bagasse, each of which is obtained as a by-product of our sugar manufacturing process.

Products

We produce plantation white sugar at three of our mills and we produce refined sugar at two of our mills. Refined sugar undergoes further processing than plantation white sugar and commands a higher price. In addition, refined sugar is preferred in international sugar markets for consumption.

Customers

We sell to a wide range of customers in India. We primarily sell sugar in the wholesale domestic market through a network of several agents. We also sell refined sugar directly to end-customers without the use of agents. Our customers in India include wholesalers and retailers as well as food and beverage companies.

Sales and Distribution

In Fiscal Year 2016, our revenue from operations (including excise duty) from the sugar segment was ₹ 18,146.5 million, or 58.7% of our consolidated gross revenue from operations, compared to revenue from operations (including excise duty) of ₹ 16,247.9 million in Fiscal Year 2015, or 65.6% of our consolidated gross revenue from operations in that year.

Our major sales are in the domestic market, primarily in North India, through a network of agents. Our exports are minimal.

We sell nearly all of our sugar in the wholesale market through selling agents. Our agents primarily procure/purchase orders in the wholesale market, and we invoice purchasers directly. To mitigate the risk of non-payment, we generally dispatch orders only after we receive payment although we extend credit in limited circumstances. We pay our selling agents a commission based on each metric ton of sugar they sell.

Industrial Alcohol

Industrial Alcohol Production Process

We produce rectified spirit and ethanol from molasses through fermentation and distillation. First, we convert the molasses into fermented wine by diluting the molasses with water and then adding yeast to encourage fermentation. After the fermentation process, the yeasted wine is centrifuged to separate the yeast from the liquid. We then boil the wine at different temperatures in a vacuum, which causes the alcohol to separate from the other liquids. After a number of distillation stages, the concentration of alcohol rises to 95% by volume to produce rectified spirit. To produce ethanol, the 5% water content in rectified spirit is removed through a molecular sieve. The ethanol obtained contains above 99.6% of alcohol by volume.

Production Capacity and Output

Our industrial alcohol production capacity is 300,000 litres of industrial alcohol per day, which we believe makes us one of the largest industrial alcohol producers in India. We currently produce industrial alcohol at our Dhampur and Asmoli Facilities.

Our total production of industrial alcohol was 38.2 million litres, 61.3 million litres, 37.2 million litres and 71.0 million litres for Fiscal Years 2013, 2014, 2015, and 2016 respectively.

Customers

We sell ethanol primarily to Indian oil companies through a competitive tender mechanism. Our largest ethanol customers in Fiscal Year 2016 were Bharat Petroleum Corporation Limited, Indian Oil Corporation Limited and Hindustan Petroleum Corporation Limited. Ethanol sales constituted 93.0% of our industrial alcohol sales in Fiscal Year 2016 by volume. We also produce rectified spirits such as special denatured spirit and extra neutral alcohol, which together constituted approximately 7.0% of our industrial alcohol sales during Fiscal Year 2016 by volume. The balance of our sales is made through selling agents. In October 2007, the Central Government, pursuant to its "Bio-fuels for Surface Transportation" scheme, required Indian oil companies in certain States to blend 5% ethanol into their fuel products on an average across the country, and there have been proposals for the blending requirement to be increased to 10%.

Sales and Distribution

In Fiscal Year 2016, our gross revenue from industrial alcohol operations were ₹ 2,890.9 million, or approximately 9.4% of our gross revenue from operations, compared to gross revenue from operations of ₹ 1,452.2 million, or 6.2% of our gross sales, in Fiscal Year 2015.

During Fiscal Year 2016, our revenue from operations (including excise duty) of ethanol was ₹ 2,693.8 million, and this accounted for 8.7% of our consolidated gross revenue from operations. In terms of volume, our ethanol sales were 20.6 million litres and 64.7 million litres in Fiscal Years 2015 and 2016, respectively. In addition to ethanol, we also produce rectified spirits in our distilleries. During Fiscal Year 2016, our revenue from operations (including excise duty) of rectified spirits, special denatured spirits and extra neutral alcohol was ₹197.1 million, this accounted for 0.6% of our total revenue from operations.

Ethanol and Rectified Spirits Prices

The price for ethanol as fixed by the Indian government (Cabinet Committee of Economic Affairs) has grown in the recent past as a result of favourable government policy. This is also a significant departure from the earlier regime of unregulated pricing, which was subject to market forces. The prices of the other industrial alcohol that we sell are determined by local market prices. Average prices of industrial alcohol realized during the Fiscal Years 2016, 2015, 2014 were ₹ 41.5/litre, ₹38.7/ litre and ₹ 36.9/ litre, respectively.

Power

Power Generation Process

We produce electricity for our sugar mill operations. The amount of electric power we generate exceeds our operational needs, and in Fiscal Year 2007, we diversified our portfolio to sell our surplus power to the Uttar Pradesh State grid. We generate electric power through the burning of bagasse, a primary by-product of our sugar production process. Bagasse is a combustible material which when burned produces steam, which in turn is used to generate electric power.

Production Capacity and Output

We have established power generation and facilities at all of our sugar mills which have a total installed capacity of approximately 209 MW of power.

Customer Sales and Distribution

We sell all of the surplus power we generate to the Uttar Pradesh State grid through power purchase agreements with its distribution companies. Our revenue from operations (including excise duty) from the power segment in Fiscal Years 2016 and 2015 were ₹4,788.7 million and ₹ 3,804.1 million, respectively, or approximately 15.5% and 15.4% of our consolidated gross revenue (including inter segment revenue) in these years, respectively. In 2016, the average price at which we sold our excess power was approximately ₹ 5.05 per unit of power sold.

Raw Material

Sugarcane is the principal raw material used in the production of sugar. Sugarcane is a tropical grass that grows best in locations with stable warm temperatures and high humidity. The climate and topography of the southwestern Indian State of Maharashtra, the southern and central States of Karnataka and Madhya Pradesh and the northern region of India, notably the State of Uttar Pradesh, are ideal for growing sugarcane. Uttar Pradesh accounted for approximately 36.7% and Maharashtra accounted for approximately 23.4% of India's sugarcane production in SS 2015 (*Source: ISMA Handbook*).

We purchase sugarcane directly from sugarcane growers' societies and around 190,000 independent sugarcane farmers within our reserved or allocated areas. Any farmer growing sugarcane within a certain distance around a sugar mill, also known as the reserved area, is required to supply the sugarcane to that mill under an agreement entered into with the mill, and the mill is required under law to purchase the sugarcane and make payment to the farmer within 14 days of purchase. The purchase price of the sugarcane we procure is fixed by the State Government of Uttar Pradesh. If the mill is unable to crush all of the sugarcane within its reserved area, the reserved area is reallocated to a mill that is able to crush the cane. Reserved areas are allocated on an annual basis. For detailed sugarcane purchase regulations see "Supervision and Regulations" on page 108 of this Placement Document.

The annual sugarcane harvesting period in the northern region of India generally begins in October and ends in April or May. Once sugarcane is harvested, small farmers in the vicinity of the mills transport their respective yields directly to the mill by bullock carts, tractors and trucks. We have set up several collection centers within our reserved areas to which local farmers bring their sugarcane, which is then weighed, collated and transported to our mills. We organize the farmers' harvesting and supply schedules and payments are managed electronically using an electronic database. Data from our entire production process, ranging from sugarcane supply to sugarcane crushed per day, is stored in an electronic database.

The tables below set forth our estimates of details of our culturable area, reserved area, sugarcane area, sugarcane yield and sugarcane drawal for each of our existing mills. Culturable area is the area of land in the vicinity of our mills suitable for the cultivation of sugarcane. Reserved area is the area around a sugar mill within which sugarcane grown must be purchased by such sugar mill, subject to a minimum distance of 15 kilometers between sugar mills. Sugarcane area includes our reserved area and any other culturable area that is assigned to us by the sugarcane commissioner of a particular area on an annual basis. Sugarcane yield is the amount of sugarcane produced by the sugarcane area. Sugarcane drawal is the percentage of sugarcane available to us from the sugarcane yield which we crush.

	Culturable Area (hectare)				***Sugarcane Area***				***Reserved Area (hectare)***			
Mills under operation	**SS 2013**	**SS 2014**	**SS 2015**	**SS 2016**	**SS 2013**	**SS 2014**	**SS 2015**	**SS 2016**	**SS 2013**	**SS 2014**	**SS 2015**	**SS 2016**
Dhampur	55,858	56,736	56,362	60,102	43,419	41,956	39,659	41,511	33,728	32,493	30,925	31,323
Asmoli	75,650	75,650	75,650	75,345	27,895	28,151	25,370	26,835	18,900	18,946	17,799	17,266
Rajpura	84,841	84,841	84,841	84,841	32,078	33,294	28,805	21,631	23,022	24,383	20,644	16,289
Meerganj	58,975	58,975	58,975	58,975	21,576	18,669	14,933	14,926	19,354	16,424	12,604	12,128
Mansurpur	25,500	26,000	25,900	25,900	19,784	19,556	19,082	19,974	20,071	19,948	21,073	18,179

	Sugarcane Yield (metric tonnes/ hectare)				***Sugarcane Drawal (%)***			
Mills under operation	**SS 2013**	**SS 2014**	**SS 2015**	**SS 2016**	**SS 2013**	**SS 2014**	**SS 2015**	**SS 2016**
Dhampur	57.7	58.5	59.9	65.7	60.32	52.82	67.8	58.2
Asmoli	58.4	63.1	65.2	66.5	57.01	47.21	58.5	54.2
Rajpura	62.8	59.6	61.5	63.4	37.99	31.42	37.4	47.8
Meerganj	57.6	62.6	61.6	61.7	49.11	39.75	44.5	37.9
Mansurpur	66.6	71.4	72.9	71.9	66.59	59.83	71.0	67.2

Each of our facilities has packaging facilities, distribution capabilities and inventory storage facilities. During the off-season period from May or June to September, the mills do not operate and are subject to routine equipment maintenance, repairs and upgrades.

Further, we have no sugarcane purchases from farmers in arrears as at the date of this Placement Document. However, an amount of interest aggregating to ₹ 200.00 million in respect of delayed payment of sugarcane price for SS 2015 remains unpaid as intimated by the office of cane commissioner at Uttar Pradesh.

Competition

According to the CRISIL Report, the Indian sugar industry is highly fragmented with approximately 516 installed sugar mills (as at January 2015). These mills are located in 21 states with around 40% of the mills in the co-operative sector and the balance mills in the private sector according to the CRISIL Report. We believe that we are one of the largest independent sugar and industrial alcohol producers in India in terms of production volume and sales, with 4.8 million tonnes of crushed sugarcane during Fiscal Year 2016. Our primary competition in the integrated sugar sector are Bajaj Hindusthan Limited, Dwarikesh Sugar Industries Limited and Triveni Engineering & Industries Ltd, amongst others.

We currently do not face any significant competition from international sugar producers in the Indian sugar market because there are limited imports of plantation white sugar in India due to high freight costs and import tariffs imposed by the Indian Government when domestic sugar supplies are sufficient to meet demand for sugar in India.

Research and Development

Over the years, we have innovated our systems to ensure optimisation of our margins. For more details of our innovations, please see "– Our Strengths – our ability to innovate in each of the business segments in which we operate ensures optimum utilisation and maximum efficiency of our resources" on page 23 of this Placement Document. Our Research and Development department comprises a bio-fertilizer laboratory at our Rajpura Facility and a soil testing laboratory at our Dhampur Facility, amongst others. Our regular Research and Development endeavours are aimed primarily at increasing cane yield and improving our power generation efficiency, other than increasing our bio-fertilizer products and our chemical products range.

Capital Expenditure

During the Fiscal Year 2017, we have planned capital expenditure of ₹ 450 million primarily for the following activities:

- Setting up a turbine of 8 MW at our Asmoli Facility;
- Setting up a turbine of 3.4 MW at our Dhampur Facility;
- Setting up a Bio-gas generator of 4.5 MW at our Dhampur Facility; and
- Upgradation and modification of the effluent treatment systems at our Dhampur and Asmoli Facilities.

Employees

As at March 31, 2016, we had 1,037 permanent employees on our rolls. In addition, as at March 31, 2016, we had 1,919 seasonal workers, who are employees of the Company and work only during the sugarcane crushing season. These seasonal workers are also paid a minimum wage during off-seasons depending on their skill sets. There are 15 recognized trade unions at four of our facilities taken together, with no affiliations to trade unions at our Rajpura Facility.

Insurance

We maintain insurance covering all our inventory of sugar, industrial alcohol, packing material and consumables against fire, lightning, storms, flood, spontaneous combustion and allied perils in an aggregate amount equal to ₹ 16,976.0 million and transit insurance in an aggregate amount equal to ₹ 585.0 million. Our inventories of sugar, industrial alcohol located in different mills and warehouses are covered by different insurance policies with varying expiration dates and are each renewable annually. We also maintain an industrial all-risk policy for buildings and equipment in all of our mills and facilities, in an aggregate amount equal to ₹ 23,376.9 million. All of our insurance coverage is provided by Indian insurance companies, such as the New India Assurance Company Limited and National Insurance Company Limited. We do not anticipate having any difficulties in renewing any of our insurance policies and believe that our insurance coverage is reasonable in amount and consistent with industry standards in India.

Intellectual Property

We have 41 trademarks registered across 45 classes. Our sugar is primarily sold under the "DHAM*pure* ®" brand, which is registered under 44 classes.

Health, Safety and Environment

We believe that we are in compliance, in all material respects, with applicable health safety and environmental regulations and other requirements in our operations and also maintain adequate workman's' compensation, group medical insurance and personal accident insurance policies. We believe that accidents and occupational hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to management and employees.

Corporate Social Responsibility

The Board of Directors of the Company has constituted a corporate social responsibility committee consisting of three Directors, one of whom is an Independent Director. The Board of Directors will ensure that at least 2% of the average net profit of the preceding three years is spent on the corporate activities every year. The CSR Committee will review, approve and validate the spending on CSR activities. The approach of the Company is to bring about sustainable development through balancing commercial and economic progress with social and environmental development. Schedule VII of the Companies Act 2013, outlined the categories of activities which a company is required to undertake for fulfilment of its obligation towards CSR.

Related Party Transactions

From time to time, we enter into transactions with affiliates or related parties, principally with our Promoter Group companies. Our policy is that such transactions are made on an arm's length basis on no less favourable terms than if such transactions were carried out with unaffiliated third parties. Details of related party (as per AS 18) are set out in "Board of Directors and Key Managerial Personnel – Related Party Transactions" on page 117 of this Placement Document.

Legal Proceedings

We are involved in various legal proceedings that are at different levels of adjudication before various courts and tribunals, including before the Supreme Court of India. These legal proceedings are primarily in the nature of civil proceedings, tax proceedings, competition commission proceedings, labour proceedings and criminal proceedings. The results of these claims and legal proceedings cannot be predicted and these claims and legal proceedings, individually or in the aggregate, may have a material adverse effect on our business (both in the near and long term), liquidity, financial position, cash flows or results of operations. For further details of our material litigation, see "Legal Proceedings" and "Risk Factors" on page 176 and 35, respectively, of this Placement Document.

SUPERVISION AND REGULATIONS

The following description is a summary of certain sector specific laws and regulations as prescribed by the Government of India ("GoI") or state Governments which are applicable for our Company and our Subsidiary. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice. The statements below are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Laws relating to sugar industry

The sugar industry is related to Entry 33 of the List III of the Seventh Schedule to the Constitution of India (the "Constitution") and sugarcane is an article related to the sugar industry. Sugar, sugarcane, and molasses are covered under "Foodstuffs" which is enumerated in Clause (b) to the Entry 33 of the Seventh Schedule of the Constitution. Accordingly, both Central and State Governments are empowered to legislate on this subject, and such legislation would be applicable to our business.

The Industries (Development and Regulation) Act, 1951, as amended (the "IDRA"), provides for the development and regulation of certain industries, including the sugar industry. In 1998, the sugar industry was de-licensed. Therefore, currently no license is required to be obtained under the IDRA for setting up of a new sugar mill. An Industrial Entrepreneur Memorandum is required to be filed with the Secretariat for Industrial Assistance ("SIA"), Ministry of Commerce and Industry, Government of India for the purposes of setting up or expanding the existing capacities of a sugar mill.

Essential Commodities Act, 1955, as amended (the "Essential Commodities Act")

The Essential Commodities Act gives powers to control production, supply, distribution etc. of essential commodities for maintaining or increasing supplies and for securing their equitable distribution and availability at fair prices. 'Sugar' has been defined under the Essential Commodities Act as (i) any form of sugar containing more than ninety per cent of sucrose, including sugar candy; (ii) khandsari sugar or bura sugar or crushed sugar or any sugar in crystalline or powdered form, or (iii) sugar in process in vacuum pan sugar factory or raw sugar produced therein.

Under the powers conferred under Section 3 of the Essential Commodities Act, the Central Government has passed, inter alia, the following legislations regulating the production, sale and purchase of sugar and sugarcane:

The Sugar (Control) Order, 1966

The Sugar (Control) Order, 1966, confers on the Central Government powers of issuing directions regulating or restricting the production, sale, distribution, quality and storage of sugar, calling for information from producers or recognized dealers, inspection, entry, search, sampling and seizure of sugar. In pursuance of these powers, the Central Government has from time to time issued directions.

Earlier, the central government would regulate the month-to-month release orders for the sale of sugar in the open market as well as the quantity of levy sugar to be delivered by sugar mills for public distribution systems against their levy sugar allocations under clause 5 of the Sugar (Control) Order, 1966.

The Sugarcane (Control) Order, 1966

The key provisions of the Sugarcane (Control) Order, 1966, include:

- The Government is empowered to fix a fair and remunerative price for sugarcane procured and purchased by a sugar mill.

- No new sugar factory can be set up within the radius of 15 kilometers of any existing sugar factory or another new sugar factory.
- Payments to the sugarcane farmers must be made within 14 days from the date of delivery of the sugarcane.
- This order also provides for payment of interest on amounts overdue after delivery of sugarcane, regulation of distribution and movement of sugarcane, licensing and regulation of power crushers and khandsari units, issue of directions to producers of khandsari sugar, power to call for information etc. from producers and powers of entry, search and seizure.
- The central governemnet has delegated powers to state governments in respect of regulation of distribution and movement of sugarcane to sugar mills.

Sugar (Packing And Marking) Order, 1970 and Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1987

The Sugar (Packing and Marking) Order, 1970 required 100% of sugar to be packaged in A-twill jute bags. However the Central Government vide CCEA Press Release dated December 9, 2015 under the provisions of Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1987 has provided for 20% of sugar production to be packed in jute bags and rest can be packed in PP bags. The Sugar (Packaging and Marketing) Order, 1970 also details the markings to be indicated on such bags. Small consumed packs of sugar that are meant for the purpose of export have been exempted from the compulsory use of jute bags.

Sugar Cess Act, 1982

The Sugar Cess Act, 1982, as amended ("Sugar Cess Act") empowers the Government to levy a cess on sugar. Funds generated by the cess are used to promote the development of the domestic sugar industry by providing financial assistance for the rehabilitation and modernization of sugar factories, expand sugarcane production and make research grants to encourage further development of the sugar industry.

Net proceeds generated by the cess are credited to the Sugar Development Fund described below. The Sugar Cess Rules, 1982 were promulgated under the Sugar Cess Act and govern the accounting reports, accounts and other related returns to be furnished to the Government by sugar factories.

Sugar Development Fund Act, 1982 as amended

The Sugar Development Fund Act, 1982 ("SDF Act") established the Sugar Development Fund to promote the development of the sugar industry by providing low-interest loans to rehabilitate and modernize sugar factories, help expand sugarcane production and make research grants to encourage further development of the sugar industry. Such fund is also used to purchase sugar in case of excess production, to create a buffer stock to help stabilize the price of sugar. The Sugar Development Fund Rules, 1983 were promulgated pursuant to Section 9 of the SDF Act and govern:

(i) the terms and conditions of loans or grants made from fund sources,
(ii) the manner and form in which applications are to be made,
(iii) the composition of the relevant committee and the procedure to be followed by such committee in the discharge of its functions, and
(iv) the form in, and the period within, which statistical and other information may be furnished by sugar factories.

The U.P. Sugarcane (Regulation of Supply and Purchase) Act, 1953

The U.P. Sugarcane (Regulation of Supply and Purchase) Act, 1953, regulates the supply and purchase of sugarcane for use in sugar factories and jaggery, rab or khandsari manufacturing units. The key provisions of this Act are as follows:

- This statute provides for setting up of certain agencies like development councils and cane growers' societies.
- The Act provides for an officer to be appointed as the sugar cane commissioner in a prescribed area called the "Cane Commissioner", and includes an additional cane commissioner.
- The Cane Commissioner shall, on application by the occupier of a factory, reserve or assign an area for the purposes of supply of sugarcane to the factory.

- In the case of a reserved area, the occupier of the factory may be directed to purchase all the cane grown in that area; however, the occupier of the factory is obligated to purchase the bonded sugarcane within the reserved area of such a factory.
- In the case of an assigned area, the Cane Commissioner may determine the quantity of cane to be offered for sale to the occupier of the factory.
- The State Government fixes the State Advised Price ("SAP") under the provisions of this statute. It is mandatory for every factory to pay the SAP on purchase of sugarcane.
- Every factory is also required to pay commission to the sugarcane growers' society or the development council (if the purchase is made directly from the sugarcane grower) on purchase of sugarcane.
- The U.P. Sugarcane (Regulation of Supply and Purchase) Rules, 1954 have been framed under the U.P. Sugarcane (Regulation of Supply and Purchase) Act, 1953 to specify the procedures for implementation of the underlying act.

The U.P. Sugarcane Supply and Purchase Order, 1954

The U.P. Sugarcane Supply and Purchase Order, 1954 provides the procedure for purchase of cane in a reserved or assigned area. It prescribes relevant forms of agreement between the sugarcane grower and the factory, as well as the sugarcane growers' societies and the factories. Under this statute, a sugarcane grower or a sugarcane grower's society may offer, in the prescribed form, to supply cane grown in the reserved area to the occupier of the factory, within a specified period after an order reserving an area for a factory has been issued. Upon the receipt of such offer, the factory and the cane grower or the growers' society, as the case may be, enter into an agreement, in the prescribed form, whereby the farmer or the growers' society agrees to sell a specified quantity of sugarcane during a particular Sugarcane Season. If a party fails to comply with its obligations under such agreement it is required to compensate the other. The agreement further provides that any dispute between the parties regarding the quality and condition of the cane, the place of delivery, the instalments and other matters relating to such agreement shall be referred to arbitration and that no suit shall lie in civil or revenue courts in this regard.

The U.P. Restriction on Sugarcane Purchase Order, 1966

The U.P. Restriction on Sugarcane Purchase Order, 1966, sets forth restrictions regarding the purchase and crushing of sugarcane with the view of regulating and increasing the supply of sugarcane for securing equitable distribution thereof.

The U.P. Sugarcane (Purchase Tax) Act, 1961

The U.P. Sugarcane (Purchase Tax) Act, 1961 imposes a tax on the purchase of sugarcane by factories and certain jaggery, rab or khandsari sugar manufacturing units. The key provisions of this statute are as follows:

- It provides for the levy of a tax on the purchase of sugarcane at a specified rate.
- The purchase tax levied shall be payable by the owner of the factory and in the event of any delay in payment of the tax, the owner shall be liable to pay interest from the due date until the date of payment.
- The State Government is also empowered under this statute to allow remission of purchase tax.
- No sugar produced shall be removed from the factory for consumption, sale or for manufacture of any other commodity in or outside the factory before the payment of the purchase tax.
- The U.P. Sugarcane (Purchase Tax) Rules, 1961 sets forth the procedural rules related to purchase tax.

The U.P. Sheera Niyantran Adhiniyam, 1964

The U.P. Sheera Niyantran Adhiniyam, 1964 regulates the storage, grading and price of molasses produced by the sugar factories. Some of its key features are:

- This statute provides for preservation, storage, sale and supply of molasses and empowers the State Government to fix the maximum price of molasses.
- It provides for the maintenance of a molasses storage fund by every sugar factory.
- Levy of administrative charges on the molasses sold and supplied by a sugar factory.

The U.P Sheera Niyantaran Niyamavali, 1974

The Uttar Pradesh Sheera Niyantran Niyamawali, 1974 have been framed under the provisions of the U.P. Sheera Niyantran Adhiniyam, 1964. Rule 23 of the Uttar Pradesh Sheera Niyantran Niyamawali, 1974 empowers the State Government to levy administrative charges, exclusive of the price payable to a sugar factory, on the molasses released for sale by the controllers, towards meeting the cost of establishment for supervision and control over molasses at such rates as may be notified from time to time. Further, the rules provide that every occupier of sugar factory is required to deposit the amount of administrative charges payable on molasses released for sale.

The U.P. Vacuum Pan Sugar Factories Licensing Order, 1969

The U.P. Vacuum Pan Sugar Factories Licensing Order, 1969 empowers the U.P. state government to regulate the production of sugar by the vacuum pan sugar factories. Accordingly, the state government has started a practice of one time license for sugar manufacturing.

The Sugar Export Promotion Act, 1958

The Sugar Export Promotion Act, 1958 provides for the export of sugar in public interest and for the levy and collection, in certain circumstances, of an additional duty of excise on sugar produced in India. The central government has the power to fix, from time to time, the quantity of sugar to be exported during any given period under certain circumstances. This act also provides for the establishment of an export agency, which shall take measures to export sugar delivered to it under this Act.

Laws relating to the Distillery Industry

In addition to the regulations set out below, the distillery industry is subject to general fiscal legislations in India such as excise and tax.

The U.P. Molasses Advisory Committee Rules, 1965

The U.P. Molasses Advisory Committee was set up to advice on matters pertaining to the control of storage, preservation, gradation, price, supply and disposal of molasses.

The Molasses Control (Regulation of Fund for Erection of Storage Facilities) Order, 1976

The Molasses Control (Regulation of Fund for Erection of Storage Facilities) Order, 1976 was passed for the regulation of the separate funds, set up for the erection of storage facilities for molasses by every sugar factory. It provides provisions for maintenance of funds, utilization of funds and furnishing of information to the Molasses Controller or his nominee.

Laws relating to the Power Industry

The Electricity Act, 2003

The Electricity Act, 2003 was enacted to consolidate the laws relating to the generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to the development of the power industry. These include promoting competition, protecting interests of consumers and supply of electricity to all areas, rationalisation of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies, the constitution of the Central Electricity Authority and regulatory commissions, and the establishment of an appellate tribunal.

Electricity Rules, 2005

The Electricity Rules, 2005 were framed under the Electricity Act, 2003 and lay down the requirements of captive generating plants and generating stations. The authorities constituted under these rules may give appropriate directions for maintaining the availability of the transmission system of a transmission licensee.

Uttar Pradesh State Electricity Laws

- U.P. Electricity Reforms Act, 1999
- Utter Pradesh Electricity Regulatory Commission (Procedure, Terms & Conditions for Grant of Trading Licence for Intrastate Electricity Trader and other related Provisions) Regulations, 2004
- Utter Pradesh Electricity Regulatory Commission (Terms and Conditions of Generation Tariff) Regulations, 2004
- Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions for Open Access) Regulations, 2004
- Uttar Pradesh Electricity Regulatory Commission (Terms & Conditions for Supply of Power and Fixation of Tariff for Sale of Power from Captive Generating Plants, Co-generation, Renewable Sources of Energy and other Non-conventional Sources of Energy based Plants to a Distribution Licensee) Regulations, 2005
- Uttar Pradesh Electricity Regulatory Commission (General Conditions of Transmission Licence) Regulations, 2005
- U.P. Electricity Regulatory Commission (Terms and Conditions for Determination of Distribution Tariff) Regulation, 2006
- Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2006
- U.P. Electricity Supply Code, 2005
- U.P. Electricity Grid Code, 2007
- Uttar Pradesh Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2007
- United Provinces Electricity (Temporary Powers of Control) Act, 1947
- U.P Electricity (Duty) Act, 1959
- U.P Electricity (Duty) Rules, 1959
- U.P Government Electrical Undertakings (Dues Recovery) Act, 1963
- U.P Electric Wires and Transformers (Prevention and Punishment) of Theft Act, 1976
- U.P Electric Wires and Transformers (Prevention and Punishment) of Theft Rules, 1977
- Indian Electricity (Uttar Pradesh Amendment) Act, 1975
- Indian Electricity (Uttar Pradesh Amendment) Act, 1976
- Electricity Supply (Uttar Pradesh Amendment) Act, 1972
- Electricity Laws (Uttar Pradesh Amendment) Act, 1974
- Electricity Laws (Uttar Pradesh Amendment) Act, 1983
- Indian Electricity (Uttar Pradesh Amendment) Act, 1986
- U.P Electricity (Temporary Powers of Control) (Amendment and Miscellaneous Provisions) Act, 1956

Environment related Laws

Water (Prevention and Control of Pollution) Act 1974 ("Water Act")

The Water Act mandates that the previous consent of the SPCB be taken before establishing any industry, operation or process, or any treatment and disposal system or any extension or addition thereto, which is likely to discharge sewages or trade effluent into a stream or well or sewer or on land; or bring into use any new or altered outlet for the discharge of sewage; or begin to make any new discharge of sewage. In addition, a cess is payable under the Water (Prevention and Control of Pollution) Cess Act, 1977 by a person carrying on any specified industry. The person in charge is to affix meters of prescribed standards to measure and record the quantity of water consumed. Furthermore, a monthly return showing the amount of water consumed in the previous month must also be submitted.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act was enacted for the prevention, control and abatement of air pollution. The state government may declare any area as air pollution control area and the previous consent of the SPCB is required for establishing or operating any industrial plant in such an. Further, no person operating any industrial plant, in any air pollution control area is permitted to discharge any air pollutant in excess of the standard laid down by the SPCB. The persons managing industry are to be penalized if they produce emissions of air pollutants in excess of the standards laid down by the State Board. The Board also makes applications to the court for restraining persons causing air pollution.

Whoever contravenes any of the provision of the Act or any order or direction issued is punishable with imprisonment for a term which may extend to three months or with a fine of ₹ 10,000 or with both, and in case of continuing offence with an additional fine which may extend to Rs 5,000 for every day during which such contravention continues after conviction for the first contravention.

The Environment (Protection) Act, 1986

The Environment Protection Act provides for the protection and improvement of the environment and for matters connected there with, including without limitation the standards of quality of air, water or soil for various areas and purposes, the maximum allowable units of concentration of various environmental pollutants, procedure for handling of hazardous substances, the prohibition and restrictions on the location of industries and the carrying on of processes and operations in different areas. Among other things, these laws regulate the environmental impact of construction and development activities, emission of air pollutants and discharge of chemicals into surrounding water bodies. These various environmental laws give primary environmental oversight authority to the Ministry of Environment and Forest ("MoEF"), the CPCB and the SPCB. Penalties for violation of the EPA include fines up to ₹ 100,000 or imprisonment of up to five years, or both.

Environment Impact Assessment

The MoEF looks into Environment Impact Assessment ("EIA"). The MoEF receives proposals for expansion, modernisation and setting up of certain projects and the impact, which such projects would have on the environment, is assessed by the MoEF before granting clearances for the proposed projects. The EIA Notification issued under the EPA and the Environment (Protection) Rules, 1986 requires prior MoEF approval if any new project in certain specified areas is proposed to be undertaken. To obtain environmental clearance, a no-objection certificate must first be obtained from the applicable regulatory authority. This is granted after a notified public hearing, submission and approval of an environmental impact assessment report that sets out the operating parameters such as the permissible pollution load and any mitigating measures for the mine or production facility and an environmental management plan. For projects that require preparation of an EIA report, public consultation involving public hearing and written responses is conducted by the State PCB, prior to submission of a final EIA report. The environment clearance (for commencement of the project) is valid for up to 30 years for mining projects and five years for all other projects and activities. This period of validity may be extended by the concerned regulator for up to five years. The EIA Notification states that obtaining of prior environment clearance includes four stages, i.e., screening, scoping, public consultation and appraisal.

The Inflammable Substances Act, 1952

The Inflammable Substances Act, 1952 is an act to declare certain substances to be dangerously inflammable and to provide regulation for their import, transport, storage and production.

The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989

The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 has been formulated by the Department of Environment, Forests and Wildlife, Ministry of Environment and Forests in exercise of the power conferred by the Environment (Protection) Act, 1986 to govern the storage and import of hazardous chemicals.

The Public Liability Insurance Act, 1991

The Public Liability Insurance Act, 1991 provides for public liability- insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto.

Hazardous Wastes (Management and Handling) Rules, 1989 as amended in 2008

The Hazardous Wastes (Management and Handling) Rules, 1989 allocate the responsibility of the occupier and the operator of the facility that treats hazardous wastes to collect, treat, store or dispose the hazardous wastes without adverse effects on the environment. Moreover, the occupier and the operator must take steps to ensure that persons working on the site are given adequate training and equipment for performing their work. Hazardous wastes can be collected, treated, stored and disposed of only in such facilities as may be authorised for this purpose. The occupier is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and any fine that may be levied by the respective State Pollution Control Board.
In addition to the above, and depending upon the nature of the projects undertaken by the Company, the Company is or may be required to comply with other applicable environmental laws and regulations, which include the Forest (Conservation) Act, 1980, The Water (Prevention and Control of Pollution) Cess Act, 1977 and The Public Liability Insurance Act, 1991.

Labour Legislations

As part of our business, we are required to comply from time to time with the laws, rules and regulations in relation to hiring and employment of labour.

A brief description of certain legislations which are applicable to our operations and our workmen is set forth below:

Factories Act, 1948

The Factories Act, 1948 defines a factory as any premises on which 10 or more workers are working on any day in the previous 12 months, 10 or more workers are or were working and in which a manufacturing process is being carried on or is ordinarily carried on with the aid of power; or where at least 20 workers are or were working on any day in the preceding 12 months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State governments prescribe rules requiring previous permission for the site on which a factory is to be situated and for the construction or extension of any factory and requiring the registration and licensing of factories. There is a prohibition on employing children below the age of 14 years in a factory. If there is a contravention of any provisions of the Factories Act or rules framed there under the occupier and manager of the factory may be punished with imprisonment for a term up to two years or with a fine up to ₹ 100,000 or with both, and in case of contravention continuing after conviction, with a fine of up to ₹ 1,000 per day of contravention. In case of a contravention which results in death or serious bodily injury, the fine shall not be less than ₹ 25,000 in the case of an accident causing death, and ₹ 5,000 in the case of an accident causing serious bodily injury. In case of contravention after a prior conviction, the term of imprisonment increases up to three years and the fine is ₹ 3,00,000 and in case such contravention results in death or serious bodily injury the fine would be a minimum of ₹ 35,000 and ₹ 10,000, respectively.

Minimum Wages Act, 1948

The legislation provides a framework for State governments to stipulate the minimum wages applicable to a particular industry. The minimum wages generally consist of a basic rate of wages, cash value of supplies of essential commodities at concession rates and a special allowance, the aggregate of which reflects the cost of living index as notified in the official gazette. Workers are to be paid for overtime at overtime rates stipulated by the appropriate Government. Any contravention may result in imprisonment up to six months or a fine as stipulated in the Minimum Wages Act, 1948.

Payment of Bonus Act, 1965

Pursuant to the Payment of Bonus Act, an employee in a factory or in any establishment where 20 or more persons are employed on any day during an accounting year, drawing a salary less than ₹ 21,000 per month, who has worked for at least 30 working days in a year, is eligible to be paid a bonus. An employee shall be disqualified from receiving bonus under this Act, if he is dismissed from service for, fraud; or riotous or violent behavior while on the premises of the establishment; or theft, misappropriation or sabotage of any property of the establishment. The minimum bonus to be paid is the higher of 8.3 per cent of the salary or wage or ₹ 100 and must be paid irrespective of the existence of any allocable surplus. If allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to a maximum of 20 per cent of such salary or wage. The maximum bonus payable must not exceed ₹ 500. Contravention of the Payment of Bonus Act, 1965, as amended, by a company will be punishable by proceedings for imprisonment up to six months or a fine up to or both against those individuals in charge at the time of contravention.

The Employees State Insurance Act, 1948 as amended

The Employees State Insurance Act, 1948, ("ESI Act") provides for certain benefits to employees in case of sickness, maternity and employment injury including covering of accidents occurring to an employee while commuting to and from office. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Employees Provident Fund and Miscellaneous Provisions Act, 1952, as amended

The Employees Provident Fund and Miscellaneous Provisions Act, 1952, provides for the institution of compulsory provident fund, pension fund and deposit linked insurance funds for the benefit of employees (drawing wages less than ₹ 15,000 per month) in factories and other establishments. The provisions of this act apply to every establishment which is a factory engaged in any industry specified in Schedule I and in which twenty or more persons are employed and to any other establishment employing twenty or more persons or class of such establishments which the Central Government may, by notification in the Official Gazette, specify. Liability is placed both on the employer and the employee to make certain contributions to the funds mentioned above. The contribution to be made by the employer is 10 percent of the basic wages, dearness allowance and retaining allowance, if any, payable to each of the employees whether employed by him, directly or through a contractor, and the employees' contribution should be equal to the contribution payable by the employer in respect of him and may, if the employee so desires, be an amount exceeding 10 percent of his basic wages, dearness allowance and retaining allowance, subject to the condition that the employer shall not be under an obligation to pay any contribution over and above the contribution payable by him. An employer who makes default in making such contribution shall be punishable for a term which may extend to three years, but which shall not be less than one year and fine of ₹ 10,000 in case of default in payment of the employees' contribution which has been deducted by the employer from the employees' wages.

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA") requires establishments that employ or have employed on any day in the previous 12 months, 20 or more workmen as contract labour to be registered and prescribes certain obligations with respect to the welfare and health of contract labour.

The CLRA places an obligation on the principal employer of an establishment to which the CLRA applies to make an application for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of contract labour, the CLRA imposes certain obligations on the contractor including the establishment of canteens, rest rooms, washing facilities, first aid facilities, provision of drinking water and payment of wages. In the event that the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. A person in contravention of the provisions of the CLRA may be punished with a fine or imprisonment, or both.

Child Labour (Prohibition and Regulation) Act, 1986 as amended in 2012

This act provides that children below the age of 14, cannot be employed anywhere, except in non-hazardous family enterprises or the entertainment industry. The latter includes working as an artist in an audio-visual entertainment industry, advertisement, films, television serials or any such other entertainment or sports activities.

In addition to the above, and depending upon the nature of the projects undertaken by the Company, the Company is required to comply with other applicable labour laws and regulations, which include the following:

- Industrial Disputes Act, 1947 as amended in 2010.
- Industrial Employment (Standing Orders) Act, 1946
- Inter State Migrant Workers Act, 1979
- Maternity Benefits Act, 1961, as amended in 2008
- Payment of Gratuity Act, 1972 as amended in 2010
- Payment of Wages Act, 1936 as amended in 2012
- Shops and Commercial Establishments Acts, where applicable
- Workmen's Compensation Act, 1923 as amended "Employees Compensation Act,1923"
- The Apprentices act, 1961
- The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956

Foreign Investment in Manufacturing Sector

Foreign investment in Indian securities is regulated through the industrial policy of the Government of India and FEMA. While the industrial policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the industrial policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the FIPB and the RBI.

As per the sector specific guidelines of the Government of India, FDI up to 100 per cent is permitted in the manufacturing sector under the automatic route.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

The Board presently consists of 12 Directors and as per our Articles of Association, we shall not have less than three Directors and more than 14 Directors. The quorum for general meetings of our Company is thirty members, present in person.

Regulation 17 of the Listing Regulations requires that at least half of the Board of Directors should comprise of non-executive directors. In addition, it also requires that if our chairman is a non-executive director, at least one-third of the Board of Directors should comprise independent directors and in case he is an executive director, at least half of the Board of Directors should be comprised of independent directors. We currently have six independent directors on our Board. Further to section 149 of the Companies Act, 2013, the revised corporate governance guidelines issued by SEBI, effective from October 1, 2014, and in accordance with the provisions of regulation 17 (a) of the Listing Regulations, there should be at least one woman director on our Board of Directors at all times.

Pursuant to the provisions of the Companies Act, at least two-thirds of the total number of Directors excluding the Independent Directors are liable to retire by rotation, with one-third of such number retiring at each annual general meeting. A retiring Director is eligible for re-election. Further, the Independent Directors may be appointed for a maximum of two terms of up to five consecutive years each. Any re-appointment of Independent Directors shall *inter-alia* be on the basis of the performance evaluation report and approved by the shareholders by way of special resolution.

The following table sets forth details regarding the Board of Directors as of the date of this Placement Document:

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation
1.	**Mr. Vijay Kumar Goel** **Address**: 162B, Western Avenue, Sainik Farms, New Delhi – 110062 **Occupation**: Industrialist **DIN**: 00075317 **Term**: Re-appointed on April 1, 2015 for a period of three years **Nationality**: Indian	75	Chairman and Executive Director
2.	**Mr. Ashok Kumar Goel** **Address:** 61 Friends Colony, New Delhi - 110065 **Occupation**: Industrialist **DIN**: 00076553 **Term:** Re-appointed on April 1, 2015 for a period of three years **Nationality**: Indian	70	Vice Chairman and Executive Director
3.	**Mr. Gaurav Goel** **Address:**	43	Managing Director

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation
	61, Friends Colony, New Delhi, 110065, Delhi, India **Occupation**: Industrialist **DIN**: 00076111 **Term:** Re-appointed on April 1, 2015 for a period of three years **Nationality**: Indian		
4.	**Mr. Gautam Goel** **Address:** 19 Nassim Road No. 01-12 Nassim Park Residences Singapore 258461 **Occupation**: Industrialist **DIN**: 00076326 **Term**: Re-appointed on April 1, 2015 for a period of three years **Nationality**: Indian	42	Managing Director
5.	**Mr. Sandeep Kumar Sharma** **Address:** Dhampur Sugar Mills Compound, Dhampur, 246761, Uttar Pradesh, India **Occupation**: Service **DIN:** 06906510 **Term:** Appointed on June 23, 2014 for a period of three years **Nationality:** Indian	58	Whole-time Directors
6.	**Mr. Ashwani Kumar Gupta** **Address:** 1/2 Gokhley Marg, Lucknow, 226001, Uttar Pradesh, India **Occupation**: Chartered Accountant **DIN**: 00108678 **Term** : Re-appointed on September 26, 2014 for a period of five years **Nationality**: Indian	62	Independent Director
7	**Mr. Mahesh Prasad Mehrotra** **Address:** C-561, Defence Colony, New Delhi, 110024, Delhi, India **Occupation**: Chartered Accountant	76	Independent Director

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation
	DIN: 00016768 **Term:** Re-appointed on September 26, 2014 for a period of five years **Nationality**: Indian		
8	**Mr. Priya Brat** **Address:** E 399 Greater Kailash, Part II, New Delhi, 100048, Delhi, India **Occupation**: Retired Bank Executive **DIN**: 00041859 **Term**: Re-appointed on September 26, 2014 for a period of five years **Nationality:** Indian	78	Independent Director
9	**Mr. Harish Saluja** **Address:** N – 136, Panchshila Park, New Delhi, 110048, Delhi, India **Occupation**: Industrialist **DIN**: 01233800 **Term**: Re-appointed on September 26, 2014 for a period of five years **Nationality:** Indian	78	Independent Director
10	**Mr. Rahul Bedi** **Address:** A-14, NitiBagh, New Delhi, 110049, Delhi, India **Occupation**: Journalist **DIN**: 02573535 **Term**: Re-appointed on September 26, 2014 for a period of five years **Nationality:** Indian	64	Independent Director
11	**Mrs. Nandita Chaturvedi** **Address:** S-561, Flat No. 8, Greater Kailash-li, New Delhi, 110048, Delhi, India **Occupation**: Horticulture Consultant **DIN**: 07015079	64	Independent Director

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation
	Term: Appointed on September 11, 2015 for a period of five years **Nationality:** Indian		
12	**Mr. Anoop Kumar Wahi** **Address**: C-402, Venus Apts., opp Sainik Vihar, Pitam Pura, Delhi-110034 **Occupation**: Service **DIN**: 07542990 **Term**: Appointed on June 15, 2016 **Nationality**: Indian	56	Nominee Director (Punjab National Bank)

Biographies of the Directors

Mr. Vijay Kumar Goel, aged 75, is one of the promoters of our Company and is the chairman of our Board. He has been affiliated with our Company and served on our Board since 1960. Mr. Vijay Kumar Goel has over 56 years of experience in the sugar industry. He has served as the president of the Indian Sugar Mills Association.

Mr. Ashok Kumar Goel, aged 70, is one of the promoters of our Company and is the vice chairman of our Board. He has been affiliated with our Company and served on our Board since 1969. Mr. Ashok Kumar Goel has over 47 years of experience in the sugar and paper industries. He has served as the president of the Indian Sugar Mills Association and the Uttar Pradesh Sugar Mills Association. He is also the founder president of the Indian Agro Paper Mills Association and the Contract Bridge Association. He has represented India at the Bridge Olympiad and the Bermuda Bowl.

Mr. Gaurav Goel, aged 43, is one of our promoters and is the joint managing director of our Company. He has been affiliated with our Company and served on our Board since 1994. Mr. Gaurav Goel is a business management graduate from the American College of London, United Kingdom. With over two decades of experience in the sugar industry, Mr. Gaurav Goel is currently the director of Indian Sugar Exim Corporation Limited and the member of a committee of Indian Sugar Mills Association and The Associated Chambers of Commerce and Industry of India. During the year 2006-2007, he was also the president of the Entrepreneurs Organization, Delhi Chapter.

Mr. Gautam Goel, aged 42, is one of our promoters and is the joint managing director of our Company. He has been affiliated with our Company and served on our Board since 1994. Mr. Gautam Goel has over a decade of experience in the sugar industry and has been the president of the Indian Sugar Mills Association during the year 2011-2012.

Mr. Sandeep Kumar Sharma, aged 58, is a whole time director of our Company. He has been associated with our Company since 1980 and has over three decades of experience in administration and operations of sugar mills, power generation plants and chemical plants.

Mr. Ashwani Kumar Gupta, aged 62, is an independent director of our Company and has served on our Board since 1989. He is a chartered accountant, a fellow member of the Institute of Chartered Accountants of India, with over 30 years of experience in the fields of finance, taxation and accountancy.

Mr. Mahesh Prasad Mehrotra, aged 76, is an independent director of our Copmany and has served on our Board since 1987. He is a chartered accountant, a fellow member of the Institute of Chartered Accountants of India, with experience of over 44 years and with vast exposure in the finance and tax space. He is the founder partner of M/s Mehrotra & Mehrotra and is a member of organizations such as Employees' Provident Fund Organization, Ministry of Labour, Government of India and The Associated Chambers of Commerce of India. He has also been a director on the board of Canara Bank.

Mr. Priya Brat, aged 78, is an independent director of our Company and has served on our Board since July 2008. Mr. Brat holds a Master of Science (Honors) degree in physics from Punjab University, a diploma in banking, finance and accountancy from the Indian Institute of Bankers, Mumbai.

Mr. Harish Saluja, aged 78, is an independent director of our Company and has served on our Board since 1980. Mr. Saluja is 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.

Mr. Rahul Bedi, aged 64, is an independent director of our Company and has served on our Board since 1992. Mr. Bedi holds a Master of Arts degree in English Literature from Delhi University. Being a journalist by profession, Mr. Bedi is the Indian correspondent for the Daily Telegraph, United Kingdom and the Irish Times, Dublin; specializing in military and security-related issues.

Mrs. Nandita Chaturvedi, aged 64, is an independent director of our Company and has been serving on our board since November 12, 2014. Mrs. Chaturvedi is a graduate in arts from Indore University.

Mr. Anoop Kumar Wahi, aged 56, is has been serving on our Board since June 15, 2016. Mr. Wahi is the nominee Director of Punjab National Bank on our Board.

Relationship with other Directors

Four of our Directors are related to each other. Mr. Vijay Kumar Goel and Mr. Ashok Kumar Goel are brothers. Mr. Gautam Goel is son of Mr. Vijay Kumar Goel and Mr. Gaurav Goel is son of Mr. Ashok Kumar Goel.

Borrowing Powers of the Board

The Board is authorised to borrow money upon such terms and conditions as the Board may think fit and may exceed the aggregate of our paid up capital and free reserves, provided that the aggregate amount of its borrowings shall not exceed ₹ 25,000 million over and above the aggregate paid-up capital and free reserves of our Company at any time.

Interest of our Directors and Promoters

All of our Directors and Promoters may be deemed to be interested to the extent of fees payable to them for attending Board or Board committee meetings as well as to the extent of reimbursement of expenses payable to them. The managing director and whole time director also may be deemed interested to the extent of remuneration paid to them for services rendered.

All of our Directors and Promoters may also be regarded as interested in any Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of such Equity Shares held by them. All Directors and Promoters may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms and trust, in which they are interested as directors, members, partners or trustees.

Our Directors and Promoters may be deemed to be interested in the contracts, agreements or arrangements entered into or to be entered into by our Company with any partnership firm in which they are partners or a body corporate in which a director along with any other director holds more than 2% shareholding or is a promoter, manager or chief executive officer. For further details, see "Business—Related Party Transactions" on page 96 of this Placement Document.

Except as otherwise stated in this Placement Document, we have not entered into any contract, agreement or arrangement during the preceding two years from the date of this Placement Document in which any of our Directors or Promoters are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

As on the date of this Placement Document, none of the Directors or the Promoters has availed of any loan from our Company.

Shareholding of the Directors

The following table sets forth the shareholding of the Directors as of March 31, 2016:

Name of Director	Designation	No. of Equity Shares held as on March 31, 2016	Percentage of Equity Shares to total paid up capital
Mr. Vijay Kumar Goel	Chairman	425,466(1)	0.7
Mr. Ashok Kumar Goel	Vice-chairman	298,000(2)	0.5
Mr. Gautam Goel	Managing Director	4,242,339	7.1
Mr. Gaurav Goel	Managing Director	4,211,379	7.0
Mr. Sandeep Kumar Sharma	Whole-time Director	755	0.0
Mr. Ashwani Kumar Gupta	Independent Director	13,237	0.0
Mr. Mahesh Prasad Mehrotra	Independent Director	115,000	0.2
Mr. Priya Brat	Independent Director	Nil	0.0
Mr. Harish Saluja	Independent Director	3,000	0.0
Mr. Rahul Bedi	Independent Director	Nil	0.0
Mrs. Nandita Chaturvedi	Independent Director	Nil	0.0
Mr. Anoop Kumar Wahi	Nominee Director	Nil	0.0

(1) Out of 425,466 Equity Shares, 76,350 Equity shares are held under the name of Vijay Kumar Goel (HUF)
(2) Out of 298,000 Equity Shares, 211,050 Equity shares are held under the name of Ashok Kumar Goel (HUF)

Terms of employment of the Chairman, Vice Chairman, Managing Directors and Whole-time Director

The terms of employment of Mr. Vijay Kumar Goel, Mr. Ashok Kumar Goel, Mr. Gaurav Goel and Mr. Gautam Goel are as follows:

Remuneration	
Salary	₹ 0.6 million per month (In grade ₹ 625,000 – ₹ 42,000 – ₹ 7,09,000).
Perquisites	
Housing	Owned / rented by the company. Deduction at 10% of salary and/or rent, whichever is lower.
Electric, gas, water and furnishing	Expenditure incurred, valued as per Income-Tax Rules, 1962, subject to a ceiling of 10% of salary.
Medical	Reimbursement of actual expenses for self and family. Ceiling being one month's salary in a year.
Leave Travel	For self and family, once a year.
Personal Accident Insurance	Premium for insurance not to exceed ₹12,000 per annum plus service tax, as applicable.
Gratuity	At the rate of half month's salary for each completed year. Ceiling being ₹ 1 million.

*Remuneration by way of commission at 2% (only for Mr. Vijay Kumar Goel, Mr. Ashok Kumar Goel and Mr. Gaurav Goel) of the net profits of the Company, determined according to the provisions of the Companies Act. Total remuneration (of each Director) will not exceed 5% Net Profits of the Company. In case the total remuneration of all the Directors, cumulatively, exceeds 10% of profits, deduction to be made from commission payable to restrict remuneration at 10%.

The terms of employment of Mr. Sandeep Kumar Sharma are as follows:

Remuneration	
Salary	₹ 84,000.0 per month
Perquisites	
Housing	Owned / rented by the company. Deduction at 7.5% of salary and/or rent, whichever is lower.
Electric, gas, water and furnishing	Expenditure incurred, valued as per Income-Tax Rules, 1962.
Medical	Reimbursement of actual expenses for self and family. Ceiling being ₹ 15,000.0 in a year.
Leave Travel	For self and family, once a year, to the extent of one month's salary.

Others	
Leave Encashment	To the extent of one month's salary in a year
Other Allowances	₹ 15,672.0 (Bonus, CEA, PDA and servant allowance). Furniture allowances is also being paid at ₹ 11,140.0 quarterly.
Provident Fund	Employer's contribution to Provident Fund to the extent not taxable under the lncome-tax Act, 1961.
Gratuity	At the rate of half month's salary for each completed year of service as per the existing policies of the Company.

Compensation of the Directors

Executive Directors

The following table sets forth the total remuneration (including commission) paid by our Company to Mr. Vijay Kumar Goel, Chairman, Mr. Ashok Kumar Goel, Vice Chairman, Mr. Gaurav Goel, Managing Director, Mr. Gautam Goel, Managing Director, and Mr. Sandeep Kumar Sharma, Whole-time Director for the Fiscal Years 2016, 2015 and 2014 and for the Fiscal Year 2017, to the extent applicable:

(₹ in million)

Fiscal Year	Vijay Kumar Goel	Ashok Kumar Goel	Gaurav Goel	Gautam Goel	Sandeep Kumar Sharma
2017 (to the extent applicable)	1.4	1.4	1.4	1.4	0.2
2016	10.2	10.1	10.1	8.8	1.6
2015	4.8	4.8	4.8	4.8	1.4*
2014	4.8	4.8	4.8	4.8	N.A.

** He joined the Board of our Company on June 23, 2014 and accordingly the remuneration was paid to him in Fiscal 2015 on proportionate basis.*

Non-Executive Directors

The following table sets forth the remuneration (sitting fees, salaries perquisites and commission) paid by us to the present non-executive Directors of our Company for the Fiscal Years 2016, 2015 and 2014:

(₹ in million)

Serial No	Name of the Director	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
1	Mr. Ashwani Kumar Gupta	0.2	0.2	0.2
2	Mr. Mahesh Prasad Mehrotra	0.2	0.2	0.2
3	Mr. Priya Brat	0.3	0.2	0.3
4	Mr. Harish Saluja	0.2	0.1	0.1
5	Mr. Rahul Bedi	0.1	0.1	0.1
6	Mrs. Nandita Chaturvedi	0.1	0.1	N.A
7	Mr. Anoop Kumar Wahi	N.A.	N.A.	N.A.

The following table sets forth the remuneration (sitting fees, salaries perquisites and commission) paid by us to the present non-executive Directors of our Company for the Fiscal Year 2017 (to the extent applicable):

(₹)

Serial No	Name of the Director	Fiscal Year 2017 (to the extent applicable)
1	Mr. Ashwani Kumar Gupta	70,000
2	Mr. Mahesh Prasad Mehrotra	60,000
3	Mr. Priya Brat	70,000
4	Mr. Harish Saluja	50,000
5	Mr. Rahul Bedi	40,000
6	Mrs. Nandita Chaturvedi	40,000
7	Mr. Anoop Kumar Wahi	Nil

Key Managerial Personnel

In addition to the Chairman, the Vice Chairman, the Managing Directors and the Whole-time Director of our Company, the following are the Key Managerial Personnel of our Company:

Chief Financial Officer and Company Secretary

Mr. Arhant Jain, aged 61, is the chief financial officer and company secretary of our Company. He is a chartered accountant, certified by the Institute of Chartered Accountants of India, and is also an associate member of the Institute of Cost and Works Accountants of India and the Institute of Company Secretaries of India. He has over 35 years of experience in finance, accounts and secretarial matters.

Shareholding details of the Key Managerial Personnel

Mr. Arhant Jain holds 5,031 Equity Shares in our Company as at the date of this Placement Document.

Interest of Key Managerial Personnel

The Key Managerial Personnel of our Company do not have any other interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and to the extent of the Equity Shares held by them and/or their dependants in our Company, if any. The Company also, in the ordinary course of business, accepts deposits from our Key Managerial Personnel. For further details please see "Business—Related Party Transactions" on page 96 of this Placement Document.

Further, for the interest of the Chairman, the Vice Chairman, the Managing Directors and the Whole-time Director of our Company, who are also directors and promoters of our Company, please see "—Interest of our Directors and Promoters" on page 117 of this Placement Document.

Corporate governance

The Board of Directors presently consists of 12 Directors. In compliance with the requirements of the Listing Regulations, the Board of Directors consists of six Independent Directors. Our Company is in compliance with other corporate governance requirements under the Companies Act, 2013 in respect of notified guidelines /sections /rules as are applicable to our Company. Our Company is required to comply with new corporate governance requirements under the Listing Regulations. We are in compliance with the corporate governance provision of the Listing Regulations which requires at least one woman director on our Board of Directors at all times.

Committees of the Board of Directors

In line with the requirements of the provisions of the Companies Act and the provisions of Chapter IV of the Listing Regulations, our Board has constituted various committees as detailed below. Their constitution is for a more specific and focused approach towards some of the important functional areas of the Companies' operations, for providing proper direction, effective monitoring and controlling the affairs of our Company. The committees meet at regular intervals for deciding various matters and providing directions and authorizations to the management for its implementation. The Board also takes note of minutes of the meetings of the committees duly approved by their respective chairman and the material recommendations / decisions of the committees are placed before the Board for approval / information. The committees are as follows:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee;
4. Risk Management Committee; and
5. Corporate Social Responsibility Committee.

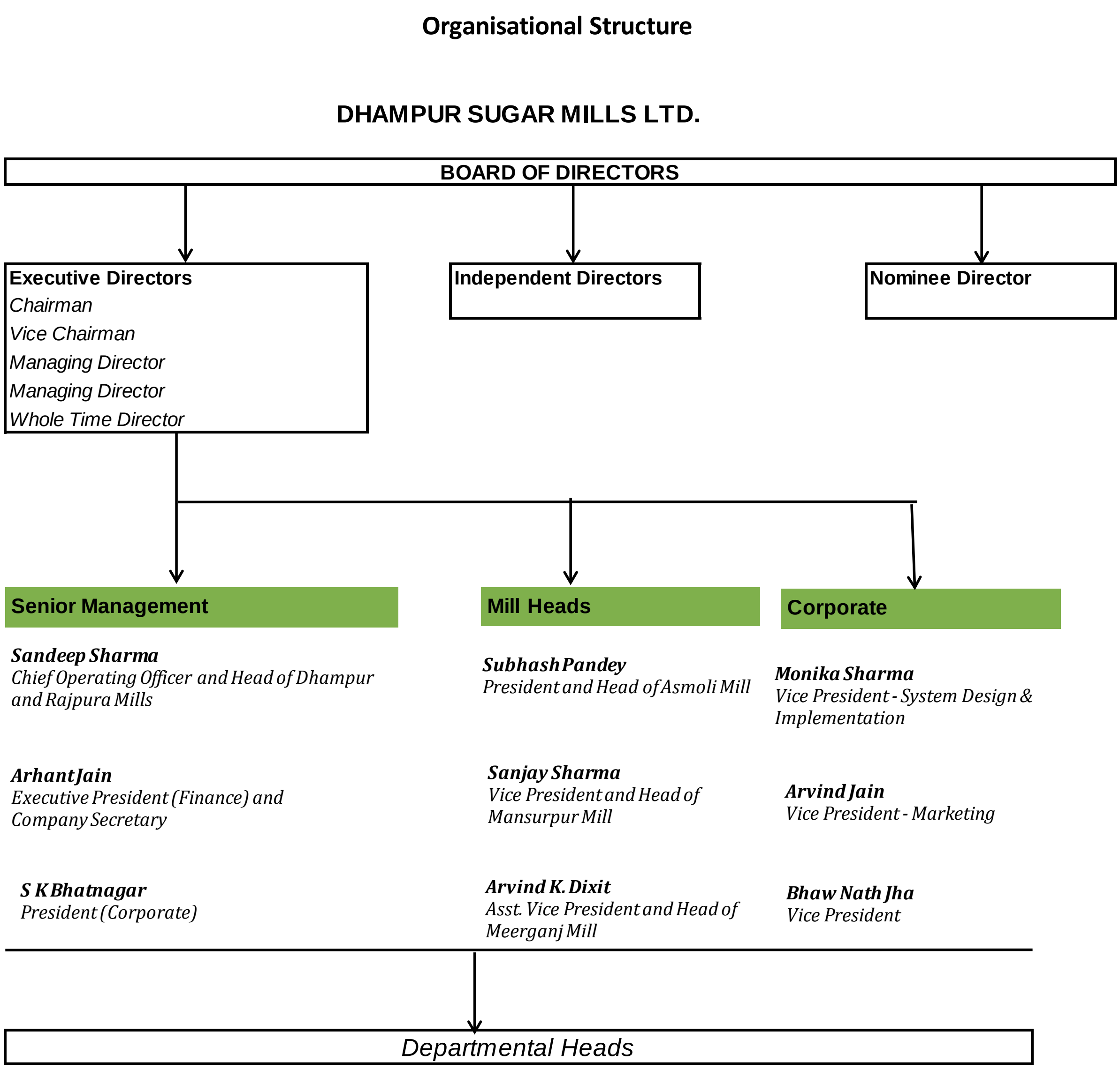
The following table sets forth the members of the aforesaid committees as of the date of this Placement Document:

Sr. No	Name of Committee	Members

Sr. No	Name of Committee	Members
A.	Audit Committee	Mr. M. P. Mehrotra (Chairman); Mr. Gaurav Goel; Mr. Priya Brat; and Mr. A. K. Gupta
B.	Nomination and Remuneration Committee	Mr. M. P. Mehrotra (Chairman); Mr. Priya Brat; Mr. Harish Saluja; and Mr. A. K. Gupta
C.	Stakeholders Relationship Committee	Mr. A. K. Gupta (Chairman); Mr. Priya Brat; and Mr. Harish Saluja
D.	Risk Management Committee	Mr. Gaurav Goel (Chairman); Mr. Ashwani Kumar Gupta; and Mr. Sandeep Kumar Sharma
E.	Corporate Social Responsibility Committee	Mr. Vijay Kumar Goel (Chairman); Mr. Gaurav Goel; and Mr. Ashwani Kumar Gupta

Additionally, our Company has constituted various operational committees of its Board, such as the Finance Sub-Committee, the Sexual Harassment Committee and the Securities Issue Committee.

Organization Structure of our Company



Policy on disclosures and internal procedure for prevention of insider trading

Chapter IV of the SEBI Insider Trading Regulations applies to our Company and its employees and requires our Company to implement codes of fair disclosure and conduct for the prevention of insider trading. Our Company has implemented a code of conduct for prevention of insider trading in accordance with the SEBI Insider Trading Regulations.

Other confirmations

Except as otherwise stated in this Placement Document, none of the Directors, or the Promoters, or any key managerial personnel of our Company have any financial or other material interest in this Issue.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the Fiscal Years 2016, 2015 and 2014, as per the requirements under Accounting Standard 18 issued by the Institute of Chartered Accountants in India, see the section titled "Financial Statements" on page 185 of this Placement Document.

PRINCIPAL SHAREHOLDERS

The summary statement showing the holding of specified securities of our Company as of March 31, 2016, is herein below:

Category of the shareholder	Nos. of shareholders	No. of fully paid-up equity shares held	No. of partly paid-up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of Locked in shares		Number of shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
						No.(a)	As a % of total shares held(b)	No.(a)	As a % of total shares held(b)	
(A) Promoter & Promoter Group	17	33,585,637		33,585,637	55.8	9,953,718	29.6	4,025,000	12.0	33,585,637
(B) Public	39,946	26,627,193	2,105	26,629,298	44.2		0.0		0.0	26,155,198
(C1) Shares underlying DRs					0.0		0.0		0.0	
(C2) Shares held by Employee Trust					0.0		0.0		0.0	
(C)=(C1)+(C2) Non Promoter-Non Public					0.0		0.0		0.0	
Grand Total = (A) + (B) + (C)	39,963	60,212,830	2,105	60,214,935	100.0	9,953,718	29.6	4,025,000	12.0	59,740,835

The summary statement showing holding of specified securities of the Promoter and Promoter Group in our Company as of March 31, 2016, is herein below:

Category of the shareholder	Nos. of shareholders	No. of fully paid-up equity shares held	No. of partly paid-up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of Locked in shares		Number of shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
						No.(a)	As a % of total shares held(b)	No.(a)	As a % of total shares held(b)	
A1) Indian										
Individuals/Hindu Undivided Family	8	9,212,604	0	9,212,604	15.3	8,453,718	25.2		0.0	9,212,604
Ashok Kumar Goel	1	86,950	0	86,950	0.1		0.0		0.0	86,950
Gautam Goel	1	4,242,339	0	4,242,339	7.1	4,242,339	12.5		0.0	4,242,339
Deepa Goel	1	10,370	0	10,370	0.0		0.0		0.0	10,370
Vinita Goel	1	25,050	0	25,050	0.0		0.0		0.0	25,050
Gaurav Goel	1	4,211,379	0	4,211,379	7.0	4,211,379	12.5		0.0	4,211,379
Vijay Kumar Goel	1	349,116	0	349,116	0.6		0.0		0.0	349,116
Ashok Kumar Goel (HUF)	1	211,050	0	211,050	0.4		0.0		0.0	211,050
Vijay Kumar Goel (HUF)	1	76,350	0	76,350	0.1		0.0		0.0	76,350
Any Other (specify)	9	24,373,033	0	24,373,033	40.5	1,500,000	6.2	4,025,000	11.9	24,373,033
Shudh Edible Products Ltd	1	4,549,680	0	4,549,680	7.6		0.0	1,900,000	5.6	4,549,680

Category of the shareholder	Nos. of shareholders	No. of fully paid-up equity shares held	No. of partly paid-up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of Locked in shares		Number of shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
						No.(a)	As a % of total shares held(b)	No.(a)	As a % of total shares held(b)	
Sonitron Ltd	1	4,940,716	0	4,940,716	8.2		0.0	1,875,000	5.6	4,940,716
Ritu Sanghi	1	7,500	0	7,500	0.0		0.0		0.0	7,500
Asha Kumari Swaroop	1	4	0	4	0.0		0.0		0.0	4
Aprana Jalan	1	46,100	0	46,100	0.1		0.0		0.0	46,100
Shefali Poddar	1	31,760	0	31,760	0.1		0.0		0.0	31,760
Saraswati Properties Ltd.	1	3,416,758	0	3,416,758	5.7	1,500,000	4.5		0.0	3,416,758
Ujjwal Rural Services Ltd (Earlier Associated Metals Company Ltd)	1	125,000	0	125,000	0.2		0.0			125,000
Goel Investments Ltd.	1	11,255,515	0	11,255,515	18.7		0.0	250,000	0.7	11,255,515
Sub Total A1	17	33,585,637	0	33,585,637	55.8	9,953,718	29.6	4,025,000	12.0	33,585,637
A2) Foreign					0.0		0.0		0.0	
A=A1+A2	17	33,585,637	0	33,585,637	55.8	9,953,718	29.6	4,025,000	12.0	33,585,637

The summary statement showing holding of specified securities of public shareholders in our Company as of March31, 2016, is herein below:

Category & Name of the Shareholders	No. of Shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	Total no. of shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Locked in shares		Number of equity shares held in dematerialized form(Not Applicable)
						No.(a)	As a % of total shares held(b)	
B1) Institutions								
Mutual Funds/	19	42,515		42,515	0.1	0.0	0.0	39,141
Foreign Portfolio Investors	6	1,447		1,447	0.0	0.0	0.0	797
Financial Institutions/Banks	30	2,101,989		2,101,989	3.5	0.0	0.0	2,101,658
ICICI Bank Limited	0	1,435,462		1,435,462	2.4	0.0	0.0	1,435,462
Sub Total B1	55	2,145,951		2,145,951	3.6	0.0	0.0	2,141,596
B2) Central Government/State Government(s)/ President of India	0				0.0	0.0	0.0	
B3) Non-Institutions								
Individual share capital upto ₹ 2 Lacs	38,467	9,577,301	2,105	9,579,406	15.9	0.0	0.0	9,122,841
Individual share capital in excess of ₹ 2 Lacs	85	6,732,397		6,732,397	11.2	0.0	0.0	6,732,397
NBFCs registered with RBI	1	1,250		1,250	0.0	0.0	0.0	1,250
Any other (specify)								
Ojas Consulting Private Limited	0	700,858		700,858	1.2	0.0	0.0	700,858
BMF Investments Limited	0	799,627		799,627	1.3	0.0	0.0	799,627

Category & Name of the Shareholders	No. of Shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	Total no. of shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Locked in shares		Number of equity shares held in dematerialized form(Not Applicable)
						No.(a)	As a % of total shares held(b)	
Trusts	1	12		12	0.0	0.0	0.0	12
Foreign individual or NRI	307	835,906		835,906	1.4	0.0	0.0	835,818
Overseas corporate bodies	1	191,812		191,812	0.3	0.0	0.0	191,812
Bodies Corporate	1,029	7,142,564		7,142,564	11.9	0.0	0.0	7,129,472
Sub Total B3	39,891	24,481,242	2,105	24,483,347	40.7	0.0	0.0	24,013,602
B=B1+B2+B3	39,946	26,627,193	2,105	26,629,298	44.2	0.0	0.0	26,155,198

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment of the Equity Shares to be issued pursuant to this Issue. The procedure followed in this Issue may differ from the one mentioned below, and investors are presumed to have apprised themselves of the same from our Company or the GCBRLM. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. See "Selling Restrictions" and "Transfer Restrictions" on pages 143 and 148, respectively, of this Placement Document.

Qualified Institutions Placement

The Issue is being made to QIBs in reliance upon Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act, 2013, through the mechanism of a QIP. Under Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company may issue equity shares to QIBs provided that certain conditions are met by the Company. Certain of these conditions are set out below:

- the shareholders of the issuer have passed a special resolution approving such QIP. Such special resolution must specify (a) that the allotment of securities is proposed to be made pursuant to the QIP; and (b) the Relevant Date;

- equity shares of the same class of such issuer, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the above-mentioned special resolution;

- the aggregate of the proposed issue and all previous QIPs made by the issuer in the same financial year does not exceed five times the net worth (as defined in the SEBI Regulations) of the issuer as per the audited balance sheet of the previous financial year;

- the issuer shall be in compliance with the minimum public shareholding requirements set out in the SCRR;

- the issuer shall have completed allotments with respect to any offer or invitation made by the issuer or shall have withdrawn or abandoned any invitation or offer previously made by the issuer;

- the issuer shall offer to each Allottee such number of the securities in the issue which would aggregate to at least ₹ 20,000 calculated at the face value of the securities;

- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- the offer must be made through a private placement offer letter and an application form serially numbered and addressed specifically to the QIB to whom the offer is made and is sent within 30 days of recording the names of such QIBs;

- the offer must not be to more than 200 persons in a financial year. However, an offer to QIBs will not be subject to this limit of 200 persons. Prior to circulating the private placement offer letter, the issuer must prepare and record a list of QIBs to whom the offer will be made. The offer must be made only to such persons whose names are recorded by the issuer prior to the invitation to subscribe;

- the offering of securities by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public about the issue is prohibited.

At least 10% of the Equity Shares issued to QIBs must be allotted to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other QIBs.

In order to participate in the Issue, purchasers of the Equity Shares will be deemed to have represented to us and the GCBRLM that they are outside the United States and purchasing the Equity Shares in an offshore transaction in accordance with Regulation S and the applicable laws of the jurisdictions where those offers and sales occur. For further details, please refer to "Selling Restrictions" and "Transfer Restrictions" on pages 143 and 148, respectively, of this Placement Document.

Bidders are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. However, a discount of up to 5% of the Floor Price is permitted in accordance with the provisions of the SEBI Regulations.

The "Relevant Date" referred to above, for Allotment, will be the date of the meeting in which the Board or committee of Directors duly authorised by the Board decides to open the Issue and "stock exchange" means any of the recognised stock exchanges in India on which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the Relevant Date.

Our Company has applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1) of the Listing Regulations for the listing of the Equity Shares on the Stock Exchanges. Our Company has also delivered a copy of the Preliminary Placement Document and this Placement Document to the Stock Exchanges and application for listing and trading for the Equity Shares shall be made after the Allotment of Equity Shares.

Our Company shall also make the requisite filings with the RoC and SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

The Issue has been authorized by (i) the Board pursuant to a resolution passed on April 14, 2016 and (ii) the shareholders resolution passed on May 23, 2016.

The Equity Shares will be Allotted within 12 months from the date of the shareholders' resolution approving the QIP and within 60 days from the date of receipt of subscription money from the successful Bidders. For details of refund of application money, "—Pricing and Allocation – Designated Date and Allotment of Equity Shares".

The Equity Shares issued pursuant to the QIP must be issued on the basis of the Preliminary Placement Document and this Placement Document that shall contain all material information including the information specified in Schedule XVIII and Part G of Schedule VIII of the SEBI Regulations and the requirements prescribed under Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select investors through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to QIBs and no offer is being made to the public or to any other category of investors.

The minimum number of allottees for each QIP shall not be less than:

- Two, where the issue size is less than or equal to ₹ 2,500 million; and

- Five, where the issue size is greater than ₹ 2,500 million.

No single allottee shall be allotted more than 50 % of the issue size or less than ₹ 20,000 of face value of Equity Shares. QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee. QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee. See "- Application Process - Application Form" on page 130 of this Placement Document.

The aggregate of the proposed QIP and all previous QIPs made in the same financial year shall not exceed five times the net worth of the Issuer as per its audited balance sheet of the previous financial year. The Issuer shall furnish a copy of the preliminary placement document and the placement document to each stock exchange on which its equity shares are listed.

Securities allotted to a QIB pursuant to a QIP shall not be sold for a period of one year from the date of allotment except on the floor of a recognised stock exchange in India. Allotments made to FVCIs, VCFs and AIFs in this Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements.

THE EQUITY SHARES OFFERED IN THIS ISSUE HAVE NOT BEEN AND WILL NOT BE REGISTERED, LISTED OR OTHERWISE QUALIFIED IN ANY JURISDICTION OUTSIDE INDIA AND MAY NOT BE OFFERED OR SOLD, AND BIDS MAY NOT BE MADE BY PERSONS IN ANY SUCH JURISDICTION, EXCEPT IN COMPLIANCE WITH THE APPLICABLE LAWS OF SUCH JURISDICTION. IN PARTICULAR, THE EQUITY SHARES OFFERED IN THIS ISSUE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S.

Issue Procedure

1. Our Company and the GCBRLM shall circulate serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to the QIBs and the Application Form will be specifically addressed to such QIBs. In terms of Section 42(7) of the Companies Act, 2013, our Company shall maintain complete records of the QIBs to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC and SEBI within the time period as stipulated under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

2. The list of QIBs to whom the Application Form is delivered shall be determined by our Company in consultation with the GCBRLM.

3. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form is addressed to a particular QIB, no invitation to subscribe shall be deemed to have been made to such QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

4. QIBs may submit an Application Form, including any revisions thereof, during the Bidding Period to the GCBRLM.

5. Our Company shall intimate the Bid/Issue Opening Date to the Stock Exchanges.

6. Bidders shall submit Bids for, and our Company shall issue and Allot to each Allottee, at least such number of Equity Shares in this Issue which would aggregate to ₹ 20,000 calculated at the face value of the Equity Shares.

7. Bidders will be required to indicate the following in the Application Form:

   - full name of the QIB to whom Equity Shares are to be Allotted;

   - number of Equity Shares Bid for;

   - price at which they are agreeable to subscribe for the Equity Shares, provided that QIBs may also indicate that they are agreeable to submit a Bid at "Cut-off Price"; which shall be any price as may be determined by our Company in consultation with the GCBRLM at a price with not more than 5% discount on the Floor Price in terms of Regulation 85 of the SEBI Regulations;

   - details of the depository participant account to which the Equity Shares should be credited; and

   - that it has agreed to the representations, warranties, acknowledgements and agreements set forth in "Notice to Investors", "Representations by Investors", "Selling Restrictions" and "Transfer Restrictions" on pages 1, 3, 143 and 148, respectively, of this Placement Document; and

   - it has agreed to all of the other representations, warranties, acknowledgements and agreements set forth in the Application Form.

Note: Each sub-account of an FII other than a sub-account which is a foreign corporate or a foreign individual will be considered as an individual QIB and separate Application Forms would be required from each such sub-account for submitting Bids. FIIs or sub-accounts of FIIs are required to indicate SEBI FII/ sub-account registration number in the Application Form.

8. Once a duly completed Application Form is submitted by a QIB, such Application Form constitutes an irrevocable offer and cannot be withdrawn after the Bid/Issue Closing Date. The Bid/Issue Closing Date shall be notified to the Stock Exchanges and the QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

9. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI. All such bids/applications by or on behalf of the various schemes of a Mutual Fund shall be treated as a single application.

10. Upon receipt of the Application Form, after the Bid/Issue Closing Date, our Company shall determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and the number of Equity Shares to be allocated and the applicants to whom the same would be allocated in consultation with the GCBRLM. Upon determination of the final terms of the Equity Shares, our Company will notify the Stock Exchanges and the GCBRLM will send the serially numbered CAN along with the Placement Document to the QIBs who have been Allocated the Equity Shares. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the QIB to pay the entire Issue Price for all the Equity Shares Allocated to such QIB. The CAN shall contain details such as the number of Equity Shares Allocated to the QIB and payment instructions including the details of the amounts payable by the QIB for Allotment of the Equity Shares in its name and the Pay-In Date as applicable to the respective QIB. Please note that the Allocation will be at the absolute discretion of our Company and will be based on the recommendation of the GCBRLM and may not be proportionate to the number of Equity Shares applied for.

11. Pursuant to receiving a CAN, each QIB shall be required to make the payment of the entire application monies for the Equity Shares indicated in the CAN at the Issue Price, only through electronic transfer to our Company's Escrow account by the Pay-In Date as specified in the CAN sent to the respective QIBs. No payment shall be made by QIBs in cash. Please note that any payment of application money for the Equity Shares shall be made from the bank accounts of the relevant QIBs applying for the Equity Shares and our Company shall keep a record of the bank account from where such payment for subscriptions have been received. Monies payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the application. Pending Allotment, all monies received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013 i.e. the Escrow Account. See "Issue Procedure-Bank Account for Payment of Application Money".

12. Upon receipt of the application monies from the QIBs, our Company shall Allot Equity Shares as per the details in the CANs sent to the QIBs. Our Company shall intimate to the Stock Exchanges the details of the Allotment.

13. After passing the Board or committee resolution (as the case maybe) for Allotment and prior to crediting the Equity Shares into the Depository Participant accounts of the successful Bidders, our Company shall apply to the Stock Exchanges for listing approvals. Our Company will intimate to the Stock Exchanges the details of the Allotment and apply for approvals for listing of the Equity Shares on the Stock Exchanges prior to crediting the Equity Shares into the beneficiary account maintained with the Depository Participant by the QIBs.

14. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the Depository Participant accounts of the respective Allottees.

15. Our Company will then apply for the final trading approvals from the Stock Exchanges.

16. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

17. Upon receipt of intimation of final trading and listing approval from the Stock Exchanges, our Company shall

inform the Allottees of the receipt of such approval. Our Company and the Global Coordinator and Book Running Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non- receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. QIBs are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Qualified Institutional Buyers

The issue is being made only to QIBs. Only the following categories of QIBs are eligible to invest in this Issue:

- public financial institutions as defined in Section 4A of the Companies Act, 1956 (Section 2(72) of the Companies Act, 2013);
- scheduled commercial banks;
- Mutual Funds registered with SEBI;
- Alternate investment funds registered with SEBI;
- Eligible FPIs, including FIIs, and eligible sub-accounts;
- Multilateral and bilateral development financial institutions
- insurance companies registered with Insurance Regulatory and Development Authority;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- pension funds with minimum corpus of ₹ 250 million;
- provident funds with minimum corpus of ₹ 250 million;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- Foreign venture capital investors registered with SEBI.

FIIs (other than a sub-account which is a foreign corporate or a foreign individual) and Eligible FPIs investing through the portfolio investment scheme shall participate in this Issue under Schedule 2 and Schedule 2A of FEMA 20, respectively. FIIs and Eligible FPIs investing through the portfolio investment scheme are permitted to participate in this Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs and FIIs does not exceed specified limits as prescribed under applicable laws in this regard. Other eligible non-resident QIBs shall participate in this Issue under Schedule 1 of the FEMA 20 and shall make the payment of application money through the foreign currency non-resident (FCNR) account and not through the special non-resident rupee (SNRR) account.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to be 10% or above of our post-Issue Equity Share capital. Further, in terms of the FEMA 20, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the shareholders of our

Company. The existing investment limit for FPIs (including FIIs) in our Company is 49% of the paid up capital of our Company.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An FII or sub account who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the FEMA 20, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Under Regulation 86(1)(b) of the SEBI Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being Promoter or any person related to, the Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with the Promoters or persons related to the Promoters;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that a QIB which does not hold any shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company and the Global Coordinator and Book Running Lead Manager are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations and the QIB shall be solely responsible for compliance with the provisions of the Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

A minimum of 10 % of the Equity Shares offered in this Issue shall be Allotted to Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion as specified above, such minimum portion or part thereof may be Allotted to other QIBs.

Note: Affiliates or associates of the Global Coordinator and Book Running Lead Manager who are QIBs may participate in the Issue in compliance with applicable laws.

Bid/ Issue Programme

Bidding Period / Issue Period:	
BID/ISSUE OPENS ON	June 15, 2016
BID/ISSUE CLOSES ON	June 20, 2016

Application Process

Application Form

Bidders shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the Global Coordinator and Book Running Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Placement Document, the Bidder will be deemed to have made the following representations and warranties and the representations, warranties and agreements made under “Notice to Investors”, “Representations by Investors”, “Selling Restrictions” and “Transfer Restrictions” on pages 1, 3, 143 and 148, respectively:

1. The Bidder confirms that it is a QIB in terms of Regulation 2(1)(zd) of the SEBI Regulations and is not excluded under Regulation 86 of the SEBI Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Bidder confirms that it is not a promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

3. The Bidder confirms that it has no rights under a shareholders’ agreement or voting agreement with the Promoters or persons related to the Promoters, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters as per SEBI Regulations;

4. The Bidder acknowledges that it has no right to withdraw its Bid after the Bid/Issue Closing Date;

5. The Bidder confirms that if Equity Shares are Allotted through the Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

6. The Bidder confirms that it is eligible to Bid and hold Equity Shares so Allotted. The Bidder further confirms that the holding of the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;

7. The Bidder confirms that its Bids would not eventually result in triggering a tender offer under the Takeover Code;

8. The Bidder confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

   (i) The expression ‘belong to the same group’ shall derive meaning from the concept of ‘companies under the same group’ as provided in sub-section (11) of Section 372 of the Companies Act; and

   (ii) ‘Control’ shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Code;

9. The Bidders shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

10. The Bidder confirms all representations, warranties, acknowledgements and agreements included under “Notice to Investors”, “Representations by Investors”, “Selling Restrictions” and “Transfer Restrictions” on pages 1, 3, 143 and 148, respectively, of this Placement Document.

EACH BIDDER MUST PROVIDE ITS DEPOSITORY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT’S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, EMAIL ID AND BENEFICIARY BANK ACCOUNT NUMBER IN THE APPLICATION FORM. QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. FOR THIS PURPOSE, ELIGIBLE SUB ACCOUNTS OF AN FII WOULD BE CONSIDERED AS AN INDEPENDENT BIDDER.

If so required by the GCBRLM, the Bidder submitting a Bid along with the application form, will also have to submit requisite documents to the GCBRLM to evidence their status as a QIB. If so required by the GCBRLM, Escrow agent or any statutory or regulatory authority in this regard, includes after Issue closure, the Bidder submitting a Bid and/or being

Allotted Equity Shares in the Issue, will also have to submit requisite documents to fulfill the KYC norms.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details given above.

The submission of an Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for the Bidder to pay the entire Issue Price for the Equity Shares (as indicated by the CAN) and becomes a binding contract on the Bidder upon issuance of the CAN by our Company in favour of such successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the name of the Bidder, the price and number of Equity Shares applied for. All Application Forms duly completed along with a copy of the PAN card or PAN allotment letter shall be submitted to the Global Coordinator and Book Running Lead Manager as per the details provided in the respective CAN. The Application Forms may also be submitted to the Global Coordinator and Book Running Lead Manager either through electronic form or through physical delivery at the following address:

Name of Global Coordinator and Book Running Lead Manager	Address	Contact person	Email	Phone (telephone and fax)
Religare Capital Markets Limited	901, 9th Floor, Tower I, Indiabulls Finance Centre Senapati Bapat Marg, Elphinstone Road, Mumbai – 400013	Mr. Rakesh Bhunatar	rakesh.bhunatar@religare.com	Tel: +91 22 6766 3577 Fax: +91 22 6766 3575

The Global Coordinator and Book Running Lead Manager shall not be required to provide any written acknowledgement of the receipt of the Application Form.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the IT Act in the Application Form. Applications without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Pricing and Allocation

Build up of the Book

The Bidder shall submit their Bids (including the revision of bids) within the Bidding Period to the Global Coordinator and Book Running Lead Manager. Such Bids cannot be withdrawn after the Bid/Issue Closing Date. The book shall be maintained by the Global Coordinator and Book Running Lead Manager.

Price Discovery and Allocation

Our Company, in consultation with the Global Coordinator and Book Running Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the SEBI Regulations.

After finalisation of the Issue Price, our Company shall update the Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges, SEBI and RoC as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation, in consultation with the Global Coordinator and Book Running Lead Manager, on a discretionary basis and in compliance with Chapter VIII of the SEBI Regulations.

Bids received from the Bidders at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Bidders will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE GLOBAL COORDINATOR AND BOOK RUNNING LEAD MANAGER IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. THE BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE GLOBAL COORDINATOR AND BOOK RUNNING LEAD MANAGER AND BIDDERS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE GLOBAL COORDINATOR AND BOOK RUNNING LEAD MANAGER ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on the Application Forms received, our Company, in consultation with the Global Coordinator and Book Running Lead Manager, in their sole and absolute discretion, shall decide the Bidders to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment of such Equity Shares in their respective names shall be notified to such Bidders. Additionally, a CAN will include details of the relevant Escrow Bank Account into which such payments would need to be made, address where the application money needs to be sent, Pay-In Date as well as the probable designated date, being the date of credit of the Equity Shares to the respective Bidder's account.

The successful Bidders would also be sent a serially numbered Placement Document either in electronic form or by physical delivery along with the serially numbered CAN.

The dispatch of the serially numbered Placement Document and the serially numbered CAN to the successful Bidders shall be deemed a valid, binding and irrevocable contract for the successful Bidders to furnish all details that may be required by the Global Coordinator and Book Running Lead Manager and to pay the entire Issue Price for all the Equity Shares Allocated to such successful Bidder.

QIBS ARE ADVISED TO INSTRUCT THEIR DEPOSITORY PARTICIPANT TO ACCEPT THE EQUITY SHARES THAT MAY BE ALLOTTED TO THEM PURSUANT TO THE ISSUE.

Bank Account for Payment of Application Money

Our Company has opened the Escrow Account with HDFC Bank Limited in terms of the arrangement among our Company, the Global Coordinator and Book Running Lead Manager and HDFC Bank Limited as escrow bank. The successful Bidder to whom CAN is sent will be required to deposit the entire amount payable for the Equity Shares Allocated to it by the Pay-In Date as mentioned in, and in accordance with, the respective CAN.

Payments are to be made only through electronic fund transfer.

Note: Payments through cheques are liable to be rejected.

If the payment is not made favouring the Escrow Account within the time stipulated in the CAN, the Application Form and the CAN of the successful Bidder are liable to be cancelled.

Our Company undertakes to utilise the amount deposited in Escrow Account only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of application money if our Company is not able to Allot Equity Shares in the Issue.

In case of cancellations or default by the Bidders, our Company and the Global Coordinator and Book Running Lead Manager have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

Designated Date and Allotment of Equity Shares

The Equity Shares will not be Allotted unless the successful Bidders pay the Issue Price to the Escrow Account as stated above.

The Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Our Company, at its sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

In the case of successful Bidders who have been Allotted more than 5% of the Equity Shares in the Issue, our Company shall disclose the name and the number of the Equity Shares Allotted to such successful Bidder to the Stock Exchanges and the Stock Exchanges will make the same available on their website. Our Company shall make requisite filings with the RoC and SEBI within stipulated period as required under the Companies Act, and Companies (Prospectus and Allotment of Securities Rules), 2014. If you are allotted any Equity Shares, our Company is required to disclose details such as your name, address and the number of Equity Shares Allotted to the RoC and the SEBI.

The Escrow Bank shall release the monies lying to the credit of the Escrow Bank Account to our Company after Allotment of Equity Shares to the successful Bidders and receipt of listing and trading permission from the Stock Exchanges.

Following the Allotment and credit of Equity Shares into the successful Bidders' Depository Participant accounts, our Company will apply for final trading and listing approvals from the Stock Exchanges.

In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us. However, in case of delay in making application for listing beyond twenty days from the date of Allotment, our Company, shall pay penal interest to successful Bidders for each day of delay at the rate of at least ten percent per annum from the expiry of thirty days from date of Allotment till the listing of Equity Shares to the successful Bidders.

Further, in the event of non-receipt of listing permission from the Stock Exchange(s), the Equity Shares shall not be eligible for listing and our Company, shall be liable to refund the subscription monies, if any, to the successful Bidders immediately along with interest at the rate of ten percent per annum from the date of Allotment.

In the event that our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of application money, our Company shall repay the application money within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at the rate of 12% per annum from expiry of the sixtieth day. The application money to be refunded by our Company shall be refunded to the same bank account from which application money was remitted by the successful Bidders.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Global Coordinator and Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company and the Global Coordinator and Book Running Lead Manager in relation to the rejection of Bids shall be final and binding.

Equity Shares in Dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in the Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

A Bidder applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of such successful Bidder.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all Bidders in the demat segment of the respective Stock Exchanges.

Our Company and the Global Coordinator and Book Running Lead Manager will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on part of the Bidders.

Release of funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the "DSML – Escrow A/C" till such time, that it receives an instruction in pursuance to the Escrow Agreement, along with the listing and trading approval of the Stock Exchanges for the Equity Shares offered in the Issue.

PLACEMENT AND LOCK-UP

Placement Agreement

The Global Coordinator and Book Running Lead Manager has entered into a placement agreement with our Company dated June 15, 2016 (the "**Placement Agreement**"), pursuant to which the Global Coordinator and Book Running Lead Manager has agreed to procure subscriptions for the Equity Shares on a reasonable efforts basis, pursuant to Section 42 of Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and Chapter VIII of the SEBI Regulations.

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the Global Coordinator and Book Running Lead Manager, and it is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Preliminary Placement Document and this Placement Document have not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares issued pursuant to this Issue will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than QIBs.

Relationship with the Global Coordinator and Book Running Lead Manager

In connection with the Issue, the Global Coordinator and Book Running Lead Manager, (or its affiliates) may, for their own accounts, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares or in secondary market transactions. As a result of such transactions, the Global Coordinator and Book Running Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Global Coordinator and Book Running Lead Manager may purchase Equity Shares and be Allocated Equity Shares for proprietary purposes and not with a view to distribution or in connection with the issuance of P-Notes.

From time to time, the Global Coordinator and Book Running Lead Manager, and its affiliates and associates of such entity have may be engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, banking, trading services for our Company, our Subsidiary, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Global Coordinator and Book Running Lead Manager and its affiliates and associates.

Lock-up

The Promoters and the Promoter Group of DSML, jointly and severally, agrees that, without the prior written consent of the GCBRLM, he or it will not, and will not announce any intention to enter into any transaction whether any such transaction which is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, during the period commencing on the date hereof and ending 180 days after the date of Allotment of the Equity Shares pursuant to the QIP (the "**Lock-up Period**"), directly or indirectly, issue, offer, lend, sell, contract to sell, pledge, encumber, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale, lend or otherwise transfer or dispose of directly or indirectly, any Equity Shares, including but not limited to any options or warrants to purchase any Equity Shares, or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive, Equity Shares or enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or deposit any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or which carry the rights to subscribe for or purchase Equity Shares, in any depositary receipt facility or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depositary receipt facility. However, the foregoing restrictions shall not be applicable if any of the actions mentioned above are required to be undertaken pursuant to any employee stock option scheme or inter-se transfers between promoter group or any change in applicable law, or a direction of a court of law or the Reserve Bank of India post the date of execution of the Placement Agreement.

In addition, each of the Promoters and Promoter Group of DSML, jointly and severally, agree that, without the prior written consent of the GCBRLM, he or it will not, during the Lock-up Period, make any demand for or exercise any right with respect to, the registration or sale or deposition of any Equity Shares or any other securities of our Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Equity Shares or any such substantially similar securities, whether now owned or hereinafter acquired.

Our Company has undertaken that it will not for a period commencing the date hereof and ending 180 days from the date of Allotment, without the prior written consent of the GCBRLM, directly or indirectly:

a. offer, sell, issue, contract to issue, sell, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act , with respect to any of the foregoing, or

b. enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or

c. deposit Equity Shares with any other depositary in connection with a depositary receipt facility, or

d. publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above.

SELLING RESTRICTIONS

The distribution of this Placement Document or any offering material and the offering, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized.

General

Except in India, no action has been taken or will be taken by the Company or the Global Coordinator and Global Coordinator and Book Running Lead Manager that would permit an offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Placement Document or any other material relating to the Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and none of this Placement Document, any offering materials and any advertisements in connection with the offering of the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI Regulations. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under the sections titled "Notice to Investors", "Representations by Investors", "Selling Restrictions" and "Transfer Restrictions" on pages 1, 3, 143 and 148, respectively of this Placement Document.

India

This Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to QIBs and is not an offer to the public. This Issue is a "private placement" within the meaning of Section 42 of the Companies Act, 2013 since the invitation or offer is to be made only to QIBs. The Preliminary Placement Document / Placement Document is neither a public issue nor a prospectus under the Companies Act, 2013 or an advertisement and should not be circulated to any person other than to whom the offer is made. This Placement Document has not been and will not be registered as a prospectus with the Registrar of Companies in India.

European Economic Area

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is or was implemented in that Relevant Member State (the "**Relevant Implementation Date**"), the Equity Shares may not be offered or sold to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive (defined below) and the 2010 Amending Directive (defined below), except that the Equity Shares, with effect from and including the Relevant Implementation Date, may be offered to the public in that Relevant Member State at any time:

(a) to persons or entities that are "qualified investors" as defined in the Prospectus Directive or, if that Relevant Member State has implemented the 2010 Amending Directive, as defined in the 2010 Amending Directive;

(b) to (i) fewer than 100 natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive); or (ii) if that Relevant Member State has implemented the 2010 Amending Directive, fewer than 150 natural or legal persons (other than "qualified investors" as defined in the 2010 Amending Directive), in each case subject to obtaining the prior consent of the Global Coordinator and Global Coordinator and Book Running Lead Manager; and

(c) in any circumstances falling within Article 3(2) of the Prospectus Directive as amended (to the extent implemented in that Relevant Member State) by Article 1(3) of the 2010 Amending Directive, provided that no such offering of Equity Shares shall result in a requirement for the publication by our Company or the Global Coordinator and Global Coordinator and Book Running Lead Manager of a prospectus pursuant to Article 3 of the Prospectus Directive as amended (to the extent implemented in that Relevant Member State) by Article 1(3) of the 2010 Amending Directive.

For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State and the expression "2010 Amending Directive" means Directive 2010/73/EU and includes any relevant implementing measure in each Member State.

Neither our Company nor the Global Coordinator and Book Running Lead Manager has authorised, nor do they authorise, the making of any offer of Equity Shares through any financial intermediary on their behalf, other than offers made by our Company or the Global Coordinator and Book Running Lead Manager.

Hong Kong

The Placement Document has not been reviewed or approved by any regulatory authority in Hong Kong. In particular, this Placement Document has not been, and will not be, registered as a "prospectus" in Hong Kong under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) ("**CO**") nor has it been authorized by the Securities and Futures Commission ("**SFC**") in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) ("**SFO**"). Recipients are advised to exercise caution in relation to the Offer. If recipients are in any doubt about any of the contents of this Placement Document, they should obtain independent professional advice.

The Placement Document does not constitute an offer or invitation to the public in Hong Kong to acquire any Equity Shares nor an advertisement of the Equity Shares in Hong Kong. The Placement Document must not be issued, circulated or distributed in Hong Kong other than:

- to "professional investors" within the meaning of the SFO and any rules made under that ordinance ("**Professional Investors**"); or
- in other circumstances which do not result in this Placement Document being a prospectus as defined in the CO nor constitute an offer to the public which requires authorization by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors.

Any offer of the Equity Shares will be personal to the person to whom relevant offer documents are delivered, and a subscription for the Equity Shares will only be accepted from such person. No person who has received a copy of this Placement Document may issue, circulate or distribute this Placement Document in Hong Kong or make or give a copy of this Placement Document to any other person. No person allotted Equity Shares may sell, or offer to sell, such Shares to the public in Hong Kong within six months following the date of issue of such Equity Shares.

Kuwait

The Issue has not been approved by the Kuwait Central Bank or the Kuwait Ministry of Commerce and Industry, nor has our Company received authorisation or licensing from the Kuwait Central Bank or the Kuwait Ministry of Commerce and Industry to market or sell the Equity Interests within Kuwait. Therefore, no services relating to the Issue, including the receipt of applications and/or the allotment of Equity Shares may be rendered within Kuwait by our Company or persons representing our Company.

Oman

This Placement Document and the Equity Shares offered under it are issued and governed by the laws of India.

No offer or marketing of the Equity Shares has been or will be made by our Company from within the Sultanate of Oman and no subscription for Equity Shares may or will be effected or undertaken within the Sultanate of Oman. Our Company does not have a presence or representation in the Sultanate of Oman and any purchase of the Equity Shares will be deemed to be made in and under the laws of India.

By receiving this Placement Document, the person or entity to whom it has been issued understands, acknowledges and agrees that this Placement Document has not been registered or approved by the Central Bank of Oman, the Oman Ministry of Commerce and Industry, the Oman Capital Market Authority or any other authority in the Sultanate of Oman, and neither our Company nor the Global Coordinator and Book Running Lead Manager are authorized or licensed by the Central Bank of Oman, the Oman Ministry of Commerce and Industry, the Oman Capital Market Authority or any other authority in the Sultanate of Oman, to market or sell the Equity Shares within the Sultanate of Oman.

The Equity Shares offered under this Placement Document have not and will not be listed on any stock exchange in the Sultanate of Oman.

Qatar

This Placement Document does not, and is not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this Placement Document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither our Company nor the Global Coordinator and Book Running Lead Manager are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Neither our Company nor the Global Coordinator and Book Running Lead Manager are, by distributing this Placement Document, advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Singapore

The Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") under the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**"). Accordingly, the Equity Shares may not be offered or sold, or made the subject of an invitation for subscription or purchase nor may this Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Equity Shares be circulated or distributed, whether directly or indirectly, in Singapore other than (i) to an "institutional investor" within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) other pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

United Arab Emirates (excluding the Dubai International Financial Centre)

The Equity Shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates ("**U.A.E.**") other than in compliance with the laws of the U.A.E. Prospective investors in the Dubai International Financial Centre should have regard to the specific notice to prospective investors in the Dubai International Financial Centre set out below. The information contained in this Placement Document does not constitute a public offer of securities in the U.A.E. in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 of the U.A.E., as amended) or otherwise and is not intended to be a public offer. Our Company and the Equity Shares have not been approved or licensed by or registered with the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other relevant licensing authorities or governmental agencies in the U.A.E. This Placement Document has not been approved by or filed with the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or the Dubai Financial Services Authority. This Placement Document is being issued to a limited number of selected institutional and sophisticated investors, is not for general circulation in the U.A.E. and may not be provided to any person other than the original recipient or reproduced or used for any other purpose. If you do not understand the contents of this Placement Document, you should consult an authorised financial adviser. This Placement Document is provided for the benefit of the recipient only, and should not be delivered to, or relied on by, any other person.

Dubai International Financial Centre

This Placement Document relates to an exempt offer (an "**Exempt Offer**") in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "**DFSA**"). This Placement Document is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Placement Document nor taken steps to verify the information set out in it, and has no responsibility for it. The Equity Shares to which this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Equity Shares offered in the Issue should conduct their own due diligence on the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorised financial adviser. For the avoidance of doubt, the Equity Shares are not interests in a ‘‘fund’’ or a ‘‘collective investment scheme’’ within the meaning of either the Collective Investment Law (DIFC Law No. 2 of 2010) or the Collective Investment Rules Module of the Dubai Financial Services Authority Rulebook.

United Kingdom (in addition to the European Economic Area selling restrictions above)

The Equity Shares offered in the Issue cannot be promoted in the United Kingdom to the general public. The contents of this Placement Document have not been approved by an authorised person within the meaning of Financial Services and Markets Act 2000, as amended (the "**FSMA**"). The Global Coordinator and Book Running Lead Manager (a) may only communicate or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA), to persons who (i) are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"), or (ii) fall within any of the categories of persons described in article 49(2)(a) to (d) of the Financial Promotion Order or otherwise in circumstances in which section 21(1) of the FSMA does not apply to our Company; and (b) has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom. Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) in connection with, or relating to, the sale or purchase of any Equity Shares, may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply. It is the responsibility of all persons under whose control or into whose possession this document comes to inform themselves about and to ensure observance of all applicable provisions of FSMA in respect of anything done in relation to an investment in Equity Shares in, from or otherwise involving, the United Kingdom.

United States of America

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable state securities laws. The Equity Shares are not being offered or sold in the United States in the Issue. The Equity Shares are being offered and sold in the Issue only outside the United States in "offshore transactions" (as defined in Regulation S) in accordance with Regulation S. To help ensure that the offer and sale of the Equity Shares in the Issue was made in compliance with Regulation S, each purchaser of Equity Shares in the Issue will be deemed to have made the representations, warranties, acknowledgements and undertakings set forth in the section titled "Transfer Restrictions" on page 148 of this Placement Document.

TRANSFER RESTRICTIONS

Pursuant to Chapter VIII of the SEBI Regulations, any resale of Equity Shares, except on the Stock Exchange, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsel prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments of Equity Shares made to QIBs, including FVCIs, VCFs and AIFs, in this Issue may be subject to lock-in requirements under the rules and regulations that are applicable to them.

United States of America

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable state securities laws.

Each purchaser of the Equity Shares, by accepting delivery of this Placement Document, will be deemed to:

- Represent and warrant to our Company, the Global Coordinator and Book Running Lead Manager and its respective affiliates that the offer and sale of the Equity Shares to it is in compliance with all applicable laws and regulations.

- Represent and warrant to our Company, the Global Coordinator and Book Running Lead Manager and its respective affiliates that it was outside the United States (within the meaning of Regulation S) at the time the offer of the Equity Shares was made to it and it was outside the United States (within the meaning of Regulation S) when its buy order for the Equity Shares was originated.

- Represent and warrant to our Company, the Global Coordinator and Book Running Lead Manager and its respective affiliates that it did not purchase the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S).

- Acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities law of any state of the United States and warrant to our Company, the Global Coordinator and Book Running Lead Manager and its respective affiliates that it will not offer, sell, pledge or otherwise transfer the Equity Shares except in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

- Represent and warrant to our Company, the Global Coordinator and Book Running Lead Manager and its respective affiliates that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

- Acknowledge that our Company, the Global Coordinator and Book Running Lead Manager and its respective affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and warranties and warrant to our Company and the Global Coordinator and Book Running Lead Manager that if any such acknowledgements, representations or warranties deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify our Company and the Global Coordinator and Book Running Lead Manager.

Any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions will not be recognized by our Company.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from publicly available documents from various sources, including officially prepared materials from the SEBI and the Stock Exchanges; and has not been prepared or independently verified by us, the Global Coordinator and Book Running Lead Manager, or any of our respective affiliates or advisers.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchange Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA, the SCRR, the SEBI Act, the Depositories Act, the Companies Act and various rules and regulations framed thereunder.

On June 20, 2012, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the SCR (SECC) Rules, which regulate inter alia the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to promote, develop and regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, to protect the interests of investors, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices and insider trading and to regulate substantial acquisitions of shares and takeovers of companies. SEBI has also issued regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, delisting of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants.

Listing of Securities

The listing of securities on stock exchanges in India is regulated by the applicable Indian laws including the SEBI Regulations, Companies Act, the SCRA, the SCRR, the Listing Regulations, the SEBI Act and various guidelines and regulations issued by the SEBI. Under the SCRA and the SCRR, the governing body of each stock exchange is empowered to suspend or withdraw admission to trading of or dealing in a listed security for breach by a listed company of any of the conditions of admission to dealings or for any other reason, subject to such company receiving prior notice of such intent of the stock exchange and upon granting of a hearing in the matter. The SEBI has the power to vary or veto the decision of the stock exchange in this regard. The SEBI also has the power to amend the byelaws of the stock exchanges.

Disclosures under the Companies Act, 2013 and Listing Regulations

Public listed companies are required under the Companies Act, 2013 and the Listing Regulations to prepare, file with the registrar of companies and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance under the Companies Act, 2013, related party transactions and management's discussion and analysis as required under Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the Listing Regulations.

Delising of Securities

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

Pursuant to an amendment of the SCRR, all listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. We are in compliance with the minimum public shareholding requirement. Where the public shareholding in a listed company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of twelve months from the date of such fall in the manner specified by the SEBI.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index- based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the CNX NIFTY of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, the BSE is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. The NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-Based Securities Trading and Services

The SEBI approved internet trading in January 2000. Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers' internet trading systems. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and to comply with certain minimum conditions stipulated by the SEBI and other applicable laws. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the 'equities' as well as the 'derivatives' segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m. that has been introduced recently). The NSE and the BSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called NEAT, which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Insider Trading Regulations

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, (the "**Insider Trading Regulations**") have been notified by SEBI to prohibit and penalize insider trading in India. An "insider" is defined to include any person who has received or has access to unpublished price sensitive information ("**UPSI**") or a "Connected Person". A "Connected Person" includes*, inter alia,* any person who is or has directly or indirectly, been associated with the company in any capacity whether contractual, fiduciary or employment or has any professional or business relationship with the company whether permanent or temporary, during the six months prior to the concerned act which would allow or reasonably expect to allow access, directly or indirectly, to UPSI.

An insider is, *inter alia*, prohibited from trading in securities of a listed or proposed to be listed company when in possession of UPSI and to provide access to any person including other insiders to the above referred UPSI except where such communication is for legitimate purposes, performance of duties or discharge of legal obligations. UPSI shall include any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities. The Insider Trading Regulations also provide disclosure obligations for shareholders holding more than 5% of equity shares or voting rights, and the changes therein. Initial disclosures are required from promoters, key managerial personnel, directors as well as continual disclosures by every promoter, employee or director in case value of trade exceed monetary threshold of ten lakh rupees over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of some of the provisions of the Memorandum and Articles of Association and the Companies Act. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

Our authorised share capital is ₹ 1,830.0 million consisting of 113,826,000 Equity Shares and 6,917,400 Preference Shares.

As of the date of this Placement Document, the outstanding paid-up equity share capital of our Company is ₹ 602.2 million consisting of 60,214,935 Equity Shares of ₹ 10 each and our outstanding preference share capital is ₹ 150.2 million consisting of 1,801,817 8% Preference Shares of ₹ 100 each.

The Equity Shares are listed on the Stock Exchanges. The security identification codes for the Equity Shares are as follows:

ISIN	INE041A01016*
BSE Code	500119
NSE Symbol	DHAMPURSUG

*Please note that for the ISIN for 2,105 of our partly paid Equity Share of our Company is INE041A01022

Articles of Association

Our Company is governed by our Articles of Association.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each fiscal year. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, and rules made thereunder, no dividend can be declared or paid by a company for any fiscal year except (a) out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or (b) out of the profits of the company for any previous fiscal year(s) arrived at in accordance with the Companies Act 2013 and remaining undistributed or (c) out of both; or (d) out of money provided by the Central Government or a state Government for payment of dividend by our Company in pursuance of a guarantee given by that Government.

According to the Articles of Association, the Board may before recommending dividend set apart out of the profits of our Company such sums as it thinks prudent as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of our Company may be properly applied including provision for meeting contingencies or for equalizing dividends and pending such application, at the discretion of our Company either be employed in the business of our Company or be invested in such investments including securities issued by companies or banks (other than the shares of our Company) as the Board may from time to time, think fit.

The Equity Shares issued pursuant to this Placement Document shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by our Company.

Capitalisation of Reserves

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account to its shareholders, in the form of fully paid up bonus equity shares, which are similar to stock dividend. These bonus equity shares must be distributed to shareholders in proportion to the number of equity shares owned by them as recommended by the board of directors. No issue of bonus shares may be made by capitalising reserves created by revaluation of assets. Further, any issue of bonus shares would be subject to SEBI Regulations.

As per the Articles of Association, our Company in General Meeting may, upon the recommendation of the Board resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of our Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution. Further, the Board shall make all appropriation and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid shares.

Pre-Emptive Rights and Alteration of Capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it may determine. According to Section 62 of the Companies Act, 2013 such new shares shall be offered to existing shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date the Board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the shareholders of our Company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person subject to the provisions of FEMA 20, if applicable.

The Articles of Association authorises our Company to issue and allot shares at par or at a premium subject to and in accordance with provisions of the Companies Act.

General Meetings of shareholders

There are two types of general meetings of the shareholders, AGM and EGM.

Our Company must hold its AGM in each fiscal year provided that not more than 15 months shall elapse between each AGM, unless extended by the RoC at its request for any special reason for a period not exceeding three months. The Board of Directors may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company's issued paid up capital (carrying a right to vote in respect of the relevant matter on the date of receipt of the requisition).

Notices, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to members at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95 % of the shareholders entitled to vote. The quorum requirements applicable to shareholder meetings under the Companies Act have to be physically complied with.

A company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of the Memorandum, the issuing of shares with different voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons therefor and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Postal ballot includes voting by electronic mode.

Voting Rights

At a general meeting, upon a show of hands, every member holding shares and entitled to vote and present in person has one vote. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the capital paid up on each share held by such holder bears to our Company's total paid up capital. Voting is by a show of hands, unless a poll is ordered by the Chairman of the meeting or voting is carried out electronically. The Chairman of the meeting has a casting vote.

Ordinary resolutions may be passed by simple majority of those present and voting and those voting electronically. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution.

A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles of Association. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have the right to speak at meetings.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These provisions provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. We have entered into an agreement for such depository services with the National Securities Depository Limited and the Central Depository Services India Limited. SEBI requires that our shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The registrar and transfer agent shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the Listing Regulations, in the event we have not effected the transfer of shares within fifteen days or where we have failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of fifteen days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable, subject to applicable laws. If our Company refuses to register the transfer of any share or transmission of any right therein, notice of such refusal must be sent to the transferee within one month from the date on which the instrument of transfer or intimation of transmission was lodged with our Company.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors,
Dhampur Sugar Mills Ltd.,
Dhampur, Distt. Bijnore,
Uttar Pradesh (India).

Dear Sirs,

Subject: Statement of Possible Tax Benefits

We hereby certify that the enclosed annexure states the possible tax benefits available to Dhampur Sugar Mills Limited ("the Company") and to the shareholders of the Company under the provisions of the Income-tax Act, 1961 (referred to as "the Act"), presently in force in India for the Financial Year ("FY") 2016-17 – Assessment year (AY) 2017-18. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant Tax Laws. Hence, the ability of the Company or its shareholders to derive tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The enclosed statement discusses key tax benefits including potential benefits. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for a professional tax advice. A prospective shareholder is advised to consult their own tax consultant with respect to the tax implications arising out of the proposed Qualified Institutional Placement ("QIP") of equity shares of the Company particularly in view of ever changing Tax Laws in India.

We do not express any opinion or provide any assurance as to whether :

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been / would be met.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the Act. The same shall be subject to notes to this annexure.

This report is intended solely for your information and for the inclusion in the Offer Document in connection with the proposed Qualified Institutional Placement of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For- Mittal Gupta & Company
Chartered Accountants
Firm Registration No: 01874C

Bihari Lal Gupta
(Partner)
Membership No. 73794

Place: New Delhi
Date: June 14, 2016

STATEMENT OF TAX BENEFITS UNDER INCOME TAX ACT 1961

The following is based on the provisions of the Income-tax Act, 1961 ("the Act") as of the date hereof. The Act is amended every fiscal year.

1. Levy of Income Tax

Tax implications under the Act are dependent on the residential status of the tax payer. We summarize herein below the provisions relevant for determination of residential status of a tax payer.

1.1. Residential status of an Individual

As per the provisions of the Act, an individual is considered to be a resident in India during any FY if he or she is present in India for:

a) a period or periods aggregating to 182 days or more in that FY; or

b) a period or periods aggregating to 60 days or more in that FY and for a period or periods aggregating to 365 days or more within the four preceding years; or

In the case of a citizen of India or a person of Indian origin living outside India who comes on a visit to India in any previous year, the limit of 60 days under point (b) above shall be read as 182 days.

In the case of a citizen of India who leaves India as member of the crew of an Indian ship or for the purposes of employment outside India in any previous year, the limit of 60 days under point (b) above, shall be read as 182 days.

Further if an individual fulfills the conditions prescribed under Section 6(6) of the Act, he/she shall be regarded as 'Resident but not ordinarily resident'.

1.2. Residential status of a company

A company is resident in India if it is formed and incorporated under the Companies Act, 1956/2013 or the place of effective management is situated in India.

For this purpose, the place of effective management means a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are in substance made. For this purpose, the Board (for the benefit of the taxpayers as well as tax administration) may issue a set of guiding principles to be followed in determination of POEM.

1.3. Residential status of a Hindu undivided family ('HUF') firm or AOP –

A HUF, firm or other association of persons or every other person is resident in India except when the control and management of its affairs is situated wholly outside India.

A person who is not a resident in India would be regarded as 'Non-Resident'.

1.4. Residential status of every other person

Every other person is resident in India in a FY in every case except when the control and management of his affairs is situated wholly outside India.

1.5. Scope of taxation

In general, a person who is "resident" in India in a FY is subject to tax in India on its global income. In the case of a person who is "non-resident" in India, only the income that is received or deemed to be received or that accrues or is deemed to accrue or arise to such person in India is subject to tax in India.

In the instant case, the income from the equity shares of the Company would be considered to accrue or arise in India, and would be taxable in the hands of all categories of tax payers irrespective of their residential status unless specifically exempt (e.g. Dividend). However, a relief may be available under applicable Double Taxation Avoidance Agreement (‘DTAA’) to certain non-residents/ investors.

1.6. Tax Considerations

As per the taxation laws in force, the tax benefits / consequences as applicable, to the Company and its shareholders are stated as under. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions.

2. Benefits available to the Company - Under the Act

2.1 Special Tax Benefits

As per section 80IA of the Act an assessee who begin to generate power in a new power generation undertaking during the period April 1, 1993 and March 31, 2017, the 100% profit and gains derived from such undertaking shall be deductible for the ten consecutive assessment years. The assessee has an option to choose the period of ten consecutive assessment years out of fifteen years beginning from the year in which the new undertaking starts generation of power. The said deduction is available on fulfillment of prescribed conditions. DSM has set up new co- generation facilities at Dhampur, Asmoli, Mansurpur and Rajpura and the profits derived from these undertakings are eligible for 100% deduction under Section 80IA.

2.2 General Tax Benefits

2.2.1. As per Section 10(15) of the Act, any interest received by the Company from any public sector company in respect of bonds or debentures is exempt from tax. The exemption is subject to such conditions including the condition that the holder of such bonds or debentures registers his name and the holding with that company, as the Central Government may specify in this behalf by notification in the Official Gazette.

2.2.2. As per Section 10(34) of the Act, any income received by the Company by way of dividends on which Dividend Distribution Tax ('DDT') has been paid shall not form part of the total income of the Company and accordingly would be exempt from tax in its hands.

Under Section 14A of the Act, no deduction is permitted in respect of expenditure incurred in relation to earning of income which is not chargeable to tax including dividends exempt under Section 10(34) of the

Act. The expenditure relatable to ‘exempt income’ needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Income-tax Rules, 1962 (‘the Rules’).

However, the Company would be liable to pay DDT at 15% (plus applicable surcharge and education cess and secondary & higher education cess) on the grossed up amount declared, distributed or paid by it as dividends.

Thus, where the amount of dividend paid or distributed by a company is Rs. 85, then DDT under the amended provision would be calculated as follows:

Dividend amount distributed = Rs. 85

Increase by Rs. 15 [i.e. (85*0.15)/ (1-0.15)] Increased amount = Rs. 100
DDT @ 15% of Rs. 100 = Rs. 15

Tax payable u/s 115-O is Rs. 15

Dividend distributed to shareholders = Rs. 85

In calculating the amount of dividend on which DDT is payable, dividends (if any, received by the Company during the tax year and subject to fulfillment of the conditions), shall be reduced by:

- dividends received by the domestic company from a subsidiary of the Company (A company shall be a subsidiary of another company, if such other company, holds more than half in nominal value of the equity share capital of the company); and

- where such subsidiary is a domestic company, it has paid tax payable under Section 115-O of the Act (DDT) or where such subsidiary is a foreign company, the tax is payable under Section 115BBD of the Act by the domestic company.

As per the proviso to this Section, the same amount of dividend would not be taken into account for reduction more than once.

2.2.3. Dividend received by an Indian company from a Specified foreign company (in which it has shareholding of 26% or more) would be taxable at a concessional rate of 15% on gross basis (excluding surcharge and education cess) as per Section 115BBD of the Act.

2.2.4. As per Section 10(35) of the Act, the following income shall be exempt in the hands of the Company:

i) Income received in respect of the units of a Mutual Fund specified under clause (23D) of Section 10 of the Act; or
ii) Income received in respect of the units from the Administrator of the Specified undertaking; or
iii) Income received in respect of units from the specified company.

However, as per the proviso to Section 10(35) of the Act, the above provisions are not applicable to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund.

2.3 Computation of capital gains

2.3.1 Capital assets may be categorized into short-term capital assets and long-term capital assets based on the period for which they are held by a tax payer.

A security (other than a unit) listed in a recognized stock exchange in India or units of the Unit Trust of India established under the Unit Trust of India Act, 1963 or a unit of an equity oriented fund or a zero coupon bonds are considered as long-term capital assets if they are held for a period more than 12 months immediately preceding date of their transfer. Shares of a company (not being a share listed in a recognized stock exchange in India are considered as long-term capital assets if they are held for a period more than 24 months immediately preceding date of their transfer. Other capital assets are considered as long term capital assets if they are held for a period more than 36 months immediately preceding date of their transfer. Consequently, capital gains arising on sale of these assets are considered as ‘long-term capital gains’.

Capital gains arising on sale of these assets held for a period less than the period stipulated above are considered as 'short-term capital gains'.

2.3.2 As per Section 10(38) of the Act, capital gains arising from transfer of a long-term capital asset being an equity share in the Company or a unit of an equity oriented fund, where the transaction of sale is chargeable to Securities Transaction Tax (‘STT’) or where the transaction is undertaken in foreign currency on a recognized stock exchange located in an International Financial Services Centre, shall be exempt from tax in the hands of the Company.

For this purpose 'Equity oriented fund' means a fund –

i) Where the investible funds are invested by way of equity shares in the domestic companies to the extent of more than 65% of the total proceeds of such funds; and

ii) Which has been set up under a scheme of a Mutual fund specified under Section 10(23D) of the Act.

However, the long-term capital gains arising on sale of share or units referred above shall not be reduced while calculating the book profit under the provisions of Section 115JB of the Act. In other words, such book profit shall include the long-term capital gain as referred to in Section 10(38) of the Act and the Company will be required to pay MAT @ 18.5% (plus applicable surcharge, education cess and secondary & higher education cess) on such book profit.

2.3.3 Section 48 of the Act, (which prescribes the mode of computation of capital gains) provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset from the sale consideration to arrive at the amount of capital gains.

However, in respect of long-term capital gains (as defined in para 2.3.1 above), a deduction of indexed cost of acquisition/improvement is available.

Indexed cost of acquisition means an amount which bears to the cost of acquisition the same proportion as Cost Inflation Index (CII) for the year in which the asset is transferred bears to the CII for the first year in which the asset was held by the taxpayer or for the year beginning on April 1, 1981, whichever is later. In other words indexed cost of acquisition is computed as under:

Cost of acquisition X CII of the FY in which the asset is transferred / CII of the FY in which the asset was first held by the tax payer or for the year beginning on April 1, 1981 whichever is later.

2.3.4 As per the provisions of Section 112 of the Act, long-term capital gains (as defined in para 2.3.1 above) to the extent not exempt under Section 10(38) of the Act would be subject to tax in the hands of the Company at the rate of 20% (plus applicable surcharge, education cess and secondary & higher education cess).

However, as per the proviso to Section 112(1) of the Act, if the tax on long-term capital gains resulting from transfer of listed securities (other than a unit) to the extent not exempt under Section 10(38) of the Act, calculated at the rate of 20% (with indexation benefit) exceeds the tax on long-term gains computed at the rate of 10% (without indexation benefit), then such gains are chargeable to tax at the concessional rate of 10% (without indexation benefit) (plus applicable surcharge, education cess and secondary & higher education cess).

2.3.5 As per the provisions of Section 111A of the Act, short-term capital gains (as defined in para 2.3.1 above) on sale of equity shares or units of an equity oriented fund where the transaction of sale is chargeable to STT, or where the transaction is undertaken in foreign currency on a recognized stock exchange located in an International Financial Services Centre, shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess). Short-term capital gains arising from transfer of capital assets, other than those covered by Section 111A of the Act, would be subject to tax at the rate as applicable to the Company i.e. 30% (plus applicable surcharge, education cess and secondary & higher education cess).

2.3.6 Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising to the Company would be exempt from tax if such capital gains are invested within 6 months after the date of such transfer in long term specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988; or

b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any FY cannot exceed Rs.5,000,000.

However, with effect from AY 2015-16, it is provided that the investment made by an assessee in the long-term specified asset, out of capital gains arising from transfer of one or more original asset, during the financial year in which the original asset is transferred and in the subsequent financial year does not exceed Rs. 5,000,000.

If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets are transferred or converted into money within 3 years from the date of its acquisition, the amount of capital gains so exempt shall be chargeable to tax during the year of such transfer or conversion.

As long term capital gains covered under Section 10(38) of the Act are exempt from tax, there is no requirement to invest under Section 54EC of the Act in such cases.

2.3.7 Set off and carry forward of capital loss

Under Section 70(2) of the Act, the Company can set off short term capital loss against other short term capital gain or long term capital gain. Under Section 70(3) of the Act, the Company can set off long term capital loss against other long term capital gain.

Under Section 74 of the Act, the unabsorbed short term capital loss can be carried forward and set off against capital gains (whether short term or long term) of subsequent years (upto 8 years). Unabsorbed long term capital loss can be carried forward and set off against long term capital gains only in of subsequent years (upto 8 years). However, as per Section 80 of the Act, the unabsorbed capital loss can be carried forward only when the return of income has been filed within the time prescribed under Section 139(1) of the Act.

2.4 Computation of business income

Profits from business are computed after allowing all reasonable business expenditure including depreciation under Section 28 to 44 DB of the Act. Considering the activities and the business of the Company, the following benefits may be available.

2.4.1. Depreciation allowance

2.4.1.1. Under Section 32(1) of the Act, the Company can claim depreciation allowance at the prescribed rates in respect of the following assets:

- Tangible assets being building, machinery, plant or furniture;
- Intangible assets being know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after April 1, 1998

2.4.1.2. As per provision of Section 32(1)(iia) of the Act, the Company is entitled to claim additional depreciation at the rate of 20% of the actual cost of any new machinery or plant acquired and installed after 31 March 2005. However, no deduction is allowed in respect of:

a) Ships and Aircraft;

b) Any machinery or plant which, before its installation by the company, was used either within or outside India by any other person;

c) Any machinery or plant installed in any office premises or any residential accommodation, including accommodation in the nature of a guest-house;

d) Any office appliances or road transport vehicles; or

e) Any machinery or plant, the whole of the actual cost of which is allowed as a deduction (whether as depreciation or otherwise) in computing the income under the head ‘Profits and gains from business and profession’ of any one FY.

Further in case the assets are put to use for less than 180 days in the year of acquisition, then additional deprecation would be 10% of the cost of acquisition in the first year and the balance 10% would be available in the immediately succeeding previous year.

2.5. Carry forward of unabsorbed depreciation, unabsorbed business losses

2.5.1. Under Section 32(2) of the Act, the Company can carry forward and set off unabsorbed depreciation of one FY and adjusted against income of subsequent years.

2.5.2. Under Section 72 of the Act, unabsorbed business loss, if any can be carried forward and set off against business profits of subsequent years (upto 8 years) subject to prescribed conditions. However, as per Section 80 of the Act, the unabsorbed business loss can be carried forward only when the return of income has been filed within the time prescribed under Section 139(1) of the Act.

2.6. Investment in new plant and machinery

As per Section 32AC(1A) of the Act, the Company is entitled to a deduction of 15% of actual cost of ‘new assets’ acquired and installed in a FY subject to fulfillment of prescribed conditions. The aggregate amount of actual cost of new assets acquired in a previous year should exceed Rs. 25 crores and installation of the same should be completed before March 31, 2017. No deduction under Section 32AC(1A) of the Act would be available from FY 2017-18 onwards.

Further in case the new asset acquired or and installed is transferred by the Company within 5 years from the date of its installation, the amount of deduction allowed under Section 32AC(1A) of the Act except in connection with amalgamation/demerger would be deemed to be income under the head ‘profits and gains from business and profession’ of the year in which such new asset is sold or otherwise transferred. This taxability is in addition to the taxability of gains arising on transfer of new asset.

The term ‘new asset’ means any new plant and machinery but does not include:

- Ships and Aircraft;
- Any machinery or plant which, before its installation by the company, was used either within or outside India by any other person;
- Any machinery or plant installed in any office premises or any residential accommodation, including accommodation in the nature of a guest-house;
- Any office appliances including computers or computer software
- Any vehicle; or
- Any machinery or plant, the whole of the actual cost of which is allowed as a deduction (whether as depreciation or otherwise) in computing the income under the head ‘Profits and gains from business and

profession' of any one FY.

2.7. Additional investment allowance under Section 32AD of the Act

Under Section 32AD of the Act, the Company is eligible for an additional investment allowance of an amount equal to 15% of the cost of the new asset acquired and installed if,

- The assessee sets up an undertaking or enterprise for manufacture or production of any article or thing on or after 1st April, 2015 in any backward area notified by the Central Government, in the State of Andhra Pradesh or in the State of Bihar or in the State of Telangana or in the State of West Bengal; and

- the new assets are acquired and installed for the purposes of the said undertaking or enterprise during the period beginning from the 1st April, 2015 to 31st March, 2020.

The term 'new asset' means any new plant and machinery but does not include:

- Ships and Aircraft;

- Any machinery or plant which, before its installation by the company, was used either within or outside India by any other person;

- Any machinery or plant installed in any office premises or any residential accommodation, including accommodation in the nature of a guest-house;

- Any office appliances including computers or computer software

- Any vehicle; or

- Any machinery or plant, the whole of the actual cost of which is allowed as a deduction (whether as depreciation or otherwise) in computing the income under the head 'Profits and gains from business and profession' of any one FY.

The assessee sets up an undertaking or enterprise for manufacture or production of any article or thing on or after 1st April, 2015 in any backward area notified by the Central Government, in the State of Andhra Pradesh or in the State of Bihar or in the State of Telangana or in the State of West Bengal; and the new assets are acquired and installed for the purposes of the said undertaking or enterprise during the period beginning from the 1st April, 2015 to 31st March, 2020 would get additional depreciation of 35% instead of 20%, as per proviso to Section 32(1)(iia) of the Act.

2.8. Deduction of expenditure on scientific research

2.8.1. Under Section 35(1)(i) and Section 35(1)(iv) of the Act, the Company is eligible for deduction in respect of any revenue or capital expenditure (other than expenditure on the acquisition of any land) incurred on scientific research related to its business.

2.8.2. Under Section 35(1)(ii) of the Act, the Company can claim weighted deduction of (175% of any sum paid to an approved research association (which has as its object, the undertaking of scientific research) or to a university, college or other institution to be used for scientific research during the AY 2017-18. Weighted deduction is restricted to 150% of sum paid as aforesaid for the AY 2018-19 to 2020-21 and 100% of sum paid as aforesaid from AY 2021-22.

2.8.3. Under Section 35(1)(iia) of the Act any sum paid to a company registered in India (which has as its main object the conduct of scientific research and development) and is approved by the prescribed authority can be claimed as deduction to the extent of one and one fourth times(125%) of the amount so paid during the AY 2017-18. From AY 2018-19 only 100% of the actual contribution as aforesaid is allowed as deduction.

2.8.4. Under Section 35(1)(iii) of the Act the Company is eligible for a deduction of one and one fourth times (125%) of the sum paid to a research association, university, college or other institution to be used for research in social science or statistical research. This weighted deduction is available to amounts paid to approved research association, university, college or institution during the AY 2017-18. From AY 2018-19 only 100% of the actual contribution as aforesaid is allowed as deduction.

2.8.5. The company is eligible for weighted deduction of 200% under Section 35(2AA) of the Act in respect of payments to a National Laboratory, university or Indian Institute of Technology in respect of approved programs of scientific research. The weighted deduction is available provided the sum is paid with specific direction that it is used for approved programs of scientific research during the AY 2017-18. weighted deduction is restricted to 150% of sum paid as aforesaid for the AY 2018-19 to 2020-21 and 100% of sum paid as aforesaid from AY 2021-22.

2.8.6. The company is eligible for weighted deduction of 200% under Section 35(2AB) of the Act in respect of expenditure on scientific research (not being expenditure in the nature of cost of any land and building) incurred on in house research and development facility as approved by the prescribed authority during the AY 2017-18. Weighted deduction is restricted to 150% of the expenditure incurred aforesaid for the AY 2018-19 to 2020-21 and 100% of sum paid as aforesaid from AY 2021-22.

2.9. Deduction of expenditure on eligible projects or scheme

As per the provisions of Section 35AC of the Act, the Company is eligible for deduction of any expenditure incurred towards payment of any sum to a public sector company or local authority or an association or institution approved by the National Committee for carrying out any eligible project or scheme, subject to prescribed conditions for the AY 2017-18.

2.10. Amortisation of certain expenditure

2.10.1. Under Section 35D of the Act, a company is eligible for deduction in respect of specified expenditure incurred by it in connection with extension of its undertaking or in connection with setting up new unit for an amount equal to 1/5th of such expenditure over 5 successive AYs subject to conditions and limits specified in that Section.

Specified expenditure includes expenditure in connection with the issue, for public subscription, of shares in or debentures of the company, being underwriting commission, brokerage and charges for drafting, typing, printing and advertisement of the prospectus.

2.10.2. Under Section 35DDA of the Act, the company is eligible for deduction in respect of payments made to its employees in connection with his voluntary retirement for an amount equal to 1/5th of such expenses over 5 successive AYs subject to conditions specified in that Section.

2.11. Expenditure on skill development project

As per Section 35CCD of the Act, the Company would be entitled to a deduction of one and a half times of an amount of expenditure (not being expenditure in the nature of cost of any land or building) incurred on any skill development project notified by the Central Board of Direct Taxes ('CBDT') in accordance with the guidelines as may be prescribed up to AY 2020-21. From AY 2021-22 only actual expenditure incurred will be allowed as deduction.

2.12. Deduction of STT while computing business income

STT paid by the tax payer in respect of the taxable securities transactions entered into in the course of business during the FY will be allowable as deduction under Section 36(1)(xv) of the Act, if the income arising from such taxable securities transactions is included in the income computed under the head 'Profits and gains of business or profession'.

2.13. MAT credit

Under Section 115JAA of the Act, tax credit is allowed in respect of MAT paid under Section 115JB of the Act for any AY commencing on April 1, 2006 and any subsequent AY.

The credit eligible for carry forward is the difference between MAT paid and the amount of tax payable computed as per the normal provisions of the Act.

The credit is available for set off only when tax becomes payable under the normal provisions of the Act. The brought forward tax credit can be utilized to the extent of difference between the tax payable under the normal provisions of the Act and tax payable under MAT for that year. Credit in respect of MAT paid is available for set-off up to 10 AYs immediately succeeding the AY for which the MAT credit initially arose.

2.14. Deduction for donations

2.14.1. The Company is entitled to a deduction under Section 80G of the Act in respect of amounts contributed as donations to various charitable institutions and funds covered under that Section, subject to the fulfillment of conditions prescribed therein.

2.14.2. A company is entitled to claim deduction under Section 80GGB of the Act for an amount of 100% of any sum contributed to any political party or an electoral trust.

2.15. Deduction in respect of employment of new employees

The company is entitled to a deduction under Section 80JJAA of the Act in respect of 30% of additional employee cost , incurred in respect of additional employees (as defined in the section) for a period of three assessment years including the assessment year relevant to the previous year in which such employment is provided. This deduction is subject to the compliance of conditions specified in the section 80JJAA.

2.16. Benefit of double taxation avoidance agreement (DTAA)

Under the provisions of Section 90 of the Act, the Company shall be eligible for claiming credit of taxes paid by it on incomes in the foreign countries with which the Government of India has entered into DTAA. The tax credit shall be available as per the provisions of relevant DTAA.

Section 91 of the Act provides for unilateral relief in respect of taxes paid on incomes in the foreign countries with which no DTAA exists. Under the provisions of said Section, the Company shall be entitled to deduction from the income tax of sum calculated on such doubly taxed income at the Indian rate of tax or rate of tax in the foreign country whichever is lower.

3. Benefits available to resident shareholders under the Act

3.1. Dividend income

Under Section 10(34) of the Act, any income earned by way of dividends from the Company would be exempt from tax in the hands of the shareholders, if such dividends are subject to DDT under Section 115-O of the Act and also is such dividend income is not chargeable to tax under Section 115BBDA of the Act

Under Section 115BBDA of the Act, income by way of dividend, as defined under Section 2(22) of the Act but excluding dividend under Section 2(22)(e), received by an individual, HUF or a firm, resident in India, in excess of ten lakh rupees shall be chargeable to tax at the rate of 10%(plus applicable surcharge, education cess and secondary & higher education cess). No deduction in respect of any expenditure or allowance or set off of losses shall be allowed under any provision of the Act in computing the income by way of dividend under this section

However, as per the provisions of Section 94(7) of the Act, losses arising from transfer/sale of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

'Record date' means such date as may be fixed by the company for the purposes of entitlement of the holder of securities to receive dividend

As per the provisions of Section 14A of the Act, no deduction would be allowed in respect of expenditure incurred in relation to earning of dividend income which is exempt from tax.

3.2. Computation of capital gains

3.2.1. As per the provisions of Section 2(42A) of the Act, the shares held in a company or any other security listed on a recognized stock exchange will be considered as short term capital asset if they are held for a period of 12 months or less immediately preceding date of their transfer. If the period of holding of shares is more than 12 months immediately preceding date of transfer, they will be treated as long term capital asset.

The capital gain/loss on sale of short term capital assets is regarded as short term capital loss. The capital gain/loss on sale of long term capital assets is regarded as long term capital loss.

3.2.2. According to Section 10(38) of the Act, long-term capital gains on sale of equity shares, where the transaction of sale is chargeable to STT or where the transaction is undertaken in foreign currency on a recognized stock exchange located in an International Financial Services Centre, shall be exempt from tax.

However, in case of a shareholder being a company, gains arising from transfer of above referred long-term capital asset shall be taken into account for computing the book profit for the purposes of computation of MAT under Section 115JB of the Act.

3.2.3. Section 48 of the Act, (which prescribes the mode of computation of capital gains) provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset from the sale consideration to arrive at the amount of capital gains.

However, in respect of long-term capital gains, a deduction of indexed cost of acquisition/improvement is available.

Indexed cost of acquisition means the means an amount which bears to the cost of acquisition the same proportion as Cost Inflation Index (CII) for the year in which the asset is transferred bears to the CII for the first year in which the asset was held by the taxpayer. In other words indexed cost of acquisition is computed as under:

Cost of acquisition X CII of the FY in which the asset is transferred / CII of the FY in which the asset was first held by the tax payer.

3.2.4. As per the provisions of Section 112 of the Act, long-term capital gains (to the extent not exempt under Section 10(38) of the Act) would be subject to tax in the hands of the shareholders at the rate of 20% (plus applicable surcharge, education cess and secondary & higher education cess).

As per the proviso to Section 112(1) of the Act, if the tax on long-term capital gains resulting from transfer of listed securities (other than a unit) to the extent not exempt under Section 10(38) of the Act, calculated at the rate of 20% (with indexation benefit) exceeds the tax on long-term gains computed at the rate of 10% (without indexation benefit), then such gains are chargeable to tax at the concessional rate of 10% (without indexation benefit) (plus applicable surcharge, education cess and secondary & higher education cess).

3.2.5. As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT or where the transaction is undertaken in foreign currency on a recognized stock exchange located in an International Financial Services Centre, shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess).

Short-term capital gains arising from transfer of shares of the Company, other than those covered by Section 111A of the Act, would be subject to tax as calculated under the normal provisions of the Act.

3.2.6. Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of equity shares of the Company (other than those covered by Section 10(38) of the Act) would be exempt from tax if such capital gains are invested within 6 months after the date of such transfer in specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any FY cannot exceed Rs.5,000,000.

However, with effect from AY 2015-16, it is provided that the investment made by an assesse in the long-term specified asset, out of capital gains arising from transfer of one or more original asset, during the financial year in which the original asset is transferred and in the subsequent financial year does not exceed Rs. 5,000,000.

If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets are transferred or converted into money within 3 years from the date of its acquisition, the amount of capital gains so exempt shall be chargeable to tax during the year of such transfer or conversion.

3.2.7. As per the provisions of Section 54F of the Act, long term capital gains which are not covered under Section 10(38) of Act arising from the transfer of any capital asset (not being residential house property) held by an

Individual or Hindu Undivided Family ('HUF') will be exempt from tax, if net consideration is utilised, within a period of one year before or two year after the date of transfer, for purchase of a residential house, or for construction of a residential house within three years. The exemption is available subject to fulfillment of prescribed conditions.

With effect from AY 2015-16, Section 54F of the Act provides that the exemption is available if the investment is made in purchase or construction of one residential house situated in India.

3.2.8. Under Section 70(2) of the Act, the short term capital loss can be set off against other short term capital gain or long term capital gain. Under Section 70(3) of the Act, the long term capital loss can be set off against other long term capital gain.

3.2.9. Under Section 74 of the Act, the unabsorbed short term capital loss can be carried forward and set off against capital gains (whether short term or long term) of subsequent years (upto 8 years). Unabsorbed long term capital loss can be carried forward and set off against long term capital gains only in of subsequent years (upto 8 years). However, the unabsorbed capital loss can be carried forward only when the return of income has been filed within the time prescribed under Section 139(1) of the Act.

3.3. Deduction of STT while computing business income

As per Section 36(1)(xv) of the Act, the STT paid by the tax payer in respect of the taxable securities transactions entered into in the course of business during the FY will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head 'Profits and gains of business or profession'.

3.4. Income from other sources

As per the provisions of Section 56(2)(vii) of the Act, where any property, other than immovable property (including shares) is received by an individual/ HUF: -

i) without consideration and the aggregate fair market value of such property exceeds Rs. 50,000, or

ii) for a consideration which is less than the aggregate fair market value of such property by at least Rs.50,000, then the difference between fair market value and consideration paid will be taxable as income from other sources.

This provision is applicable only if shares are held by the shareholders as a capital asset.

This provision is not applicable where shares are received in any of the following modes, namely –

1) From any relative;
2) On the occasion of marriage of the individual;
3) Under a will or by way of inheritance;
4) In contemplation of death of the payer or donor;
5) From any local authority as defined in Explanation to Section 10(20) of the Act;
6) From any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in Section 10(23C) of the Act; or
7) From any trust or institution registered under Section 12AA of the Act.

4. Benefits available to Non-resident shareholders (Other than Foreign Institutional Investors) under the Act

4.1. Dividends exempt under Section 10(34) of the Act

Under Section 10(34) of the Act, any income earned by way of dividends from the Company would be exempt from tax in the hands of the shareholders, if such dividends are subject to DDT under Section 115-O of the Act.

However, as per the provisions of Section 94(7) of the Act, losses arising from transfer/sale of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

'Record date' means such date as may be fixed by the company for the purposes of entitlement of the holder of securities to receive dividend.

As per the provisions of Section 14A of the Act, no deduction would be allowed in respect of expenditure incurred in relation to earning of dividend income which is exempt from tax.

4.2. Computation of capital gains

4.2.1. As per the provisions of Section 2(42A) of the Act, the shares held in a company or any other security listed on a recognized stock exchange will be considered as short term capital asset if they are held for a period of 12 months of less immediately preceding date of their transfer. If the period of holding of shares is more than 12 months immediately preceding date of transfer, they will be treated as long term capital asset.

The capital gain/loss on sale of short term capital assets is regarded as short term capital loss. The capital gain/loss on sale of long term capital assets is regarded as long term capital loss.

4.2.2. According to Section 10(38) of the Act, long-term capital gains on sale of equity shares, where the transaction of sale is chargeable to STT or where the transaction is undertaken in foreign currency on a recognized stock exchange located in an International Financial Services Centre, shall be exempt from tax.

4.2.3. First proviso to Section 48 of the Act contains special provisions relating to computation of capital gains, in the hands of non-residents arising from transfer of shares of an Indian company which were purchased in foreign currency.

In such a case, the capital gains are computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with transfer and the full value of consideration into the same foreign currency that was initially used to purchase of such shares. The capital gain so computed in the original foreign currency is reconverted into Indian Rupees at the prescribed exchange rate. The said manner of computing capital gains is used in respect of capital gains accruing or arising from every reinvestment thereafter in and sale of shares of an Indian company.

The non-resident shareholders are not entitled to indexation benefit as provided under second proviso to Section 48 of the Act.

4.2.4. As per the provisions of Section 112 of the Act, long-term capital gains (to the extent not exempt under Section 10(38) of the Act) would be subject to tax in the hands of the shareholders at the rate of 20% (plus applicable surcharge, education cess and secondary & higher education cess).

As per the proviso to Section 112(1) of the Act, if the tax on long-term capital gains resulting from transfer of listed securities to the extent not exempt under Section 10(38) of the Act, calculated at the rate of 20% (with indexation benefit) exceeds the tax on long-term gains computed at the rate of 10% (without indexation benefit), then such gains are chargeable to tax at the concessional rate of 10% (without indexation benefit) (plus applicable surcharge, education cess and secondary & higher education cess).

4.2.5. As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT or where the transaction is undertaken in foreign currency on a recognized stock exchange located in an International Financial Services Centre, shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess).

Short-term capital gains arising from transfer of shares of the Company, other than those covered by Section 111A of the Act, would be subject to tax as calculated under the normal provisions of the Act.

4.2.6. Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of equity shares of the Company (other than those covered by Section 10(38) of the Act) would be exempt from tax if such capital gains are invested within 6 months after the date of such transfer in specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of

India Act, 1988;

b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any FY cannot exceed Rs.5,000,000.

However, with effect from AY 2015-16, it is provided that the investment made by an assessee in the long-term specified asset, out of capital gains arising from transfer of one or more original asset, during the financial year in which the original asset is transferred and in the subsequent financial year does not exceed Rs. 5,000,000.

If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets are transferred or converted into money within 3 years from the date of its acquisition, the amount of capital gains so exempt shall be chargeable to tax during the year of such transfer or conversion.

4.2.7. As per the provisions of Section 54F of the Act, long term capital gains which are not covered under Section 10(38) of the Act arising from the transfer of any capital asset (not being residential house property) held by an Individual or Hindu Undivided Family ('HUF') will be exempt from tax, if net consideration is utilised, within a period of one year before or two year after the date of transfer, for purchase of a residential house, or for construction of a residential house within three years. The exemption is available subject to fulfillment of prescribed conditions.

With effect from AY 2015-16, Section 54F of the Act provides that the exemption is available if the investment is made in purchase or construction of one residential house situated in India.

4.2.8. Under Section 70(2) of the Act, the short term capital loss can be set off against other short term capital gain or long term capital gain. Under Section 70(3) of the Act, the long term capital loss can be set off against other long term capital gain.

Under Section 74 of the Act, the unabsorbed short term capital loss can be carried forward and set off against capital gains (whether short term or long term) of subsequent years (upto 8 years). Unabsorbed long term capital loss can be carried forward and set off against long term capital gains only in of subsequent years (upto 8 years). However, the unabsorbed capital loss can be carried forward only when the return of income has been filed within the time prescribed under Section 139(1) of the Act.

4.3. Deduction of STT while computing business income

As per Section 36(1)(xv) of the Act, the STT paid by the tax payer in respect of the taxable securities transactions entered into in the course of business during the FY will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head 'Profits and gains of business or profession'.

4.4. Special benefit available to Non-resident Indian shareholders

4.4.1. In addition to some of the general benefits available to non-resident shareholders, where 'specified assets' (as defined in Section 115C(f) of the Act, which includes equity shares in the Company) have been subscribed or acquired or purchased by Non-Resident Indians, they have the option of being governed by the provisions of Chapter XII-A of the Act, which *inter alia* entitles them to the benefits mentioned below.

As per Section 115C(e) of the Act, a 'Non-resident Indian' (NRI) has been defined to mean an individual being citizen of India or person of Indian origin who is not a resident.

4.4.2. As per the provisions of Section 115E of the Act, investment income (income derived from specified assets other than dividends referred to in Section 115O of the Act) or income from long- term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% in the hands of a NRI. Income by way of long term capital gains in respect of a specified asset, shall be chargeable to income tax at the rate of 10%. The rates would be increased by the applicable rate of surcharge education cess and secondary & higher education cess.

4.4.3. Under provisions of Section 115F of the Act, any long term capital gains arising from the transfer of shares of the Company acquired in convertible foreign exchange shall be exempt from tax if the whole or any part of the net consideration (consideration less expenditure incurred wholly and exclusively on transfer) is reinvested within six months of the date of the transfer in any 'specified assets' or savings certificates referred to in clause (4B) of Section 10 of the Act.

If only a part of the net consideration is reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax as "capital gains" subsequently, if the specified assets or savings certificate are transferred or converted into money within three years from the date of their acquisition. The taxability shall arise in the year in which the transfer or conversion, as the case may be, takes place.

4.4.4. As per the provisions of Section 115D of the Act, no deduction is allowed for any expenditure or allowance under any provision of the Act in computing the investment income of the NRI. Further no deduction is allowed to NRI under chapter VIA against investment income or income by way of long term capital gains. The benefit of indexation is also not available.

4.4.5. As per the provisions of Section 115G of the Act, NRIs are not required to furnish a return of income under Section 139(1) of the Act, if:

- Their income chargeable under the Act consists of only investment income or long term capital gains arising from the transfer of specified asset or both and;

- Tax deductible at source has been deducted as per the provisions of Chapter XVII-B of the Act from the income.

4.4.6. As per the provision of Section 115H of the Act, where a person who is NRI in any FY, becomes assessable as resident in India in respect of total income of any subsequent year, the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income derived from any foreign exchange asset being an assets specified in sub clause (ii), (iii), (iv) or (v) of Section 115(C)(f) of the Act for that AY and for every subsequent AY until there is transfer or conversion into money of such asset. For this provision to apply, NRI is required to file a declaration along with his return of income for the AY in which he becomes assessable as resident in India.

4.4.7. In accordance with Section 115-I of the Act, where a NRI opts not to be governed by the provisions of Chapter XII-A for any AY, his total income for that AY (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Act.

4.5. Taxability as per DTAA

4.5.1. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the DTAA, if any, between India and the country or any specified territory in which the non-resident has fiscal domicile.

As per the provisions of Section 90(2) of the Act, where the Central Government has entered into an agreement with the Government of any country outside India or specified territory outside India, as the case may be, under sub-Section (1) of Section 90 of the Act for granting relief of tax ,or as the case may be, avoidance of double taxation, then, in relation to the assessee to whom such agreement applies, the provisions of the Act shall apply to the extent they are more beneficial to the assessee.

4.5.2. As per provisions of Section 90(4) of the Act, a non-resident, shall not be entitled to claim any relief under DTAA, unless a certificate of his being a resident in any country outside India or specified territory outside India, as the case may be has been obtained by him from the government of that country or specified territory. In other words, the non-resident tax payers shall be entitled to be governed by the provisions of the DTAA only when they obtain a tax residency certificate from the government of their country of residence.

In addition, as per the provisions of Section 90(5) of the Act, a non-resident shall also provide prescribed documents to claim beneficial provisions of the DTAA.

4.6. No capital gain tax under MAT

In case of shareholder being a foreign company and liable to MAT in India, any capital gains arising from transaction of shares, on which Income-tax payable as per the provisions of the Act is at a rate less than the rate specified for MAT (currently at 18.5%), shall be excluded from computation of "book profit" for the purposes of computation of MAT under Section 115JB of the Act

5. Benefits available to Foreign Institutional Investors ('FIIs') under the Act

5.1. Dividends exempt under Section 10(34) of the Act

Under Section 10(34) of the Act, any income earned by way of dividends from the Company would be exempt from tax in the hands of the shareholders, if such dividends are subject to DDT under Section 115-O of the Act.

However, as per the provisions of Section 94(7) of the Act, losses arising from transfer/sale of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

'Record date' means such date as may be fixed by the company for the purposes of entitlement of the holder of securities to receive dividend.

As per the provisions of Section 14A of the Act, no deduction would be allowed in respect of expenditure incurred in relation to earning of dividend income which is exempt from tax.

5.2. Taxability of capital gains

5.2.1. As per the provisions of Section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under Section 10(38) of the Act at the rates as follows:

Nature of income	*Rate of tax (%)*
Long term capital gain other than the long term capital gain covered by the provisions of Section 10(38) of the Act	10
Short term capital gain on sale of equity shares subjected to STT or where the transaction is undertaken in foreign currency on a recognized stock exchange located in an International Financial Services Centre,under Section 111A of the Act	15
Short term capital gain other than short term capital gain covered under Section 111A of the Act	30

The above tax rates would be increased by the applicable rate of surcharge education cess and secondary & higher education cess.

The benefits of indexation and foreign currency fluctuation protection are not available to an FII.

The above mentioned capital gains are not subject to tax deduction at source as per the provisions of Section 196D (2) of the Act.

5.3. Capital gains- not subject to Income- tax

5.3.1. According to Section 10(38) of the Act, long-term capital gains on sale of equity shares, where the transaction of sale is chargeable to STT or where the transaction is undertaken in foreign currency on a recognized stock exchange located in an International Financial Services Centre, shall be exempt from tax.

5.3.2. Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of equity shares of the Company (other than the long term capital gain covered by the provisions of Section 10(38) of the Act) would be exempt from tax if such capital gains is invested within 6 months after the date of such transfer in specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any FY cannot exceed Rs.5,000,000. However, with effect from AY 2015-16, it is provided that the investment made by an assessee in the long-term specified asset, out of capital gains arising from transfer of one or more original asset, during the financial year in which the original asset is transferred and in the subsequent financial year does not exceed Rs. 5,000,000.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the specified asset is transferred or converted into money within 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

5.3.3. Under Section 70(2) of the Act, the short term capital loss can be set off against other short term capital gain or long term capital gain. Under Section 70(3) of the Act, the long term capital loss can be set off against other long term capital gain.

Under Section 74 of the Act, the unabsorbed short term capital loss can be carried forward and set off against capital gains (whether short term or long term) of subsequent years (upto 8 years). Unabsorbed long term capital loss can be carried forward and set off against long term capital gains only in of subsequent years (upto 8 years). However, the unabsorbed capital loss can be carried forward only when the return of income has been filed within the time prescribed under Section 139(1) of the Act.

5.4. Income from Business Profits

As per Section 36(1) (xv) of the Act, the STT paid by the tax payer in respect of the taxable securities transactions entered into in the course of business during the FY will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head 'Profits and gains of business or profession'.

5.5. Taxability as per DTAA

5.5.1 The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the DTAA, if any, between India and the country or any specified territory in which the non-resident has fiscal domicile.

As per the provisions of Section 90(2) of the Act, where the Central Government has entered into an agreement with the Government of any country outside India or specified territory outside India, as the case may be, under sub-Section (1) of Section 90 of the Act for granting relief of tax ,or as the case may be, avoidance of double taxation, then, in relation to the assessee to whom such agreement applies, the provisions of the Act shall apply to the extent they are more beneficial to the assessee.

5.5.2 As per provisions of Section 90(4) of the Act, a non-resident, shall not be entitled to claim any relief under DTAA, unless a certificate of his being a resident in any country outside India or specified territory outside India, as the case may be has been obtained by him from the government of that country or specified territory. In other words, the non-resident tax payers shall be entitled to be governed by the provisions of the DTAA only when they obtain a tax residency certificate from the government of their country of residence.

In addition, as per the provisions of Section 90(5) of the Act, a non-resident shall also provide prescribed documents.

5.6. No capital gain tax under MAT

In case of FII being a foreign company and liable to MAT in India, any capital gains arising from transaction of shares, on which Income-tax payable as per the provisions of the Act is at a rate less than the rate specified for MAT (currently at 18.5%), shall be excluded from the computation of "book profit" for the purposes of computation of MAT under Section 115JB of the Act.

6. Benefits available to Mutual Funds under the Act

As per the provisions of Section 10(23D) of the Act, any income of:

- A mutual fund registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under;

- Mutual Funds set up by public sector banks or public financial institutions or Authorised by the Reserve Bank of India

would be exempt from income-tax, subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

However, the Mutual Funds would be required to pay tax on distributed income to unit holders as per the provisions of Section 115R of the Act.

7. Benefits available to Venture Capital Companies/Funds

7.1. Under Section 10(23FB) of the Act, any income of Venture Capital Companies or Venture Capital Funds registered with the Securities and Exchange Board of India, from investment in a venture capital undertaking would be exempt from income tax, subject to conditions specified therein. 'Venture capital undertaking' means:

- A venture capital undertaking as defined in clause (n) of the regulation 2 of Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 or

- A venture capital undertaking as defined in clause (aa) of sub regulation (1) of regulation 2 of Alternate Investment Fund Regulations.

7.1 According to Section 115U of the Act, any income accruing or arising to or received by a person from his investment in venture capital companies/ funds would be taxable in his hands in the same manner as if it were the income accruing/ arising/ received by such person had the investments been made directly in the venture capital undertaking.

7.2 Further, as per Section 115U(5) of the Act, the income accruing or arising to or received by the Venture Capital Company/ Funds from investments made in a Venture Capital Undertaking if not paid or credited to a person (who has made investments in a Venture Capital Company/ Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

8. Benefits available to Investment Funds

8.1. Under Section 10(23FBA) of the Act, any income except for income under the head "Profits and Gains of Business/ Profession" of Investment fund, registered as category-I or category-II Alternative Investment Fund under the Securities and Exchange Board of India (Alternate Investment Fund) regulations, 2012 would be exempt from income tax, subject to conditions specified therein.

8.2. According to Section 115UB of the Act, any income accruing or arising to or received by a person from his investment in investment funds would be taxable in his hands in the same manner as if it were the income accruing/ arising/ received by such person had the investments been made directly in the company.

8.3. Further, as per Section 115UB(6) of the Act, the income accruing or arising to or received by the Investment Fund if not paid or credited to a person (who has made investments in an Investment Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

9. Loss under the head 'Capital Gains'

In general terms, loss arising from transfer of a capital asset in India can only be set off against capital gains. Long term capital loss arising on sale of equity shares not subjected to STT during a year is allowed to be set-off only against long term capital gains. A short term capital loss can be set off against capital gains whether short term or long term. To the extent that the loss is not absorbed in the year of transfer, it may be carried forward for a period of 8 years immediately succeeding the year for which the loss was first determined and may be set off against the capital gains assessable for such subsequent years. In order to set off a capital loss as above, the investor (resident/ non- resident) is required to file appropriate and timely income-tax returns in India.

10. Tax Deduction at Source

No income-tax is deductible at source from income by way of capital gains under the present provisions of the IT Act, in case of residents. However, as per the provisions of section 195 of the IT Act, any income by way of capital gains, payable to non residents (except long-term capital gains exempt under section 10(38) of the IT Act), may fall within the ambit of with-holding tax provisions, subject to the provisions of the relevant tax treaty. Accordingly income tax may have to be deducted at source in the case of a non- resident at the rate under the domestic tax laws or under the tax treaty, whichever is beneficial to the assessee unless a lower withholding tax certificate is obtained from the tax authorities.

As per Section 206AA of the Act, with effect from April 1, 2010, every person who is entitled to receive any sum or income or amount on which tax is deductible at source, is required to furnish a Permanent Account Number (PAN) to the person responsible for deducting such tax, failing which tax shall be deducted at the rates as per the Act or the rates in force or 20% whichever is higher. The provisions of Section 206AA shall apply on capital gains payable to non-residents.

Notes:

1) The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;

2) The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current Tax Laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant Tax Laws;

3) This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing Tax Laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;

4) In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country/specified territory (outside India) in which the non-resident has fiscal domicile; and

5) The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.

6) The tax rates (including rates for tax deduction at source) mentioned in this Statement are applicable for FY 2016-17 (AY 2017-18) and are exclusive of surcharge, education cess and higher education cess.

   Surcharge @ 15% of income tax is applicable in case of individuals, HUF, BOI, AOP and artificial juridical person where total income under the Act exceeds Rs. 1 crore.

   Surcharge @ 7% is applicable in case of resident companies where total income under the Act exceeds Rs. 1 crore and is upto Rs. 10 crore. If the total income of the resident companies exceeds Rs. 10 crore, surcharge would be leviable @ 12%.

   In case of foreign companies, surcharge @ 2% is applicable in case of where total income under the Act exceeds Rs. 1 crore and is upto Rs. 10 crore. If the total income exceeds Rs. 10 crore, surcharge would be leviable @ 5%.

For Mittal Gupta & Company
Chartered Accountants
Firm Registration No: 01874C

Bihari Lal Gupta
(Partner)
Membership No. 73794

Place: New Delhi
Date: June 14, 2016

LEGAL PROCEEDINGS

Except as described below, our Company and its Subsidiary are not involved in any legal proceedings and disputes, and no proceedings are threatened, which may have, or have had, a material adverse effect on the business, financial condition, cash flows or operations of our Company and its Subsidiary. Our Company believes that the number of proceedings and disputes in which our Company and its Subsidiary is involved is not unusual for a company of its size in the context of doing business in India and in international markets. Civil cases involving an amount of ₹50 million or more have been disclosed below. Additionally all material cases pertaining to our Company and the Subsidiary involving public interest litigations, environmental cases and criminal cases, amongst others, have also been disclosed below.

Litigation filed against our Company:

Criminal cases

1. Our Company had lodged a FIR against Shripad Khatav MD of M/s SS Techno Limited for supplying an under capacity multi effect evaporator to Dhampur Unit. The Police had confirmed the charge under Section 420 and filed charge sheet before the Trial Court. Shripad Khatav Managing Director of M/s SS Techno Limited ("**Petitioner**") has filed an application under Section 482 of the Code of Criminal Procedure, 1973 being 32714 of 2015 against the State of Uttar Pradesh, Vijay Kumar Gupta, additional general manager (administration) ("**Respondents**") in the Allahabad High Court seeking quashing of the charge sheet. The High Court has issued Notice to Respondents to file a reply. The application is currently pending.

2. The State of Rajasthan ("**Petitioner**") had filed a criminal case in 2007 against Rajesh Kumar and Sri Suresh Chandra Partners of Ajay Trading Company a sugar dealer of Hanumangarh, Rajasthan along with three directors of our Company ("**Respondents**") in the district court of Hanumangarh. The complaint was filed under the Prevention of Food Adulteration Act, 1954 alleging that sugar sample collected at the shop of Hanumangarh sugar dealer had been found to be of a lesser purity than the prescribed standard. The matter is currently pending.

3. The Assistant Excise Commissioner (Molasses Department), Meerut who is also the Enforcement Officer lodged a first information report ("**F.I.R.**") in Mansurpur police station against certain employees and directors of our Company ("**Accused**") under sections 409, 418, 420 and 120B of Indian Penal Code, 1860 and Sections 5, 11 and 12 of the U.P. Sheera Niyantran Adhiniyam, 1964. Subsequently, we filed a criminal miscellaneous writ petition (no. 1586 of 2010) in the Allahabad High Court for quashing of the F.I.R. and obtaining a stay on the arrest of our employees and directors**.** The Allahabad High Court granted the stay on the arrest of the Accused till the completion of investigation under Section 173 of the Code of Criminal Procedure, 1973 ("**Cr.P.C.**") with directions to cooperate during the investigation. Subsequently, the charge-sheet was filed before the Additional Chief Judicial Magistrate - III, Muzaffarnagar ("**ACJM**"). Thereafter, an application has been filed under section 482 of Cr.P.C. (case no. 32924 of 2012) for quashing of the chargesheet and obtaining a stay on the proceedings before the ACJM. The stay was granted and the matter is currently pending before the Allahabad High Court.

4. The Deputy Director of Factories, Bareilly, filed a complaint application in respect of an accident at a sugar godown of J.K. Sugar Limited (now merged with our Company), where a worker died on the spot against R.C. Mishra and A.K. Jain (of J.K. Sugar Limited), before the court of Chief Judicial Magistrate, Bareilly ("**CJM**") (case no. 3691 of 2009) under rule 7A(2)(b) of the 'safety rules' framed under the Factories Act, 1948 and section 92 of the Factories Act, 1948. An offence under this section is compoundable. The factory manager has filed an application before the CJM for compounding in the case. The matter is currently pending.

5. Fida Hussain lodged a first information report under IPC, 1860- against S.N. Pandey and others, employees of erstwhile J.K. Sugar Limited, now merged with our Company. The Investigating Officer ("**IO**") conducted an investigation into the matter, and no charges were established. A final report has been

submitted by the IO before the court of Assistant Chief Judicial Magistrate, Bareilly ("**ACJM**") (under case no. 05 of 2007). The matter is pending before the ACJM.

6. The Secretary of the Cane Society, Meerganj, Bareilly lodged a first information report (bearing no. 408 of 2014) against K.P. Singh (general manager (cane)) and Pradeep Tyagi (Additional Manager (cane)) (of J.K. Sugar Limited now merged with our Company) in Shahi police station, district - Bareilly under section 420 of the Indian Penal Code, 1860 and sections 3 and 7 of the Essential Commodities Act, 1955. The investigating officer in the matter has prepared a final report that no case is made out, which is yet to be accepted by the Additional Chief Judicial Magistrate, Bareilly.

7. The Secretary of the Cane Society, Milak lodged a first information report against A.K. Dixit (unit head) and K.P. Singh General Manager (cane)) of our Company in the Milak police station, District - Rampur, under section 420 of the Indian Penal Code, 1860. The Investigating Officer has prepared a final report wherein no charges have been established. The report is yet to be accepted by the Chief Judicial Magistrate, Rampur.

Civil cases

1. The State of UP and others ("**Petitioner**") had filed a Civil Appeal No. 484 of 2007 in the Supreme Court against the Company. The Petitioner filed the petition on the issue of regulatory powers of the state government to regulate the manufacture, production, possession, transport, sale and purchase of denatured spirit, and to impose a regulatory fee in the form of import duty/ licence fee for the said purpose. The Petitioner also issued a notification whereby the existing rules relating to the import, export, transport and possession of denatured spirits was amended. The said amendment sought to levy ₹ 1.50 per litre of the spirit, and an import fee of ₹ 1.50 per liter to be deposited with Petitioner before import. We filed a writ petition no. 935 of 2004 in the Allahabad High Court to quash the governmental notifications on the grounds of it being contrary to the provisions of the U.P Excise Act, 1910. The matter is currently pending. The Civil Appeal has been tagged with similar Appeals against other Companies. The Supreme Court has passed order to consider the Appeals aftee decision of CA No.151 of 2007 pending before 9 Judge Bench.

2. West UP Sugar Mills Association and others ("**Petitioners**") had filed a transfer petition (civil) no.614 of 2008 befiore Supreme Court for transfer of the Writ petition no. 26171 of 2008 filed by the Petitioners from the Allahabad High Court to the Supreme Court because the issues arising in the present petition are identical to those in the special leave petition (civil) CC no. 8500 of 2008 titled as 'Pritam Chaudhary & others v. M/s Bajaj Hindustan Limited & others', which is pending adjudication before the Supreme Court. The Petitioners have challenged the notification dated March 22, 2004 issued by the Central Government and the order dated January 4, 2007 issued by the Cane Commissioner, Uttar Pradesh involving the fixation of the quantum of transport rebate in the State of Uttar Pradesh. Both of these issues have been dealt with in the judgment dated April 21, 2008 passed by the Allahabad High Court in civil miscellaneous writ petition no. 7885 of 2008, whereby the High Court quashed the Cane Commissioner's order dated January 4, 2007. However as mentioned above the judgment is now under challenge in special leave petition no. 8500 of 2008 connected with SLP Civil no. 21453 of 2009. It is a common case for all sugar mills of Uttar Pradesh. This matter is currently pending.

3. Ester India Chemicals Limited ("**Ester**") has filed an application bearing number 29/2013 before the Competition Commission of India (CCI) against sugar mills supplying ethanol including our Company. In this petition, Ester has claimed that (i) the sugar manufacturers participating in ethanol tenders in January, 2013 have cartelized in submitting the bids and therefore they are in breach of the provisions of the Competition Act, 2002, through horizontal bid rigging agreement; and have quoted a high price for the supply of anhydrous ethanol to the oil manufacturing companies resulting in sudden increase in the price of ethanol. While, the CCI rejected their Interim application; however, it ordered the Director General of CCI ("DG") to commence investigation. We and the other respondents have filed replies to this the queries raised by the DG. Furthermore, we have filed a reply dated April 28, 2014, wherein we have denied that the ethanol manufacturers have agreed on prices to form a cartel, We in our reply dated November 5, 2014

and November 24, 2011 had submitted the details of availability of quantity of ethanol as on the date of submission of tender in January 2013 and the details of the monthly production of ethanol by us. The DG in his report confirmed the allegations. The matter is pending before CCI and pleadings are being completed. We and other Respondents have yet to file our detailed reply to DG Report. This matter is currently pending.

Tax cases

1. The Commissioner of Income Tax, Moradabad (U.P.) ("**Petitioner**") had filed a special leave petition (civil) against the Company in the Supreme Court. Petitioner has sought and prayed for grant of special leave to appeal against the final impugned judgment dated December 16, 2013 passed by the Allahabad High Court wherein the Court decided in our favour and against the Petitioner, as regards admissibility of depreciation on revalued assets while computing book profit u/s 115J of the Income Tax Act, 1961 It was disallowed by CIT (A) and the same was also upheld by Income Tax Appellate Tribunal. The Company had challenged the Judgment of Tribunal before the Allahabad High Court and the High Court quashed the Judgment of the Tribunal. The Petitioner has also prayed for interim relief in the form of ex-parte stay of the operation of the said judgment and order of the Allahabad High Court. The aggregate value of the claim amounts to ₹ 2.7 million. This matter is currently pending.

2. The Commissioner, Commercial Tax, U.P ("**Petitioner**") had filed a civil appeal no.11168 of 2011 against us and the Divisional Level Committee, Moradabad, UP ("**Respondents**"). Petitioner had sought for grant of special leave to appeal in the Supreme Court against final judgment and order dated April 21, 2010 in Trade Tax Revision no. 74 of 2008 passed by the Allahabad High Court, whereby the High Court held that we shall be entitled to all the benefits of notification dated February 21, 1997. The Petitioner has contended amongst others, that the said order is contrary to law and also erroneous on the point that the benefit granted to each factory and commodity is against the spirit of Section 4-A of the U.P. Trade Tax, 1948. The Petitioner also contended that the eligibility clause in relation to the exemption notification must be given a strict construction. The Petitioner had challenged the High Court's order for accepting all the claims of the Respondents with regards (i) expansion of capacity of sugar mills situated at Dhampur and Rosagaon, (ii) establishment of a new unit at Asmoli, (iii) expansion of existing capacity of Asmoli Unit during the year 1995 to March 31, 2000, (iv) expansion of products already manufactured before December 1,1994 in our chemicals unit, Dhampur such as alcohol, acetic acid, acetaldehyde and acetic anhydride, and (v) diversification of goods in our chemicals unit Dhampur in respect of acetic acid, carbon dioxide, oxalic acid during the period commencing from December 1, 1994 to March 31, 2000. The Supreme Court by its order dated December 12, 2011, granted leave and the SLP Civil no.3469 of 2011 was converted into Civil Appeal No.11168 of 2011. A stay has been granted in favour of Petitioner till the disposal of the appeal. This matter is currently pending.

Litigations filed by our Company:

Criminal cases

1. Vikram Pati Singhania, a member of the board of directors J.K. Sugar Limited (now merged with the Company), A.K. Jain, president/ whole time director, J.K. Sugar Limited and certain other employees of J.K. Sugar Limited ("**Petitioners**") had filed a criminal miscellaneous writ petition in the Allahabad High Court against the State of Uttar Pradesh, Dr. Sultan Ahmad, Deputy Cane Commissioner, Bareilly Range, Bareilly, Senior Superintendent of Police, Bareilly, Station House Officer (S.H.O.) P.S. Meerganj, Bareilly and Sri R.P. Srivastava, Vishesh Sachiv Sahkari Ganna Vikash Samiti Limited Meerganj, Bareilly ("**Respondents**") in the Allahabad High Court. Petitioners have filed the present writ petition on January 4, 2011 against the first information report ("**F.I.R.**") under sections 420, 471, 467, 468, 120 and 120B of I.P.C. and 3 and 7 of Essential Commodities Act and section 22 of the U.P. Sugar Cane (Regulation of Supply and Purchase) Act, 1953 of police station Meerganj, district Bareilly. In this regard the Deputy Cane Commissioner inspected J.K. Sugar Limited's weighing machines (computerized and manual) on December 29, 2010 and found the machines to be in order. Petitioners sought a stay in relation to the arrest of the Petitioners pursuant to the F.I.R. Accordingly during pendency of the present petition, the

Petitioners have sought for issuance of a writ order in the nature of (i) certiorari for quashing the impugned F.I.R., and (ii) mandamus directing the Respondents not to arrest the Petitioners pursuant to the impugned F.I.R. The Allahabad High Court disposed of the present petition by granting the stay order. In the final chargesheet filed by the local investigating officer, it was held that there was no offence committed under the Indian Penal Code, 1860 or the Essential Commodities Act, 1955. The only offence to be tried is Section 22 of the U.P. Sugar Cane (Regulation of Supply and Purchase) Act, 1953. This section is compoundable. This matter is currently pending.

2. We and certain others ("**Petitioners**") had filed a criminal miscellaneous application ("**CMA**") against the State of Uttar Pradesh and Shri D.K. Dubey, Assistant Excise Commissioner (Enforcement), Meerut ("**Respondents**") in the Allahabad High Court. The Respondents lodged a first information report ("**F.I.R.**") on January 18, 2010 against the Petitioners (Mansurpur factory and other directors and officers of the factory) in relation to the difference of 767.8 quintals of molasses as against the stock of 33,065.5 quintals , registered as case crime no. 13 of 2010 under sections 405, 418, 420 and 120B, Indian Penal Code, 1860 read with sections 8, 11 and 12 of the U.P. Sheera Niyantran Adhiniyam, 1964, at police station Mansurpur, district Muzaffarnagar. Earlier, Petitioner had filed a criminal miscellaneous writ petition no. 1586 of 2010 'Dhampur Sugar Mills & others v. State of U.P. & others' for quashing the said F.I.R. and granting a stay in relation to the arrest of the Petitioners. The stay was granted by the Allahabad High Court by an interim order dated February 2, 2010. On March 22, 2011, the chargesheet was submitted against us and was registered as criminal case no. 397/7/11 in the court of Additional Chief Judicial Magistrate ("**ACJM**"). The petitioners in the present CMA no.32924 of 2012 have petitioned the Allahabad High Court to quash the proceedings in crime case no. 397/9/2011 under section 409, 418, 420 and 120B pending in the court of ACJM of Muzaffarnagar and to grant a stay in relation to the proceedings during the pendency of the present application. The High Court has granted a stay on the proceedings pending before the ACJM by its order dated October 1, 2012. This matter is currently pending.

3. Y.P. Singh and certain others (employees of J.K. Sugar Limited now merged with our Company) ("**Petitioners**") had filed an Application under section 482 of CrPC against State of UP and Harnam Singh (Farmer) in the Allahabad High Court. Y.P. Singh was cane head at JK Sugar Limited ("**Company**"), and was chargesheeted by the State of UP pursuant to a first information report filed by Harnam Singh, bearing case crime number 2930 of 2005. The first information report was filed by Harnam Singh, pursuant to an alleged altercation between Y.P. Singh and Harnam Singh, with regard to the non-delivery of sugar cane to the Company on time. The Application under Section 482 was filed at the Allahabad High Court Y P Singh and Others for quashing the chargesheet on the basis of improper investigation into the matter done by the local police. A stay has been granted by the Allahabad High Court in the matter. This matter is currently pending.

4. S.K. Tyagi deputy general manager (cane) and Pradeep Tyagi, zonal in charge (of our unit located at Asmoli) ("**Petitioners**") had filed a criminal revision petition in court of the Additional Chief Judicial Magistrate ("**ACJM**") at Moradabad against one Abdul Motalib ("**Respondent**"). Respondent had filed a complaint application before the ACJM at Moradabad against the Petitioners. Court accepted the complaint application u/s 392, 323, 504 and 506 of Indian Penal Code, 1860 and order was passed to send summons to Petitioners for appearing in court on March 28, 2013 (case no. 73/ 2013). Petitioners filed a revision petition before the additional district judge at Moradabad and this was admitted as criminal application no. 170/ 2013. Additional district judge rejected the said revision application on August 5, 2015 and the same file of case no. 73/ 13 has been returned to ACJM. The file is currently pending with the ACJM at Moradabad.

5. We had initiated the proceedings by filing a first information report against Sadique Ali ("**Accused**") under section 398 of Indian Penal Code, 1860 accusing him of theft on the cane purchasing center. The case registered as Case Crime No. 3032 of 2006 before the Additional Chief Judicial Magistrate - III, Muzaffarnagar against the Accused. A warrant has been issued for the arrest of the Accused. The date of next hearing has been set on May 28, 2016.

Civil cases

1. We and certain other sugar mills and sugar mills associations ("**Petitioners**") had filed a special leave petition in the Supreme Court of India against the State of Uttar Pradesh, the Cane Commissioner, UP Cane Union Federation Limited, Union of India, Dwarikesh Sugar Industries Ltd. and Triveni Engg. & Industries Ltd. ("**Respondents**"). The Petitioners had sought special leave to appeal at the Supreme Court against the final order dated February 10, 2012 passed by the Allahabad High Court under writ jurisdiction. The petitions filed before the Allahabad High Court by the Petitioners challenged the price increase of cane by the State Government of UP for SS, 2012 fixed by the state government by its order dated November 8, 2011 whereby the government had fixed ₹ 250 per quintal for early maturing varieties of cane, ₹ 240 per quintal for normal varieties of cane and ₹ 235 per quintal for rejected variety of cane purchased from the cane growers in the State of U.P. The High Court had dismissed the writ petition filed by the Petitioners. The Petitioners have also sought i) to pass an ad-interim ex-parte order staying the operation of the High Court order and ii) to pass an ad-interim ex-parte order permitting the petitioners to make payment for sugarcane price for SS 2012 at the rate of ₹ 205 per quintal. The matter is currently pending.

2. We, the West U.P. Sugar Mills Association and certain others ("**Petitioners**") had filed a civil appeal in the Supreme Court against the State of Uttar Pradesh and certain others. Petitioners contended that the State of Uttar Pradesh does not have the authority to fix the 'State Advised Price', under Section 16 of the U.P. Sugarcane (Regulation of Supply and Purchase) Act, 1953. The Supreme Court after hearing both the parties held that this matter is to be decided by a larger bench due to the existence on conflicting judgments on the subject by in various courts including the Hon'ble Supreme Court. This matter is currently pending.

3. We had filed a civil appeal in the Supreme Court against the Union of India and certain others ("**Respondents**") in relation to an adverse order passed by the Allahabad High Court against us wherein we had contended that our total entitlement under a certain rebate claim should be credited to the personal ledger account of the manufacturer. As per the record of proceedings of the Supreme Court dated March 1, 2012, both us and the Respondents have filed our respective statements of case and have submitted that no further steps are required. The aggregate value of the rebate claim amounts to ₹ 10.8 million. This matter is currently pending.

4. We and number of other Sugar Companies ("**Petitioners**") had filed a civil writ petition against State of Uttar Pradesh and certain others ("**Respondents**") in the Lucknow Bench of the Allahabad High Court. Petitioners made an investment of over ₹ 8,989 million and had given employment to 1,000 persons, in accordance with the Sugar Industry Promotion Policy, 2004, in order to avail of certain exemptions under the said policy. The Respondents took a decision to discontinue the policy from June 4, 2007. Accordingly, the Excise Inspector, government of Uttar Pradesh, required the Petitioners to make payment of administrative charges on the sale of molasses (which had been covered under the policy as an exemption). The Respondents contended that in the absence of an order/direction by the molasses controller, there was no exemption to be availed under the policy by the Petitioners. The Petitioners contended that no notification that was issued under the policy has been withdrawn, and all exemptions thus assured under the policy continue to exist and that the general order discontinuing the policy from does not seek to withdraw the benefits already being granted/accruing to those who have already made investments in accordance with the policy. We have challenged the withdrawal of Policy being against the principle of Promissory Estopel. This matter is currently pending.

Tax cases

1. Our Company and Gautam Goel, our Promoter and Managing Director, had filed a writ petition against the Central Excise Service Tax Appellate Tribunal, New Delhi, Chief Commissioner of Central Excise, New Delhi and Commissioner of Customs and Central Excise, New Delhi at Meerut-II ("**Respondents**") in the Lucknow High Court. The Petitioners had filed the present writ petition against an order of the Central Excise and Service Tax Appellate Tribunal rejecting the waiver of pre-deposit of the excise duty imposed

by the orders of the Commissioner of Central Excise. The aggregate value of the claim amounts to ₹ 53.7 million. Further, a stay has been granted by the High Court in relation to the claims by the excise authorities. This matter is currently pending.

2. We had filed an appeal under Section 9 of the UP Trade Tax Act, 1948 against the assessment order dated September 30, 2010 passed by the Assistant Commissioner (Assessment), Commercial Tax, Section I, Dhampur ("**Assessing Officer**") for the Fiscal Year 2006, before the Joint Commissioner (Appeals), Commercial Tax, Moradabad, head office, Bijnor ("**Joint Commissioner**"). The assessing officer in his assessment had imposed a tax liability at the rate of 20% (₹ 54.8 million) on the sale of molasses, instead of granting an exemption on the taxation of the sale of molasses under Section 4-A of the UP Trade Tax Act, 1948. The aggregate value of the claim amounts to ₹ 55.1 million. This matter is currently pending.

Notices received by our Company

1. Show cause notices were issued by the Commissioner of Central Excise Meerut-II against us alleging wrongly availed Cenvat credit on certain products. The matter under contention is that we allegedly are not paying central excise duty against the quantity of molasses which is transferred to our distilleries by claiming exemption under a notification for captive consumption of molasses. The aggregate value of the claims amount to ₹ 1646.7 million. This matter is currently pending.

2. A show cause notice has been issued against us by the Commissioner of Central Excise Meerut alleging that we have not disclosed that we sell electricity to the Uttar Pradesh Power Corporation Limited and as a result, we are liable to pay an amount equal to 10% on the sale of electricity to Uttar Pradesh Power Corporation Limited.

Litigation involving the Directors/Promoters:

1. A first information report ("**F.I.R.**") dated January 2, 2015 was lodged by Station House Officer, Kashipur at police station Kashipur, district Udham Singh Nagar, under sections 420, 465, 467, 468, 408, 409, 418, 120B and 188 of the Indian Penal Code, 1860 against several of our directors (including our Promoters who are also members of our board in various capacities) and the ex-directors of Kashipur Sugar Mills Ltd (a company that had merged with us), for the non-payment of cane price pertaining to Kashipur Sugar Mills Ltd. for SS 2012. The Petitioners filed a criminal writ petition before the Uttarakhand High Court at Nainital on January 22, 2015 against State of Uttarakhand, S.S.P. Udham Singh Nagar and Station House Officer, Kashipur under Article 226 of the Constitution of India for quashing of the abovementioned F.I.R. and obtaining a stay on the arrest of the Petitioners. While an interim protection from arrest was granted to the Petitioners by the High Court, the petition was disposed of with a direction to the investigating officer to conduct the investigation in the matter. The investigation is currently on-going.

Litigation involving our Subsidiary:

There are no material litigations currently outstanding against our subsidiary.

Material fraud committed against our Company

No material frauds have been committed against our Company in the last three years.

Details of default

As on date there are no outstanding undisputed statutory dues i.e. statutory dues which are not disputed by the company except for payment of income tax demand raised on processing of TDS returns aggregating to ₹ 2.5 million, for which necessary steps of rectification of TDS returns are being taken by the company. As on date there are no default in repayment of debentures and interest thereon. As on date there are no default in repayment of deposits and interest thereon in respect of deposits which are matured and lodged for repayment. As on date there are no default in repayment of loan from any bank or financial institution and interest thereon.

Details of inquiries, inspection or investigation under the Companies Act, 2013 or any previous companies law

There has been no inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last three years immediately preceding the date of this Placement Document against our Company. Further, there have been no prosecutions filed, fines imposed or compounding of offences in the last three years immediately preceding the date of this Placement Document involving our Company.

Litigation or legal action against our Promoters taken by any ministry, department of Government or any statutory authority

Except as disclosed below, there are no litigations or legal actions pending or taken by any ministry; or department of the Government; or any statutory authority against the Promoters during the last three years immediately preceding the year of the circulation of this Placement Document and no directions have been issued by such ministry; or department of the Government; or statutory authority upon conclusion of such litigation or legal action.

SEBI Ex Parte Interim Order dated March 29, 2016

SEBI, through an *ad interim ex-parte* order, WTM/RKA/ISD/42/2016, dated March 29, 2016, has restrained two of our Promoters and Managing Directors, namely, Gaurav Goel and Gautam Goel, from accessing the securities market and buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever.

STATUTORY AUDITORS

Mittal Gupta & Company, Chartered Accountants, Firm Registration No. 01874C, are our Company's statutory auditor as required by the Companies Act. Further, Mittal Gupta & Company, Chartered Accountants, have audited the standalone and consolidated financial statements of the Company as at and for the year ended March 31, 2016; and Mittal Gupta & Company, Chartered Accountants, Firm Registration No. 01874C and S. Vaish & Company, Chartered Accountants, Firm Registration No. 00001C, the erstwhile Joint Statutory Auditors of the Company, have jointly audited the consolidated and standalone financial statements of the Company as at and for the years ended March 31, 2015, 2014 and 2013. The examination reports to financial statements with respect to financial years ended March 31, 2015, 2014 and 2013 are included in this Placement Document.

GENERAL INFORMATION

1. Our Company was incorporated on May 22, 1933 under the Companies Act, 1913. The registered office of our Company is located at Dhampur Sugar Mills Limited, Dhampur (N.R.), District Bijnor – 246761, Uttar Pradesh, India and the corporate office of our Company is located at 241, Okhla Industrial Estate, Phase – III, New Delhi – 110020, India and the CIN of our Company is L15249UP1933PLC000511.

2. Our authorised share capital is ₹ 1,830.0 million consisting of 113,826,000 Equity Shares and 6,917,400 Preference Shares. As of the date of this Placement Document, the outstanding paid-up equity share capital of our Company is ₹ 602.2 million consisting of 60,214,935 Equity Shares and the paid up preference share capital of our Company is ₹ 150.2 million consisting of 1,801,817 Preference Shares.

3. The Equity Shares of our Company are listed on the BSE and the NSE.

4. This Issue was authorised and approved by the Board of Directors on April 14, 2016 and approved by the shareholders of our Company through a special resolution on May 23, 2016.

5. We have received in-principle approvals to list the Equity Shares to be issued pursuant to this Issue, from each of the BSE and the NSE on June 15, 2016.

6. For the main objects of our Company, please refer to Memorandum of Association. Copies of our Memorandum and Articles of Association will be available for inspection between 2 pm to 4 pm on any weekday (except Saturdays, Sundays and public holidays) at our Registered Office.

7. There has been no material change in our financial or trading position since March 31, 2016, the date of the last Audited Consolidated Financial Statements of our Company prepared in accordance with Indian GAAP included in this Placement Document, except as disclosed herein.

8. Except as disclosed in this Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue.

9. We confirm that we are in compliance with the minimum public shareholding requirements as specified in the SCRR and as required under the Listing Regulations.

10. The Floor Price is ₹ 103.87 per Equity Share, calculated in accordance with the provisions of Chapter VIII of the SEBI Regulations.

11. Our Company may offer a discount of not more than 5% on the Floor Price of ₹ 103.87 per Equity Share in terms of Regulation 85 of the SEBI Regulations.

12. Our Company accepts no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

FINANCIAL STATEMENTS

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To

The Board of Directors

Dhampur Sugar Mills Limited

Dhampur, Distt. Bijnore

Uttar Pradesh, India - 246 761

1. The accompanying Summary Consolidated Financial Statements of **Dhampur Sugar Mills Ltd** (the 'Company'), its subsidiaries (the company and its subsidiaries constitute "the Group"), which comprises of the Consolidated Balance Sheet as at, 31st March 2013, 31st March 2014, 31st March 2015 and 31st March 2016, Consolidated Statements of Profit and Loss and Consolidated Cash Flow Statements for years then ended on these dates, and a summary of significant accounting policies and other explanatory information and notes (together comprising the "Consolidated Financial Statements"), are derived from the audited Consolidated Financial Statements (the "Audited Consolidated Financial Statements") of the company for the respective years. The figures as of and for the year ending 31st March 2016 have been approved by the Board of Directors subject to shareholders approval.

2. The figures included in the above Summary Financial Statements have not been restated/ adjusted for:
   (a) Giving effect of change in accounting policy, if any, retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods;
   (b) For the material amounts in the respective financial years to which they relate;
   (c) For the auditors' qualification which require corrective adjustments in the respective reported financial statement; and
   (d) For the adjustments made in the reporting of previous year's figures for regrouping or reclassification corresponding to the current year's grouping or classification in the respective Audited Consolidated Financial Statements.

3. Audit of the Consolidated Financial Statements for the year ended 31st March 2013, 31st March 2014 and 31st March 2015 were conducted by us with S. Vaish & Company, Chartered Accountants ("Joint Auditor") as Joint Auditors and audit of the Consolidated Financial Statement for the year ended 31st March 2016 was conducted by us. Accordingly, reliance has been placed on these Audited Consolidated Financial Statements for the purpose of report on these Summary Consolidated Financial Statements of the Company as detailed in paragraph 4 below.

4.

a) Joint Auditor and we have expressed our opinion on Audited Consolidated Financial Statements of the Company for the year ended on 31st March 2013, 31st March 2014 and 31st March 2015 vide our report dtd. 25th July 2013, 21st May 2014 and 27th May 2015.

b) We have expressed our opinion on Audited Consolidated Financial Statement of the Company for the year ended on 31st March 2016 vide our report dtd. 10th May 2016.

c) Our report in relation to the Audited Consolidated Financial Statements of the Company included our opinion on such financials stating that such financials gave the information required by the Act in the manner so required and gave a true fair view in conformity with accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at the respective dates and its consolidated Profit/Loss and its Consolidated Cash flows for the years ended on the respective dates.

d) Our report on the Audited Consolidated Financial Statement of the Company for the year ended 31st March 2015 included an Emphasis of Matter paragraph which drew attention to the Note no. 31 of the Summary Consolidated Financial Statement, which explain the reasons for the recognition of subsidy amounting to Rs. 1226.1 millions, announced by the Government of Uttar Pradesh.

   Our opinion was not modified in respect of this matter.

e) Our reports on the Audited Consolidated Financial Statements of the Company for the year ended 31st March 2016, 31st March 2015, 31st March 2014 and 31st March 2013 states that we did not audit the financial statements of certain subsidiaries of the Company, whose financial statements reflect the financial information as considered in the Consolidated Financial Statements for the respective years then ended to the extent set out herein below. These financial statements and financial information for the years ended 31st March 2016 and 31st March 2015 were audited by Rama & Co., Public Accountants and Chartered Accountants (other auditors), whose reports were furnished to us, and for the years ended 31st March 2014 and 31st March 2013 were unaudited. Our audit reports on the Consolidated Financial Statements of the Company for these respective years to the extent they relate to the figures for the respective years as set out herein below were solely based on the reports of other auditors and accounts certified by the management.

(Amount in millions)

Audited by other Auditors	**31st Mar.2016**	**31st Mar.2015**
No. of Subsidiaries	1	2
Name of Subsidiary	Dhampur International Pte. Ltd.	Dhampur International Pte. Ltd. and Dhampur Global Pte. Ltd.
Total Assets	269.9	147.9
Total Revenue	1943.7	1267.5

(Amount in millions)

Unaudited Accounts	**31st Mar.2014**	**31st Mar.2013**
No. of Subsidiaries	2	1
Name of Subsidiaries	Dhampur International Pte. Ltd. and Dhampur Global Pte. Ltd.	Dhampur International Pte. Ltd.
Total Assets	186.9	106.9
Total Revenue	394.8	Nil

Our opinion was not modified in respect of this matter.

5. **Managements Responsibility for the Summary Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Furthermore, the Board of Directors is also responsible for the matter specified in the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ('SEBI Regulations') issued by the SEBI under Section 11 of SEBI Act, 1992 and also for the matters specified in Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and related classifications thereto.

6. **Auditors' Responsibility :**

   Our responsibility is to express an opinion on the Summary Financial Information, prepared and approved by the Board of Director for the purpose of disclosure in the Information Memorandum for proposed Qualified Institutions Placement of equity shares of the Company, based on our procedures which were conducted in accordance with Standards on Auditing (SA 810), "Engagements to Reports on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

   This report should not, in any way, be construed as a re-dating of any the previous audit reports issued by us or by Joint Auditors nor should this be construed as a new opinion on any of the Consolidated Financial Statements referred to herein. Furthermore, the audit report is intended solely for use of the managements and for inclusion in the information memorandum in the connection proposed Qualified Institutions Placement of the equity share of the Company. Our report should not be used for any other purpose without consent in writing.

7. **Opinion:**

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Summary Consolidated Financial Statements, derived from the Audited Consolidated Financial Statements of the company for the respective years, are a compilation of those Audited Consolidated Financial Statements.

For MITTAL GUPTA & CO.
Chartered Accountants
FRN: 01874C

(B. L. Gupta)
Partner
Membership No.: 073794
Place: New Delhi
Dated: June 15, 2016

Dhampur Sugar Mills Limited

Consolidated Balance Sheet as at (₹ in Million)

Particulars	Note No.	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Equity and Liabilities					
Shareholders' funds					
Share capital	3	753.0	759.6	804.1	833.6
Reserves and surplus	4	6,353.9	3,465.1	3,608.7	4,037.0
Money received against Equity share warrants	3B	-	12.4	24.8	-
Non-current liabilities					
Long-term borrowings	5	5,463.4	5,718.9	5,447.4	3,912.2
Deferred tax liabilities		-	-	-	55.9
Other long-term liabilities	8	9.9	34.9	51.5	54.4
Long-term provisions	6	208.2	206.5	199.5	180.3
Current liabilities					
Short-term borrowings	7	9,284.7	8,942.7	6,654.0	9,055.2
Trade payables	8	4,714.3	6,750.1	8,584.0	6,184.1
Other current liabilities	8	5,041.2	4,284.6	1,869.1	1,997.5
Short-term provisions	9	126.4	102.7	104.2	258.6
Total		**31,955.0**	**30,277.5**	**27,347.3**	**26,568.8**
Assets					
Non-current assets					
Fixed assets					
Tangible assets	10	14,957.1	12,539.3	10,860.2	10,730.1
Capital work-in-progress		281.7	177.4	2,070.3	194.2
Non-current investments	11	8.0	7.8	19.7	7.8
Deferred tax Assets (Net)	12	352.1	451.0	-	-
Long-term loans and advances	13	199.3	127.7	135.9	249.5
Other non-current assets	14	1.9	2.1	2.3	2.5
Current assets					
Inventories	15	12,613.0	12,522.6	12,243.4	13,112.6
Trade receivables	16	2,512.2	2,229.6	1,192.6	1,440.6
Cash and cash equivalents	17	258.0	167.3	195.3	237.3
Short-term loans and advances	13	369.2	395.1	352.4	547.1
Other current assets	14	402.5	1,657.6	275.2	47.1
Total		**31,955.0**	**30,277.5**	**27,347.3**	**26,568.8**
Significant Accounting Policies					
Notes on Financial Statements	1 to 42				

Dhampur Sugar Mills Limited

Consolidated Profit and Loss Statement for the year ended 31st March (₹ in Million)

Particulars	Note No.	2016	2015	2014	2013
Income					
Revenue from operations	18	23,250.4	18,560.6	18,977.8	15,328.7
Less : Excise duty and other taxes		920.2	658.2	749.8	516.5
Other income	19	246.9	74.6	59.7	73.9
Total revenue		**22,577.1**	**17,977.0**	**18,287.7**	**14,886.1**
Expenses					
Cost of Raw materials consumed	20	15,158.2	12,740.6	13,437.0	15,177.9
Purchases of Stock-in-Trade	18	2,370.8	1,042.2	223.3	246.8
(Increase) / Decrease in inventories of finished goods, Work-in-progress and traded goods	21	(169.0)	199.3	696.3	(5,217.6)
Employee benefits expense	22	843.8	761.9	733.4	711.0
Finance costs	24	1,586.5	1,496.6	1,422.1	1,126.7
Depreciation and amortization expense		551.4	552.3	758.8	781.9
Less : transferred from general reserve		-	-	-	(14.3)
Other expenses	23	2,023.7	1,725.7	1,856.2	1,681.2
Total Expenses		**22,365.4**	**18,518.6**	**19,127.1**	**14,493.6**
Profit before exceptional and extraordinary items and tax		**211.7**	**(541.6)**	**(839.4)**	**392.5**
Exceptional items (Refer Note No. - 28 & 29)		102.2	-	-	81.9
Transferred from General Reserve		-	-	-	(81.9)
Profit before extraordinary items and tax		**313.9**	**(541.6)**	**(839.4)**	**392.5**
Extraordinary items		-	-	-	-
Profit/(loss) before tax		**313.9**	**(541.6)**	**(839.4)**	**392.5**
<u>Tax expense:</u>					
Current tax/ Income tax adjustments		41.1	16.0	3.2	59.7
MAT credit entitlement		(41.1)	-	(3.2)	(59.5)
Deferred tax assets/(liability) (Net)		(55.1)	429.3	55.9	(165.2)
Profit/(loss)		**258.8**	**(128.3)**	**(783.5)**	**227.1**
Earning per equity share (nominal value of share ₹ 10/- each)					
Basic (₹ per share)		4.1	(2.5)	(14.0)	3.6
Diluted (₹ per share)		4.1	(2.5)	(13.3)	3.6
Significant Accounting Policies					
Notes on Financial Statements	1 to 42				

Dhampur Sugar Mills Limited

Consolidated Cash Flow Statement for the year ended

(₹ in Million)

	Particulars		31.03.2016	31.03.2015	31.03.2014	31.03.2013
A.	**Cash flow from operating activities:**					
	Net Profit/(Loss) before tax and exceptional items		211.7	(541.6)	(839.4)	392.5
	Adjustment for:					
	Depreciation		551.4	552.3	758.8	767.6
	Profit/ Loss on sale of fixed assets (Net)		(12.6)	5.0	(14.3)	(8.1)
	Finance Cost		1,586.5	1,496.6	1,422.1	1,126.7
	Provision for impairment of investment reversed		(32.4)	-	-	-
	Interest and other investment income		(30.3)	(15.5)	(41.2)	(7.1)
	Molasses storage fund		1.6	1.0	1.3	1.9
	Provision for doubtful debts & balance written off/back		(23.7)	1.9	-	79.5
	Operating profit before working capital changes					
	Adjustments for:					
	Trade and other receivables		1,055.8	(2,469.4)	254.1	727.0
	Inventories		(90.2)	(279.2)	869.4	(5,420.2)
	Trade and other payables		(1,536.3)	444.4	2,382.4	905.6
	Cash generated from operation		1,681.5	(804.5)	4,793.2	(1,434.6)
	Taxes refund/(paid)		0.6	(2.6)	(10.5)	(51.5)
	Net cash from operating activities	**(A)**	**1,682.1**	**(807.1)**	**4,782.7**	**(1,486.1)**
B.	**Cash flow from investing activities :**					
	Purchases of fixed assets (Net)		(485.0)	(489.6)	(2,150.2)	(860.5)
	Loans (Net)		-	-	-	124.3
	Purchases/Sale of investments (Net)		35.4	12.2	(18.5)	(0.1)
	Interest and other investment income		32.5	15.5	41.8	10.4
	Net cash used in investing activities	**(B)**	**(417.1)**	**(461.9)**	**(2,126.9)**	**(725.9)**
C.	**Cash flow from financing activities :**					
	Redemption of preference shares		(21.6)	(59.5)	(29.4)	(7.8)
	Money Received against share warrants/Equity Share Capital		37.1	37.1	24.8	-
	Proceeds from borrowings (Net)		471.1	2,733.4	(1,033.1)	3,450.2
	Change in deposit pledged against margin money/guarantee with bank		(3.2)	9.1	-	-
	Dividend including dividend distribution tax		-	(3.8)	(103.4)	(81.1)
	Finance Cost Paid		(1,657.4)	(1,470.1)	(1,568.4)	(1,156.0)
	Net cash used in financing activities	**(C)**	**(1,174.0)**	**1,246.2**	**(2,709.5)**	**2,205.3**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**91.0**	**(22.8)**	**(53.7)**	**(6.7)**
	Opening Balance of Cash and Cash Equivalents*		94.0	117.3	171.0	132.1
	Opening Balance from Amalgamated Company		-	-	-	111.9
	Closing Balance of Cash and Cash Equivalents as per cash flow		185.0	94.5	117.3	237.3

* excluding Cash and Cash Equivalents relating to a company ceased to a subsidiary during the year.

Reconciliation of Cash & Cash Equivalents :

Particulars	31.03.2016	31.03.2015	31.03.2014
Closing Balance of Cash & Cash Equivalents as per Cash Flow Statement	185.0	94.5	117.3
Add: Balance in Unpaid Dividend account	2.6	2.6	3.4
Add: Deposit pledged against margin money/guarantee	25.9	22.7	39.4
Add: Deposits earmarked for Fixed Deposit	36.6	-	-
Add: Deposit with original maturity more than 3 months but upto 12 months	-	35.7	35.2
Add: Deposits earmarked for Molasses Storage Fund	7.9	11.8	-
Closing Balance of Cash & Cash Equivalents as per Note No - 17	**258.0**	**167.3**	**195.3**

Notes to the Consolidated Financial Statements

1) Corporate Information:

Dhampur Sugar Mills Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1913.

Its shares are listed on two stock exchanges in India namely, National Stock Exchange of India Ltd. and BSE Ltd.

The company is engaged mainly in the manufacturing and selling of sugar, chemicals, ethanol and co-generation of power.

2) Significant Accounting Policies:

i. Basis of Preparation of Financial statement

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Policies in India (Indian GAAP) to comply with the Accounting Standards specified under **Section 133 of the Companies Act, 2013**, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("The 2013 Act") / **Section 211(3C) of the Companies Act, 1956**. The Financial Statements have been prepared on Accrual Basis on the Historical cost convention except for certain tangible fixed assets which are carried on revalued amounts.

All assets and liabilities have been classified as current and non-current as per Company's normal Operating Cycle and other criteria set out in the Companies Act, 2013/1956. The company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

ii. Principles of Consolidation

The consolidated financial statements relate to Dhampur Sugar Mills Limited ("The Company") and of the Financial Statements of its wholly owned subsidiary/subsidiaries as given below. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March of respective financial years.

b) The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating the intra-group balances and intra-group transactions resulting in unrealized profits or losses.

c) The operating activities of subsidiaries are being treated as integral foreign operations and accordingly the financial statements are translated as if the transactions of the foreign operation have been those of the Company itself.

d) As far as possible, the consolidated financial statements have been prepared using uniform accounting policies, like transaction and events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

e) The excess of cost to the Company of its investments in the subsidiary companies is recognized in the financial statement as goodwill and the excess of company's portion of equity of the subsidiaries over the cost of the investments therein is treated as capital reserve.

f) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above. If, the amount of losses applicable to the minority on consolidation exceeds the minority interest in the equity of the subsidiary, the excess, and any further losses applicable to the minority, are adjusted against the majority interest except to the extent that minority has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently report profits, all such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.

g) The list of subsidiary companies which are included in the consolidation and the groups' holding therein are as under:

S. No.	Name of the Company	Country of Incorporation	Ownership in % either directly or through subsidiaries			
			2015-16	2014-15	2013-14	2012-13
1.	Dhampur International Pte. Ltd. (DIPL)	Singapore	100%	100%	100%	100%
2.	Dhampur Global Pte. Ltd. (Subsidiary of DIPL)	Singapore	N.A.	100%	100%	N.A.

- These consolidated financial statements are based, in so far as they relate to amounts included in respect of the subsidiaries, on the audited financial statements for the year ended 31st March, 2016 & 31st March, 2015 and unaudited financial statements for the year ended 31st March, 2014 & 31st March, 2013 prepared for consolidation.

iii. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management of the company to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities)and the reported income and expenses during the year.

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

iv. Fixed Assets and work-in-progress

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

Expenditure during construction period: Directly attributable expenditure (Including finance cost related to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation and capital assets under installation are treated as pre-operative expenses pending allocation to assets and are shown under "Capital work-in-progress". Capital Work-in-progress is stated at the amount expended up to the date of Balance Sheet for the cost of fixed assets that are not ready for their intended use.

Assets identified and technically evaluated as obsolete are retired from active use and held for disposal are stated at the lower of their net book value and estimated realizable value.

v. Depreciation and Amortization

For the year 2015-16 & 2014-15:

Depreciation on fixed assets is provided for over the useful life of assets specified in the Schedule – II of Companies Act, 2013 as under:

Depreciation on plants and buildings acquired up to 31st March 1989 and other assets acquired up to 31st March, 2014 is provided on written down value method.

Depreciation on plants and buildings acquired after 31st March 1989 and other fixed assets acquired after 31st March, 2014 is provided on straight line method.

For the year 2013-14 & 2012-13:

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

Depreciation on other fixed assets is provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

vi. Foreign Exchange Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate on the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are restated at year - end rates. In case of items which are covered by forward exchange contracts, the premium or discount arising out at the inception of such contracts is amortized as income or expense over the life of the contract. Further exchange difference on such contracts i.e. difference between the exchange rate at the exchange reporting/settlement date and the exchange rate on the date of inception of contract/the last reporting date, is recognized as income/ expense for the year except that the exchange differences, including premium or discount on forward exchange contracts, arising in respect of long term borrowings or liabilities relating to the acquisition of the depreciable capital assets which are adjusted to the cost of fixed assets.

Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

vii. Inventories

Raw material, process chemicals, stores, spares and packing material are carried at weighted average cost.

Finished goods, Goods in Process and Traded goods except by-products are carried at lower of cost and net realizable value. Cost of trading goods is determined using FIFO basis. Cost of finished goods and Goods in Process 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.

Stock of finished farm products, molasses and bagasse are carried at estimated Net Realizable Value.
Standing cane and other crops are carried at cost.
Loose tools and instruments are carried at depreciated value.
By-products are carried at net realizable value.

viii. Excise duty

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

ix. Employees Benefits

Defined contribution plan:
Company's contributions paid/payable during the year to provident fund and pension fund are recognized in the profit and loss account.
Defined benefit plan:
Company's liabilities toward defined benefit plans are determined using the projected unit credit method which considers each period of service as giving rise to additional unit of benefit entitlement and measure each unit separately to build up the final obligation. Actuarial gain and losses are recognized immediately in the profit and loss account as income or expenses. Obligation measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date or government bonds where the currency and terms of the Government are consistent with the currency and estimated of the defined benefit obligation.
Short term benefits are recognized as expense at the undiscounted amount in the Statement of the profit and loss account for the year in which the related service is rendered.
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.

x. Leases

Leases rentals in respect of operating leases, if any, are expensed with reference to lease term, except for rentals pertaining to the period up to the date of commissioning of the assets which are capitalized.
Income in respect of assets given on operating lease, if any, is recognized on accrual basis with reference to lease terms.

xi. Investments

Investments are either classified current or long-term based on Management's intention at the time of acquisition:-
Current investments are carried at lower of cost and net realizable value.
Long term investment is stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary.
Cost includes acquisition price and directly attributable acquisition charges such as brokerage, fee and duties.

xii. Revenue Recognition

Revenue is recognized only when it can be reliably measured and is reasonable to expect ultimate collection. Revenue from sale of goods is recognized on transfer of significant risk and reward of ownership to the customer. Revenue includes excise duty and excludes sales tax/VAT, trade discount and rebates. Interest income is recognized when no significant uncertainty as to measurability or collectability exists.

Insurance claim are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims. .

Export benefits are accounted for in the year of exports based on eligibility and when there is no significant uncertainty in receiving the same.

xiii. Borrowing Costs

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

xiv. Provision for Current and Deferred Tax

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

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

xv. Impairment of Assets

The Carrying amount of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/ external 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. Impairment losses recognized in prior accounting period are reversed if there is any change in the estimate of the recoverable amount.

xvi. Government Grants

Government grants are recognized where there is reasonable assurance that the condition attach to them will be complied and the grants will be received. Government grants are accounted for as under:

Government grants of the nature of promoters' contribution are credited to the capital reserve and treated as a part of the Shareholders' Fund.

Government grants related to specific depreciable fixed assets are adjusted with the value of assets. Government grants related to the specific non-depreciable fixed assets are credited to capital reserve.

Government grants that are receivable as compensation for expenses or losses incurred or for the purpose of giving immediate financial support are either deducted from the expenditure in case these relate to specific expenditure and in other cases, are treated as other income. These grants, if available, to the industry in general are treated as ordinary items and if available only to the company are treated as an extraordinary item and disclosed accordingly.

xvii. Provisions, Contingent Liabilities and Assets

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

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

Contingent assets are not recognized in the financial statements.

xviii. 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 carry insignificant risk of changes in value.

xix. 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 Company are segregated.

xx. Earning Per Share

Basic earnings per share are computed by dividing the net profit/(loss) after tax (including the post-tax effect of extra ordinary items, if any), attributable to the equity shareholders, by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed by dividing the net profit/(loss) after tax (including the post-tax effect of extra ordinary items, if any), attributable to the equity shareholder, 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. Dilutive potential equity shares are determined as at the end of each period presented.

xxi. Segment Reporting

Segments are identified based on dominant source and nature of risks and returns and the internal organizational and management structure. The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole. In addition, the following specific accounting policies have been followed for segment reporting:

Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter segment transfers. Inter segment transfers are accounted for, based on the estimated market price in case of marketable product and cost plus markup basis in case of non-marketable product.

2012-13:

"3 (i)" Revision of Accounts and Amalgamation of J.K.Sugar Limited (JKSL)

Hon'ble High Court of Judicature at Allahabad and Calcutta by their orders dated 18th March, 2013 and 17th May, 2013 respectively approved the Scheme of Amalgamation of J K Sugar Ltd. with the company which has become effcetive on 16th July, 2013 from the appointed date 1st April, 2012 in accordance with the provisions of section 391 & 394 of the Companies Act, 1956.The Board of the directors of the company had approved the original financial statements for the year ending March 31, 2013 without giving the effect of amalgamation as aforesaid, in the meeting held on 21st May, 2013 with the condition that if the Scheme become effective before 15th August, 2013, the annual accounts should be revised to give effect to the scheme of amalgamation and revised accounts be placed before the Board for approval.

The scheme of amalgamation became effective on filing of orders with the respective Registrar of Companies and to give effect the of amalgmation in the books of accounts for the year ended 31st March, 2013, accounts of the Company have been reopened and revised. The present financial statements are revised for the limited pupose of amalgamation of JKSL with the Company in accordance with the accounting policies followed by the Company.

"3 (ii)" Salient features of the Scheme of Amalgamation

JKSL was engaged in the manufacture of Sugar and Co-generation power.

The appointed date for the purpose of this amalgamation is 1st April,2012.

In accordance with the scheme approved, the accounting for this amalgamation has been done in accordance with the "Pooling of Interest Method" referred to in Accounting Standard 14 - "Accounting for Amalgamation" of the Companies (Accounting Standard) Rules 2006.

Accordingly, DSML has accounted for the Scheme in its books of accounts with effect from the Appointed Date i.e.1st April,2012 as under:

i) With effect from the appointed date, all assets and liabilities appearing in the books of JKSL have been transferred to and vested in DSML and have been recorded by DSML at their respective book values.

ii) In consideration of the transfer of the business as a going concern, the Company shall issue the shares as under :

a) 275 fully paid-up of equity shares of ₹10/- each of the Company for every 1000 equity shares of ₹10/- each fully paid-up of JKSL to equity shareholders of JKSL. Pending allotment, the outstanding equity shares to be issued aggregating to ₹ 33.1 Million representing 33,08,960 equity shares of ₹ 10/- each of the company is shown as Equity Share pending for allotment under Share Captial.

The amalgamation will result in exchange of 5.78% of post issue equity shares of DSML.

b) 9 fully paid-up of 8% Cumulative redeemable preference shares(CRPS) of ₹100/- each of the Company for every ten 8% Cumulative redeemable preference shares (Series A) of ₹ 90/- each fully paid-up of JKSL to preference shareholders of JKSL. Pending allotment, the outstanding 8% CRPS to be issued aggregating to ₹ 135.0 Million representing 13,50,000 8% CRPS to be issued of ₹ 100/- each of the company is shown as 8% CRPS pending for allotment under Share Capital.

c) 9 fully paid-up of 8% Cumulative redeemable preference shares (CRPS) of ₹100/- each of the Company for every ten 8% Cumulative redeemable preference shares (Series B) of ₹ 90/- each fully paid-up of JKSL to preference shareholders of JKSL. Pending allotment, the outstanding 8% CRPS to be issued aggregating to ₹ 16.7 Million representing 1,66,804 8% CRPS to be issued of ₹ 100/- each of the company is shown as 8% CRPS pending for allotment under Share Capital.

d) 1 fully paid-up of 8% Cumulative redeemable preference shares (CRPS) of ₹100/- each of the Company for every ten Zero coupon fully convertivble redeemable preference shares of ₹ 10/- each fully paid-up of JKSL to preference shareholders of JKSL. Pending allotment, the outstanding 8% CRPS to be issued aggregating to ₹ 28.5 Million representing 2,85,013 8% CRPS to be issued of ₹ 100/- each of the company is shown as 8% CRPS pending for allotment under Share Capital.

iii) The equity and preference share capital of the JKSL has been cancelled under the scheme.

iv) The difference between the book value of net identifiable assets and liabilities of JKSL transferred to DSML pursuant to this scheme and the consideration being the value of New Equity Shares to be issued and allotted by DSML, amounting to ₹ 87.2 Million has been credited to Amalgamation Reserve.

v) Accordingly, 33,08,960 equity share of ₹ 10/- each fully paid up and 18,01,817, 8% CRPS of ₹ 100/- each fully paid up of DSML are to be issued to the shareholders of JKSL under this amalgamation. The record date fixed for this purpose is 6th August, 2013.

vi) All inter company transactions have been eliminated on incorporation of the accounting of JKSL in the company.

vii) The company shall proceed to issue these equity share and 8% CRPS to the respective shareholders of JKSL in due course of time.

viii)To align the method and rates of Depreciation charged by the amalgamating company (JKSL) with those of the amalgamated company (DSML), method of depreciation on assets of JKSL, other than building and plant & machinery has been changed from SLM to WDV and additional depreciation of ₹15.1 Million (including ₹14.3 Million upto appointed date i.e. 1st April, 2012) has been charged to the Profit and Loss statement and ₹ 14.3 Million, additional depreciation upto 1st April,2012 has been withdrawn from the General Reserve pursuant to the scheme of Amalgamation. Due to this change depreciation for the year (Net of withdrawn from General Reserve) is higher by ₹ 0.8 Million ,Reserve & Surplus and Tangible Asset is lower by ₹15.1 Million.

ix) The expenses incurred towards the execution of the Amalgamation Scheme have been adjusted from the Amalgamation Reserve and the resultant credit balance has been transferred to the Capital Reserve Account as per the Scheme.

"3" - Share capital **(₹ in Million)**

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Authorized				
11,38,26,000 equity shares of ₹ 10/- each	**1,138.3**	**1,138.3**	**1,138.3**	**1,138.3**
69,17,400 preference shares of ₹ 100/- each	**691.7**	**691.7**	**691.7**	**691.7**
Issued , subscribed and paid-up				
Equity shares				
Equity shares of ₹ 10/- each fully paid-up*	602.1	587.1	572.1	539.1
3,25,496 equity shares forfeited	0.7	0.7	0.7	0.7
Less : Calls in arrears	0.0	0.0	0.0	0.0
Preference shares				
4,13,940 - 6% Cumulative Redeemable preference shares of ₹ 100/- each fully paid-up (Amount pending for redemption - as given under below table**)	-	13.8	27.6	41.4
4,69,013 - 1% Cumulative Redeemable preference shares of ₹ 100/- each fully paid-up (Amount pending for redemption - as given under below table**)	-	7.8	23.5	39.1
18,01,817 - 8% Cumulative Redeemable preference shares of ₹ 100/- each fully paid-up (Amount pending for redemption - as given under below table**)	150.2	150.2	180.2	-
33,08,960 - Equity share pending for allotment {Refer Note No. - 3(ii)}	-	-	-	33.1
18,01,817 - 8% Cumulative Redeemable Preference share pending for allotment	-	-	-	180.2
Total	**753.0**	**759.6**	**804.1**	**833.6**

*** Number of shares are as under:**

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Nos of Equity shares	60214935	58714935	57214935	53905975

**** Amount pending for redemption are as under:** **(Amount in ₹)**

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
6% Cumulative Redeemable preference shares of ₹ 100/- each fully paid-up (per share)	-	33.3	66.7	100.0
1% Cumulative Redeemable preference shares of ₹ 100/- each fully paid-up (per share)	-	16.7	50.0	83.3
8% Cumulative Redeemable preference shares of ₹ 100/- each fully paid-up (per share)	83.4	83.4	100.0	-

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

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
	No.	No.	No.	No.
Authorized shares				
Equity shares				
At the beginning of the period	113826000	113826000	113826000	97000000
Added as per scheme of amalgamation	0	0	0	16826000
Outstanding at the end of the period	113826000	113826000	113826000	113826000
Preference shares				
At the beginning of the period	6917400	6917400	6917400	5100000
Added as per scheme of amalgamation	0	0	0	1817400
Outstanding at the end of the period	6917400	6917400	6917400	6917400
Issued , subscribed and paid-up shares				
Equity shares				
At the beginning of the period	58714935	57214935	53905975	53905975
Issued during the period	1500000	1500000	3308960	0
Outstanding at the end of the period	60214935	58714935	57214935	53905975
Preference shares				
At the beginning of the period	2684770	2684770	882953	882953
Issued during the period	0	0	1801817	0
Redeemed during the period	882953	0	0	0
Outstanding at the end of the period	1801817	2684770	2684770	882953
	(₹ in Million)	(₹ in Million)	(₹ in Million)	(₹ in Million)
Authorized shares				
Equity shares				
At the beginning of the period	1,138.3	1,138.3	1,138.3	970.0
Added as per scheme of amalgamation	-	-	-	168.3
Outstanding at the end of the period	1,138.3	1,138.3	1,138.3	1,138.3
Preference shares				
At the beginning of the period	691.7	691.7	691.7	510.0
Added as per scheme of amalgamation	-	-	-	181.7
Outstanding at the end of the period	691.7	691.7	691.7	691.7
Issued , subscribed and paid-up shares				
Equity shares				
At the beginning of the period	587.1	572.1	539.1	539.1
Issued during the period	15.0	15.0	33.0	-
Outstanding at the end of the period	602.1	587.1	572.1	539.1
Preference shares				
At the beginning of the period	171.8	231.3	88.3	88.3
Issued during the period	-	-	180.2	-
Redeemed during the period	21.6	59.5	-	-
Outstanding at the end of the period	150.2	171.8	268.5	88.3

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

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
	No. / % of Holding	No. / % of Holding	No. / % of Holding	No. / % of Holding
Equity shares of ₹ 10 each fully paid-up				
Goel Investments Ltd.	11255515 / (18.69%)	11255515 / (19.17%)	11255515 / (19.67%)	11255515 / (20.88%)
Sonitron Ltd.	4940716 / (8.21%)	4940716 / (8.41%)	4940716 / (8.64%)	4940716 / (9.17%)
Shudh Edible Products Ltd.	4549680 / (7.56%)	4549680 / (7.75%)	4549680 / (7.95%)	4549680 / (8.44%)
Mr. Gautam Goel	4242339 / (7.05%)	3492339 / (5.95%)	3492339 / (6.10%)	3481038 / (6.46%)
Mr. Gaurav Goel	4211379 / (6.99%)	3461379 / (5.90%)	3461379 / (6.05%)	3452843 / (6.41%)
Saraswati Properties Limited	3416758 / (5.67%)	3416758 / (5.82%)	-	-
6% Cumulative Redeemable Preference shares of ₹ 100 each fully paid-up				
IFCI Ltd.	-	413940 / (100%)	413940 / (100%)	413940 / (100%)
1% Cumulative Redeemable Preference shares of ₹ 100 each fully paid-up				
IFCI Ltd.	-	469013 / (100%)	469013 / (100%)	469013 / (100%)
8% Cumulative Redeemable Preference shares of ₹ 100 each fully paid-up				
JK Tyre & Indurties Limited	1801817 / (100%)	1801817 / (100%)	1801817 / (100%)	

"3. c" - Calls unpaid of equity shares

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

"3.d" - Terms/right attached to equity shares

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

"3.e" - 33,08,960 Equity shares of ₹ 10 each and 18,01,817 8% Cumulative Redeemable Preference shares of ₹ 100 each were allotted during the year 2013-14 to the shareholders of J K Sugar Ltd pursuant to the scheme of amalgamation without payment being received in cash.

"3.f" - Right attached to Preference shares

(i) The Preference shares will constitute direct, unconditional, un-subordinated and unsecured obligations of the company and will at all times rank pari passu and without any preference among them.

(ii) No premature redemption option to the company, nor to the shareholders of Cumulative Redeemable Preference shares and no option to the shareholders to seek redemption in case of non-payment of dividend.

"3.g" - Terms of redemption of Preference shares

(i) 4,13,940 - 6% Cumulative Redeemable Preference Shares of ₹ 100 each are redeemable in 3 equal yearly installments commencing from December, 2013.

(ii) 4,69,013 - 1% Cumulative Redeemable Preference Shares of ₹ 100 each are redeemable in 12 equal quarterly installments commencing from December, 2012.

(iii) 18,01,817 - 8% Cumulative Redeemable Preference Shares of ₹ 100 each (to be issued on amalgamation of JKSL) are redeemable in 3 equal yearly installments commencing from April 01, 2014. The amount due for redemption as at 31st March, 2016 is ₹ 90 Million and as at 31st March, 2015 is ₹ 30 Million.

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

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Proposed dividend per equity share of ₹ 10/- each	₹ NIL	₹ NIL	₹ NIL	₹ 1.25
Proposed dividend per 6% Cumulative Redeemable Preference Share of ₹ 100/- each	₹ NIL	₹ NIL	₹ 5.51	₹ 6.00
Proposed dividend per 1% Cumulative Redeemable Preference Share of ₹100/- each	₹ NIL	₹ NIL	₹ 0.71	₹ 1.00
Proposed dividend per 8% Cumulative Redeemable Preference Share of ₹100/- each	₹ NIL	₹ NIL	₹ NIL	₹ 8.00

"3.i" - During the year 2012-13, as per the Scheme of Amalgamation, the entire authorized share capital of J K Sugar Limited equal to ₹ 350.0 Million divided into equity and preference is added to the authorized share capital of the company as 1,68,26,000 equity shares of ₹ 10 each amounting to ₹ 168.3 Million and 18,17,400 preference shares of ₹ 100 each amounting to ₹ 181.7 Million.

"3B" - Money received against Equity share warrants **(₹ in Million except no of shares warrants)**

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Money recieved against Equity share warrants				
- Equity share warrants of ₹ 8.25 per warrant - Nos.	0	1500000	3000000	0
- Equity share warrants of ₹ 8.25 per warrant - Amount	0.0	12.4	24.8	0.0
Total	**0.0**	**12.4**	**24.8**	**0.0**

"3B. a" - Terms of share warrants issue:

1. The holder(s) of each warrant shall have an option to apply for and be allotted One equity share of ₹ 10 each at premium of ₹ 23 per share i.e. ₹ 33 per share at any time within 18 months from the date of allotment of warrant. i.e. 26th March 2014.

2. Application money of ₹ 8.25 per warrant shall be adjusted against the price payable subsequently for acquiring by exercising the option. Application money of ₹ 8.25 per warrant shall be forfeited if the option to acquire shares is not exercised.

3. The Equity shares issued and allotted upon exercise of option will be fully paid and will rank pari-passu with the existing equity shares.

4. During the year 2014-15, option has been excercised for 15,00,000 equity share warrants.

5. During the year 2015-16, 15,00,000 Equity shares of ₹ 10/- each at a premium of ₹ 23/- per share has been allotted on conversion of 15,00,000 equity share warrants.

"4" - Reserves and surplus **(₹ in Million)**

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Capital reserve				
Balance as per last account	106.4	106.4	106.4	29.6
Add: Net gain on sale of RECs' transfer from surplus	145.9	-	-	-
Add/Less : transferred from/to amalgamation reserve	-	-	-	76.8
Securities premium reserve				
Balance as per last account	3,234.1	3,199.6	3,199.6	3,176.7
Add: received during the year	34.5	34.5	-	-
Addition on amalgamation of JKSL	-	-	-	26.9
Less: provision for premium on redemption of Zero Coupon Non-covertible Debentures	-	-	-	(4.0)
Reserve for construction of Molasses Storage Tank				
Balance as per last account	10.6	15.7	14.4	23.1
Add: Provided during the period	1.6	1.0	1.3	1.9
Less: Transferred to General Reserve	-	(6.1)	-	(15.9)
Addition on amalgamation of JKSL	-	-	-	5.3
Debenture redemption reserve				
Balance as per last account	-	-	24.0	-
Addition on amalgamation of JKSL	-	-	-	11.4
Less : Transferred to general reserve	-	-	(24.0)	-
Add : Transferred from general reserve	-	-	-	12.6
Amalgamation reserve				
Reserve credited on amalgamation of JKSL	-	-	-	87.2
Less/Add:Transferred to/from capital reserve on amalgamation	-	-	-	(76.8)
Less : Adjustment of expenses incurred on amalgalmation	-	-	-	(10.4)

(₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Capital redemption reserve				
Balance as per last account	37.2	-	-	-
Add: transferred from general reserve	-	37.2	-	-
Revaluation Reserve				
Balance as per last account	356.9	356.9	-	-
Add: During the year (Refer Note No. - '10')	2,593.9	-	356.9	-
General reserve				
Balance as per last account	462.4	544.3	520.3	783.1
Add : Transferred from Resrve for Construction of Molasses Storage Tank	-	6.1	-	15.9
Add: Transferred from Debenture Redemption Reserve	-	-	24.0	-
Less: adjustment relating to fixed assets	-	(50.8)	-	-
Less: Transferred to Capital Redemption Reserve	-	(37.2)	-	-
Add: transferred from Surplus	-	-	-	150.0
Debit balance of Profit/Loss of JKSL upto 31-03-2012 on amalgamation	-	-	-	(332.5)
Less: Transferred to statement of profit & loss	-	-	-	(96.2)
Surplus/(Deficit)				
Balance as per last account	(742.5)	(614.2)	172.3	211.8
Profit/(loss) for the year	258.8	(128.3)	(783.5)	227.1
Less: Appropriations:				
Net gain on sale of RECs' transfer to Capital Reserve	(145.9)	-	-	-
Proposed equity dividend	-	-	-	(71.5)
Dividend on preference shares	-	-	(2.6)	(17.4)
Tax on dividend	-	-	(0.4)	(15.1)
Transferred to debenture redemption reserve	-	-	-	(12.6)
Transferred to general reserve	-	-	-	(150.0)
Total	**6,353.9**	**3,465.1**	**3,608.7**	**4,037.0**

"5" - Long-term borrowings (₹ in Million)

P a r t i c u l a r s	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Term loans				
Secured				
Rupee term loans from banks	3,498.1	3,415.3	3,348.1	2,755.7
Rupee term loans from banks SEFASU	669.4	1,034.5	1,095.3	-
Rupee term loans from banks Soft loan	990.9	-	-	-
Foreign currency term loan from bank	-	448.0	-	-
Zero coupon rupee term loans from banks	-	-	20.6	61.9
Rupee term loans from sugar development fund	182.4	440.7	686.6	1,026.4
Sub Total	**5,340.8**	**5,338.5**	**5,150.6**	**3,844.0**
Unsecured				
Deposits - from related parties	41.3	26.8	-	19.8
- from public	47.6	42.0	23.0	44.8
Buyers' credit from bank	33.7	311.6	270.2	-
Deferred payment liabilities	-	-	3.6	3.6
Sub Total	**122.6**	**380.4**	**296.8**	**68.2**
Total	**5,463.4**	**5,718.9**	**5,447.4**	**3,912.2**
Current:				
Debentures - Secured				
Zero Coupon Non-convertible debentures including premium	**-**	**-**	**-**	**24.0**
Term loans				
Secured				
Rupee term loans from banks	853.9	770.8	835.5	662.0
Rupee term loans from banks SEFASU	365.1	60.8	-	-
Foreign currency term loan from bank (ECB)	-	-	-	217.2
Foreign currency term loan from bank	-	240.5	-	-
Zero coupon rupee term loans from banks	-	20.6	41.2	41.2
Rupee term loans from sugar development fund	253.7	258.3	326.0	391.5
Sub Total	**1,472.7**	**1,351.0**	**1,202.7**	**1,311.9**
Unsecured				
Deposits - from related parties	26.8	58.0	20.3	16.0
- from public	20.8	25.2	25.5	19.8
Buyers' credit from bank	296.7	-	-	48.6
Deferred payment liabilities	-	-	3.5	3.5
Sub Total	**344.3**	**83.2**	**49.3**	**87.9**
Total	**1,817.0**	**1,434.2**	**1,252.0**	**1,423.8**

"5.a" - Nature of security

(i) Rupee term loan from bank under the Government sponsored subvention Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU), 2014 of ₹ 1034.5 Million as at 31.03.2016, ₹ 1095.3 Million as at 31.03.2015 and ₹ 1095.3 Million as at 31.03.2014 are secured by third parri passu charge on block of fixed assets of the company and personal guarantee of four directors.

(ii) Rupee term loan from bank under the Government sponsored Scheme for Extending soft loan to sugar mills of ₹ 990.9 Million as at 31.03.2016 are secured by third parri passu charge on block of fixed assets of the company and personal guarantee of four directors.

(iii) Rupee term loans from Sugar Development Fund are secured by exclusive second charge on all movable and immovable assets excluding current assets of the company.

(iv) All other term loans from financial institutions and banks are secured by first parri passu charge on all movable and immovable assets except book debts, stock-in-trade, raw materials, spare parts and other current assets as at 31.03.2013, part of above are also secured by pledge of shares of Kashipur Sugar Mills Limited.

(v) All the term loans are guaranted by four directors.

(vi) During the year 2014-2015, Rupee Term Loan of ₹ 643.0 Million from bank has been converted into Foreign Currency Term Loan (FCTL) of USD 11 Million for a period of 12 months. FCTL carry interest rate @ 6.547% p.a. After 12 months FCTL equivalent to ₹ 643.0 Million will be reconverted into Rupee Term Loan and will be repaid according to original term of sanction of Rupee Term Loan. Accordingly Current Maturity of FCTL has been worked out on the basis of original term and condition of Rupee Term Loan and shown as current liability and in the details of "Maturity Profile" of Term Loans.

(vii) Term loans from bank of ₹ 12.5 Million as at 31.03.2014 are secured by subservient sixth charge on all movable and immovable assets of the company.

(viii) As at 31.03.2013, Zero Coupon Non-convertible debentures (ZCNCD) are secured by a first pari passu charge in favour of the trustee on movable and immovable assets of the Meerganj unit.

(ix) Term loans from bank of ₹ 20.9 Million as at 31.03.2013 are secured by subservient sixth charge on all movable and immovable assets of the company.

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

2015-16: **(₹ in Million)**

Particulars	ROI (%) as on 31.03.2016	F.Y. 17-18	F.Y. 18-19	F.Y. 19-20	Beyond F.Y.-19-20	Total
Secured						
Term Loans from banks	12.70%	48.6	-	-	-	48.6
	12.50%	25.0	-	-	-	25.0
	12.45%	108.3	108.3	108.3	189.6	514.5
	12.35%	528.3	366.3	250.0	-	1,144.6
	12.25%	113.9	151.8	151.8	341.6	759.1
	12.20%	80.0	60.0	-	-	140.0
	12.00%	90.0	85.0	37.5	-	212.5
	11.35%	232.0	232.0	174.0	-	638.0
	10.00%	8.4	1.9	-	-	10.3
	2.85%	1.8	1.8	1.9	-	5.5
Term Loans from banks Soft loan	*2.25%	148.6	198.2	198.2	398.7	943.7
Term Loans from banks Soft loan	*1.75%	5.9	11.8	11.8	17.7	47.2
Term Loans from banks SEFASU	Nil	365.1	304.3	-	-	669.4
Sub-total		**1,755.9**	**1,521.4**	**933.5**	**947.6**	**5,158.4**
Rupee term loans from sugar development fund	7.00%	36.0	22.3	6.7	-	65.0
	4.00%	117.4	-	-	-	117.4
Sub-total		**153.4**	**22.3**	**6.7**	**-**	**182.4**
Total secured		**1,909.3**	**1,543.7**	**940.2**	**947.6**	**5,340.8**
Unsecured Deposits	11% to 12%	**88.9**	**-**	**-**	**-**	**88.9**
Buyers Credit from Bank	1.78%	**29.7**	**4.0**	**-**	**-**	**33.7**
Grand-total		**2,027.9**	**1,547.7**	**940.2**	**947.6**	**5,463.4**

* Net of interest subvention of 10% from Ministry for Consumer Affairs, Food and Public Distribution for one year from the date of disbursement. After one year interest would be payable as per rate applicable to the company, which is 12.25% & 11.75% respectively as on 31st March 2016.

2014-15: **(₹ in Million)**

Particulars	ROI (%) as on 31.03.2015	F.Y. 16-17	F.Y. 17-18	F.Y. 18-19	Beyond F.Y.-18-19	Total
Secured						
Term Loans from banks	13.25	50.0	48.6	-	-	**98.6**
	13.00	558.8	636.7	474.6	548.0	**2,218.1**
	12.75	182.7	107.5	60.0	-	**350.2**
	12.00	322.0	322.0	322.0	224.0	**1,190.0**
	2.85	1.8	1.8	1.8	1.1	**6.5**
	100% Intt. Subvention	365.1	365.1	304.2	-	**1,034.4**
Sub-total		**1,480.4**	**1,481.7**	**1,162.6**	**773.1**	**4,897.8**
Rupee term loans from sugar development fund	7.00	27.9	27.8	20.5	6.7	**82.9**
	4.00	224.9	124.5	7.0	1.4	**357.8**
Sub-total		**252.8**	**152.3**	**27.5**	**8.1**	**440.7**
Total secured		**1,733.2**	**1,634.0**	**1,190.1**	**781.2**	**5,338.5**
Unsecured Deposits	11 to 12	**68.8**	**-**	**-**	**-**	**68.8**
Buyers Credit from Bank	1.50	**280.0**	**22.4**	**9.2**	**-**	**311.6**
Grand-total		**2,082.0**	**1,656.4**	**1,199.3**	**781.2**	**5,718.9**

2013-14: (₹ in Million)

Particulars	ROI (%) as on 31.03.2014	F.Y. 15-16	F.Y. 16-17	F.Y. 17-18	Beyond F.Y.-17-18
Secured					
Term Loans from banks	14.75	300.0	-	-	-
	13.25	50.0	50.0	23.6	-
	13.00	350.0	350.0	350.0	350.0
	12.75	180.0	155.0	155.0	155.0
	12.00	402.0	402.0	384.5	351.6
	9.00	4.3	0.3	-	-
	7.00	4.1	-	-	-
	100% Intt. Subvention	-	60.9	365.1	669.3
Sub-total		**1,290.4**	**1,018.2**	**1,278.2**	**1,525.9**
Zero coupon rupee term loans from banks		**-**	**-**	**-**	**-**
Rupee term loans from sugar development fund	7.50	7.3	7.3	7.3	-
	7.00	81.5	83.3	83.3	83.3
	4.00	114.9	72.8	72.8	72.8
Sub-total		**203.7**	**163.4**	**163.4**	**156.1**
Total secured		**1,494.1**	**1,181.6**	**1,441.6**	**1,682.0**
Unsecured Deposits	11 to 12	**23.0**	**-**	**-**	**-**
Buyers Credit from Bank	1.55	**-**	**270.2**	**-**	**-**
Deferred payment liabilities		**3.6**	**-**	**-**	**-**
Grand-total		**1,520.7**	**1,451.8**	**1,441.6**	**1,682.0**

2012-13: (₹ in Million)

Particulars	ROI (%) as on 31.03.2013	F.Y. 14-15	F.Y. 15-16	F.Y. 16-17	Beyond F.Y.-16-17
Secured					
Term Loans from banks	14.00	120.0	150.0	150.0	20.0
	13.50	294.6	220.0	220.0	255.0
	13.25	92.7	58.3	50.0	48.7
	12.75	180.0	180.0	165.0	214.2
	12.00	85.0	70.0	70.0	107.5
	10.50	9.7	2.4	-	-
	7.00	8.4	4.2	-	-
Sub-total		**790.4**	**684.9**	**655.0**	**645.4**
Zero coupon rupee term loans from banks		**41.2**	**20.7**	**-**	**-**
Rupee term loans from sugar development fund	7.50	7.3	7.3	7.3	7.3
	7.00	-	7.6	28.6	75.4
	4.00	272.7	253.0	218.6	141.3
Sub-total		**280.0**	**267.9**	**254.5**	**224.0**
Total secured		**1,111.6**	**973.5**	**909.5**	**869.4**
Unsecured Deposits	11 to 12	**64.6**	**-**	**-**	**-**
Deferred payment liabilities		**3.6**	**-**	**-**	**-**
Grand-total		**1,179.8**	**973.5**	**909.5**	**869.4**

"6" - Long-term provisions (₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Provision for employee benefits :				
Provision for gratuity	208.2	206.5	199.5	180.3
Total	**208.2**	**206.5**	**199.5**	**180.3**

"7" - Short-term borrowings (₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Secured				
Cash credit from banks	9,193.2	8,585.8	5,634.7	7,740.1
Rupee loans from banks	-	300.0	797.6	1,150.0
	9,193.2	**8,885.8**	**6,432.3**	**8,890.1**
Unsecured				
Deposits - from related parties	33.0	8.0	52.9	-
- from public	52.6	36.4	164.1	140.9
Short term loans and advances - from related parties	5.9	3.9	4.7	24.2
- from others	-	8.6	-	-
	91.5	**56.9**	**221.7**	**165.1**
Total	**9,284.7**	**8,942.7**	**6,654.0**	**9,055.2**

"7. a" - Nature of security

Cash Credit limits from District Co-operative Banks/UPCBs' having outstanding of ₹ 3554.6 Million as at 31st March, 2016, ₹ 2155.0 Million as at 31st March, 2015, ₹ 960.9 Million as at 31st March, 2014 are secured by pledge of stocks of sugar and by parri passu third charge over the fixed assets of the company and personal guarantee of four directors.

All other Cash credit limits from banks having outstanding of ₹ 5638.6 Million as at 31st March, 2016, ₹ 6430.8 Million as at 31st March, 2015, ₹ 4673.8 Million as at 31st March, 2014 are secured by pledge of stocks of sugar and hypothecation of consumable stores and spare parts, chemicals, molasses etc. and by parri passu third charge over the fixed assets of the company and personal guarantee of four directors.

Rupee loans from banks of ₹ 300 Million as at 31st March, 2015 and 31st March, 2014 are secured by subservient charge on Fixed assets & Current assets of the company

Rupee loans from banks of ₹ 497.6 Million as at 31st March, 2014 are secured by pledge of stock of sugar and personal guarantee of promoter directors.

"8" - Trade payables and Other Liabilities **(₹ in Million)**

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Non - Current:				
Other liabilities				
Interest accrued but not due on borrowings	9.9	34.9	51.5	54.4
Total	**9.9**	**34.9**	**51.5**	**54.4**
Current:				
Trade payables (Refer Note No. - '39' of dues to micro and small enterprises)	**4,714.3**	**6,750.1**	**8,584.0**	**6,184.1**
Other liabilities				
Current maturities of long term borrowings (Refer Note No. - '5')	1,817.0	1,434.2	1,252.0	1,423.8
Interest accrued but not due on borrowings	29.4	42.9	58.0	76.7
Interest accrued and due on borrowings*	53.1	37.9	49.5	11.0
Investor Education and Protection Fund will be credited by following amounts (as and when due):				
Unpaid dividend	2.6	2.6	3.4	2.8
Unpaid matured deposits and interest accured thereon	2.0	3.1	12.1	7.3
Advance from customers	15.2	11.7	85.8	25.5
Security deposits	44.2	41.1	36.2	25.8
Statutory dues payable	685.9	415.6	372.1	424.6
Other Liabilities	2,391.8	2,295.5	-	-
Sub Total	**5,041.2**	**4,284.6**	**1,869.1**	**1,997.5**
Total	**9,755.5**	**11,034.7**	**10,453.1**	**8,181.6**

"8.a" Other Liabilities represents amounts payable to commercial banks in respect of agriloans faciliated by the company. The company has provided corporate guarantee in respect of such loans including interest due thereon.

* Represents interest debited by banks on loans at the close of business hours as at 31st March 2016 which has been repaid by the company on next working day.

"9" - Short-term provisions **(₹ in Million)**

Particulars	**31.03.2016**	**31.03.2015**	**31.03.2014**	**31.03.2013**
Provision for emplyoee benefits :				
Provision for employees	85.3	102.7	101.2	95.1
Other provisions :				
Provision for tax	41.1	-	-	59.5
Provision for dividend (including dividend distribution tax)	-	-	3.0	104.0
Total	**126.4**	**102.7**	**104.2**	**258.6**

"10" - Tangible assets **(₹ in Million)**

Particulars	**31.03.2016**	**31.03.2015**	**31.03.2014**	**31.03.2013**
Cost as at beginning of the year:				
Land	872.2	864.5	478.6	410.3
Building	1,715.3	1,643.9	1,599.5	1,062.4
Plant & Equipments	16,351.5	14,193.1	13,827.5	12,594.0
Furniture & Fixtures	118.3	113.8	105.8	66.0
Railway Sidings	-	-	-	-
Weighbridge	75.5	75.1	74.0	62.1
Computers	102.3	95.7	82.6	65.4
Office Equipments	25.3	24.0	22.9	21.2
Electrical Appliances	85.1	82.7	78.1	36.6
Vehicles	192.6	165.4	154.5	145.0
Live Stock	0.1	0.1	0.1	0.1
Farm Assets & Equipments	5.5	4.6	4.5	4.5
Total Cost as at the beginning of the year	**19,543.7**	**17,262.9**	**16,428.1**	**14,467.6**
Additions through merger of JKSL				
Land	-	-	-	65.3
Building	-	-	-	184.7
Plant & Equipments	-	-	-	909.8
Furniture & Fixtures	-	-	-	2.8
Railway Sidings	-	-	-	-
Weighbridge	-	-	-	10.7
Computers	-	-	-	6.3
Office Equipments	-	-	-	0.4
Electrical Appliances	-	-	-	2.0
Vehicles	-	-	-	3.5
Live Stock	-	-	-	-
Farm Assets & Equipments	-	-	-	-
Total additions through merger of JKSL	**-**	**-**	**-**	**1,185.5**
Additions:				
Land	1.2	7.7	29.0	3.5
Building	11.3	70.9	52.1	324.6
Plant & Equipments	318.9	2,129.3	412.5	463.3
Furniture & Fixtures	4.0	4.6	8.3	36.5
Railway Sidings	-	-	-	-
Weighbridge	2.4	0.4	1.1	1.2
Computers	6.9	7.4	13.8	10.9
Office Equipments	0.8	1.3	1.2	1.2
Electrical Appliances	3.7	2.6	4.7	39.6
Vehicles	34.6	32.9	15.8	23.9
Live Stock	-	-	-	-
Farm Assets & Equipments	3.4	0.9	0.1	-
Total additions during the year	**387.2**	**2,258.0**	**538.6**	**904.7**

(₹ in Million)

P a r t i c u l a r s	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Addition on account of revaluation:				
Land	2,593.9	-	356.9	-
Total additions on account of revaluation during the year	**2,593.9**	**-**	**356.9**	**-**
Disposals:				
Land	0.9	-	-	0.5
Building	7.6	-	8.7	-
Plant & Equipments	15.9	19.9	93.8	182.2
Furniture & Fixtures	4.5	0.1	0.3	0.1
Railway Sidings	-	-	-	-
Weighbridge	-	-	-	-
Computers	10.1	0.8	0.7	-
Office Equipments	-	-	0.1	-
Electrical Appliances	-	0.2	0.1	0.1
Vehicles	11.1	5.7	4.9	17.9
Live Stock	-	-	-	-
Farm Assets & Equipments	-	-	-	-
Total disposals during the year	**50.1**	**26.7**	**108.6**	**200.8**
Other adjustments : - Exchange differences:				
Land	-	-	-	-
Building	-	-	-	-
Plant & Equipments	2.9	(0.1)	27.6	27.9
Furniture & Fixtures	-	-	-	-
Railway Sidings	-	-	-	-
Weighbridge	-	-	-	-
Computers	-	-	-	-
Office Equipments	-	-	-	-
Electrical Appliances	-	-	-	-
Vehicles	-	-	-	-
Live Stock	-	-	-	-
Farm Assets & Equipments	-	-	-	-
Total other adjustments - Exchange differences during the year	**2.9**	**(0.1)**	**27.6**	**27.9**
P a r t i c u l a r s	**31.03.2016**	**31.03.2015**	**31.03.2014**	**31.03.2013**
Other adjustments : - Borrowing costs:				
Land	-	-	-	-
Building	-	0.5	1.0	27.8
Plant & Equipments	5.4	49.1	19.3	14.7
Furniture & Fixtures	-	-	-	-
Railway Sidings	-	-	-	-
Weighbridge	-	-	-	-
Computers	-	-	-	-
Office Equipments	-	-	-	-
Electrical Appliances	-	-	-	-
Vehicles	-	-	-	-
Live Stock	-	-	-	-
Farm Assets & Equipments	-	-	-	-
Total other adjustments - Borrowing costs during the year	**5.4**	**49.6**	**20.3**	**42.5**
Cost as at end of the year:				
Land	3,466.4	872.2	864.5	478.6
Building	1,719.0	1,715.3	1,643.9	1,599.5
Plant & Equipments	16,662.8	16,351.5	14,193.1	13,827.5
Furniture & Fixtures	117.8	118.3	113.8	105.2
Railway Sidings	-	-	-	-
Weighbridge	77.9	75.5	75.1	74.0
Computers	99.1	102.3	95.7	82.6
Office Equipments	26.1	25.3	24.0	22.8
Electrical Appliances	88.8	85.1	82.7	78.1
Vehicles	216.1	192.6	165.4	154.5
Live Stock	0.1	0.1	0.1	0.1
Farm Assets & Equipments	8.9	5.5	4.6	4.5
Total cost as at the end of the year	**22,483.0**	**19,543.7**	**17,262.9**	**16,427.4**

(₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Depreciation				
As at beginning of the year:				
Land	-	-	-	-
Building	464.5	339.9	300.3	222.6
Plant & Equipments	6,103.4	5,697.8	5,077.1	4,123.7
Furniture & Fixtures	82.3	63.4	53.3	44.4
Railway Sidings	-	-	-	-
Weighbridge	62.7	58.4	55.9	45.0
Computers	88.4	74.7	65.5	50.9
Office Equipments	22.3	18.5	17.5	16.5
Electrical Appliances	53.4	40.9	33.7	28.3
Vehicles	123.5	106.0	91.0	83.5
Live Stock	-	-	-	-
Farm Assets & Equipments	3.9	3.1	3.0	2.9
Total depreciation as at beginning of the year	**7,004.4**	**6,402.7**	**5,697.3**	**4,617.8**
Additions through merger of JKSL				
Land	-	-	-	-
Building	-	-	-	42.8
Plant & Equipments	-	-	-	418.9
Furniture & Fixtures	-	-	-	1.9
Railway Sidings	-	-	-	-
Weighbridge	-	-	-	4.9
Computers	-	-	-	4.1
Office Equipments	-	-	-	0.1
Electrical Appliances	-	-	-	0.8
Vehicles	-	-	-	2.6
Live Stock	-	-	-	-
Farm Assets & Equipments	-	-	-	-
Total depreciation additions through merger of JKSL	**-**	**-**	**-**	**476.1**
Charges for the year:				
Land	-	-	-	-
Building	63.0	68.2	39.8	34.9
Plant & Equipments	441.9	414.9	670.1	699.5
Furniture & Fixtures	10.8	18.5	10.3	7.0
Railway Sidings	-	-	-	-
Weighbridge	2.5	3.4	2.5	6.0
Computers	4.8	11.5	9.7	10.5
Office Equipments	0.8	1.6	1.0	0.9
Electrical Appliances	8.6	11.8	7.2	4.6
Vehicles	18.2	22.0	18.1	18.3
Live Stock	-	-	-	-
Farm Assets & Equipments	0.4	0.2	0.1	0.1
Total depreciation charges for the year	**551.0**	**552.1**	**758.8**	**781.8**
Disposals:				
Land	-	-	-	-
Building	6.3	-	0.2	-
Plant & Equipments	6.6	17.1	49.4	165.0
Furniture & Fixtures	0.7	0.1	0.2	-
Railway Sidings	-	-	-	-
Weighbridge	-	-	-	-
Computers	6.8	0.7	0.5	-
Office Equipments	-	-	-	-
Electrical Appliances	-	0.1	-	-
Vehicles	9.1	4.9	3.1	13.4
Live Stock	-	-	-	-
Farm Assets & Equipments	-	-	-	-
Total disposals for the year	**29.5**	**22.9**	**53.4**	**178.4**

(₹ in Million)

P a r t i c u l a r s	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Adjusted from retained earnings:				
Land	-	-	-	-
Building	-	56.4	-	-
Plant & Equipments	-	7.8	-	-
Furniture & Fixtures	-	0.5	-	-
Railway Sidings	-	-	-	-
Weighbridge	-	0.9	-	-
Computers	-	2.9	-	-
Office Equipments	-	2.2	-	-
Electrical Appliances	-	0.8	-	-
Vehicles	-	0.4	-	-
Live Stock	-	-	-	-
Farm Assets & Equipments	-	0.6	-	-
Total adjusted from retained earnings	**-**	**72.5**	**-**	**-**
As at end of the year:				
Land	-	-	-	-
Building	521.2	464.5	339.9	300.3
Plant & Equipments	6,538.7	6,103.4	5,697.8	5,077.1
Furniture & Fixtures	92.4	82.3	63.4	53.3
Railway Sidings	-	-	-	-
Weighbridge	65.2	62.7	58.4	55.9
Computers	86.4	88.4	74.7	65.5
Office Equipments	23.1	22.3	18.5	17.5
Electrical Appliances	62.0	53.4	40.9	33.7
Vehicles	132.6	123.5	106.0	91.0
Live Stock	-	-	-	-
Farm Assets & Equipments	4.3	3.9	3.1	3.0
Total depreciation as at the end of the year	**7,525.9**	**7,004.4**	**6,402.7**	**5,697.3**
Net Block				
Land	3,466.4	872.2	864.5	478.6
Building	1,197.8	1,250.8	1,304.0	1,299.2
Plant & Equipments	10,124.1	10,248.1	8,495.3	8,750.4
Furniture & Fixtures	25.4	36.0	50.4	51.9
Railway Sidings	-	-	-	-
Weighbridge	12.7	12.8	16.7	18.1
Computers	12.7	13.9	21.0	17.1
Office Equipments	3.0	3.0	5.5	5.3
Electrical Appliances	26.8	31.7	41.8	44.4
Vehicles	83.5	69.1	59.4	63.5
Live Stock	0.1	0.1	0.1	0.1
Farm Assets & Equipments	4.6	1.6	1.5	1.5
Total Net Block as at the end of year	**14,957.1**	**12,539.3**	**10,860.2**	**10,730.1**

"10.a" During the year 2015-16, the Company has revalued its land of as on 25.03.2016 at fair market value as valued by an independent certified valuer. The land at meerganj unit has also been revalued as on 07.10.2013 at replacement value, valued by independent certified valuer. Consequent to revaluation as at 25.03.2016, the value of land is further increased by ₹ 2593.9 Million during the year and by ₹ 2950.8 Million as at 31st March, 2016.

"10.b" During the Year 2014-15, In accordance with the Companies Act, 2013, the company has revised the useful life of its fixed assets to comply useful life as mentioned under Schedule II of the Companies Act, 2013. Based on the transitional provision given in Schedule II to the Companies Act, 2013, the carrying amount of assets (net of residual value) whose useful life has already exhausted as per revised useful life amounting to ₹ 50.8 Million (net of deferred tax of ₹ 21.7 Million) has been adjusted with the opening balance of Retained Earnings. Had there been no change in the useful life of the fixed assets, the charge to the Statement of Profit and Loss would have been higher by ₹ 278.0 Million.

The method of providing depreciation on fixed assets, other than plant and building, acquired after 31st March 2014 has also been changed during the year from written down method to straight line method over the useful life prescribed under Schedule II to the Companies Act, 2013. Had there been no change in the method of depreciation, the charge to the Statement of Profit and Loss would have been higher by ₹ 0.1 Million.

"10.c" During the Year 2013-14, the Company has revalued the land of its "Meerganj Unit" as on 07.10.2013 on the basis of replacement value, valued by an independent certified valuer. Accordingly a sum of ₹ 356.9 Million (included as addition of land in Note No. - 10) being the excess of the current replacement value of ₹ 422.2 Million over the existing book value of ₹ 65.3 Million has been credited to revaluation reserve.

"11" - Non-current Investments **(₹ in Million)**

Particulars	**31.03.2016**	**31.03.2015**	**31.03.2014**	**31.03.2013**
Trade Investments :-				
Ramganga Sanyukta Sahkari Kheti Samiti Limited (Unquoted)				
01 Equity share of ₹ 100/- each fully paid-up	0.0	0.0	0.0	0.0
Other Investments :-				
In Other Companies :				
Investment in Equity shares (fully paid-up unless otherwise stated)				
VLS Finance Limited (Quoted)				
263142 Equity shares of ₹ 10/- each	4.4	4.4	4.4	4.4
South Asian Enterprises Limited (Quoted) (**)				
250000 Equity shares of ₹ 10/- each				
(At cost less provision for diminution in value - ₹ 2.5 Million)	0.0	0.0	0.0	0.0
Glenesia Industries Limited (Unquoted)				
500000 Equity shares of ₹ 10/- each	-	-	-	0.5
Investment in Mutual fund				
Baroda Pioneer Income Fund - Dividend Reinvestment Plan (Quoted)				
(Merged out from Baroda Pioneer PSU Bond Fund - Monthly Dividend Plan)				
160174 (31.03.16), 334356 (31.03.15), 294056 (31.03.14), 274830 (31.03.13) Units of ₹ 10/- each	3.6	3.4	3.1	2.9
Neuberger Berman Investment Funds PLC	-	-	12.2	-
Total	**8.0**	**7.8**	**19.7**	**7.8**

Disclosure of non-current investments **(₹ in Million)**

Particulars	**31.03.2016**	**31.03.2015**	**31.03.2014**	**31.03.2013**
Aggregate amount of quoted investments	8.0	7.8	19.7	7.3
Aggregate amount of unquoted investments	-	-	-	0.5
Aggregate amount of share application money	-	-	-	-
Total investments net of provision for diminution	**8.0**	**7.8**	**19.7**	**7.8**
Aggregate provision for diminution in value of investments (**)	2.5	2.5	2.5	2.5
Aggregate market value of quoted investments	11.7	12.5	18.6	5.7

"12" - Deferred Tax Asset/(Liability) (Net) **(₹ in Million)**

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Deferred Tax Asset :				
i) On account of timing difference of expenses which are allowable under Income Tax Laws in subsequent years	108.3	127.7	-	81.0
ii) On account of carried forward losses and unabsorbed depreciation	1,699.5	1,488.2	-	972.4
	1,807.8	1,615.9	-	1,053.4
Deferred Tax Liability :				
i) On account of differences in written down value of fixed assets	1,455.7	1,164.9	-	1,109.3
Net Deferred Tax Asset/ (Liability)	**352.1**	**451.0**	**-**	**(55.9)**

"12.a." The Central Government has initiated various steps to support the sugar industry like mandatory mixing of ethanol, increase in the price of ethanol, increase in import duty on sugar, cash subsidy for export of raw sugar. The State Government have also announced grants during the year linked with the price of sugar and by-products. The company has also initiated various steps including on cane development, enhancing plan efficiencies, cost reduction, increase in power and ethanol capacity etc. The company is confident that the financials of sugar segment will improve significantly in the coming years and the profitability of power and chemical segment will further improve due to increase in capacity utilisation and on account of increase in the power tariff and ethanol price. The company is certain that there would be sufficient taxable income in future and hence it has recognised net deferred tax assets of ₹ 451.0 Million (including the amount of net deferred tax assets for the year of ₹ 279.4 Million) during the year 2014-15.

"In view of prudence and lack of virtual certainity that the Deferred Tax Asset will be realised in future, Deferred tax liability to the extent of ₹ 55.9 Million has been reversed and recognised as asset during the year and balance Net Deferred tax asset to the extent of ₹ 153.3 Million has not been recognised during the year 2013-14.

"13" Long and Short Term Loans and Advances **(₹ in Million)**

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Long Term Loans and Advances:				
(Unsecured considered good unless otherwise stated)				
Capital advances	56.4	21.2	17.2	121.2
Security deposits:-				
- to related parties (Refer Note No. - '38' for details)	21.9	21.9	31.6	-
- to others	8.2	12.9	-	-
- Considered Good	-	-	-	31.2
Considered doubtful	-	-	-	2.6
Less : Provision for doubtful/Bad Debts	-	-	-	(2.6)
MAT credit entitlement	112.8	71.7	87.1	90.3
Payments of taxes under protest/appeal	-	-	-	6.8
Total	**199.3**	**127.7**	**135.9**	**249.5**
Short Term Loans and Advances:				
(Unsecured considered good unless otherwise stated)				
Security deposits:-				
- Considered Good	2.6	3.1	9.4	5.0
Loans and advances to related parties (Refer Note No. - '38' for details)				
- Considered Good	-	-	1.1	1.1
Advances recoverable in cash or in kind:-				
- Considered Good	-	-	110.5	102.3
- Considered doubtful	-	-	-	11.3
Less : Provision for doubtful	-	-	-	(11.3)
Other loans and advances :				
Advances to employees	4.6	5.3	-	-
Advances to suppliers/contractors/service providers	185.6	133.3	-	-
Loans	16.9	5.6	-	-
Balances with revenue authorities	99.2	186.1	186.8	239.5
Income tax and wealth tax payments	12.1	12.7	10.7	56.5
Payments of taxes under protest/appeal	15.7	18.3	14.5	-
Prepaid expenses	32.5	30.7	19.4	19.5
Others	-	-	-	123.2
Total	**369.2**	**395.1**	**352.4**	**547.1**

Details of Loan:				
Ujjwal Microfinance Private Ltd.	-	5.6	-	-

"14" - Other Non-Current and Current Assets (₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Other Non-Current Assets:				
(Unsecured considered good unless otherwise stated)				
Inventory - Loose tools and equipments	1.9	2.1	2.3	2.5
Total	**1.9**	**2.1**	**2.3**	**2.5**
Other Current Assets:				
(Unsecured considered good unless otherwise stated)				
Insurance claim receivable	67.9	111.4	269.3	-
Subsidy receivable from government/government authority	328.8	1,508.7	-	-
Claim receivable :-				
- Considered good	-	-	-	40.6
- Considered doubtful	-	-	-	15.0
- Provision for doubtful/ Bad Debts	-	-	-	(15.0)
Interest receivable	2.9	5.4	5.9	6.5
Others	2.9	32.1	-	-
Total	**402.5**	**1,657.6**	**275.2**	**47.1**

"15" - Inventories (₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
(Refer Note No. - '2' for Mode of Valuation)				
Raw materials	179.2	538.7	65.8	240.7
Goods-in-process	359.1	307.3	356.4	296.7
Standing cane and other crops	3.5	2.8	3.3	2.2
Finished goods (including trial run stock of ₹ 2.9 Million as at 31.03.14)	11,480.9	11,261.2	11,406.4	12,178.3
Traded goods	223.9	50.2	7.9	3.9
Stores, Spare parts, P.P. bags, Chemicals etc.	366.4	362.1	403.5	390.8
Renewable Energy Certificate	-	0.3	0.1	-
Total	**12,613.0**	**12,522.6**	**12,243.4**	**13,112.6**

"16 " - Trade receivables (₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
(Unsecured considered good unless otherwise stated)				
Outstanding for a period exceeding six months from the date they are due for payment :				
- Considered good	18.7	6.7	5.3	15.3
- Considered doubtful	-	0.2	-	68.8
- Provision for doubtful	-	(0.2)	-	(68.8)
Other receivables	2,493.5	2,222.9	1,187.3	1,425.3
Total	**2,512.2**	**2,229.6**	**1,192.6**	**1,440.6**

"17" - Cash and cash equivalents (₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Cash and cash equivalents				
Balances with banks :				
On Current accounts	168.2	74.0	86.7	148.2
On unpaid dividend account	2.6	2.6	3.4	2.8
Cash on hand	16.8	20.5	30.6	22.8
Other bank balances :				
Deposits pledged against margin money/guarantee	25.9	22.7	39.4	27.7
Deposits with original maturity more than 3 months but upto 12 months	-	35.7	35.2	35.8
Deposits earmarked for Fixed Deposit	36.6	-	-	-
Deposits earmarked for Molasses Storage Fund	7.9	11.8	-	-
Total	**258.0**	**167.3**	**195.3**	**237.3**

"18" - Revenue from operations/Purchases of stock-in-trade/Inventories (₹ in Million)

Particulars	2016	2015	2014	2013
Revenue from operations				
Sale of Products:-				
Finshed goods:				
Opening Stock				
Sugar	9,717.3	10,208.8	10,801.9	6,140.7
Molasses	913.7	646.1	667.6	349.3
Chemicals	261.4	262.0	318.7	165.5
Farm produce	0.6	1.0	0.5	0.5
Power	-	-	-	-
Others	368.5	285.6	389.6	266.5
Total Opening Stock	**11,261.5**	**11,403.5**	**12,178.3**	**6,922.5**
Sales				
Sugar	14,685.2	12,248.1	12,822.7	9,618.1
Molasses	-	98.3	79.3	110.4
Chemicals	4,028.5	3,053.8	4,235.9	3,209.5
Farm produce	7.7	10.4	12.4	11.2
Power	2,184.2	1,631.4	1,299.7	1,604.6
Others	1.9	138.2	66.4	289.1
Total Sales	**20,907.5**	**17,180.2**	**18,516.4**	**14,842.9**
Closing Stock				
Sugar	10,367.4	9,717.3	10,208.8	10,801.9
Molasses	675.8	913.7	646.1	667.6
Chemicals	149.9	261.4	262.0	318.7
Farm produce	3.1	0.6	1.0	0.5
Power	-	-	-	-
Others	284.7	368.5	285.6	389.6
Total Closing Stock	**11,480.9**	**11,261.5**	**11,403.5**	**12,178.3**
Traded goods:				
Opening Stock				
Other purchases	50.2	7.9	3.9	2.6
Total Opening Stock	**50.2**	**7.9**	**3.9**	**2.6**
Purchases				
Coal	428.5	369.3	-	-
Soyabean Oil	382.0	362.4	-	-
PP Bags	-	105.4	49.3	113.5
Sugar	609.6	-	-	-
Other purchases	950.7	205.1	174.0	133.3
Total Purchases	**2,370.8**	**1,042.2**	**223.3**	**246.8**
Sales				
Coal	437.1	377.0	-	-
Soyabean Oil	379.1	368.4	-	-
PP Bags	-	105.8	50.1	105.9
Sugar	613.2	-	-	-
Other sales	814.4	187.3	204.8	135.0
Total Sales	**2,243.8**	**1,038.5**	**254.9**	**240.9**
Closing Stock				
Other purchases	44.2	50.2	7.9	3.9
Total Closing Stock	**44.2**	**50.2**	**7.9**	**3.9**
Stock-in-process:				
Opening Stock				
Sugar	164.6	268.2	221.0	103.5
Molasses	19.3	20.1	13.6	4.7
Chemicals	123.4	68.1	62.1	56.1
Standing crops	2.8	3.3	2.2	3.3
Total Opening Stock	**310.1**	**359.7**	**298.9**	**167.6**
Closing Stock				
Sugar	169.2	164.6	268.2	221.0
Molasses	15.1	19.3	20.1	13.6
Chemicals	174.8	123.4	68.1	62.1
Standing crops	3.5	2.8	3.3	2.2
Total Closing Stock	**362.6**	**310.1**	**359.7**	**298.9**
Total (Gross):				
Total Opening Stock	**11,621.8**	**11,771.1**	**12,481.1**	**7,092.7**
Total Purchases	**2,370.8**	**1,042.2**	**223.3**	**246.8**
Total Sales (A)	**23,151.3**	**18,218.7**	**18,771.3**	**15,083.8**
Total Closing Stock	**11,887.7**	**11,621.8**	**11,771.1**	**12,481.1**

Other operating revenue (₹ in Million)

Particulars	2016	2015	2014	2013
Miscellaneous income	22.7	35.2	12.0	51.1
Refund of administrative charges on Molasses	-	57.8	-	-
Scrap sale	14.3	18.5	22.5	19.6
Balances written back	12.3	24.0	6.1	19.2
Insurance claim received	-	102.2	0.7	0.5
Purchase Tax Remission	-	-	65.4	-
Provision no longer required written back	11.4	43.8	1.2	-
Income/adjustments realting to earlier years	-	-	-	86.8
Duty Draw Back / Sale of export licence (OGL)	38.4	60.4	98.6	67.7
Other operating revenue (B)	**99.1**	**341.9**	**206.5**	**244.9**
Total Revenue from operations (Gross)(A+B)	**23,250.4**	**18,560.6**	**18,977.8**	**15,328.7**

"19" - Other income (₹ in Million)

Particulars	2016	2015	2014	2013
Rent	12.8	11.3	13.0	11.0
Profit on sale of assets	14.4	1.6	0.4	8.6
Income from Consultancy services	0.9	-	-	-
Services charges received	10.2	-	-	-
Interest income	30.0	13.9	42.9	6.9
Excess provision written back	-	-	1.0	11.4
Foreign exchange differences (net)	-	46.7	4.1	35.8
Provision for impairment of investment reversed	32.4	-	-	-
Profit on sale of Investments	-	0.8	(2.5)	-
Income from REC (Net of expenses)	145.9	-	-	-
Dividend income	0.3	0.3	0.8	0.2
Total	**246.9**	**74.6**	**59.7**	**73.9**

"20" - Cost of Raw materials consumed (₹ in Million)

Particulars	2016	2015	2014	2013
Sugar cane	13,720.6	11,614.5	11,614.6	13,111.3
Molasses consumed	584.1	324.4	851.1	662.8
Bagasse & other fuel consumed	375.9	24.8	191.4	525.4
Chemicals and others	477.6	776.9	779.9	878.4
Total	**15,158.2**	**12,740.6**	**13,437.0**	**15,177.9**

"21" - (Increase)/Decrease in inventories (₹ in Million)

Particulars	2016	2015	2014	2013
Inventories at the end of the year				
Finished goods	11,480.9	11,261.5	11,403.5	12,178.3
Stock-in-process	362.6	310.1	359.7	298.9
Traded goods	223.9	50.2	7.9	3.9
	12,067.4	**11,621.8**	**11,771.1**	**12,481.1**
Inventories at the beginning of the year				
Finished goods	11,261.5	11,403.5	12,178.3	6,922.5
Stock-in-process	310.1	359.7	298.9	167.6
Traded goods	50.2	7.9	3.9	2.6
	11,621.8	**11,771.1**	**12,481.1**	**7,092.7**
Net excise duty on account of (Increase)/decrease in inventories	**276.6**	**50.0**	**(13.7)**	**170.8**
(Increase)/Decrease in inventories	**(169.0)**	**199.3**	**696.3**	**(5,217.6)**

"22" - Employees benefits expense (₹ in Million)

Particulars	2016	2015	2014	2013
Salary, wages and bonus	736.2	648.3	621.6	578.4
Contribution to provident and other funds	62.1	56.7	51.9	52.3
Workmen and staff welfare expenses	17.9	23.0	16.3	39.6
Gratuity	20.8	26.3	35.2	32.4
Voluntary retirement compensation	6.8	7.6	8.4	8.3
Total	**843.8**	**761.9**	**733.4**	**711.0**

"23" - Other expense (₹ in Million)

Particulars	2016	2015	2014	2013
Consumption of stores, spares and other manufacturing expense	436.8	304.2	299.0	291.7
Packing material expense	266.8	267.5	250.9	166.0
Expenditure on crops	5.6	4.8	5.3	3.9
Power and fuel	70.3	37.5	55.4	63.3
Repairs and maintenance :				
Plant and machinery	401.6	324.2	309.7	295.5
Buildings	46.2	35.0	28.6	24.8
Others	26.4	27.0	18.8	13.3
Rent	62.0	60.3	60.0	46.7
Rates and taxes	23.6	21.6	49.8	13.6
Duties and Taxes	-	-	-	47.0
Charity and donation	2.3	2.3	1.6	1.8
Insurance	20.1	18.3	21.7	18.9
Molasses fund	1.6	1.0	1.3	1.9
Selling expenses :				
Commission to selling agents	117.2	88.6	96.1	116.1
Other selling expense	107.5	166.9	257.0	231.9
Payment to auditors :				
Audit fee	2.6	2.5	1.8	1.8
Tax audit fee	0.6	0.5	0.5	0.3
Income Tax Matters & Other Certification Fees	0.8	0.6	0.5	0.5
Reimbursement of expenses	0.2	0.1	0.3	0.1
Miscellaneous expenses	275.2	276.9	277.3	230.3
CSR Expenses	3.9	0.5	-	-
Cane development expense	71.2	72.7	91.5	27.7
Expenses relating to earlier year	0.2	3.1	3.9	0.7
Foreign exchange difference (Net)	22.3	-	-	-
Balances written-off	-	1.7	9.2	2.6
Provision for doubtful debts	-	0.2	-	79.5
Directors sitting fee	1.1	1.1	1.3	1.0
Loss on sale of fixed assets	1.8	6.6	14.7	0.3
Loss on sale of export quota obligation	55.8	-	-	-
Total	**2,023.7**	**1,725.7**	**1,856.2**	**1,681.2**

"24" - Finance costs (₹ in Million)

Particulars	2016	2015	2014	2013
Interest	1,564.2	1,529.2	1,474.6	1,111.2
Documentaion and other bank charges	45.5	41.8	60.2	18.3
Foreign exchange difference (Net)	49.4	45.5	50.5	30.2
	1,659.1	1,616.5	1,585.3	1,159.7
Less : Interest & documentation charges capitalized during the period	(16.8)	(69.8)	(163.2)	(33.0)
Less : Interest subsidy claimed under UPSIPP 2013	(55.8)	(50.1)	-	-
Total	**1,586.5**	**1,496.6**	**1,422.1**	**1,126.7**

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

(₹ in Million)

Particulars	**2015-2016**	**2014-2015**	**2013-2014**	**2012-2013**
Opening Balance	11.2	177.7	13.0	22.5
(a) Raw Material Consumed	49.9	35.8	75.7	-
(b) Consumption of Stores & other Manufacturing Expenses	0.1	0.6	1.6	-
(c) Power & Fuel	1.6	1.6	13.4	-
(d) Payments to and Provision for Employees	1.1	0.9	7.1	-
(e) Administrative and Other Expenses	-	1.8	10.6	-
(f) Interest Finance and Loan Raising Expenses	16.8	69.8	163.2	33.0
Total	**80.7**	**288.2**	**284.6**	**55.5**
Less:				
(g) Borrowing Cost Capitalised during the year	5.4	49.6	20.3	42.5
(h) Pre-operative expenses capitalised during the year	4.2	183.4	-	-
(i) Stock of Finished Goods	-	-	2.9	-
(j) Sale of Power	-	44.0	83.7	-
Balance Pre-Operative Expenses Pending for Allocation	**71.1**	**11.2**	**177.7**	**13.0**

26 The accounts have been prepared without accounting for any incentive entitlements under U.P. Sugar Incentive Promotion Policy, 2004 as the scheme has been subsequently withdrawn by the State Government. The Company has filed writ petition before Hon'ble Allahabad High Court (Lucknow Bench) for enforcement of the scheme and settlement of incentive claims. As per the erstwhile incentive policy, the company is eligible for capital subsidy of ₹ 898.9 Million i.e. @ 10% of the investments made (already vetted ₹ 508.0 Million) and revenue subsidy for reimbursement of taxes and other charges aggregating to ₹ 605.0 Million upto 31st March, 2016 (including ₹ 27.0 Million for the year 2015-16), ₹ 578.0 Million upto 31st March, 2015 (including ₹ 17.3 Million for the year 2014-15), ₹ 560.7 Million upto 31st March, 2014 (including ₹ 19.5 Million for the year 2013-14) and ₹ 541.2 Million upto 31st March, 2013 (including ₹ 94.0 Million for the year 2012-13)

27 During the year 2015-16, the company earned net gain of ₹ 145.9 Million (net of expenses of ₹ 33.1 Million) on sale of 119348 numbers of Renewal Energy Certificates (RECs). These RECs were generated due to environmental concerns and allotted to the company as per Regulation on REC, notified by Central Electricity Regulatory Commission. The earning of these RECs are not an off shoot of business but an off shoot of environmental concerns and hence, the net gain from such sale has been held to be a capital receipt and not an income forming part of the operations of the company by the courts. The courts have further held that the net earning on the sale of these RECs does not fall within the definition of income under the Income Tax Act, 1961 and hence could not be taxed under the normal provisions of taxation as well as under the provisions of section 115JB of the Act. In view of these legal pronouncements, the net earnings on such sale amounting to ₹ 145.9 Million, credited to the profit and loss statement as other Income, has been concurrently added to the “Capital Reserve” by reduction from “Net Profit carried to the Surplus/Deficit” treating it as a capital receipt.

28 During the financial year 2015-16, U.P. Government has remitted part of cane commission payable for the sugar season on 2012-13 amounting to ₹ 146.0 Million. The same has been shown as exceptional items (net of taxes) in the profit and loss account in the year 2015-16.

29 Exceptional item for the year 2012-13, amounting to ₹ 81.9 Million represents write-off on investments in equity shares of Kashipur Sugar Mills Limited (KSML). Hon'ble Board for Industrial and Financial Reconstruction (BIFR) has ordered for winding-up of the KSML in their meeting held on 08-05-2013. Therefore, it has been decided to write-off the investments in the equity shares of KSML and an equivalent amount has been withdrawn from the General Reserve.

30 During the year 2014-15. the Government of Uttar Pradesh has disbursed cash subsidy of ₹ 6.00 per quintal of cane for Sugar Season 2013-14 aggregating to ₹ 245.7 Million. The same has been reduced from the cost of raw material consumed during the year 2014-15.

31 The Government of Uttar Pradesh has also announced Subsidy of ₹ 40.00 per quintal of cane for the Sugar Industry for the Sugar Season 2014-15 linked to the average selling price of sugar and its by products during the period 1st Oct. 2014 to 31st May 2015 as per press release dtd.12 Nov. 2014. Under the scheme, the Government has notified subsidy of ₹ 20.00 per quintal of sugar cane by way of cash subsidy of ₹ 8.60 per quintal of sugar cane and balance ₹ 11.40 per quintal of sugar cane by way of remission of purchase tax and entry tax and reimbursement of sugar cane society commission. The remaining subsidy of ₹ 20.00 will be notified based on the recommendation of selected committee. The average selling price of Sugar and the by-products have been significantly lower than the thresholds specified in the scheme considering the actual and future realisation. In view of the above, the company has estimated and recognised entire subsidy (including additional subsidy of ₹ 20.00 per quintal, which is yet to be notified by the State Government) amounting to ₹ 1226.1 Million during the year 2014-15. The company is confident of realizing the subsidy in view of the past and current price of sugar and the by-products.

32 During the year 2013-14, Under the rules & regulations notified by Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010, the company is eligible for Renewable energy certificates (RECs) in respect of captive consumption of renewal energy w.e.f. Nov. 2011. The company is entitled for 346534 RECs upto 31st March 2014, out of which 218558 RECs has been awarded and remaining RECs are under certification. The company has treated 112738 RECs i.e. awarded but remained unsold as at the end of the period as stock in trade and valued it at estimated cost of ₹ 1/- per REC.

33 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.

34 Expenditure on Corporate Social Responibilities (CSR) Activities:
The various heads under which the CSR expenditure was incurred during the year is detailed as follows:

(₹ in Million)

S. No.	Description of CSR Activities	Relevant clause of Schedule VII to the Companies Act, 2013	2015-16	2014-15
a)	Promoting education, including special education and employment enhancing vocational training and livlihood enhancement projects	Clause (ii)	3.6	0.5
b)	Promoting rural sports, nationally recognised sports, paralympic sports and Olympic sports	Clause (vii)	0.3	-
		Total	**3.9**	**0.5**

35 **Employees Benefits :**

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

(i) **In respect of Short Term Employee Benefits :**

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

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

(₹ in Million)

	2015-2016	2014-2015	2013-2014	2012-2013
A) Change in Obligation over the year ended				
Present value of defined obligation at the beginning of the year	224.5	215.8	197.6	166.8
Addion on amalgamation of JKSL	-	-	-	12.5
Current Service Cost	12.2	12.3	12.1	11.3
Interest Cost	17.8	18.1	15.8	14.2
Actuarial Gains/Losses	(12.7)	(13.0)	(2.6)	1.5
Benefits Paid	(14.8)	(8.7)	(7.3)	(8.9)
Present value of defined obligation at the end of the year	227.0	224.5	215.6	197.6
B) Expenses recognised during the year ended				
Current Service Cost	12.2	12.3	12.1	11.3
Interest Cost	17.8	18.1	15.8	14.2
Actuarial Gains/Losses	(12.7)	(13.0)	(2.6)	1.5
Current Service Cost & Actuarial losses in respect of seprated employees	3.5	8.9	9.9	5.4
Total	20.8	26.3	35.2	32.4

C) **Principal Actuarial Assumptions :**

Mortality Table	IALM (2006-08)	IALM (2006-08)	1994-96 (duly modified)	1994-96 (duly modified)
Discount Rate (per Annum)	8.00%	8.00%	8.50%	8.50%
Rate of Escalation in Salary (per Annum)	5.50%	5.50%	6.00%	6.00%

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

(iii) **Defined Contribution Plan :**

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

(₹ in Million)

	2015-2016	2014-2015	2013-2014	2012-2013
Employer's Contribution to Provident Fund :	18.0	29.4	28.4	28.5
Employer's Contribution to Pension Fund :	30.2	27.3	23.5	23.7

(iv) **In respect of Defined Benefit Scheme (Based on Actuarial Valuation) of Provident Fund:**

Actuarial valuation carried out in respect of interest shortfall in the Provident Fund Trust of the Company, as per Deterministic Approach shows "Nil" liability, hence no provision is made in F.Y. 2015-16.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuary appointed by the Company:

(₹ in Million)

	2015-2016	2014-2015
A) Change in the present value of the defined benefit obligation:		
Opening defined benefit obligation at beginning of the year	518.2	475.9
Current Service Cost	13.9	15.1
Interest Cost	41.5	38.1
Employee Contribution	32.9	29.9
Actuarial (Gain)/loss	7.0	8.0
Benefits paid	64.4	48.7
Closing defined benefit obligation at end of the year	549.1	518.3
B) Change in Plan Assets:		
Opening fair value of Plan Assets as at beginning of the year	529.8	490.7
Expected Return on Plan Assets	46.6	42.9
Contributions	46.8	45.0
Benefits Paid	64.4	48.7
Actuarial Gain/(Loss) on plan Assets	(2.4)	(0.1)
Closing fair value of plan assets as at end of the year	556.4	529.8
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	549.1	518.3
Fair Value of Plan assets at end of the year	556.4	529.8
Deficit/(Surplus)	(7.3)	(11.5)
Net Asset not recognised in Balance Sheet	(7.3)	(11.5)
D) Net Cost recognised in the profit and loss account:		
Current Service Cost	13.9	15.1
Interest Cost	41.5	38.1
Expected return on plan assets	46.6	42.9
Interest shortfall reversed	5.1	4.8
Total costs of defined benefit plans included in Note No 22 "Payments to and provisions for employees"	13.9	15.1
E) Principal Actuarial Assumptions:		
(i) Economic Assumptions		
(a) Expected statutory interest rate	8.80%	8.75%
(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

36 Segment Reporting:

The Company has identified three primary business segments viz.Sugar, Distillery and Power. Segments have been identified and reported taking into account the nature of the products, the differing risks and returns, the organisational structure and internal business reporting system.

a) 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 enterprises as a whole and are not allocate to segment on reasonable basis have been disclosed as "Unallocable".

b) Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

c) Since the company's activities/operations are primarily within country and considering the nature of products. Its risk and returns are same as such there is no geographial segment.

(₹ in Million)

Particulars	Sugar	Chemicals	Power	Others	Total
1. Segment Revenue (Including Excise Duty)					
a) External Sales					
2015-2016	14,733.3	4,075.4	2,186.7	2,255.0	23,250.4
2014-2015	13,508.5	3,218.4	1,632.7	201.0	18,560.6
2013-2014	13,132.5	4,334.6	1,288.9	221.8	18,977.8
2012-2013	10,303.0	3,272.2	1,606.0	147.5	15,328.7
b) Inter Segment Sales					
2015-2016	3,413.2	54.8	2,602.1	1,572.8	7,642.9
2014-2015	2,739.4	48.4	2,171.4	1,254.6	6,213.8
2013-2014	2,926.3	48.6	2,169.3	397.6	5,541.8
2012-2013	1,874.1	24.0	1,947.0	-	3,845.1
c) Total Revenue					
2015-2016	18,146.5	4,130.2	4,788.8	3,827.8	30,893.3
2014-2015	16,247.9	3,266.8	3,804.1	1,455.6	24,774.4
2013-2014	16,058.8	4,383.2	3,458.2	619.4	24,519.6
2012-2013	12,177.1	3,296.2	3,553.0	147.5	19,173.8
2. Segment Results					
(Profit(+)/Loss(-) before tax and interest from each segment)					
2015-2016	(401.5)	646.6	1,887.7	(80.6)	2,052.2
2014-2015	(909.1)	470.2	1,603.4	(57.9)	1,106.6
2013-2014	(794.2)	517.1	1,068.4	(44.7)	746.6
2012-2013	198.4	369.0	1,116.5	6.1	1,690.0
Less : Finance costs					
2015-2016					1,586.5
2014-2015					1,496.6
2013-2014					1,422.0
2012-2013					1,126.7
Less/ Add :Other Unallocable Expense/Income Net off Unallocable Income/Expense					
2015-2016					151.8
2014-2015					151.6
2013-2014					164.0
2012-2013					170.8
Net Profit(+)/Loss(-) Before Tax					
2015-2016					313.9
2014-2015					(541.6)
2013-2014					(839.4)
2012-2013					392.5

(₹ in Million)

Particulars	Sugar	Chemicals	Power	Others	Total
Less: Tax expense (Net)					
2015-2016					(55.1)
2014-2015					413.3
2013-2014					55.9
2012-2013					(165.4)
Net Profit after Tax (Before Adjustment of Minority Interest)					
2015-2016					258.8
2014-2015					(128.3)
2013-2014					(783.5)
2012-2013					227.1
Share of Profit/Loss to Minority					
2015-2016					-
2014-2015					-
2013-2014					-
2012-2013					-
Net Profit after Tax (after adjustment of Minority Interest)					
2015-2016					258.8
2014-2015					(128.3)
2013-2014					(783.5)
2012-2013					227.1
3. Other Information					
a) Segment Assets					
2015-2016	21,064.7	3,398.5	6,741.5	243.4	31,448.1
2014-2015	20,168.1	3,055.7	6,797.7	164.1	30,185.6
2013-2014	18,563.3	2,713.0	5,757.0	235.0	27,268.3
2012-2013	18,527.6	2,306.1	5,461.7	118.7	26,414.1
Unallocable Corporate Assets					
2015-2016					506.9
2014-2015					91.9
2013-2014					115.9
2012-2013					154.7
Total Assets					
2015-2016					31,955.0
2014-2015					30,277.5
2013-2014					27,384.2
2012-2013					26,568.8
b) Segment Liabilities					
2015-2016	7,829.3	116.3	38.3	165.5	8,149.4
2014-2015	9,524.8	210.3	45.7	49.7	9,830.5
2013-2014	10,861.9	201.8	102.0	125.5	11,291.2
2012-2013	6,810.3	232.3	18.0	2.5	7,063.1
Unallocable Corporate Liabilities					
2015-2016					16,698.7
2014-2015					16,209.9
2013-2014					11,655.5
2012-2013					14,635.1
Total Liabilities					
2015-2016					24,848.1
2014-2015					26,040.4
2013-2014					22,946.7
2012-2013					21,698.2

(₹ in Million)

Particulars	Sugar	Chemicals	Power	Others	Total
c) Capital Expenditure					
2015-2016	219.6	221.3	52.0	6.8	499.7
2014-2015	157.2	27.5	192.4	37.4	414.5
2013-2014	709.8	398.6	1,339.1	15.2	2,462.7
2012-2013	360.4	284.5	105.0	-	749.9
d) Depreciation					
2015-2016	316.1	87.4	141.8	6.1	551.4
2014-2015	391.1	87.9	137.6	8.2	624.8
2013-2014	386.7	68.2	301.0	2.9	758.8
2012-2013	403.7	60.9	302.9	0.1	767.6
e) Non Cash Expenditure other than Depreciation					
2015-2016	3.4	0.0	-	0.0	3.4
2014-2015	8.4	0.2	0.9	0.0	9.5
2013-2014	24.0	0	-	-	24.0
2012-2013	104.5	59.6	0.1	-	164.2

37 Earnings per Share (EPS) :

Particulars	Year ended	31.03.2016	31.03.2015	31.03.2014	31.03.2013
i) Net Profit/ Loss(-) after Extra Ordinary Items & Provision for Taxes attributable to the equity shareholders (Used as numerator for calculating EPS)	₹ in Million	244.4	(145.4)	(803.3)	206.8
ii) Weighted average No.of Eq. Sh. outstanding during the period: (Used as denominator for calculating E.P.S.)					
- for Basic EPS	No.	59151734	57223154	57214935	57214935
- for Diluted EPS	No.	59151734	58723154	60214935	57214935
iii) Earning per Share before and after Extra Ordinary Items					
- Basic	₹	4.1	(2.5)	(14.0)	3.6
- Diluted	₹	4.1	(2.5)	(13.3)	3.6
(Equity Share of Face value of ₹10 each)					

38 Related Party Disclosures:

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

i) Enterprises where control exists:
Associates -
1 Kashipur Sugar Mills Limited

ii) Enterprises which have significant influence and also owned or significantly influenced by Key Management Personnel
1 Goel investments Limited
2 Ujjwal Rural Services Limited
3 Saraswati Properties Limited
4 Ujjwal Infracon Limited
5 Dhampur Global Pte. Ltd.

iii) Enterprises owned or significantly influenced by Key Management Personnel or their relatives
1 Shudh Edible Products Limited
2 India Green Fuel Private Limited
3 Sonitron Limited
4 Dhampur Molasses Transport (Regd.)
5 J.P. & Sons (Regd.)

iv) Key Management Personnel and their relatives
1 Mr.Vijay Kumar Goel, Executive Director
Mrs Deepa Goel (Wife)
2 Mr. Ashok Kumar Goel, Vice Chairman
Mrs Vinita Goel (Wife)
3 Mr. Gaurav Goel, Managing Director
Mrs Priyanjali Goel (Wife)
4 Mr. Gautam Goel, Managing Director
Mrs Bindu Vashist Goel (Wife)
5 Mr. Arhant Jain, Executive President (Finance) & Company secretary
Mrs. Brij Bala Jain (Mother), Mr. Arvind Jain (Brother), Mrs. Anita Jain (Wife), Mr. Anubhav Jain (Son), Mr. Ashish Jain (Son), Mrs. Ankita Jain (Daughter in law), Mrs. Shruti Jain (Daughter in law), Arhant Jain (HUF), Anubhav Jain (HUF), Ashish Jain (HUF), Arvind Jain (HUF).
6 Mr. Sandeep Sharma, Executive President
Mrs. Poonam Sharma (Wife), Mr. Rahul Sharma (Son), Ms. Sona Sharma (Daughter)
Sandeep Sharma (HUF)
7 Mr. Priya Brat, Director
Mrs. Shakuntala Brat (Wife), Ms. Anu Mahendru (Daughter)
8 Mr. J. P. Sharma, Director
Mr. Mukul Sharma (Son)
9 V. K. Goel, H.U.F
10 A.K. Goel, H.U.F.
11 Gaurav Goel, H.U.F
12 Gautam Goel, H.U.F

B) **Disclosure of transactions between the Company and Related Parties and the status of outstanding balances:**

(₹ in Million)

S. No.	Particulars	2015-2016	2014-2015	2013-2014	2012-2013
1	**Loans/advances given**	**0.8**	**20.2**	**-**	**186.0**
	Dhampur Global Pte Ltd.	0.8	-	-	-
	Kashipur Sugar Mills Limited	-	-	0.0	20.3
	Goel Investment Limited	-	3.9	-	26.9
	India Greenfuel Private Limited	-	0.7	-	8.6
	Saraswati Properties Limited	-	8.6	-	48.5
	Shudh Edible Products Limited	-	7.1	-	46.0
	Sonitron Limited	-	0.0	-	-
	Ujjwal Infracon Limited	-	0.0	-	-
	Ujjwal Rural Services Limited	-	-	-	35.7
2	**Reciepts towards Loan /Advances given**	**-**	**20.2**	**-**	**165.7**
	Goel Investment Limited	-	3.9	-	26.9
	India Greenfuel Private Limited	-	0.7	-	8.6
	Saraswati Properties Limited	-	8.6	-	48.5
	Shudh Edible Products Limited	-	7.1	-	46.0
	Sonitron Limited	-	0.0	-	-
	Ujjwal Infracon Limited	-	0.0	-	-
	Ujjwal Rural Services Limited	-	-	-	35.7
3	Prov. for doubtful write back net off loss on investments	-	-	-	11.4
4	**Loans taken**	**15.1**	**50.4**	**55.7**	**211.4**
	Goel Investment Limited	5.0	8.4	17.2	124.6
	India Greenfuel Private Limited	-	0.6	1.3	-
	Saraswati Properties Limited	-	28.7	13.6	9.2
	Shudh Edible Products Limited	-	12.3	15.8	56.4
	Ujjwal Rural Services Limited	-	0.4	6.4	21.0
	Sonitron Limited	-	-	-	0.2
	Ujjwal Infracon Limited	-	-	1.4	-
	Mr. Gautam Goel	2.6	-	-	-
	Mr. Gaurav Goel	7.5	-	-	-
5	**Loans repaid**	**18.4**	**43.2**	**62.3**	**208.1**
	Dhampur Global Pte Ltd.	0.8	-	-	-
	Goel Investment Limited	3.1	4.7	19.5	123.8
	India Greenfuel Private Limited	0.1	0.3	1.3	-
	Saraswati Properties Limited	2.7	26.3	14.4	8.1
	Shudh Edible Products Limited	0.4	11.9	19.5	55.2
	Sonitron Limited	-	-	0.6	-
	Ujjwal Infracon Limited	-	-	1.4	-
	Ujjwal Rural Services Limited	1.2	-	5.6	21.0
	Mr. Gautam Goel	2.6	-	-	-
	Mr. Gaurav Goel	7.5	-	-	-

(₹ in Million)

S. No.	Particulars	2015-2016	2014-2015	2013-2014	2012-2013
6	**Unsecured Deposits Taken (Fixed Deposit)**	**76.0**	**34.2**	**46.7**	**37.1**
	Mrs. Deepa Goel	1.3	2.2	1.3	1.5
	Mr. Ashok Kumar Goel	3.1	8.8	-	8.3
	Mrs Vinita Goel	12.7	11.1	3.6	3.8
	Mrs Priyanjali Goel	1.2	5.4	4.7	0.9
	Mrs Bindu Vashist Goel	3.3	0.7	2.6	0.5
	Mr. Arhant Jain	1.7	-	0.7	-
	Mrs. Brij Bala Jain	7.4	-	4.0	3.6
	Mrs. Anita Jain	4.0	-	2.4	2.1
	Mr. Anubhav Jain	1.6	-	2.1	1.8
	Mr. Ashish Jain	6.2	-	8.8	6.2
	Mrs. Ankita Jain	2.8	-	-	-
	Mrs. Shruti Jain	6.9	-	-	-
	Arhant Jain (HUF)	4.1	-	3.3	2.9
	Ashish Jain (HUF)	1.2	-	0.7	0.3
	Anubhav Jain (HUF)	1.1	-	0.5	0.3
	Arvind Jain (HUF)	2.3	-	1.8	1.4
	Mrs. Poonam Sharma	1.2	-	0.2	-
	Ms. Sona Sharma	0.6	0.3	0.2	-
	Sandeep Sharma (HUF)	0.5	0.4	0.4	0.2
	Mrs. Shakuntala Brat	1.2	-	-	0.3
	V.K. Goel (HUF)	2.6	1.2	2.1	0.9
	A.K. Goel (HUF)	3.0	1.4	2.4	1.1
	Gaurav Goel (HUF)	3.0	1.4	2.5	1.0
	Gautam Goel (HUF)	3.0	1.4	2.4	-
7	**Unsecured Deposits Matured (Fixed Deposit)**	**67.7**	**25.8**	**29.4**	**32.8**
	Mrs. Deepa Goel	1.1	2.1	1.1	-
	Mr. Ashok Kumar Goel	2.2	6.6	-	8.2
	Mrs Vinita Goel	10.6	4.2	2.9	3.4
	Mrs Priyanjali Goel	0.9	5.4	2.1	0.8
	Mrs Bindu Vashist Goel	2.6	0.6	2.1	-
	Mr. Arhant Jain	1.1	-	-	-
	Mrs. Brij Bala Jain	6.8	-	3.6	3.6
	Mrs. Anita Jain	2.4	-	2.1	2.2
	Mr. Anubhav Jain	3.5	-	2.4	1.7
	Mr. Ashish Jain	8.7	-	-	4.0
	Mrs. Ankita Jain	2.3	-	-	-
	Mrs. Shruti Jain	7.5	-	-	-
	Arhant Jain (HUF)	3.3	-	2.9	3.0
	Ashish Jain (HUF)	0.8	-	0.5	0.3
	Anubhav Jain (HUF)	0.7	-	0.3	0.2
	Arvind Jain (HUF)	1.8	-	1.4	1.4
	Mrs. Poonam Sharma	0.6	1.1	-	-
	Mr. Rahul Sharma	0.1	0.1	-	-
	Ms. Sona Sharma	0.6	0.2	0.1	-
	Sandeep Sharma (HUF)	0.4	0.4	0.2	0.2
	Mr. Priya Brat	-	-	-	0.1
	Mrs. Shakuntala Brat	0.3	-	-	0.5
	V.K. Goel (HUF)	2.1	1.2	1.7	1.0
	A.K. Goel (HUF)	2.4	1.4	2.0	0.2
	Gaurav Goel (HUF)	2.5	1.3	2.0	1.0
	Gautam Goel (HUF)	2.4	1.3	2.0	1.0

(₹ in Million)

S. No.	Particulars	2015-2016	2014-2015	2013-2014	2012-2013
8	**Sale of Goods**	**-**	**-**	**44.2**	**21.7**
	Dhampur Molasses Transport	-	-	32.3	9.5
	J.P. & Sons	-	-	11.9	12.2
9	**Subscription of Equity Shares on conversion of Warrants**	**37.1**	**37.1**	**-**	**-**
	M/s Saraswati Properties Ltd.	-	37.1	-	-
	Mr. Gaurav Goel	18.6	-	-	-
	Mr. Gautam Goel	18.5	-	-	-
10	**Subscription of Equity Shares warrants:**	**-**	**12.4**	**12.4**	**-**
	Mr. Gaurav Goel	-	-	6.2	-
	Mr. Gautam Goel	-	-	6.2	-
	M/s Saraswati Properties Ltd.	-	12.4	-	-
11	**Rent paid**	**36.0**	**35.8**	**36.0**	**36.0**
	Goel Investment Limited	1.2	1.2	1.2	1.2
	Saraswati Properties Limited	14.8	14.8	14.8	14.8
	Shudh Edible Products Limited	19.8	19.8	19.8	19.8
	Ujjwal Rural Services Limited	0.2	-	0.2	0.2
12	**Remuneration paid**	**37.5**	**22.3**	**23.7**	**47.5**
	Mr. Vijay Kumar Goel	8.9	4.8	4.8	20.8
	Mr. Ashok Kumar Goel	8.9	4.8	4.8	8.8
	Mr. Gaurav Goel	8.9	4.8	4.8	8.8
	Mr. Gautam Goel	7.5	4.8	4.8	4.8
	Mr. J.P. Sharma	-	-	0.4	0.3
	Mr. Arhant Jain	1.0	1.0	1.0	1.0
	Mr. Sandeep Sharma	1.5	1.4	1.4	1.4
	Mr. Mukul Sharma	-	-	1.0	0.9
	Mr. Arvind Jain	0.8	0.7	0.7	0.7
13	**Directors Perquisits (As per Income Tax Act)**	**5.1**	**-**	**-**	**-**
	Mr. Vijay Kumar Goel	1.3	-	-	-
	Mr. Ashok Kumar Goel	1.2	-	-	-
	Mr. Gaurav Goel	1.2	-	-	-
	Mr. Gautam Goel	1.3	-	-	-
	Mr. Sandeep Sharma	0.1	-	-	-
14	**Interest expense**	**10.8**	**8.1**	**8.7**	**4.3**
	Mr. Vijay Kumar Goel	-	-	0.2	-
	Mrs. Deepa Goel	0.4	0.2	0.4	0.3
	Mr. Ashok Kumar Goel	1.3	0.5	1.3	1.0
	Mrs Vinita Goel	1.8	0.8	1.0	0.7
	Mrs Priyanjali Goel	0.8	0.5	0.4	0.4
	Mrs. Bindu Goel	0.5	0.4	0.4	0.3
	Mr. J.P. Sharma	-	-	0.0	0.0
	Mr. Arhant Jain	0.1	0.1	0.1	-
	Mrs. Brij Bala Jain	0.5	0.5	0.5	-
	Mrs. Anita Jain	0.4	0.3	0.3	-
	Mr. Anubhav Jain	0.4	0.2	0.3	-
	Mr. Ashish Jain	0.7	1.2	0.9	-
	Mrs. Ankita Jain	0.3	0.3	-	-
	Mrs. Shruti Jain	0.7	1.0	-	-
	Arhant Jain (HUF)	0.4	-	0.4	-
	Ashish Jain (HUF)	0.1	0.1	0.0	-
	Anubhav Jain (HUF)	0.1	0.1	-	-
	Arvind Jain (HUF)	0.2	0.2	0.2	-
	Mr. Sandeep Sharma	0.0	0.0	0.0	-

(₹ in Million)

S. No.	Particulars	2015-2016	2014-2015	2013-2014	2012-2013
	Mrs. Poonam Sharma	0.1	0.1	0.0	-
	Mr. Rahul Sharma	0.0	0.0	0.0	-
	Ms. Sona Sharma	-	0.0	-	-
	Sandeep Sharma (HUF)	0.0	0.0	0.1	-
	Mr. Priya Brat	-	-	0.0	0.1
	Mrs. Shakuntala Brat	0.0	0.0	-	-
	V.K. Goel (HUF)	0.5	0.3	0.4	0.3
	A.K. Goel (HUF)	0.5	0.4	0.5	0.4
	Gaurav Goel (HUF)	0.5	0.4	0.6	0.4
	Gautam Goel (HUF)	0.5	0.4	0.7	0.4
15	Loss on investments/investment written-off	-	-	-	81.9
16	**Transportation Expenses**	**-**	**-**	**123.7**	**132.0**
	Dhampur Molasses Transport	-	-	78.8	124.2
	J.P. & Sons	-	-	44.9	7.8
	Amount due to/ from Related Parties:				
1	**Deposits from Related Parties**	**101.1**	**92.8**	**75.5**	**35.8**
	Mrs. Deepa Goel	3.5	3.2	2.8	2.5
	Mr. Ashok Kumar Goel	11.8	11.0	8.8	8.8
	Mrs Vinita Goel	17.1	14.9	7.5	6.8
	Mrs Priyanjali Goel	6.6	6.4	5.6	3.0
	Mrs Bindu Vashist Goel	3.9	3.3	3.1	2.6
	Mr. J.P. Sharma	-	-	0.2	0.2
	Mr. Arhant Jain	1.3	0.7	0.7	-
	Mrs. Brij Bala Jain	7.1	6.5	4.0	-
	Mrs. Anita Jain	4.0	2.4	2.4	-
	Mr. Anubhav Jain	1.7	3.5	9.3	-
	Mr. Ashish Jain	6.2	8.7	8.8	-
	Mrs. Ankita Jain	2.8	2.3	-	-
	Mrs. Shruti Jain	6.9	7.5	-	-
	Arhant Jain (HUF)	4.1	3.3	3.3	-
	Ashish Jain (HUF)	1.0	0.7	0.6	-
	Anubhav Jain (HUF)	0.9	0.5	0.5	-
	Arvind Jain (HUF)	2.3	1.8	1.9	-
	Mr. Sandeep Sharma	0.1	0.0	-	-
	Mrs. Poonam Sharma	0.8	0.3	1.0	-
	Mr. Rahul Sharma	0.0	0.0	0.1	-
	Ms. Sona Sharma	0.3	0.3	0.2	-
	Sandeep Sharma (HUF)	0.5	0.4	0.3	-
	Mr. Priya Brat	-	-	0.9	0.3
	Mrs. Shakuntala Brat	1.2	0.3	-	-
	V.K. Goel (HUF)	3.8	3.3	3.0	2.6
	A.K. Goel (HUF)	4.4	3.8	3.5	3.0
	Gaurav Goel (HUF)	4.4	3.8	3.5	3.0
	Gautam Goel (HUF)	4.4	3.8	3.5	3.0
2	**Unsecured Loans and Advances from related parties**	**5.8**	**11.3**	**4.6**	**24.2**
	Goel Investment Limited	5.6	3.8	0.1	2.4
	India Green Fuel Private Limited	0.2	0.3	-	-
	Saraswati Properties Limited	-	2.7	0.3	1.1
	Shudh Edible Products Limited	-	0.4	0.0	3.7
	Sonitron Limited	-	-	-	0.6
	Ujjwal Rural Services Limited	-	1.2	0.8	-
	Mr. Vijay Kumar Goel	-	0.1	0.6	8.2
	Mr. Ashok Kumar Goel	-	0.1	2.1	4.0
	Mr. Gaurav Goel	-	1.3	0.5	4.1
	Mr. Gautam Goel	-	1.4	0.2	0.1

(₹ in Million)

S. No.	Particulars	2015-2016	2014-2015	2013-2014	2012-2013
3	**Payables**	**10.3**	**-**	**9.2**	**-**
	Saraswati Properties Limited	3.1	-	-	-
	Shudh Edible Products Limited	0.1	-	-	-
	Ujjwal Rural Services Limited	0.1	-	-	-
	Mr. Ashok Kumar Goel	0.9	-	-	-
	Mr. Gaurav Goel	1.8	-	-	-
	Mr. Gautam Goel	3.3	-	-	-
	Mr. Vijay Kumar Goel	1.0	-	-	-
	J.P. & Sons	-	-	9.2	-
4	**Loans & Advances / Receivables Net of Provision**	**-**	**-**	**1.1**	**1.1**
	Kashipur Sugar Mills Limited	-	-	1.1	1.1
5	**Security Deposits**	**21.9**	**21.9**	**21.9**	**21.9**
	Goel Investment Limited	5.0	5.0	5.0	5.0
	Saraswati Properties Limited	6.5	6.5	6.5	6.5
	Shudh Edible Products Limited	9.9	9.9	9.9	9.9
	Ujjwal Rural Services Limited	0.5	0.5	0.5	0.5

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

(a) Sundry creditors include a sum aggregating ₹ 52.2 Million, ₹ 28.3 Million, ₹ 38.3 Million and ₹ 27.9 Million for the year 2015-16, 2014-15, 2013-14 and 2012-13 respectively, due to micro and small enterprises is on account of principal only.

(b) The amount of interest paid by the company in terms of Section 16, alongwith the amount of payments made to the micro and small enterprise beyond the appointed date during the period - ₹ Nil.

(c) The amount of interest due and payable for the period of delay in making payment which have been paid but beyond the appointed day during the period but without adding the interest specified under this Act. - ₹ Nil.

(d) The amount of interest accrued and remaining unpaid - ₹ Nil.

(e) The amount of further interest remaining due and payable even in succeeding years - ₹ Nil.

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

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 **Additional information on net assets and share of profits of the Company and its subsidiaries as considered in Consolidated Financial Statements:**

Name of the Entity	Net assets			
	As a % of Consolidated net assets		₹ (In Million)	
	2015-16	2014-15	2015-16	2014-15
Parent Company:	100.12%	98.77%	7,115.5	4,185.0
Foreign Subsidiaries				
1 Dhampur Internationl Pte. Ltd. (WOS)	(-0.12)%	1.23%	(8.6)	52.1
2 Dhampur Global Pte. Ltd. (fellow subsidiary)	0%	0.0	0.0	0.0

Name of the Entity	Share in profit or (loss)			
	As a % of Consolidated profit or (loss)		₹ (In Million)	
	2015-16	2014-15	2015-16	2014-15
Parent Company:	123.45%	80.75%	319.5	(103.6)
Foreign Subsidiaries				
1 Dhampur Internationl Pte. Ltd. (WOS)	(-23.45)%	18.86%	(60.7)	(24.2)
2 Dhampur Global Pte. Ltd. (fellow subsidiary)	0%	0.39%	-	(0.5)

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

I Contingent Liabilities **(₹ in Million)**

Particulars	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013
i) Demands being disputed by the Company :				
a) Excise duty and Service Tax demands	445.1	352.6	302.7	317.2
b) Trade Tax and Entry Tax demands	493.4	319.9	208.1	151.9
c) Other demands	80.8	10.9	8.8	8.8
d) Estimated amount of interest on above	1,128.7	923.5	-	-
ii) Claims against the company not acknowledged as debts:				
a) Statutory liability being disputed by authorities	3.6	28.4	-	-
b) Income Tax demand on processing of TDS Returns	2.5	3.2	-	-
c) Other Liabilities including interest	261.7	57.1	-	-
d) In respect of some pending cases of employees	Amount not ascertainable	Amount not ascertainable	Amount not ascertainable	Amount not ascertainable

a) 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.

b) The Government of Uttar Pradesh had always waived liabilities of interest on account of delayed payment of sugar cane price in past for the industry and also considering the fact that the various initiatives taken by the Government to support the Sugar Industry, the Company as well as the industry believe that the interest on delayed payment of Cane Price for sugar season 2014-15 onwards will also be waived by the U.P. Government. Therefore, the same has not been recognised as liability.

c) 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.

d) 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 sucessfull outcome.

e) Excise Department has served show cause notices on the company for levy of duty of ₹ 610.9 Million as at 31.03.15, ₹ 723.5 Million as at 31.03.14 and ₹ 110.7 Million as at 31.03.13 on sale of Rectified Spirit; of ₹ 83.3 Million as at 31.03.15, ₹ 193.8 Million as at 31.03.14 and ₹ 88.3 Million as at 31.03.13 on sale of Electiricity; and of ₹ 584.4 Million as at 31.03.15, ₹ 43.1 Million as at 31.03.14 and ₹ 73.6 Million as at 31.03.13 for reversal of CENVAT credit taken by the company on certain capital goods and inputs. The company is legally advised that no duty is leviable on these cases and accordingly no provision is considered necessary.

f) During the year 2008-09, the Meergunj Unit has received demand/show cause Notice for ₹ 88.4 Million from Commissioner Central Excise Meerut (U.P.) demanding duty on the generation of electricity due to the non maintenance of separate set of books. Out of ₹ 88.4 Million, demand of ₹ 80.7 Million has been stayed by Hon'ble Custom, Excise & Service Tax Appellate Tribunal (CESTAT) and remaining ₹ 7.7 Million has been set aside by Commissioner Central Excise pursuant to guideline set by Hon'ble Supreme Court.It is expected that on the same basis remaining liability will be set aside by CESTAT.

II Commitments

a) Uncalled liability on investments in partly paid-up shares - Nil

b) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 127.8 Million, ₹ 64.5 Million, ₹ 2.2 Million and ₹ 519.3 Million for the year 2015-16, 2014-15, 2013-14 and 2012-13 respectively.

c) Corporate guarantee given by the company - ₹ 3,250 Million as at 31.03.2016 & 31.03.2015 and ₹ 1,750 Million as at 31.03.2014.

III Arrears of Cumulative Preference share dividend including Corporate dividend tax is amounting to ₹ 46.2 Million (including ₹ 14.4 Million for the year 2015-16) as at 31.03.2016 and ₹ 17.1Million for the year 2014-15 as at 31.03.2015.

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY STANDALONE FINANCIAL STATEMENTS

To

The Board of Directors

Dhampur Sugar Mills Limited

Dhampur, Distt. Bijnore

Uttar Pradesh, India - 246 761

1. The accompanying Summary Standalone Financial Statements of **Dhampur Sugar Mills Ltd** (the 'Company'), which comprises of the Standalone Balance Sheet as at, 31st March 2013, 31st March 2014, 31st March 2015 and 31st March 2016, Standalone Statements of Profit and Loss and Standalone Cash Flow Statements for years then ended on these dates, and a summary of significant accounting policies and other explanatory information and notes (together comprising the "Standalone Financial Statements"), are derived from the audited Standalone Financial Statements (the "Audited Standalone Financial Statements") of the company for the respective years. The figures as of and for the year ending 31st March 2016 have been approved by the Board of Directors subject to shareholders approval.

2. The figures included in the above Summary Financial Statements have not been restated/ adjusted for:
   (a) Giving effect of change in accounting policy, if any, retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods;
   (b) For the material amounts in the respective financial years to which they relate;
   (c) For the auditors' qualification which require corrective adjustments in the respective reported financial statement; and
   (d) For the adjustments made in the reporting of previous year's figures for regrouping or reclassification corresponding to the current year's grouping or classification in the respective Audited Standalone Financial Statements.

3. Audit of the financial statements for the year ended 31st March 2013, 31st March 2014 and 31st March 2015 were conducted by us with S. Vaish & Company, Chartered Accountants ("Joint Auditor") as Joint Auditors and audit of the financial statements for the year ended 31st March 2016 was conducted by us. Accordingly, reliance has been placed on these Audited Financial Statements for the purpose of report on these Summary Standalone Financial Statements of the Company as detailed in paragraph 4 below.

4.

   a) Joint Auditor and we have expressed our opinion on Audited Standalone Financial Statements of the Company for the year ended on 31st March 2013, 31st March 2014 and 31st March 2015 vide our report dtd. 25th July 2013, 21st May 2014 and 27th May 2015 respectively.

   b) We have expressed our opinion on Audited Standalone Financial Statement of the Company for the year ended on 31st March 2016 vide our report dtd. 10th May 2016.

   c) Our report in relation to the Audited Standalone Financial Statements of the Company included our opinion on such financials stating that such financials gave the information required by the Act in the manner so required and gave a true fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at the respective dates and its Profit/Loss and its Cash flows for the years ended on the respective dates.

   d) Our report on the Audited Standalone Financial Statement of the Company for the year ended 31st March 2015 included an Emphasis of Matter paragraph which drew attention to the Note no. 31 of the Summary Standalone Financial Statement, which explain the reasons for the recognition of subsidy amounting to Rs. 1226.1 millions, announced by the Government of Uttar Pradesh.

      Our opinion was not modified in respect of this matter.

   e) Our reports on the Audited Standalone Financial Statements of the Company for the year ended 31st March 2016, 31st March 2015 and 31st March 2014 states that we did not audit the financial statements of certain units of the Company, whose financial statements reflect the financial information as considered in the Standalone Financial Statements for the respective years then ended to the extent set out herein below. These financial statements and financial information were audited by S.S. Kothari Mehta & Company, Chartered Accountants (Other Auditors), whose reports were furnished to us, and our audit reports on the Standalone Financial Statements of the Company for these respective years to the extent they relate to the figures for the respective years as set out herein below were solely based on the reports of other auditors.

(Amount in millions)

Audited by other auditors	31st Mar.2016	31st Mar.2015	31st Mar.2014
No. of Units	2	1	1
Name of Units	Meerganj and Rajpura	Meerganj	Meerganj
Total Assets	8469.8	2741.9	2322.0
Total Revenue	4340.8	1148.4	1979.7

Our opinion was not modified in respect of this matter.

5. **Managements Responsibility for the Summary Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Furthermore, the Board of Directors is also responsible for the matter specified in the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ('SEBI Regulations') issued by the SEBI under Section 11 of SEBI Act, 1992 and also for the matters specified in Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and related classifications thereto.

6. **Auditors' Responsibility :**

Our responsibility is to express an opinion on the Summary Financial Information, prepared and approved by the Board of Director for the purpose of disclosure in the Information Memorandum for proposed Qualified Institutions Placement of equity shares of the Company, based on our procedures which were conducted in accordance with Standards on Auditing (SA 810), "Engagements to Reports on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

This report should not, in any way, be construed as a re-dating of any the previous audit reports issued by us or by Joint Auditors nor should this be construed as a new opinion on any of the standalone financial statements referred to herein. Furthermore, the audit report is intended solely for use of the managements and for inclusion in the information memorandum in the connection proposed Qualified Institutions Placement of the equity share of the Company. Our report should not be used for any other purpose without consent in writing.

7. **Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Summary Standalone Financial Statements, derived from the Audited Standalone Financial Statements of the Company for the respective years, are a compilation of those Audited Standalone Financial Statements.

For MITTAL GUPTA & CO.
Chartered Accountants
FRN: 01874C

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

Place: New Delhi
Dated: June 15, 2016

Dhampur Sugar Mills Limited

Balance Sheet as at (₹ in Million)

Particulars	Note No.	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Equity and Liabilities					
Shareholders' funds					
Share capital	3	753.0	759.6	804.1	833.6
Reserves and surplus	4	6,470.5	3,521.0	3,639.9	4,038.4
Money received against Equity share warrants	3B	-	12.4	24.8	-
Non-current liabilities					
Long-term borrowings	5	5,457.9	5,712.4	5,447.4	3,912.2
Deferred tax liabilities		-	-	-	55.9
Other long-term liabilities	8	9.9	34.9	51.5	54.4
Long-term provisions	6	208.2	206.5	199.5	180.3
Current liabilities					
Short-term borrowings	7	9,284.7	8,941.7	6,654.0	9,055.2
Trade payables	8	4,568.8	6,749.0	8,567.5	6,182.8
Other current liabilities	8	5,039.5	4,283.0	1,810.6	1,997.5
Short-term provisions	9	126.4	100.1	104.2	258.6
Total		**31,918.9**	**30,320.6**	**27,303.5**	**26,568.9**
Assets					
Non-current assets					
Fixed assets					
Tangible assets	10	14,937.9	12,517.4	10,859.5	10,730.1
Capital work-in-progress		281.7	177.4	2,070.3	194.2
Non-current investments	11	116.0	115.8	115.5	115.8
Deferred tax Assets (Net)	12	352.1	451.0	-	-
Long-term loans and advances	13	199.3	127.7	135.9	249.5
Other non-current assets	14	1.9	2.1	2.3	2.5
Current assets					
Inventories	15	12,617.8	12,522.6	12,243.4	13,112.6
Trade receivables	16	2,562.6	2,216.9	1,102.5	1,440.6
Cash and cash equivalents	17	181.3	139.6	149.3	128.7
Short-term loans and advances	13	265.8	393.5	349.6	547.8
Other current assets	14	402.5	1,656.6	275.2	47.1
Total		**31,918.9**	**30,320.6**	**27,303.5**	**26,568.9**
Significant Accounting Policies					
Notes on Financial Statements	1 to 44				

Dhampur Sugar Mills Limited

Profit and Loss Statement for the year ended 31st March (₹ in Million)

P a r t i c u l a r s	Note No.	2016	2015	2014	2013
Income					
Revenue from operations	18	22,754.1	18,547.7	18,970.5	15,328.7
Less : Excise duty and other taxes		920.2	658.2	749.8	516.5
Other income	19	240.5	61.0	65.9	73.9
Total revenue		**22,074.4**	**17,950.5**	**18,286.6**	**14,886.1**
Expenses					
Cost of Raw materials consumed	20	15,158.2	12,740.6	13,437.0	15,177.9
Purchases of Stock-in-Trade	18	1,720.3	1,037.8	223.3	246.8
(Increase)/Decrease in inventories of finished goods, Work-in-progress and traded goods	21	10.7	199.3	696.3	(5,217.6)
Employee benefits expense	22	805.7	743.3	727.0	711.0
Finance costs	24	1,586.3	1,496.6	1,422.1	1,126.7
Depreciation and amortization expense		548.6	551.5	758.8	781.9
Less : transferred from general reserve		-	-	-	(14.3)
Other expenses	23	1,972.2	1,698.3	1,831.7	1,680.7
Total Expenses		**21,802.0**	**18,467.4**	**19,096.2**	**14,493.1**
Profit before exceptional and extraordinary items and tax		**272.4**	**(516.9)**	**(809.6)**	**393.0**
Exceptional items (Refer Note No. - 28 & 29)		102.2	-	-	81.9
Transferred from General Reserve		-	-	-	(81.9)
Profit before extraordinary items and tax		**374.6**	**(516.9)**	**(809.6)**	**393.0**
Extraordinary items		-	-	-	-
Profit/(loss) before tax		**374.6**	**(516.9)**	**(809.6)**	**393.0**
Tax expense:					
Current tax/ Income tax adjustments		41.1	16.0	3.2	59.7
MAT credit entitlement		(41.1)	-	(3.2)	(59.5)
Deferred tax assets/(liability) (Net)		(55.1)	429.3	55.9	(165.2)
Profit/(loss)		**319.5**	**(103.6)**	**(753.7)**	**227.6**
Earning per equity share (nominal value of share ₹ 10/- each)					
Basic (₹ per share)		5.2	(2.1)	(13.5)	3.6
Diluted (₹ per share)		5.2	(2.1)	(12.8)	3.6
Significant Accounting Policies					
Notes on Financial Statements	1 to 44				

Dhampur Sugar Mills Limited
Cash Flow Statement for the year ended (₹ in Million)

	Particulars		31.03.2016	31.03.2015	31.03.2014	31.03.2013
A.	**Cash flow from operating activities:**					
	Net Profit/(Loss) before tax and exceptional items		272.4	(516.9)	(809.6)	393.0
	Adjustment for:					
	Depreciation		548.6	551.5	758.8	767.6
	Profit/ Loss on sale of fixed assets (Net)		(12.6)	5.0	(14.3)	(8.1)
	Finance Cost		1,586.3	1,496.6	1,422.1	1,126.7
	Provision for impairment of investment reversed		(32.4)	-	-	-
	Interest and other investment income		(23.9)	(14.1)	(47.5)	(7.1)
	Molasses storage fund		1.6	1.0	1.3	1.9
	Provision for doubtful debts & balance written off/(back)		(23.7)	1.9	-	79.5
	Operating profit before working capital changes					
	Adjustments for:					
	Trade and other receivables		1,093.5	(2,542.9)	346.9	727.0
	Inventories		(95.0)	(278.8)	869.4	(5,420.2)
	Trade and other payables		(1,678.5)	515.7	2,313.8	904.5
	Cash generated from operation		1,636.3	(781.0)	4,840.9	(1,435.2)
	Taxes refund/(paid)		0.6	(2.6)	(10.5)	(51.5)
	Net cash from operating activities	**(A)**	**1,636.9**	**(783.6)**	**4,830.4**	**(1,486.7)**
B.	**Cash flow from investing activities :**					
	Purchases of fixed assets (Net)		(485.0)	(467.6)	(2,150.2)	(860.5)
	Loans (Net)		-	-	0.8	124.0
	Purchases/Sale of investments (Net)		35.4	(5.0)	(6.3)	(107.8)
	Interest and other investment income		26.1	14.6	43.6	10.4
	Net cash used in investing activities	**(B)**	**(423.5)**	**(458.0)**	**(2,112.1)**	**(833.9)**
C.	**Cash flow from financing activities :**					
	Redemption of preference shares		(21.6)	(59.5)	(29.4)	(7.8)
	Money Received against share warrants/Equity Share Capital		37.1	37.1	24.8	-
	Proceeds from borrowings (Net)		473.0	2,724.3	(1,033.0)	3,450.2
	Change in deposit pledged against margin money/guarantee with bank		(1.7)	9.1	-	-
	Dividend including dividend distribution tax		-	(3.8)	(103.4)	(81.1)
	Finance Cost Paid		(1,657.2)	(1,470.1)	(1,568.4)	(1,156.0)
	Net cash used in financing activities	**(C)**	**(1,170.4)**	**1,237.1**	**(2,709.4)**	**2,205.3**
	Net Increase/(Decrease) in Cash and Cash Equivalents		43.0	(4.5)	8.9	(115.3)
	Opening Balance of Cash and Cash Equivalents		66.8	71.3	62.4	132.1
	Opening Balance from Amalgamated Company		-	-	-	111.9
	Closing Balance of Cash and Cash Equivalents as per cash flow		109.8	66.8	71.3	128.7

Reconciliation of Cash & Cash Equivalents :

Particulars	31.03.2016	31.03.2015	31.03.2014
Closing Balance of Cash & Cash Equivalents as per Cash Flow Statement	109.8	66.8	71.3
Add: Balance in Unpaid Dividend account	2.6	2.6	3.4
Add: Deposit pledged against margin money/guarantee	24.4	22.7	39.4
Add: Deposits earmarked for Fixed Deposit	36.6	-	-
Add: Deposit with original maturity more than 3 months but upto 12 months	-	35.7	35.2
Add: Deposits earmarked for Molasses Storage Fund	7.9	11.8	-
Closing Balance of Cash & Cash Equivalents as per Note No - 17	**181.3**	**139.6**	**149.3**

Notes to the Financial Statements

1) Corporate Information:

Dhampur Sugar Mills Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1913.
Its shares are listed on two stock exchanges in India namely, National Stock Exchange of India Ltd. and BSE Ltd.
The company is engaged mainly in the manufacturing and selling of sugar, chemicals, ethanol and co-generation of power.

2) Significant Accounting Policies:

i. Basis of Preparation of Financial statement

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Policies in India (Indian GAAP) to comply with the Accounting Standards specified under **Section 133 of the Companies Act, 2013**, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("The 2013 Act"). **Section 211(3C) of the Companies Act, 1956**The Financial Statements have been prepared on Accrual Basis on the Historical cost convention except for certain tangible fixed assets which are carried on revalued amounts.
All assets and liabilities have been classified as current and non-current as per Company's normal Operating Cycle and other criteria set out in the Companies Act, 2013. The company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

ii. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management of the company to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year.
The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

iii. Fixed Assets and work-in-progress

Fixed assets are stated at cost, net of recoverable taxes and includes amount added on revaluation, less accumulated depreciation, and impairment loss, if any. All costs, including financing costs attributable to construction or acquisition of fixed assets till commencement of commercial production, and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.
Expenditure during construction period: Directly attributable expenditure (including finance cost related to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation and capital assets under installation are treated as pre-operative expenses pending allocation to assets and are shown under "Capital work-in-progress". Capital Work-in-progress is stated at the amount expended up to the date of Balance Sheet for the cost of fixed assets that are not ready for their intended use.
Assets identified and technically evaluated as obsolete are retired from active use and held for disposal are stated at the lower of their net book value and estimated realizable value.

iv. Depreciation and Amortization

<u>For the year 2015-16 & 2014-15:</u>

Depreciation on fixed assets is provided for over the useful life of assets specified in the Schedule –II of Companies Act, 2013 as under:
Depreciation on plants and buildings acquired up to 31st March 1989 and other assets acquired up to 31st March, 2014 is provided on written down value method.
Depreciation on plants and buildings acquired after 31st March 1989 and other fixed assets acquired after 31st March, 2014 is provided on straight line method.

<u>For the year 2013-14 & 2012-13:</u>

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

Depreciation on other fixed assets is provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

v. Foreign Exchange Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate on the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are restated at year -end rates. In case of items which are covered by forward exchange contracts, the premium or discount arising out at the inception of such contracts is amortized as income or expense over the life of the contract. Further exchange difference on such contracts i.e. difference between the exchange rate at the exchange reporting/settlement date and the exchange rate on the date of inception of contract/the last reporting date, is recognized as income/ expense for the year except that the exchange differences, including premium or discount on forward exchange contracts, arising in respect of long term borrowings or liabilities relating to the acquisition of the depreciable capital assets which are adjusted to the cost of fixed assets.

Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

vi. Inventories

Raw material, process chemicals, stores, spares and packing material are carried at weighted average cost.

Finished goods, Goods in Process and Traded goods except by-products are carried at lower of cost and net realizable value. Cost of trading goods is determined using FIFO basis. Cost of finished goods and Goods in Process 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.

Stock of finished farm products, molasses and bagasse are carried at estimated Net Realizable Value.

Standing cane and other crops are carried at cost.

Loose tools and instruments are carried at depreciated value.

By-products are carried at net realizable value.

vii. Excise duty

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

viii. Employees Benefits

<u>Defined contribution plan:</u>

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

<u>Defined benefit plan:</u>

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

Short term benefits are recognized as expense at the undiscounted amount in the Statement of the profit and loss account for the year in which the related service is rendered.

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.

ix. Leases

Leases rentals in respect of operating leases, if any, are expensed with reference to lease term, except for rentals pertaining to the period up to the date of commissioning of the assets which are capitalized.

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

x. Investments

Investments are either classified current or long-term based on Management's intention at the time of acquisition:-

Current investments are carried at lower of cost and net realizable value.

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

Cost includes acquisition price and directly attributable acquisition charges such as brokerage, fee and duties.

xi. Revenue Recognition

Revenue is recognized only when it can be reliably measured and is reasonable to expect ultimate collection. Revenue from sale of goods is recognized on transfer of significant risk and reward of ownership to the customer. Revenue includes excise duty and excludes sales tax/VAT, trade discount and rebates. Interest income is recognized when no significant uncertainty as to measurability or collectability exists.

Insurance claim are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims. .

Export benefits are accounted for in the year of exports based on eligibility and when there is no significant uncertainty in receiving the same.

xii. Borrowing Costs

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

xiii. Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits under the provision of Income Tax Act, 1961. Deferred tax resulting from timing differences between taxable income and accounting income is accounted for using the tax rates and Laws that are enacted or substantively enacted on the balance sheet date. The deferred tax asset is recognized and carried forward only if there is virtual certainty that the assets will be realized in future.

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

xiv. Impairment of Assets

The Carrying amount of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/ external 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. Impairment losses recognized in prior accounting period are reversed if there is any change in the estimate of the recoverable amount.

xv. Government Grants

Government grants are recognized where there is reasonable assurance that the condition attached to them will be complied and the grants will be received. Government grants are accounted for as under:

Government grants of the nature of promoters’ contribution are credited to the capital reserve and treated as a part of the Shareholders’ Fund.

Government grants related to specific depreciable fixed assets are adjusted with the value of assets. Government grants related to the specific non-depreciable fixed assets are credited to capital reserve.

Government grants that are receivable as compensation for expenses or losses incurred or for the purpose of giving immediate financial support are either deducted from the expenditure in case these relate to specific expenditure and in other cases, are treated as other income. These grants, if available, to the industry in general are treated as ordinary items and if available only to the company are treated as an extraordinary item and disclosed accordingly.

xvi. Provisions, Contingent Liabilities and Assets

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

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

Contingent assets are not recognized in the financial statements.

xvii. 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 carry insignificant risk of changes in value.

xviii. 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 Company are segregated.

xix. Earning Per Share

Basic earnings per share are computed by dividing the net profit/(loss) after tax (including the post-tax effect of extra ordinary items, if any), attributable to the equity shareholders, by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed by dividing the net profit/(loss) after tax (including the post-tax effect of extra ordinary items, if any), attributable to the equity shareholder, 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. Dilutive potential equity shares are determined as at the end of each period presented.

xx. Segment Reporting

Segments are identified based on dominant source and nature of risks and returns and the internal organizational and management structure. The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole. In addition, the following specific accounting policies have been followed for segment reporting:

Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter segment transfers. Inter segment transfers are accounted for, based on the estimated market price in case of marketable product and cost plus markup basis in case of non-marketable product.

2012-13:

"3 (i)" Revision of Accounts and Amalgamation of J.K.Sugar Limited (JKSL)

Hon'ble High Court of Judicature at Allahabad and Calcutta by their orders dated 18th March, 2013 and 17th May, 2013 respectively approved the Scheme of Amalgamation of J K Sugar Ltd. with the company which has become effcetive on 16th July, 2013 from the appointed date 1st April, 2012 in accordance with the provisions of section 391 & 394 of the Companies Act, 1956.The Board of the directors of the company had approved the original financial statements for the year ending March 31, 2013 without giving the effect of amalgamation as aforesaid, in the meeting held on 21st May, 2013 with the condition that if the Scheme become effective before 15th August, 2013, the annual accounts should be revised to give effect to the scheme of amalgamation and revised accounts be placed before the Board for approval.

The scheme of amalgamation became effective on filing of orders with the respective Registrar of Companies and to give effect the of amalgmation in the books of accounts for the year ended 31st March, 2013, accounts of the Company have been reopened and revised. The present financial statements are revised for the limited pupose of amalgamation of JKSL with the Company in accordance with the accounting policies followed by the Company

"3 (ii)" Salient features of the Scheme of Amalgamation

JKSL was engaged in the manufacture of Sugar and Co-generation power.

The appointed date for the purpose of this amalgamation is 1st April,2012.

In accordance with the scheme approved, the accounting for this amalgamation has been done in accordance with the "Pooling of Interest Method" referred to in Accounting Standard 14 - "Accounting for Amalgamation" of the Companies (Accounting Standard) Rules 2006.

Accordingly, DSML has accounted for the Scheme in its books of accounts with effect from the Appointed Date i.e.1st April,2012 as under:

i) With effect from the appointed date, all assets and liabilities appearing in the books of JKSL have been transferred to and vested in DSML and have been recorded by DSML at their respective book values.

ii) In consideration of the transfer of the business as a going concern, the Company shall issue the shares as under :

a) 275 fully paid-up of equity shares of ₹10/- each of the Company for every 1000 equity shares of ₹10/- each fully paid-up of JKSL to equity shareholders of JKSL. Pending allotment, the outstanding equity shares to be issued aggregating to ₹ 33.1 Million representing 33,08,960 equity shares of ₹ 10/- each of the company is shown as Equity Share pending for allotment under Share Captial.

The amalgamation will result in exchange of 5.78% of post issue equity shares of DSML.

b) 9 fully paid-up of 8% Cumulative redeemable preference shares(CRPS) of ₹100/- each of the Company for every ten 8% Cumulative redeemable preference shares (Series A) of ₹ 90/- each fully paid-up of JKSL to preference shareholders of JKSL. Pending allotment, the outstanding 8% CRPS to be issued aggregating to ₹ 135.0 Million representing 13,50,000 8% CRPS to be issued of ₹ 100/- each of the company is shown as 8% CRPS pending for allotment under Share Capital.

c) 9 fully paid-up of 8% Cumulative redeemable preference shares (CRPS) of ₹100/- each of the Company for every ten 8% Cumulative redeemable preference shares (Series B) of ₹ 90/- each fully paid-up of JKSL to preference shareholders of JKSL. Pending allotment, the outstanding 8% CRPS to be issued aggregating to ₹ 16.7 Million representing 1,66,804 8% CRPS to be issued of ₹ 100/- each of the company is shown as 8% CRPS pending for allotment under Share Capital.

d) 1 fully paid-up of 8% Cumulative redeemable preference shares (CRPS) of ₹100/- each of the Company for every ten Zero coupon fully convertivble redeemable preference shares of ₹ 10/- each fully paid-up of JKSL to preference shareholders of JKSL. Pending allotment, the outstanding 8% CRPS to be issued aggregating to ₹ 28.5 Million representing 2,85,013 8% CRPS to be issued of ₹ 100/- each of the company is shown as 8% CRPS pending for allotment under Share Capital.

iii) The equity and preference share capital of the JKSL has been cancelled under the scheme.

iv) The difference between the book value of net identifiable assets and liabilities of JKSL transferred to DSML pursuant to this scheme and the consideration being the value of New Equity Shares to be issued and allotted by DSML, amounting to ₹ 87.2 Million has been credited to Amalgamation Reserve.

v) Accordingly, 33,08,960 equity share of ₹ 10/- each fully paid up and 18,01,817, 8% CRPS of ₹ 100/- each fully paid up of DSML are to be issued to the shareholders of JKSL under this amalgamation. The record date fixed for this purpose is 6th August, 2013.

vi) All inter company transactions have been eliminated on incorporation of the accounting of JKSL in the company.

vii) The company shall proceed to issue these equity share and 8% CRPS to the respective shareholders of JKSL in due course of time.

viii)To align the method and rates of Depreciation charged by the amalgamating company (JKSL) with those of the amalgamated company (DSML), method of depreciation on assets of JKSL, other than building and plant & machinery has been changed from SLM to WDV and additional depreciation of ₹15.1 Million (including ₹14.3 Million upto appointed date i.e. 1st April, 2012) has been charged to the Profit and Loss statement and ₹ 14.3 Million, additional depreciation upto 1st April,2012 has been withdrawn from the General Reserve pursuant to the scheme of Amalgamation. Due to this change depreciation for the year (Net of withdrawn from General Reserve) is higher by ₹ 0.8 Million ,Reserve & Surplus and Tangible Asset is lower by ₹15.1 Million.

ix) The expenses incurred towards the execution of the Amalgamation Scheme have been adjusted from the Amalgamation Reserve and the resultant credit balance has been transferred to the Capital Reserve Account as per the Scheme.

"3" - Share capital (₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Authorized				
11,38,26,000 equity shares of ₹ 10/- each	**1,138.3**	**1,138.3**	**1,138.3**	**1,138.3**
69,17,400 preference shares of ₹ 100/- each	**691.7**	**691.7**	**691.7**	**691.7**
Issued , subscribed and paid-up				
Equity shares				
Equity shares of ₹ 10/- each fully paid-up*	602.1	587.1	572.1	539.1
3,25,496 equity shares forfeited	0.7	0.7	0.7	0.7
Less : Calls in arrears	0.0	0.0	0.0	0.0
Preference shares				
4,13,940 - 6% Cumulative Redeemable preference shares of ₹ 100/- each fully paid-up	-	13.8	27.6	41.4
(Amount pending for redemption - as given under below table**)				
4,69,013 - 1% Cumulative Redeemable preference shares of ₹ 100/- each fully paid-up	-	7.8	23.5	39.1
(Amount pending for redemption - as given under below table**)				
18,01,817 - 8% Cumulative Redeemable preference shares of ₹ 100/- each fully paid-up (Amount pending for redemption - as given under below table**)	150.2	150.2	180.2	-
33,08,960 - Equity share pending for allotment	-	-	-	33.1
18,01,817 - 8% Cumulative Redeemable Preference share pending for allotment	-	-	-	180.2
Total	**753.0**	**759.6**	**804.1**	**833.6**

*** Number of shares are as under:**

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Nos of Equity shares as at the end of the year	60214935	58714935	57214935	53905975

**** Amount pending for redemption are as under:** (Amount in ₹)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
6% Cumulative Redeemable preference shares of ₹ 100/- each fully paid-up (per share)	0.0	33.3	66.7	100.0
1% Cumulative Redeemable preference shares of ₹ 100/- each fully paid-up (per share)	0.0	16.7	50.0	83.3
8% Cumulative Redeemable preference shares of ₹ 100/- each fully paid-up (per share)	83.4	83.4	100.0	0.0

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

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
	Nos.	Nos.	Nos.	Nos.
Authorized shares				
Equity shares				
At the beginning of the period	113826000	113826000	113826000	97000000
Added as per scheme of amalgamation	0	0	0	16826000
Outstanding at the end of the period	113826000	113826000	113826000	113826000
Preference shares				
At the beginning of the period	6917400	6917400	6917400	5100000
Added as per scheme of amalgamation	0	0	0	1817400
Outstanding at the end of the period	6917400	6917400	6917400	6917400
Issued , subscribed and paid-up shares				
Equity shares				
At the beginning of the period	58714935	57214935	53905975	53905975
Issued during the period	1500000	1500000	3308960	0
Outstanding at the end of the period	60214935	58714935	57214935	53905975
Preference shares				
At the beginning of the period	2684770	2684770	882953	882953
Issued during the period	0	0	1801817	0
Redeemed during the period	882953	0	0	0
Outstanding at the end of the period	1801817	2684770	2684770	882953
	(₹ in Million)	(₹ in Million)	(₹ in Million)	(₹ in Million)
Authorized shares				
Equity shares				
At the beginning of the period	1,138.3	1,138.3	1,138.3	970.0
Added as per scheme of amalgamation	-	-	-	168.3
Outstanding at the end of the period	1,138.3	1,138.3	1,138.3	1,138.3
Preference shares				
At the beginning of the period	691.7	691.7	691.7	510.0
Added as per scheme of amalgamation	-	-	-	181.7
Outstanding at the end of the period	691.7	691.7	691.7	691.7
Issued , subscribed and paid-up shares				
Equity shares				
At the beginning of the period	587.1	572.1	539.1	539.1
Issued during the period	15.0	15.0	33.0	-
Outstanding at the end of the period	602.1	587.1	572.1	539.1
Preference shares				
At the beginning of the period	171.8	231.3	88.3	88.3
Issued during the period	-	-	180.2	-
Redeemed during the period	21.6	59.5	-	-
Outstanding at the end of the period	150.2	171.8	268.5	88.3

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

Particulars	31.03.2016 No. / % of Holding	31.03.2015 No. / % of Holding	31.03.2014 No. / % of Holding	31.03.2013 No. / % of Holding
Equity shares of ₹ 10 each fully paid-up				
Goel Investments Ltd.	11255515 / (18.69%)	11255515 / (19.17%)	11255515 / (19.67%)	11255515 / (20.88%)
Sonitron Ltd.	4940716 / (8.21%)	4940716 / (8.41%)	4940716 / (8.64%)	4940716 / (9.17%)
Shudh Edible Products Ltd.	4549680 / (7.56%)	4549680 / (7.75%)	4549680 / (7.95%)	4549680 / (8.44%)
Mr. Gautam Goel	4242339 / (7.05%)	3492339 / (5.95%)	3492339 / (6.10%)	3481038 / (6.46%)
Mr. Gaurav Goel	4211379 / (6.99%)	3461379 / (5.90%)	3461379 / (6.05%)	3452843 / (6.41%)
Saraswati Properties Limited	3416758 / (5.67%)	3416758 / (5.82%)	-	-
6% Cumulative Redeemable Preference shares of ₹ 100 each fully paid-up				
IFCI Ltd.	0 / (0%)	413940 / (100%)	413940 / (100%)	413940 / (100%)
1% Cumulative Redeemable Preference shares of ₹ 100 each fully paid-up				
IFCI Ltd.	0 / (0%)	469013 / (100%)	469013 / (100%)	469013 / (100%)
8% Cumulative Redeemable Preference shares of ₹ 100 each fully paid-up				
JK Tyre & Indurties Limited	1801817 / (100%)	1801817 / (100%)	1801817 / (100%)	

"3. c" - Calls unpaid of equity shares

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

"3. d" - Terms/right attached to equity shares

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

"3. e" - 33,08,960 Equity shares of ₹ 10 each and 18,01,817 8% Cumulative Redeemable Preference shares of ₹ 100 each were allotted during the year 2013-14 to the shareholders of J K Sugar Ltd pursuant to the scheme of amalgamation without payment being received in cash.

"3. f" - Right attached to Preference shares

(i) The Preference shares will constitute direct, unconditional, un-subordinated and unsecured obligations of the company and will at all times rank pari passu and without any preference among them.

(ii) No premature redemption option to the company, nor to the shareholders of Cumulative Redeemable Preference shares and no option to the shareholders to seek redemption in case of non-payment of dividend.

"3. g" - Terms of redemption of Preference shares

(i) 4,13,940 - 6% Cumulative Redeemable Preference Shares of ₹ 100 each are redeemable in 3 equal yearly installments commencing from December, 2013.

(ii) 4,69,013 - 1% Cumulative Redeemable Preference Shares of ₹ 100 each are redeemable in 12 equal quarterly installments commencing from December, 2012.

(iii) 18,01,817 - 8% Cumulative Redeemable Preference Shares of ₹ 100 each (to be issued on amalgamation of JKSL) are redeemable in 3 equal yearly installments commencing from April 01, 2014. The amount due for redemption as at 31st March, 2016 is ₹ 90 Million and as at 31st March, 2015 is ₹ 30 Million.

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

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Proposed dividend per equity share of ₹ 10/- each	₹ NIL	₹ NIL	₹ NIL	₹ 1.25
Proposed dividend per 6% Cumulative Redeemable Preference Share of ₹ 100/- each	₹ NIL	₹ NIL	₹ 5.51	₹ 6.00
Proposed dividend per 1% Cumulative Redeemable Preference Share of ₹100/- each	₹ NIL	₹ NIL	₹ 0.71	₹ 1.00
Proposed dividend per 8% Cumulative Redeemable Preference Share of ₹100/- each	₹ NIL	₹ NIL	₹ NIL	₹ 8.00

"3.i" - During the year 2012-13, as per the Scheme of Amalgamation, the entire authorized share capital of J K Sugar Limited equal to ₹ 350.0 Million divided into equity and preference is added to the authorized share capital of the company as 1,68,26,000 equity shares of ₹ 10 each amounting to ₹ 168.3 Million and 18,17,400 preference shares of ₹ 100 each amounting to ₹ 181.7 Million.

"3B" - Money received against Equity share warrants **(₹ in Million except no of shares warrants)**

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Money recieved against Equity share warrants				
- Equity share warrants of ₹ 8.25 per warrant - Nos.	-	15,00,000	30,00,000	-
- Equity share warrants of ₹ 8.25 per warrant - Amount	-	12.40	24.80	-
Total	**-**	**12.40**	**24.80**	**-**

"3B. a" - Terms of share warrants issue:

1. The holder(s) of each warrant shall have an option to apply for and be allotted One equity share of ₹ 10 each at premium of ₹ 23 per share i.e. ₹ 33 per share at any time within 18 months from the date of allotment of warrant. i.e. 26th March 2014.
2. Application money of ₹ 8.25 per warrant shall be adjusted against the price payable subsequently for acquiring by exercising the option. Application money of ₹ 8.25 per warrant shall be forfeited if the option to acquire shares is not exercised.
3. The Equity shares issued and allotted upon exercise of option will be fully paid and will rank pari-passu with the existing equity shares.
4. During the year 2014-15, option has been excercised for 15,00,000 equity share warrants.
5. During the year 2015-16, 15,00,000 Equity shares of ₹ 10/- each at a premium of ₹ 23/- per share has been allotted on conversion of 15,00,000 equity share warrants.

"4" - Reserves and surplus (₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Capital reserve				
Balance as per last account	106.4	106.4	106.4	29.6
Add: Net gain on sale of RECs' transfer from surplus	145.9	-	-	-
Add/Less : transferred from/to amalgamation reserve	-	-	-	76.8
Securities premium reserve				
Balance as per last account	3,234.1	3,199.6	3,199.6	3,176.7
Add: received during the year	34.5	34.5	-	-
Addition on amalgamation of JKSL	-	-	-	26.9
Less: provision for premium on redemption of Zero Coupon Non-covertible Debentures	-	-	-	(4.0)
Reserve for construction of Molasses Storage Tank				
Balance as per last account	10.6	15.7	14.4	23.1
Add: Provided during the period	1.6	1.0	1.3	1.9
Less: Transferred to General Reserve	-	(6.1)	-	(15.9)
Addition on amalgamation of JKSL	-	-	-	5.3
Debenture redemption reserve				
Balance as per last account	-	-	24.0	-
Addition on amalgamation of JKSL	-	-	-	11.4
Less : Transferred to general reserve	-	-	(24.0)	-
Add : Transferred from general reserve	-	-	-	12.6
Amalgamation reserve				
Reserve credited on amalgamation of JKSL	-	-	-	87.2
Less/Add : Transferred to/from capital reserve on amalgamation	-	-	-	(76.8)
Less : Adjustment of expenses incurred on amalgalmation	-	-	-	(10.4)
Capital redemption reserve				
Balance as per last account	37.2	-	-	-
Add: transferred from general reserve	-	37.2	-	-
Revaluation Reserve				
Balance as per last account	356.9	356.9	-	-
Add: During the year (Refer Note No. - '10')	2,593.9	-	356.9	-
General reserve				
Balance as per last account	462.4	544.3	520.3	783.1
Add : Transferred from Resrve for Construction of Molasses Storage Tank	-	6.1	-	15.9
Add: Transferred from Debenture Redemption Reserve	-	-	24.0	-
Less: adjustment relating to fixed assets	-	(50.8)	-	-
Less: Transferred to Capital Redemption Reserve	-	(37.2)	-	-
Add: transferred from Surplus	-	-	-	150.0
Debit balance of Profit/Loss of JKSL upto 31-03-2012 on amalgamation	-	-	-	(332.5)
Less: Transferred to statement of profit & loss	-	-	-	(96.2)
Surplus/(Deficit)				
Balance as per last account	(686.6)	(583.0)	173.7	212.7
Profit/(loss) for the year	319.5	(103.6)	(753.7)	227.6
Less: Appropriations:				
Net gain on sale of RECs' transfer to Capital Reserve	(145.9)	-	-	-
Proposed equity dividend	-	-	-	(71.5)
Dividend on preference shares	-	-	(2.6)	(17.4)
Tax on dividend	-	-	(0.4)	(15.1)
Transferred to debenture redemption reserve	-	-	-	(12.6)
Transferred to general reserve	-	-	-	(150.0)
Total	**6,470.5**	**3,521.0**	**3,639.9**	**4,038.4**

"5" - Long-term borrowings (₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Term loans				
Secured				
Rupee term loans from banks	3,492.6	3,408.8	3,348.1	2,755.7
Rupee term loans from banks SEFASU	669.4	1,034.5	1,095.3	-
Rupee term loans from banks Soft loan	990.9	-	-	-
Foreign currency term loan from bank	-	448.0	-	-
Zero coupon rupee term loans from banks	-	-	20.6	61.9
Rupee term loans from sugar development fund	182.4	440.7	686.6	1,026.4
Sub Total	**5,335.3**	**5,332.0**	**5,150.6**	**3,844.0**
Unsecured				
Deposits - from related parties	41.3	26.8	-	19.8
- from public	47.6	42.0	23.0	44.8
Buyers' credit from bank	33.7	311.6	270.2	-
Deferred payment liabilities	-	-	3.6	3.6
Sub Total	**122.6**	**380.4**	**296.8**	**68.2**
Total	**5,457.9**	**5,712.4**	**5,447.4**	**3,912.2**
Current:				
Debentures - Secured				
Zero Coupon Non-convertible debentures including premium	**-**	**-**	**-**	**24.0**
Term loans				
Secured				
Rupee term loans from banks	852.2	769.2	835.5	662.0
Rupee term loans from banks SEFASU	365.1	60.8	-	-
Foreign currency term loan from bank (ECB)	-	-	-	217.2
Foreign currency term loan from bank	-	240.5	-	-
Zero coupon rupee term loans from banks	-	20.6	41.2	41.2
Rupee term loans from sugar development fund	253.7	258.3	326.0	391.5
Sub Total	**1,471.0**	**1,349.4**	**1,202.7**	**1,311.9**
Unsecured				
Deposits - from related parties	26.8	58.0	20.3	16.0
- from public	20.8	25.2	25.5	19.8
Buyers' credit from bank	296.7	-	-	48.6
Deferred payment liabilities	-	-	3.5	3.5
Sub Total	**344.3**	**83.2**	**49.3**	**87.9**
Total	**1,815.3**	**1,432.6**	**1,252.0**	**1,423.8**

"5.a" - Nature of security

(i) Rupee term loan from bank under the Government sponsored subvention Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU), 2014 of ₹ 1034.5 Million as at 31.03.2016, ₹ 1095.3 Million as at 31.03.2015 and ₹ 1095.3 Million as at 31.03.2014 are secured by third parri passu charge on block of fixed assets of the company and personal guarantee of four directors.

(ii) Rupee term loan from bank under the Government sponsored Scheme for Extending soft loan to sugar mills of ₹ 990.9 Million as at 31.03.2016 are secured by third parri passu charge on block of fixed assets of the company and personal guarantee of four directors.

(iii) Rupee term loans from Sugar Development Fund are secured by exclusive second charge on all movable and immovable assets excluding current assets of the company.

(iv) All other term loans from financial institutions and banks are secured by first parri passu charge on all movable and immovable assets except book debts, stock-in-trade, raw materials, spare parts and other current assets as at 31.03.2013, part of above are also secured by pledge of shares of Kashipur Sugar Mills Limited.

(v) All the term loans are guaranted by four directors.

(vi) During the year 2014-2015, Rupee Term Loan of ₹ 643.0 Million from bank has been converted into Foreign Currency Term Loan (FCTL) of USD 11 Million for a period of 12 months. FCTL carry interest rate @ 6.547% p.a. After 12 months FCTL equivalent to ₹ 643.0 Million will be reconverted into Rupee Term Loan and will be repaid according to original term of sanction of Rupee Term Loan. Accordingly Current Maturity of FCTL has been worked out on the basis of original term and condition of Rupee Term Loan and shown as current liability and in the details of "Maturity Profile" of Term Loans.

(vii) Term loans from bank of ₹ 12.5 Million as at 31.03.2014 are secured by subservient sixth charge on all movable and immovable assets of the company.

(viii) As at 31.03.2013, Zero Coupon Non-convertible debentures (ZCNCD) are secured by a first pari passu charge in favour of the trustee on movable and immovable assets of the Meerganj unit.

(ix) Term loans from bank of ₹ 20.9 Million as at 31.03.2013 are secured by subservient sixth charge on all movable and immovable assets of the company.

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

2015-2016:

(₹ in Million)

Particulars	ROI (%) as on 31.03.2016	F.Y. 17-18	F.Y. 18-19	F.Y. 19-20	Beyond F.Y.-19-20	Total
Secured						
Term Loans from banks	12.70%	48.6	-	-	-	**48.6**
	12.50%	25.0	-	-	-	**25.0**
	12.45%	108.3	108.3	108.3	189.6	**514.5**
	12.35%	528.3	366.3	250.0	-	**1,144.6**
	12.25%	113.9	151.8	151.8	341.6	**759.1**
	12.20%	80.0	60.0	-	-	**140.0**
	12.00%	90.0	85.0	37.5	-	**212.5**
	11.35%	232.0	232.0	174.0	-	**638.0**
	10.00%	8.4	1.9	-	-	**10.3**
Term Loans from banks Soft loan	*2.25%	148.6	198.2	198.2	398.7	**943.7**
Term Loans from banks Soft loan	*1.75%	5.9	11.8	11.8	17.7	**47.2**
Term Loans from banks SEFASU	Nil	365.1	304.3	-	-	**669.4**
Sub-total		**1,754.1**	**1,519.6**	**931.6**	**947.6**	**5,152.9**
Rupee term loans from sugar development fund	7.00%	36.0	22.3	6.7	-	**65.0**
	4.00%	117.4	-	-	-	**117.4**
Sub-total		**153.4**	**22.3**	**6.7**	**-**	**182.4**
Total secured		**1,907.5**	**1,541.9**	**938.3**	**947.6**	**5,335.3**
Unsecured Deposits	11% to 12%	**88.9**	**-**	**-**	**-**	**88.9**
Buyers Credit from Bank	1.78%	**29.7**	**4.0**	**-**	**-**	**33.7**
Grand-total		**2,026.1**	**1,545.9**	**938.3**	**947.6**	**5,457.9**

* Net of interest subvention of 10% from Ministry for Consumer Affairs, Food and Public Distribution for one year from the date of disbursement. After one year interest would be payable as per rate applicable to the company, which is 12.25% & 11.75% respectively as on 31st March 2016.

2014-15:

(₹ in Million)

Particulars	ROI (%) as on 31.03.2015	F.Y. 16-17	F.Y. 17-18	F.Y. 18-19	Beyond F.Y.-18-19	Total
Secured						
Term Loans from banks	13.25	50.0	48.6	-	-	**98.6**
	13.00	558.8	636.6	474.6	548.0	**2,218.0**
	12.75	182.7	107.5	60.0	-	**350.2**
	12.00	322.0	322.0	322.0	224.0	**1,190.0**
	100% Intt. Subvention	365.1	365.1	304.3	-	**1,034.5**
Sub-total		**1,478.6**	**1,479.8**	**1,160.9**	**772.0**	**4,891.3**
Rupee term loans from sugar development fund	7.00	27.9	27.8	20.5	6.7	**82.9**
	4.00	224.9	124.5	7.0	1.4	**357.8**
Sub-total		**252.8**	**152.3**	**27.5**	**8.1**	**440.7**
Total secured		**1,731.4**	**1,632.1**	**1,188.4**	**780.1**	**5,332.0**
Unsecured Deposits	11 to 12	**68.8**	-	-	-	**68.8**
Buyers Credit from Bank	1.50	**280.0**	**22.4**	**9.2**	**-**	**311.6**
Grand-total		**2,080.2**	**1,654.5**	**1,197.6**	**780.1**	**5,712.4**

2013-14: (₹ in Million)

Particulars	ROI (%) as on 31.03.2014	F.Y. 15-16	F.Y. 16-17	F.Y. 17-18	Beyond F.Y.-17-18
Secured					
Term Loans from banks	14.75	300.0	-	-	-
	13.25	50.0	50.0	23.6	-
	13.00	350.0	350.0	350.0	350.0
	12.75	180.0	155.0	155.0	155.0
	12.00	402.0	402.0	384.5	351.6
	9.00	4.3	0.3	-	-
	7.00	4.1	-	-	-
	100% Intt. Subvention	-	60.9	365.1	669.3
Sub-total		**1,290.4**	**1,018.2**	**1,278.2**	**856.6**
Zero coupon rupee term loans from banks		**20.6**	**-**	**-**	**-**
Rupee term loans from sugar development fund	7.50	7.3	7.3	7.3	-
	7.00	81.5	83.3	83.3	83.3
	4.00	114.9	72.8	72.8	72.8
Sub-total		**203.7**	**163.4**	**163.4**	**156.1**
Total secured		**1,514.7**	**1,181.6**	**1,441.6**	**1,012.7**
Unsecured Deposits	11 to 12	23.0	-	-	-
Buyers Credit from Bank	1.55	**-**	**270.2**	-	-
Deferred payment liabilities		**3.6**			
Grand-total		**1,541.3**	**1,451.8**	**1,441.6**	**1,012.7**

2012-13: (₹ in Million)

Particulars	ROI (%) as on 31.03.2013	F.Y. 14-15	F.Y. 15-16	F.Y. 16-17	Beyond F.Y.-16-17
Secured					
Term Loans from banks	14.00	120.0	150.0	150.0	**-**
	13.50	294.6	220.0	220.0	**255.0**
	13.25	92.7	58.3	50.0	**48.7**
	12.75	180.0	180.0	165.0	**214.2**
	12.00	85.0	70.0	70.0	**107.5**
	10.50	9.7	2.4	-	**-**
	7.00	8.4	4.2	-	**-**
Sub-total		**790.4**	**684.9**	**655.0**	**625.4**
Zero coupon rupee term loans from banks		**41.2**	**20.7**	**-**	**-**
Rupee term loans from sugar development fund	7.50	7.3	7.3	7.3	**7.3**
	7.00	-	7.6	28.6	**75.4**
	4.00	272.7	253.0	218.6	**141.3**
Sub-total		**280.0**	**267.9**	**254.5**	**224.0**
Total secured		1,111.6	**973.5**	**909.5**	**849.4**
Unsecured Deposits	11 to 12	64.6	-	-	**-**
Deferred payment liabilities		3.6	-	-	**-**
Grand-total		**1,179.8**	**973.5**	**909.5**	**849.4**

"6" - Long-term provisions (₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Provision for employee benefits :				
Provision for gratuity	208.2	206.5	199.5	180.3
Total	**208.2**	**206.5**	**199.5**	**180.3**

"7" - Short-term borrowings (₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Secured				
Cash credit from banks	9,193.2	8,585.8	5,634.7	7,740.1
Rupee loans from banks	-	300.0	797.6	1,150.0
	9,193.2	**8,885.8**	**6,432.3**	**8,890.1**
Unsecured				
Deposits - from related parties	33.0	8.0	52.9	-
- from public	52.6	36.4	164.1	140.9
Short term loans and advances - from related parties	5.9	2.9	4.7	24.2
- from others	-	8.6	-	-
	91.5	**55.9**	**221.7**	**165.1**
Total	**9,284.7**	**8,941.7**	**6,654.0**	**9,055.2**

"7. a" - Nature of security

Cash Credit limits from District Co-operative Banks/UPCBs' having outstanding of ₹ 3554.6 Million as at 31st March, 2016, ₹ 2155.0 Million as at 31st March, 2015, ₹ 960.9 Million as at 31st March, 2014 are secured by pledge of stocks of sugar and by parri passu third charge over the fixed assets of the company and personal guarantee of four directors.

All other Cash credit limits from banks having outstanding of ₹ 5638.6 Million as at 31st March, 2016, ₹ 6430.8 Million as at 31st March, 2015, ₹ 4673.8 Million as at 31st March, 2014 are secured by pledge of stocks of sugar and hypothecation of consumable stores and spare parts, chemicals, molasses etc. and by parri passu third charge over the fixed assets of the company and personal guarantee of four directors.

Rupee loans from banks of ₹ 300 Million as at 31st March, 2015 and 31st March, 2014 are secured by subservient charge on Fixed assets & Current assets of the company.

Rupee loans from banks of ₹ 497.6 Million as at 31st March, 2014 are secured by pledge of stock of sugar and personal guarantee of promoter directors.

"8" - Trade payables and Other Liabilities (₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Non - Current:				
Other liabilities				
Interest accrued but not due on borrowings	9.9	34.9	51.5	54.4
Total	**9.9**	**34.9**	**51.5**	**54.4**
Current:				
Trade payables (Refer Note No. - '40' of dues to micro and small enterprises)	**4,568.8**	**6,749.0**	**8,567.5**	**6,182.8**
Other liabilities				
Current maturities of long term borrowings (Refer Note No. - '5')	1,815.3	1,432.6	1,252.0	1,423.8
Interest accrued but not due on borrowings	29.4	42.9	58.0	76.7
Interest accrued and due on borrowings*	53.1	37.9	49.5	11.0
Investor Education and Protection Fund will be credited by following amounts (as and when due):				
Unpaid dividend	2.6	2.6	3.4	2.8
Unpaid matured deposits and interest accured thereon	2.0	3.1	12.1	7.3
Advance from customers	15.2	11.7	27.3	25.5
Security deposits	44.2	41.1	36.2	25.8
Statutory dues payable	685.9	415.6	372.1	424.6
Other Liabilities	2,391.8	2,295.5	-	-
Sub Total	**5,039.5**	**4,283.0**	**1,810.6**	**1,997.5**
Total	**9,608.3**	**11,032.0**	**10,378.1**	**8,180.3**

"8.a" Other Laibilities represents amounts payable to commercial banks in respect of agriloans faciliated by the company. The company has provided corporate guarantee in respect of such loans including interest due thereon.

* Represents interest debited by banks on loans at the close of business hours as at 31st March 2016 which has been repaid by the company on next working day.

"9" - Short-term provisions **(₹ in Million)**

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Provision for emplyoee benefits :				
Provision for employees	85.3	100.1	101.2	95.1
Other provisions :				
Provision for tax	41.1	-	-	59.5
Provision for dividend (including dividend distribution tax)	-	-	3.0	104.0
Total	**126.4**	**100.1**	**104.2**	**258.6**

"10" - Tangible assets **(₹ in Million)**

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Cost as at beginning of the year:				
Land	872.2	864.5	478.6	410.3
Building	1,715.3	1,643.9	1,599.5	1,062.4
Plant & Equipments	16,351.5	14,193.1	13,827.5	12,594.0
Furniture & Fixtures	117.1	113.2	105.2	66.0
Railway Sidings	-	-	-	-
Weighbridge	75.5	75.1	74.0	62.1
Computers	102.1	95.7	82.6	65.4
Office Equipments	24.6	23.9	22.8	21.2
Electrical Appliances	85.1	82.7	78.1	36.6
Vehicles	172.0	165.4	154.5	145.0
Live Stock	0.1	0.1	0.1	0.1
Farm Assets & Equipments	5.5	4.6	4.5	4.5
Total Cost as at the beginning of the year	**19,521.0**	**17,262.2**	**16,427.4**	**14,467.6**
Additions through merger of JKSL				
Land	-	-	-	65.3
Building	-	-	-	184.7
Plant & Equipments	-	-	-	909.8
Furniture & Fixtures	-	-	-	2.8
Railway Sidings	-	-	-	-
Weighbridge	-	-	-	10.7
Computers	-	-	-	6.3
Office Equipments	-	-	-	0.4
Electrical Appliances	-	-	-	2.0
Vehicles	-	-	-	3.5
Live Stock	-	-	-	-
Farm Assets & Equipments	-	-	-	-
Total additions through merger of JKSL	**-**	**-**	**-**	**1,185.5**
Additions:				
Land	1.2	7.7	29.0	3.5
Building	11.3	70.9	52.1	324.6
Plant & Equipments	318.9	2,129.3	412.5	463.3
Furniture & Fixtures	4.0	4.0	8.3	36.5
Railway Sidings	-	-	-	-
Weighbridge	2.4	0.4	1.1	1.2
Computers	6.9	7.2	13.8	10.9
Office Equipments	0.8	0.7	1.2	1.2
Electrical Appliances	3.7	2.6	4.7	39.6
Vehicles	34.6	12.3	15.8	23.9
Live Stock	-	-	-	-
Farm Assets & Equipments	3.4	0.9	0.1	-
Total additions during the year	**387.2**	**2,236.0**	**538.6**	**904.7**
Addition on account of revaluation:				
Land	2,593.9	-	356.9	-
Total additions on account of revaluation during the year	**2,593.9**	**-**	**356.9**	**-**

(₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Disposals:				
Land	0.9	-	-	0.5
Building	7.6	-	8.7	-
Plant & Equipments	15.9	19.9	93.8	182.2
Furniture & Fixtures	4.5	0.1	0.3	0.1
Railway Sidings	-	-	-	-
Weighbridge	-	-	-	-
Computers	10.1	0.8	0.7	-
Office Equipments	-	-	0.1	-
Electrical Appliances	-	0.2	0.1	0.1
Vehicles	11.1	5.7	4.9	17.9
Live Stock	-	-	-	-
Farm Assets & Equipments	-	-	-	-
Total disposals during the year	**50.1**	**26.7**	**108.6**	**200.8**
Other adjustments : - Exchange differences:				
Land	-	-	-	-
Building	-	-	-	-
Plant & Equipments	2.9	(0.1)	27.6	27.9
Furniture & Fixtures	-	-	-	-
Railway Sidings	-	-	-	-
Weighbridge	-	-	-	-
Computers	-	-	-	-
Office Equipments	-	-	-	-
Electrical Appliances	-	-	-	-
Vehicles	-	-	-	-
Live Stock	-	-	-	-
Farm Assets & Equipments	-	-	-	-
Total other adjustments - Exchange differences during the year	**2.9**	**(0.1)**	**27.6**	**27.9**
Other adjustments : - Borrowing costs:				
Land	-	-	-	-
Building	-	0.5	1.0	27.8
Plant & Equipments	5.4	49.1	19.3	14.7
Furniture & Fixtures	-	-	-	-
Railway Sidings	-	-	-	-
Weighbridge	-	-	-	-
Computers	-	-	-	-
Office Equipments	-	-	-	-
Electrical Appliances	-	-	-	-
Vehicles	-	-	-	-
Live Stock	-	-	-	-
Farm Assets & Equipments	-	-	-	-
Total other adjustments - Borrowing costs during the year	**5.4**	**49.6**	**20.3**	**42.5**
Cost as at end of the year:				
Land	3,466.4	872.2	864.5	478.6
Building	1,719.0	1,715.3	1,643.9	1,599.5
Plant & Equipments	16,662.8	16,351.5	14,193.1	13,827.5
Furniture & Fixtures	116.6	117.1	113.2	105.2
Railway Sidings	-	-	-	-
Weighbridge	77.9	75.5	75.1	74.0
Computers	98.9	102.1	95.7	82.6
Office Equipments	25.4	24.6	23.9	22.8
Electrical Appliances	88.8	85.1	82.7	78.1
Vehicles	195.5	172.0	165.4	154.5
Live Stock	0.1	0.1	0.1	0.1
Farm Assets & Equipments	8.9	5.5	4.6	4.5
Total cost as at the end of the year	**22,460.3**	**19,521.0**	**17,262.2**	**16,427.4**

(₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Depreciation				
As at beginning of the year:				
Land	-	-	-	-
Building	464.5	339.9	300.3	222.6
Plant & Equipments	6,103.4	5,697.8	5,077.1	4,123.7
Furniture & Fixtures	82.2	63.4	53.3	44.4
Railway Sidings	-	-	-	-
Weighbridge	62.7	58.4	55.9	45.0
Computers	88.3	74.7	65.5	50.9
Office Equipments	22.2	18.5	17.5	16.5
Electrical Appliances	53.4	40.9	33.7	28.3
Vehicles	123.0	106.0	91.0	83.5
Live Stock	-	-	-	-
Farm Assets & Equipments	3.9	3.1	3.0	2.9
Total depreciation as at beginning of the year	**7,003.6**	**6,402.7**	**5,697.3**	**4,617.8**
Additions through merger of JKSL				
Land	-	-	-	-
Building	-	-	-	42.8
Plant & Equipments	-	-	-	418.9
Furniture & Fixtures	-	-	-	1.9
Railway Sidings	-	-	-	-
Weighbridge	-	-	-	4.9
Computers	-	-	-	4.1
Office Equipments	-	-	-	0.1
Electrical Appliances	-	-	-	0.8
Vehicles	-	-	-	2.6
Live Stock	-	-	-	-
Farm Assets & Equipments	-	-	-	-
Total depreciation additions through merger of JKSL	**-**	**-**	**-**	**476.1**
Charges for the year:				
Land	-	-	-	-
Building	63.0	68.2	39.8	34.9
Plant & Equipments	441.9	414.9	670.1	699.5
Furniture & Fixtures	10.7	18.4	10.3	7.0
Railway Sidings	-	-	-	-
Weighbridge	2.5	3.4	2.5	6.0
Computers	4.7	11.4	9.7	10.5
Office Equipments	0.7	1.5	1.0	0.9
Electrical Appliances	8.6	11.8	7.2	4.6
Vehicles	15.8	21.5	18.1	18.3
Live Stock	-	-	-	-
Farm Assets & Equipments	0.4	0.2	0.1	0.1
Total depreciation charges for the year	**548.3**	**551.3**	**758.8**	**781.8**
Disposals:				
Land	-	-	-	-
Building	6.3	-	0.2	-
Plant & Equipments	6.6	17.1	49.4	165.0
Furniture & Fixtures	0.7	0.1	0.2	-
Railway Sidings	-	-	-	-
Weighbridge	-	-	-	-
Computers	6.8	0.7	0.5	-
Office Equipments	-	-	-	-
Electrical Appliances	-	0.1	-	-
Vehicles	9.1	4.9	3.1	13.4
Live Stock	-	-	-	-
Farm Assets & Equipments	-	-	-	-
Total disposals for the year	**29.5**	**22.9**	**53.4**	**178.4**

(₹ in Million)

P a r t i c u l a r s	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Adjusted from retained earnings:				
Land	-	-	-	-
Building	-	56.4	-	-
Plant & Equipments	-	7.8	-	-
Furniture & Fixtures	-	0.5	-	-
Railway Sidings	-	-	-	-
Weighbridge	-	0.9	-	-
Computers	-	2.9	-	-
Office Equipments	-	2.2	-	-
Electrical Appliances	-	0.8	-	-
Vehicles	-	0.4	-	-
Live Stock	-	-	-	-
Farm Assets & Equipments	-	0.6	-	-
Total adjusted from retained earnings	**-**	**72.5**	**-**	**-**
As at end of the year:				
Land	-	-	-	-
Building	521.2	464.5	339.9	300.3
Plant & Equipments	6,538.7	6,103.4	5,697.8	5,077.1
Furniture & Fixtures	92.2	82.2	63.4	53.3
Railway Sidings	-	-	-	-
Weighbridge	65.2	62.7	58.4	55.9
Computers	86.2	88.3	74.7	65.5
Office Equipments	22.9	22.2	18.5	17.5
Electrical Appliances	62.0	53.4	40.9	33.7
Vehicles	129.7	123.0	106.0	91.0
Live Stock	-	-	-	-
Farm Assets & Equipments	4.3	3.9	3.1	3.0
Total depreciation as at the end of the year	**7,522.4**	**7,003.6**	**6,402.7**	**5,697.3**
Net Block				
Land	3,466.4	872.2	864.5	478.6
Building	1,197.8	1,250.8	1,304.0	1,299.2
Plant & Equipments	10,124.1	10,248.1	8,495.3	8,750.4
Furniture & Fixtures	24.4	34.9	49.8	51.9
Railway Sidings	-	-	-	-
Weighbridge	12.7	12.8	16.7	18.1
Computers	12.7	13.8	21.0	17.1
Office Equipments	2.5	2.4	5.4	5.3
Electrical Appliances	26.8	31.7	41.8	44.4
Vehicles	65.8	49.0	59.4	63.5
Live Stock	0.1	0.1	0.1	0.1
Farm Assets & Equipments	4.6	1.6	1.5	1.5
Total Net Block as at the end of year	**14,937.9**	**12,517.4**	**10,859.5**	**10,730.1**

"10.a" During the year 2015-16, the Company has revalued its land of as on 25.03.2016 at fair market value as valued by an independent certified valuer. The land at meerganj unit has also been revalued as on 07.10.2013 at replacement value, valued by independent certified valuer. Consequent to revaluation as at 25.03.2016, the value of land is further increased by ₹ 2593.9 Million during the year and by ₹ 2950.8 Million as at 31st March, 2016.

"10.b" During the Year 2014-15, In accordance with the Companies Act, 2013, the company has revised the useful life of its fixed assets to comply useful life as mentioned under Schedule II of the Companies Act, 2013. Based on the transitional provision given in Schedule II to the Companies Act, 2013, the carrying amount of assets (net of residual value) whose useful life has already exhausted as per revised useful life amounting to ₹ 50.8 Million (net of deferred tax of ₹ 21.7 Million) has been adjusted with the opening balance of Retained Earnings. Had there been no change in the useful life of the fixed assets, the charge to the Statement of Profit and Loss would have been higher by ₹ 278.0 Million.

The method of providing depreciation on fixed assets, other than plant and building, acquired after 31st March 2014 has also been changed during the year from written down method to straight line method over the useful life prescribed under Schedule II to the Companies Act, 2013. Had there been no change in the method of depreciation, the charge to the Statement of Profit and Loss would have been higher by ₹ 0.1 Million.

"10.c" During the Year 2013-14, the Company has revalued the land of its "Meerganj Unit" as on 07.10.2013 on the basis of replacement value, valued by an independent certified valuer. Accordingly a sum of ₹ 356.9 Million (included as addition of land in Note No. - 10) being the excess of the current replacement value of ₹ 422.2 Million over the existing book value of ₹ 65.3 Million has been credited to revaluation reserve.

"11" - Non-current Investments (₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Trade Investments :-				
Ramganga Sanyukta Sahkari Kheti Samiti Limited (Unquoted)				
01 Equity share of ₹ 100/- each fully paid-up	0.0	0.0	0.0	0.0
In Subsidiary Companies (Unquoted) :				
Investment in Equity shares (fully paid-up unless otherwise stated)				
Dhampur International Pte Ltd.:-				
10000 Equity shares of SG$ 1/- each	0.0	0.0	0.0	0.0
2000000 Equity Shares of US $ 1/- each	108.0	108.0	108.0	-
Share application money pending for allotment	-	-	-	108.0
Other Investments :-				
In Other Companies :				
Investment in Equity shares (fully paid-up unless otherwise stated)				
VLS Finance Limited (Quoted)				
263142 Equity shares of ₹ 10/- each	4.4	4.4	4.4	4.4
South Asian Enterprises Limited (Quoted) (**)				
250000 Equity shares of ₹ 10/- each				
(At cost less provision for diminution in value - ₹ 2.5 Million)	0.0	0.0	0.0	0.0
Glenesia Industries Limited (Unquoted)				
500000 Equity shares of ₹ 10/- each	-	-	-	0.5
Investment in Mutual fund				
Baroda Pioneer Income Fund - Dividend Reinvestment Plan (Merged out from Baroda Pioneer PSU Bond Fund - Monthly Dividend Plan)				
160174 (31.03.16), 334356 (31.03.15), 294056 (31.03.14), 274830 (31.03.13) Units of ₹ 10/- each	3.6	3.4	3.1	2.9
Total	**116.0**	**115.8**	**115.5**	**115.8**

Disclosure of non-current investments (₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Aggregate amount of quoted investments	8.0	7.8	7.5	7.3
Aggregate amount of unquoted investments	108.0	108.0	108.0	0.5
Aggregate amount of share application money	-	-	-	108.0
Total investments net of provision for diminution	**116.0**	**115.8**	**115.5**	**115.8**
Aggregate provision for diminution in value of investments (**)	2.5	2.5	2.5	2.5
Aggregate market value of quoted investments	11.7	12.5	6.4	5.7

"12" - Deferred Tax Asset/(Liability) (Net) (₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Deferred Tax Asset :				
i) On account of timing difference of expenses which are allowable under Income Tax Laws in subsequent years	108.3	127.7	-	81.0
ii) On account of carried forward losses and unabsorbed	1,699.5	1,488.2	-	972.4
	1,807.8	1,615.9	-	1,053.4
Deferred Tax Liability :				
i) On account of differences in written down value of fixed assets	1,455.7	1,164.9	-	1,109.3
Net Deferred Tax Asset/ (Liability)	**352.1**	**451.0**	**-**	**(55.9)**

12.a. The Central Government has initiated various steps to support the sugar industry like mandatory mixing of ethanol, increase in the price of ethanol, increase in import duty on sugar, cash subsidy for export of raw sugar. The State Government have also announced grants during the year linked with the price of sugar and by-products. The company has also initiated various steps including on cane development, enhancing plan efficiencies, cost reduction, increase in power and ethanol capacity etc. The company is confident that the financials of sugar segment will improve significantly in the coming years and the profitability of power and chemical segment will further improve due to increase in capacity utilisation and on account of increase in the power tariff and ethanol price. The company is certain that there would be sufficient taxable income in future and hence it has recognised net deferred tax assets of ₹ 451.0 Million (including the amount of net deferred tax assets for the year of ₹ 279.4 Million) during the year 2014-15.

In view of prudence and lack of virtual certainity that the Deferred Tax Asset will be realised in future, Deferred tax liability to the extent of ₹ 55.9 Million has been reversed and recognised as asset during the year and balance Net Deferred tax asset to the extent of ₹ 153.3 Million has not been recognised during the year 2013-14.

"13" Long and Short Term Loans and Advances **(₹ in Million)**

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Long Term Loans and Advances:				
(Unsecured considered good unless otherwise stated)				
Capital advances	56.4	21.2	17.2	121.2
Security deposits:-				
- to related parties (Refer Note No. - '38' for details)	21.9	21.9	31.6	-
- to others	8.2	12.9	-	-
- Considered Good	-	-	-	31.2
Considered doubtful	-	-	-	2.6
Less : Provision for doubtful/Bad Debts	-	-	-	(2.6)
MAT credit entitlement	112.8	71.7	87.1	90.3
Payments of taxes under protest/appeal	-	-	-	6.8
Total	**199.3**	**127.7**	**135.9**	**249.5**
Short Term Loans and Advances:				
(Unsecured considered good unless otherwise stated)				
Security deposits:-				
- Considered Good	1.2	1.7	6.9	5.0
Loans and advances to related parties (Refer Note No. - '38' for details)				
- Considered Good	-	-	1.1	1.9
Advances recoverable in cash or in kind:-				
- Considered Good	-	-	110.4	102.2
- Considered doubtful	-	-	-	11.3
Less : Provision for doubtful	-	-	-	(11.3)
Other loans and advances :				
Advances to employees	4.6	5.3	-	-
Advances to suppliers/contractors/service providers	100.7	133.3	-	-
Loans	-	5.6	-	-
Balances with revenue authorities	99.2	186.1	186.8	239.5
Income tax and wealth tax payments	12.1	12.7	10.7	56.5
Payments of taxes under protest/appeal	15.7	18.3	14.5	-
Prepaid expenses	32.3	30.5	19.2	19.5
Others	-	-	-	123.2
Total	**265.8**	**393.5**	**349.6**	**547.8**

Details of Loan:				
Ujjwal Microfinance Private Ltd.	-	5.6	-	-

"14" - Other Non-Current and Current Assets (₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Other Non-Current Assets:				
(Unsecured considered good unless otherwise stated)				
Inventory - Loose tools and equipments	1.9	2.1	2.3	2.5
Total	**1.9**	**2.1**	**2.3**	**2.5**
Other Current Assets:				
(Unsecured considered good unless otherwise stated)				
Insurance claim receivable	67.9	111.4	269.3	-
Subsidy receivable from government/government authority	328.8	1,508.7	-	-
Claim receivable :-				
- Considered good	-	-	-	40.6
- Considered doubtful	-	-	-	15.0
- Provision for doubtful/ Bad Debts	-	-	-	(15.0)
Interest receivable	2.9	5.4	5.9	6.5
Others	2.9	31.1	-	-
Total	**402.5**	**1,656.6**	**275.2**	**47.1**

"15" - Inventories (₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
(Refer Note No. - '2' for Mode of Valuation)				
Raw materials	363.7	538.7	65.8	240.7
Goods-in-process	359.1	307.3	356.4	296.7
Standing cane and other crops	3.5	2.8	3.3	2.2
Finished goods (including trial run stock of ₹ 2.9 Million as at 31.03.14)	11,480.9	11,261.2	11,406.4	12,178.3
Traded goods	44.2	50.2	7.9	3.9
Stores, Spare parts, P.P. bags, Chemicals etc.	366.4	362.1	403.5	390.8
Renewable Energy Certificate	-	0.3	0.1	-
Total	**12,617.8**	**12,522.6**	**12,243.4**	**13,112.6**

"16 " - Trade receivables (₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
(Unsecured considered good unless otherwise stated)				
Outstanding for a period exceeding six months from the date they are due for payment :				
- Considered good	18.7	6.7	5.3	15.3
- Considered doubtful	-	0.2	-	68.8
- Provision for doubtful	-	(0.2)	-	(68.8)
Other receivables	2,543.9	2,210.2	1,097.2	1,425.3
Total	**2,562.6**	**2,216.9**	**1,102.5**	**1,440.6**

"17" - Cash and cash equivalents (₹ in Million)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Cash and cash equivalents				
Balances with banks :				
On Current accounts	94.2	48.1	41.0	39.6
On unpaid dividend account	2.6	2.6	3.4	2.8
Cash on hand	15.6	18.7	30.3	22.8
Other bank balances :				
Deposits pledged against margin money/guarantee	24.4	22.7	39.4	27.7
Deposits with original maturity more than 3 months but upto 12 months	-	35.7	35.2	35.8
Deposits earmarked for Fixed Deposit	36.6	-	-	-
Deposits earmarked for Molasses Storage Fund	7.9	11.8	-	-
Total	**181.3**	**139.6**	**149.3**	**128.7**

"18" - Revenue from operations/Purchases of stock-in-trade/Inventories (₹ in Million)

Particulars	2016	2015	2014	2013
Revenue from operations				
Sale of Products:-				
Finshed goods:				
Opening Stock				
Sugar	9,717.3	10,208.8	10,801.9	6,140.7
Molasses	913.7	646.1	667.6	349.3
Chemicals	261.4	262.0	318.7	165.5
Farm produce	0.6	1.0	0.5	0.5
Power	-	-	-	-
Others	368.5	285.6	389.6	266.5
Total Opening Stock	**11,261.5**	**11,403.5**	**12,178.3**	**6,922.5**
Sales				
Sugar	14,685.2	12,248.1	12,822.7	9,618.1
Molasses	-	98.3	79.3	110.4
Chemicals	4,028.5	3,053.8	4,235.9	3,209.5
Farm produce	7.7	10.4	12.4	11.2
Power	2,184.2	1,631.4	1,299.7	1,604.6
Others	1.9	138.2	66.4	289.1
Total Sales	**20,907.5**	**17,180.2**	**18,516.4**	**14,842.9**
Closing Stock				
Sugar	10,367.4	9,717.3	10,208.8	10,801.9
Molasses	675.8	913.7	646.1	667.6
Chemicals	149.9	261.4	262.0	318.7
Farm produce	3.1	0.6	1.0	0.5
Power	-	-	-	-
Others	284.7	368.5	285.6	389.6
Total Closing Stock	**11,480.9**	**11,261.5**	**11,403.5**	**12,178.3**
Traded goods:				
Opening Stock				
Other purchases	50.2	7.9	3.9	2.6
Total Opening Stock	**50.2**	**7.9**	**3.9**	**2.6**
Purchases				
Coal	428.5	369.3	-	-
Soyabean Oil	382.0	362.4	-	-
PP Bags	-	105.4	49.3	113.5
Sugar	609.6	-	-	-
Other purchases	300.2	200.7	174.0	133.3
Total Purchases	**1,720.3**	**1,037.8**	**223.3**	**246.8**
Sales				
Coal	437.1	377.0	-	-
Soyabean Oil	379.1	368.4	-	-
PP Bags	-	105.8	50.1	105.9
Sugar	613.2	-	-	-
Other sales	318.8	174.4	197.5	135.0
Total Sales	**1,748.2**	**1,025.6**	**247.6**	**240.9**
Closing Stock				
Other purchases	44.2	50.2	7.9	3.9
Total Closing Stock	**44.2**	**50.2**	**7.9**	**3.9**
Stock-in-process:				
Opening Stock				
Sugar	164.6	268.2	221.0	103.5
Molasses	19.3	20.1	13.6	4.7
Chemicals	123.4	68.1	62.1	56.1
Standing crops	2.8	3.3	2.2	3.3
Total Opening Stock	**310.1**	**359.7**	**298.9**	**167.6**
Closing Stock				
Sugar	169.2	164.6	268.2	221.0
Molasses	15.1	19.3	20.1	13.6
Chemicals	174.8	123.4	68.1	62.1
Standing crops	3.5	2.8	3.3	2.2
Total Closing Stock	**362.6**	**310.1**	**359.7**	**298.9**
Total (Gross):				
Total Opening Stock	**11,621.8**	**11,771.1**	**12,481.1**	**7,092.7**
Total Purchases	**1,720.3**	**1,037.8**	**223.3**	**246.8**
Total Sales (A)	**22,655.7**	**18,205.8**	**18,764.0**	**15,083.8**
Total Closing Stock	**11,887.7**	**11,621.8**	**11,771.1**	**12,481.1**

Other operating revenue (₹ in Million)

Particulars	2016	2015	2014	2013
Miscellaneous income	22.0	35.2	12.0	51.1
Refund of administrative charges on Molasses	-	57.8	-	-
Scrap sale	14.3	18.5	22.5	19.6
Balances written back	12.3	24.0	6.1	19.2
Insurance claim received	-	102.2	0.7	0.5
Purchase Tax Remission	-	-	65.4	-
Provision no longer required written back	11.4	43.8	1.2	-
Income/adjustments realting to earlier years	-	-	-	86.8
Duty Draw Back / Sale of export licence (OGL)	38.4	60.4	98.6	67.7
Other operating revenue (B)	**98.4**	**341.9**	**206.5**	**244.9**
Total Revenue from operations (Gross)(A+B)	**22,754.1**	**18,547.7**	**18,970.5**	**15,328.7**

"19" - Other income (₹ in Million)

Particulars	2016	2015	2014	2013
Rent	12.8	11.3	13.0	11.0
Profit on sale of assets	14.4	1.6	0.4	8.6
Income from Consultancy services	0.9	-	-	-
Services charges received	10.2	-	-	-
Interest income	23.6	13.9	42.8	6.9
Excess provision written back	-	-	1.0	11.4
Foreign exchange differences (net)	-	34.0	4.0	35.8
Provision for impairment of investment reversed	32.4	-	-	-
Profit on sale of Investments	-	-	4.5	-
Income from REC (Net of expenses)	145.9	-	-	-
Dividend income	0.3	0.2	0.2	0.2
Total	**240.5**	**61.0**	**65.9**	**73.9**

"20" - Cost of Raw materials consumed (₹ in Million)

Particulars	2016	2015	2014	2013
Sugar cane consumed				
Sugar cane purchases	13,465.2	12,688.7	11,253.3	12,442.2
Expenses on purchase of sugar cane	422.3	395.1	358.5	360.4
Cane commission	139.3	76.8	252.5	229.8
Purchase Tax	-	-	-	90.4
Less: Subsidy on Cane commission	-	(76.8)	(238.1)	-
Less: Subsidy on Cane Purchase	-	(1,471.8)	-	-
Less: Subsidy from state government	(306.4)	-	-	-
	13,720.4	11,612.0	11,626.2	13,122.8
Add : Opening stock of cane	28.7	31.2	19.6	7.4
Addition on amalgamation	-	-	-	0.7
Less : Closing stock of cane	(28.5)	(28.7)	(31.2)	(19.6)
Sub-total	13,720.6	11,614.5	11,614.6	13,111.3
Molasses consumed	584.1	324.4	851.1	662.8
Bagasse & other fuel consumed	375.9	24.8	191.4	525.4
Chemicals and others	477.6	776.9	779.9	878.4
Total	**15,158.2**	**12,740.6**	**13,437.0**	**15,177.9**

"21" - (Increase)/Decrease in inventories (₹ in Million)

Particulars	2016	2015	2014	2013
Inventories at the end of the year				
Finished goods	11,480.9	11,261.5	11,403.5	12,178.3
Stock-in-process	362.6	310.1	359.7	298.9
Traded goods	44.2	50.2	7.9	3.9
	11,887.7	**11,621.8**	**11,771.1**	**12,481.1**
Inventories at the beginning of the year				
Finished goods	11,261.5	11,403.5	12,178.3	6,922.5
Stock-in-process	310.1	359.7	298.9	167.6
Traded goods	50.2	7.9	3.9	2.6
	11,621.8	**11,771.1**	**12,481.1**	**7,092.7**
Net excise duty on account of (Increase)/decrease in inventories	**276.6**	**50.0**	**(13.7)**	**170.8**
(Increase)/Decrease in inventories	**10.7**	**199.3**	**696.3**	**(5,217.6)**

"22" - Employees benefits expense (₹ in Million)

Particulars	2016	2015	2014	2013
Salary, wages and bonus	698.1	629.7	615.2	578.4
Contribution to provident and other funds	62.1	56.7	51.9	52.3
Workmen and staff welfare expenses	17.9	23.0	16.3	39.6
Gratuity	20.8	26.3	35.2	32.4
Voluntary retirement compensation	6.8	7.6	8.4	8.3
Total	**805.7**	**743.3**	**727.0**	**711.0**

"23" - Other expense (₹ in Million)

Particulars	2016	2015	2014	2013
Consumption of stores, spares and other manufacturing expense	436.8	304.2	299.0	291.7
Packing material expense	266.8	267.5	250.9	166.0
Expenditure on crops	5.6	4.8	5.3	3.9
Power and fuel	70.2	37.3	55.4	63.3
Repairs and maintenance :				
Plant and machinery	401.6	324.2	309.7	295.5
Buildings	46.2	35.0	28.6	24.8
Others	25.8	26.2	18.8	13.3
Rent	57.8	50.9	51.4	46.7
Rates and taxes	23.0	21.6	49.8	13.6
Duties and Taxes	-	-	-	47.0
Charity and donation	2.3	2.3	1.6	1.8
Insurance	20.1	18.1	21.7	18.9
Molasses fund	1.6	1.0	1.3	1.9
Selling expenses :				
Commission to selling agents	112.1	88.6	96.1	116.1
Other selling expense	107.5	166.9	257.0	231.9
Payment to auditors :				
Audit fee	2.1	2.0	1.8	1.8
Tax audit fee	0.6	0.5	0.5	0.3
Income Tax Matters & Other Certification Fees	0.8	0.6	0.5	0.5
Reimbursement of expenses	0.2	0.1	0.3	0.1
Miscellaneous expenses	240.1	260.6	261.4	229.8
CSR Expenses	3.9	0.5	-	-
Cane development expense	71.2	72.7	91.5	27.7
Expenses relating to earlier year	0.2	3.1	3.9	0.7
Foreign exchange difference (Net)	17.0	-	-	-
Balances written-off	-	1.7	9.2	2.6
Provision for doubtful debts	-	0.2	-	79.5
Directors sitting fee	1.1	1.1	1.3	1.0
Loss on sale of fixed assets	1.8	6.6	14.7	0.3
Loss on sale of export quota obligation	55.8	-	-	-
Total	**1,972.2**	**1,698.3**	**1,831.7**	**1,680.7**

"24" - Finance costs (₹ in Million)

Particulars	2016	2015	2014	2013
Interest	1,564.0	1,529.2	1,474.6	1,111.2
Documentaion and other bank charges	45.5	41.8	60.2	18.3
Foreign exchange difference (Net)	49.4	45.5	50.5	30.2
	1,658.9	1,616.5	1,585.3	1,159.7
Less : Interest & documentation charges capitalized during the perio	(16.8)	(69.8)	(163.2)	(33.0)
Less : Interest subsidy claimed under UPSIPP 2013	(55.8)	(50.1)	-	-
Total	**1,586.3**	**1,496.6**	**1,422.1**	**1,126.7**

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

(₹ in Million)

	Particulars	**2015-2016**	**2014-2015**	**2013-2014**	**2012-2013**
	Opening Balance	11.2	177.7	13.0	22.5
(a)	Raw Material Consumed	49.9	35.8	75.7	-
(b)	Consumption of Stores & other Manufacturing Expenses	0.1	0.6	1.6	-
(c)	Power & Fuel	1.6	1.6	13.4	-
(d)	Payments to and Provision for Employees	1.1	0.9	7.1	-
(e)	Administrative and Other Expenses	-	1.8	10.6	-
(f)	Interest Finance and Loan Raising Expenses	16.8	69.8	163.2	33.0
	Total	**80.7**	**288.2**	**284.6**	**55.5**
	Less:				
(g)	Borrowing Cost Capitalised during the year	5.4	49.6	20.3	42.5
(h)	Pre-operative expenses capitalised during the year	4.2	183.4	-	-
(i)	Stock of Finished Goods	-	-	2.9	-
(j)	Sale of Power	-	44.0	83.7	-
	Balance Pre-Operative Expenses Pending for Allocation	**71.1**	**11.2**	**177.7**	**13.0**

26 The accounts have been prepared without accounting for any incentive entitlements under U.P. Sugar Incentive Promotion Policy, 2004 as the scheme has been subsequently withdrawn by the State Government. The Company has filed writ petition before Hon'ble Allahabad High Court (Lucknow Bench) for enforcement of the scheme and settlement of incentive claims. As per the erstwhile incentive policy, the company is eligible for capital subsidy of ₹ 898.9 Million i.e. @ 10% of the investments made (already vetted ₹ 508.0 Million) and revenue subsidy for reimbursement of taxes and other charges aggregating to ₹ 605.0 Million upto 31st March, 2016 (including ₹ 27.0 Million for the year 2015-16), ₹ 578.0 Million upto 31st March, 2015 (including ₹ 17.3 Million for the year 2014-15), ₹ 560.7 Million upto 31st March, 2014 (including ₹ 19.5 Million for the year 2013-14) and ₹ 541.2 Million upto 31st March, 2013 (including ₹ 94.0 Million for the year 2012-13)

27 During the year 2015-16, the company earned net gain of ₹ 145.9 Million (net of expenses of ₹ 33.1 Million) on sale of 119348 numbers of Renewal Energy Certificates (RECs). These RECs were generated due to environmental concerns and allotted to the company as per Regulation on REC, notified by Central Electricity Regulatory Commission. The earning of these RECs are not an off shoot of business but an off shoot of environmental concerns and hence, the net gain from such sale has been held to be a capital receipt and not an income forming part of the operations of the company by the courts. The courts have further held that the net earning on the sale of these RECs does not fall within the definition of income under the Income Tax Act, 1961 and hence could not be taxed under the normal provisions of taxation as well as under the provisions of section 115JB of the Act. In view of these legal pronouncements, the net earnings on such sale amounting to ₹ 145.9 Million, credited to the profit and loss statement as other Income, has been concurrently added to the “Capital Reserve” by reduction from “Net Profit carried to the Surplus/Deficit” treating it as a capital receipt.

28 During the financial year 2015-16, U.P. Government has remitted part of cane commission payable for the sugar season on 2012-13 amounting to ₹ 146.0 Million. The same has been shown as exceptional items (net of taxes) in the profit and loss account in the year 2015-16.

29 Exceptional item for the year 2012-13, amounting to ₹ 81.9 Million represents write-off on investments in equity shares of Kashipur Sugar Mills Limited (KSML). Hon'ble Board for Industrial and Financial Reconstruction (BIFR) has ordered for winding-up of the KSML in their meeting held on 08-05-2013. Therefore, it has been decided to write-off the investments in the equity shares of KSML and an equivalent amount has been withdrawn from the General Reserve.

30 During the year 2014-15. the Government of Uttar Pradesh has disbursed cash subsidy of ₹ 6.00 per quintal of cane for Sugar Season 2013-14 aggregating to ₹ 245.7 Million. The same has been reduced from the cost of raw material consumed during the year 2014-15.

31 The Government of Uttar Pradesh has also announced Subsidy of ₹ 40.00 per quintal of cane for the Sugar Industry for the Sugar Season 2014-15 linked to the average selling price of sugar and its by products during the period 1st Oct. 2014 to 31st May 2015 as per press release dtd.12 Nov. 2014. Under the scheme, the Government has notified subsidy of ₹ 20.00 per quintal of sugar cane by way of cash subsidy of ₹ 8.60 per quintal of sugar cane and balance ₹ 11.40 per quintal of sugar cane by way of remission of purchase tax and entry tax and reimbursement of sugar cane society commission. The remaining subsidy of ₹ 20.00 will be notified based on the recommendation of selected committee. The average selling price of Sugar and the by-products have been significantly lower than the thresholds specified in the scheme considering the actual and future realisation. In view of the above, the company has estimated and recognised entire subsidy (including additional subsidy of ₹ 20.00 per quintal, which is yet to be notified by the State Government) amounting to ₹ 1226.1 Million during the year 2014-15. The company is confident of realizing the subsidy in view of the past and current price of sugar and the by-products.

32 During the year 2013-14, Under the rules & regulations notified by Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010, the company is eligible for Renewable energy certificates (RECs) in respect of captive consumption of renewal energy w.e.f. Nov. 2011. The company is entitled for 346534 RECs upto 31st March 2014, out of which 218558 RECs has been awarded and remaining RECs are under certification. The company has treated 112738 RECs i.e. awarded but remained unsold as at the end of the period as stock in trade and valued it at estimated cost of ₹ 1/- per REC.

33 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.

34 Expenditure on Corporate Social Responibilities (CSR) Activities:
The various heads under which the CSR expenditure was incurred during the year is detailed as follows:

(₹ in Million)

S. No.	Description of CSR Activities	Relevant clause of Schedule VII to the Companies Act, 2013	2015-16	2014-15
a)	Promoting education, including special education and employment enhancing vocational training and livlihood enhancement projects	Clause (ii)	3.6	0.5
b)	Promoting rural sports, nationally recognised sports, paralympic sports and Olympic sports	Clause (vii)	0.3	-
		Total	**3.9**	**0.5**

35 **<u>Employees Benefits :</u>**

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

(i) **In respect of Short Term Employee Benefits :**
The Company has at present only the scheme of cumulative benefit of leave encashment payable at the end of each calender year and the same have been provided for on accrual basis.

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

(₹ in Million)

	Particulars	**2015-2016**	**2014-2015**	**2013-2014**	**2012-2013**
A)	**Change in Obligation over the year ended**				
	Present value of defined obligation at the beginning of the year	224.5	215.8	197.6	166.8
	Addion on amalgamation of JKSL	-	-	-	12.5
	Current Service Cost	12.2	12.3	12.1	11.3
	Interest Cost	17.8	18.1	15.8	14.2
	Actuarial Gains/Losses	(12.7)	(13.0)	(2.6)	1.5
	Benefits Paid	(14.8)	(8.7)	(7.1)	(8.7)
	Present value of defined obligation at the end of the year	227.0	224.5	215.8	197.6
B)	**Expenses recognised during the year ended**				
	Current Service Cost	12.2	12.3	12.1	11.3
	Interest Cost	17.8	18.1	15.8	14.2
	Actuarial Gains/Losses	(12.7)	(13.0)	(2.6)	1.5
	Current Service Cost & Actuarial losses in respect of seprated employees	3.5	8.9	9.9	5.4
	Total	20.8	26.3	35.2	32.4
C)	**Principal Actuarial Assumptions :**				
	Mortality Table	IALM (2006-08)	IALM (2006-08)	1994-96 (duly modified)	1994-96 (duly modified)
	Discount Rate (per Annum)	8.00%	8.00%	8.50%	8.50%
	Rate of Escalation in Salary (per Annum)	5.50%	5.50%	6.00%	6.00%

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

(iii) **Defined Contribution Plan :**

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

(₹ in Million)

Particulars	**2015-2016**	**2014-2015**	**2013-2014**	**2012-2013**
Employer's Contribution to Provident Fund :	18.0	29.4	28.4	28.5
Employer's Contribution to Pension Fund :	30.2	27.3	23.5	23.7

(iv) **In respect of Defined Benefit Scheme (Based on Actuarial Valuation) of Provident Fund:**

Actuarial valuation carried out in respect of interest shortfall in the Provident Fund Trust of the Company, as per Deterministic Approach shows “Nil” liability, hence no provision is made in F.Y. 2015-16.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuary appointed by the Company:

(₹ in Million)

	Particulars	**2015-2016**	**2014-2015**
A)	**Change in the present value of the defined benefit obligation:**		
	Opening defined benefit obligation at beginning of the year	518.2	475.9
	Current Service Cost	13.9	15.1
	Interest Cost	41.5	38.1
	Employee Contribution	32.9	29.9
	Actuarial (Gain)/loss	7.0	8.0
	Benefits paid	64.4	48.7
	Closing defined benefit obligation at end of the year	549.1	518.3

(₹ in Million)

	Particulars	2015-2016	2014-2015
B)	**Change in Plan Assets:**		
	Opening fair value of Plan Assets as at beginning of the year	529.8	490.7
	Expected Return on Plan Assets	46.6	42.9
	Contributions	46.8	45.0
	Benefits Paid	64.4	48.7
	Actuarial Gain/(Loss) on plan Assets	(2.4)	(0.1)
	Closing fair value of plan assets as at end of the year	556.4	529.8
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	549.1	518.3
	Fair Value of Plan assets at end of the year	556.4	529.8
	Deficit/(Surplus)	(7.3)	(11.5)
	Net Asset not recognised in Balance Sheet	(7.3)	(11.5)
D)	**Net Cost recognised in the profit and loss account:**		
	Current Service Cost	13.9	15.1
	Interest Cost	41.5	38.1
	Expected return on plan assets	46.6	42.9
	Interest shortfall reversed	5.1	4.8
	Total costs of defined benefit plans included in Note No 22 "Payments to and provisions for employees"	13.9	15.1
E)	**Principal Actuarial Assumptions:**		
	(i) Economic Assumptions		
	(a) Expected statutory interest rate	8.80%	8.75%
	(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

36 Segment Reporting:

The Company has identified three primary business segments viz.Sugar, Distillery and Power. Segments have been identified and reported taking into account the nature of the products, the differing risks and returns, the organisational structure and internal business reporting system.

a) 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 enterprises as a whole and are not allocate to segment on reasonable basis have been disclosed as "Unallocable".

b) Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

c) Since the company's activities/operations are primarily within country and considering the nature of products. Its risk and returns are same as such there is no geographial segment.

(₹ in Million)

Particulars	Sugar	Chemicals	Power	Others	Total
1. Segment Revenue (Including Excise Duty)					
a) External Sales					
2015-2016	14,733.3	4,075.4	2,186.7	1,758.7	22,754.1
2014-2015	13,508.5	3,218.4	1,632.7	188.1	18,547.7
2013-2014	13,132.5	4,334.6	1,288.9	214.5	18,970.5
2012-2013	10,303.0	3,272.2	1,606.0	147.5	15,328.7
b) Inter Segment Sales					
2015-2016	3,413.2	54.8	2,602.1	125.5	6,195.6
2014-2015	2,739.4	48.4	2,171.4	-	4,959.2
2013-2014	2,926.3	48.6	2,169.3	3.8	5,148.0
2012-2013	1,874.1	24.0	1,947.0	-	3,845.1
c) Total Revenue					
2015-2016	18,146.5	4,130.2	4,788.8	1,884.2	28,949.7
2014-2015	16,247.9	3,266.8	3,804.1	188.1	23,506.9
2013-2014	16,058.8	4,383.2	3,458.2	218.3	24,118.5
2012-2013	12,177.1	3,296.2	3,553.0	147.5	19,173.8
2. Segment Results					
(Profit(+)/Loss(-) before tax and interest from each segment)					
2015-2016	(401.5)	646.6	1,887.7	(30.2)	2,102.6
2014-2015	(909.1)	470.2	1,603.4	(33.8)	1,130.7
2013-2014	(794.2)	517.1	1,068.4	(15.3)	776.0
2012-2013	198.4	369.0	1,116.5	6.6	1,690.5
Less : Finance costs					
2015-2016					1,586.3
2014-2015					1,496.6
2013-2014					1,422.0
2012-2013					1,126.7
Less/ Add :Other Unallocable Expense/Income Net off Unallocable Income/Expenses					
2015-2016					141.7
2014-2015					151.0
2013-2014					163.6
2012-2013					170.8

(₹ in Million)

Particulars	Sugar	Chemicals	Power	Others	Total
Net Profit(+)/Loss(-) Before Tax					
2015-2016					374.6
2014-2015					(516.9)
2013-2014					(809.6)
2012-2013					393.0
Less: Tax expense (Net)					
2015-2016					(55.1)
2014-2015					413.3
2013-2014					55.9
2012-2013					(165.4)
Net Profit after Tax (Before Adjustment of Mnority Interest)					
2015-2016					319.5
2014-2015					(103.6)
2013-2014					(753.7)
2012-2013					227.6
Share of Profit/Loss to Minority					
2015-2016					-
2014-2015					-
2013-2014					-
2012-2013					-
Net Profit after Tax (after adjustment of Minority Interest)					
2015-2016					319.5
2014-2015					(103.6)
2013-2014					(753.7)
2012-2013					227.6
3. Other Information					
a) Segment Assets					
2015-2016	21,064.7	3,398.5	6,741.5	99.3	31,304.0
2014-2015	20,168.1	3,055.7	6,797.7	99.2	30,120.7
2013-2014	18,563.3	2,713.0	5,757.0	46.3	27,079.6
2012-2013	18,527.6	2,306.1	5,461.7	10.8	26,306.2
Unallocable Corporate Assets					
2015-2016					614.9
2014-2015					199.9
2013-2014					223.9
2012-2013					262.7
Total Assets					
2015-2016					31,918.9
2014-2015					30,320.6
2013-2014					27,303.5
2012-2013					26,568.9
b) Segment Liabilities					
2015-2016	7,829.3	116.3	38.3	20.0	8,003.9
2014-2015	9,524.8	210.3	45.7	44.4	9,825.2
2013-2014	10,861.9	201.8	102.0	13.6	11,179.3
2012-2013	6,810.3	232.3	18.0	1.2	7,061.8
Unallocable Corporate Liabilities					
2015-2016					16,691.5
2014-2015					16,202.4
2013-2014					11,655.5
2012-2013					14,635.1
Total Liabilities					
2015-2016					24,695.4
2014-2015					26,027.6
2013-2014					22,834.8
2012-2013					21,696.9

(₹ in Million)

Particulars	Sugar	Chemicals	Power	Others	Total
c) Capital Expenditure					
2015-2016	219.6	221.3	52.0	6.8	499.7
2014-2015	157.2	27.5	192.5	15.4	392.6
2013-2014	709.8	398.6	1,339.1	15.2	2,462.7
2012-2013	360.4	284.5	105.0	-	749.9
d) Depreciation					
2015-2016	316.1	87.4	141.8	3.3	548.6
2014-2015	391.1	87.9	137.6	7.4	624.0
2013-2014	386.7	68.2	301.0	2.9	758.8
2012-2013	403.7	60.9	302.9	0.1	767.6
e) Non Cash Expenditure other than Depreciation					
2015-2016	3.4	0.0	-	0.0	3.4
2014-2015	8.4	0.2	0.9	-	9.5
2013-2014	24.0	-	-	-	24.0
2012-2013	104.5	59.6	0.1	-	164.2

37 **Earnings per Share (EPS) :**

Particulars	Year ended	31.03.2016	31.03.2015	31.03.2014	31.03.2013
i) Net Profit/ Loss(-) after Extra Ordinary Items & Provision for Taxes attributable to the equity shareholders (Used as numerator for calculating EPS)	₹ in Million	305.1	(120.7)	(773.5)	207.3
ii) Weighted average No.of Equity Shares outstanding during the period: (Used as denominator for calculating E.P.S.)					
- for Basic EPS	No.	59151734	57223154	57214935	57214935
- for Diluted EPS	No.	59151734	58723154	60214935	57214935
iii) Earning per Share before and after Extra Ordinary Items					
- Basic	₹	5.2	(2.1)	(13.5)	3.6
- Diluted	₹	5.2	(2.1)	(12.8)	3.6
(Equity Share of Face value of ₹10 each)					

38 Related Party Disclosures:

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

i) Enterprises where control exists:

Associates -

1 Kashipur Sugar Mills Limited

Subsidiary -

1 Dhampur International Pte Limited

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

1 Goel investments Limited
2 Ujjwal Rural Services Limited
3 Saraswati Properties Limited
4 Ujjwal Infracon Limited
5 Dhampur Global Pte. Ltd.

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

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

iv) Key Management Personnel and their relatives

1 Mr.Vijay Kumar Goel, Executive Director
Mrs Deepa Goel (Wife)
2 Mr. Ashok Kumar Goel, Vice Chairman
Mrs Vinita Goel (Wife)
3 Mr. Gaurav Goel, Managing Director
Mrs Priyanjali Goel (Wife)
4 Mr. Gautam Goel, Managing Director
Mrs Bindu Vashist Goel (Wife)
5 Mr. Arhant Jain, Executive President (Finance) & Company secretary
Mrs. Brij Bala Jain (Mother), Mr. Arvind Jain (Brother), Mrs. Anita Jain (Wife), Mr. Anubhav Jain (Son), Mr. Ashish Jain (Son), Mrs. Ankita Jain (Daughter in law), Mrs. Shruti Jain (Daughter in law), Arhant Jain (HUF), Anubhav Jain (HUF), Ashish Jain (HUF), Arvind Jain (HUF).
6 Mr. Sandeep Sharma, Executive President
Mrs. Poonam Sharma (Wife), Mr. Rahul Sharma (Son), Ms. Sona Sharma (Daughter)
Sandeep Sharma (HUF)
7 Mr. Priya Brat, Director
Mrs. Shakuntala Brat (Wife), Ms. Anu Mahendru (Daughter)
8 Mr. J. P. Sharma, Director
Mr. Mukul Sharma (Son)
9 V. K. Goel, H.U.F
10 A.K. Goel, H.U.F.
11 Gaurav Goel, H.U.F
12 Gautam Goel, H.U.F

B) Disclosure of transactions between the Company and Related Parties and the status of outstanding balances:

(₹ in Million)

S. No.	Particulars	2015-2016	2014-2015	2013-2014	2012-2013
1	**Loans/advances given**	**-**	**20.2**	**-**	**186.3**
	Dhampur International Pte Limited	-	-	-	0.3
	Kashipur Sugar Mills Limited	-	-	0.0	20.3
	Goel Investment Limited	-	3.9	-	26.9
	India Greenfuel Private Limited	-	0.7	-	8.6
	Saraswati Properties Limited	-	8.6	-	48.5
	Shudh Edible Products Limited	-	7.1	-	46.0
	Sonitron Limited	-	0.0	-	-
	Ujjwal Infracon Limited	-	0.0	-	-
	Ujjwal Rural Services Limited	-	-	-	35.7
2	**Reciepts towards Loan /Advances given**	**-**	**20.2**	**-**	**165.7**
	Goel Investment Limited	-	3.9	-	26.9
	India Greenfuel Private Limited	-	0.7	-	8.6
	Saraswati Properties Limited	-	8.6	-	48.5
	Shudh Edible Products Limited	-	7.1	-	46.0
	Sonitron Limited	-	0.0	-	-
	Ujjwal Infracon Limited	-	0.0	-	-
	Ujjwal Rural Services Limited	-	-	-	35.7
3	Prov. for doubtful write back net off loss on investments	-	-	-	11.4
4	**Loans taken**	**15.1**	**50.4**	**55.7**	**211.4**
	Goel Investment Limited	5.0	8.4	17.2	124.6
	India Greenfuel Private Limited	-	0.6	1.3	-
	Saraswati Properties Limited	-	28.7	13.6	9.2
	Shudh Edible Products Limited	-	12.3	15.8	56.4
	Ujjwal Rural Services Limited	-	0.4	6.4	21.0
	Sonitron Limited	-	-	-	0.2
	Ujjwal Infracon Limited	-	-	1.4	-
	Mr. Gautam Goel	2.6	-	-	-
	Mr. Gaurav Goel	7.5	-	-	-
5	**Loans repaid**	**17.6**	**43.2**	**62.3**	**208.1**
	Goel Investment Limited	3.1	4.7	19.5	123.8
	India Greenfuel Private Limited	0.1	0.3	1.3	-
	Saraswati Properties Limited	2.7	26.3	14.4	8.1
	Shudh Edible Products Limited	0.4	11.9	19.5	55.2
	Sonitron Limited	-	-	0.6	-
	Ujjwal Infracon Limited	-	-	1.4	-
	Ujjwal Rural Services Limited	1.2	-	5.6	21.0
	Mr. Gautam Goel	2.6	-	-	-
	Mr. Gaurav Goel	7.5	-	-	-

(₹ in Million)

S. No.	Particulars	2015-2016	2014-2015	2013-2014	2012-2013
6	**Unsecured Deposits Taken (Fixed Deposit)**	**76.0**	**34.2**	**46.7**	**37.1**
	Mrs. Deepa Goel	1.3	2.2	1.3	1.5
	Mr. Ashok Kumar Goel	3.1	8.8	-	8.3
	Mrs Vinita Goel	12.7	11.1	3.6	3.8
	Mrs Priyanjali Goel	1.2	5.4	4.7	0.9
	Mrs Bindu Vashist Goel	3.3	0.7	2.6	0.5
	Mr. Arhant Jain	1.7	-	0.7	-
	Mrs. Brij Bala Jain	7.4	-	4.0	3.6
	Mrs. Anita Jain	4.0	-	2.4	2.1
	Mr. Anubhav Jain	1.6	-	2.1	1.8
	Mr. Ashish Jain	6.2	-	8.8	6.2
	Mrs. Ankita Jain	2.8	-	-	-
	Mrs. Shruti Jain	6.9	-	-	-
	Arhant Jain (HUF)	4.1	-	3.3	2.9
	Ashish Jain (HUF)	1.2	-	0.7	0.3
	Anubhav Jain (HUF)	1.1	-	0.5	0.3
	Arvind Jain (HUF)	2.3	-	1.8	1.4
	Mrs. Poonam Sharma	1.2	-	0.2	-
	Ms. Sona Sharma	0.6	0.3	0.2	-
	Sandeep Sharma (HUF)	0.5	0.4	0.4	0.2
	Mrs. Shakuntala Brat	1.2	-	-	0.3
	V.K. Goel (HUF)	2.6	1.2	2.1	0.9
	A.K. Goel (HUF)	3.0	1.4	2.4	1.1
	Gaurav Goel (HUF)	3.0	1.4	2.5	1.0
	Gautam Goel (HUF)	3.0	1.4	2.4	-
7	**Unsecured Deposits Matured (Fixed Deposit)**	**67.7**	**25.8**	**29.4**	**32.8**
	Mrs. Deepa Goel	1.1	2.1	1.1	-
	Mr. Ashok Kumar Goel	2.2	6.6	-	8.2
	Mrs Vinita Goel	10.6	4.2	2.9	3.4
	Mrs Priyanjali Goel	0.9	5.4	2.1	0.8
	Mrs Bindu Vashist Goel	2.6	0.6	2.1	-
	Mr. Arhant Jain	1.1	-	-	-
	Mrs. Brij Bala Jain	6.8	-	3.6	3.6
	Mrs. Anita Jain	2.4	-	2.1	2.2
	Mr. Anubhav Jain	3.5	-	2.4	1.7
	Mr. Ashish Jain	8.7	-	-	4.0
	Mrs. Ankita Jain	2.3	-	-	-
	Mrs. Shruti Jain	7.5	-	-	-
	Arhant Jain (HUF)	3.3	-	2.9	3.0
	Ashish Jain (HUF)	0.8	-	0.5	0.3
	Anubhav Jain (HUF)	0.7	-	0.3	0.2
	Arvind Jain (HUF)	1.8	-	1.4	1.4
	Mrs. Poonam Sharma	0.6	1.1	-	-
	Mr. Rahul Sharma	0.1	0.1	-	-
	Ms. Sona Sharma	0.6	0.2	0.1	-
	Sandeep Sharma (HUF)	0.4	0.4	0.2	0.2
	Mr. Priya Brat	-	-	-	0.1
	Mrs. Shakuntala Brat	0.3	-	-	0.5
	V.K. Goel (HUF)	2.1	1.2	1.7	1.0
	A.K. Goel (HUF)	2.4	1.4	2.0	0.2
	Gaurav Goel (HUF)	2.5	1.3	2.0	1.0
	Gautam Goel (HUF)	2.4	1.3	2.0	1.0

(₹ in Million)

S. No.	Particulars	2015-2016	2014-2015	2013-2014	2012-2013
8	**Sale of Goods**	**1,262.9**	**1,254.6**	**421.7**	**21.7**
	Dhampur International Pte Limited	1,262.9	1,254.6	377.5	-
	Dhampur Molasses Transport	-	-	32.3	9.5
	J.P. & Sons	-	-	11.9	12.2
9	**Purchase of Goods**	**184.5**	**-**	**-**	**-**
	Dhampur International Pte Limited	184.5	-	-	-
10	**Subscription of Equity Shares on conversion of Warrants**	**37.1**	**37.1**	**-**	**-**
	M/s Saraswati Properties Ltd.	-	37.1	-	-
	Mr. Gaurav Goel	18.6	-	-	-
	Mr. Gautam Goel	18.5	-	-	-
11	**Subscription of Equity Shares warrants**	**-**	**12.4**	**12.4**	**-**
	Mr. Gaurav Goel	-	-	6.2	-
	Mr. Gautam Goel	-	-	6.2	-
	M/s Saraswati Properties Ltd.	-	12.4	-	-
12	**Rent paid**	**36.0**	**35.8**	**36.0**	**36.0**
	Goel Investment Limited	1.2	1.2	1.2	1.2
	Saraswati Properties Limited	14.8	14.8	14.8	14.8
	Shudh Edible Products Limited	19.8	19.8	19.8	19.8
	Ujjwal Rural Services Limited	0.2	-	0.2	0.2
13	**Remuneration paid**	**37.5**	**22.3**	**23.7**	**47.5**
	Mr. Vijay Kumar Goel	8.9	4.8	4.8	20.8
	Mr. Ashok Kumar Goel	8.9	4.8	4.8	8.8
	Mr. Gaurav Goel	8.9	4.8	4.8	8.8
	Mr. Gautam Goel	7.5	4.8	4.8	4.8
	Mr. J.P. Sharma	-	-	0.4	0.3
	Mr. Arhant Jain	1.0	1.0	1.0	1.0
	Mr. Sandeep Sharma	1.5	1.4	1.4	1.4
	Mr. Mukul Sharma	-	-	1.0	0.9
	Mr. Arvind Jain	0.8	0.7	0.7	0.7
14	**Directors Perquisits (As per Income Tax Act)**	**5.1**	**-**	**-**	**-**
	Mr. Vijay Kumar Goel	1.3	-	-	-
	Mr. Ashok Kumar Goel	1.2	-	-	-
	Mr. Gaurav Goel	1.2	-	-	-
	Mr. Gautam Goel	1.3	-	-	-
	Mr. Sandeep Sharma	0.1	-	-	-

(₹ in Million)

S. No.	Particulars	2015-2016	2014-2015	2013-2014	2012-2013
15	**Interest expense**	**10.8**	**8.1**	**8.7**	**4.3**
	Mr. Vijay Kumar Goel	-	-	0.2	-
	Mrs. Deepa Goel	0.4	0.2	0.4	0.3
	Mr. Ashok Kumar Goel	1.3	0.5	1.3	1.0
	Mrs Vinita Goel	1.8	0.8	1.0	0.7
	Mrs Priyanjali Goel	0.8	0.5	0.4	0.4
	Mrs. Bindu Goel	0.5	0.4	0.4	0.3
	Mr. J.P. Sharma	-	-	0.0	0.0
	Mr. Arhant Jain	0.1	0.1	0.1	-
	Mrs. Brij Bala Jain	0.5	0.5	0.5	-
	Mrs. Anita Jain	0.4	0.3	0.3	-
	Mr. Anubhav Jain	0.4	0.2	0.3	-
	Mr. Ashish Jain	0.7	1.2	0.9	-
	Mrs. Ankita Jain	0.3	0.3	-	-
	Mrs. Shruti Jain	0.7	1.0	-	-
	Arhant Jain (HUF)	0.4	-	0.4	-
	Ashish Jain (HUF)	0.1	0.1	0.0	-
	Anubhav Jain (HUF)	0.1	0.1	-	-
	Arvind Jain (HUF)	0.2	0.2	0.2	-
	Mr. Sandeep Sharma	0.0	0.0	0.0	-
	Mrs. Poonam Sharma	0.1	0.1	0.0	-
	Mr. Rahul Sharma	0.0	0.0	0.0	-
	Ms. Sona Sharma	-	0.0	-	-
	Sandeep Sharma (HUF)	0.0	0.0	0.1	-
	Mr. Priya Brat	-	-	0.0	0.1
	Mrs. Shakuntala Brat	0.0	0.0	-	-
	V.K. Goel (HUF)	0.5	0.3	0.4	0.3
	A.K. Goel (HUF)	0.5	0.4	0.5	0.4
	Gaurav Goel (HUF)	0.5	0.4	0.6	0.4
	Gautam Goel (HUF)	0.5	0.4	0.7	0.4
16	Loss on investments/investment written-off	-	-	-	81.9
17	**Transportation Expenses**	**-**	**-**	**123.7**	**132.0**
	Dhampur Molasses Transport	-	-	78.8	124.2
	J.P. & Sons	-	-	44.9	7.8
	Amount due to/ from Related Parties:				
1	**Deposits from Related Parties**	**101.1**	**92.8**	**75.5**	**35.8**
	Mrs. Deepa Goel	3.5	3.2	2.8	2.5
	Mr. Ashok Kumar Goel	11.8	11.0	8.8	8.8
	Mrs Vinita Goel	17.1	14.9	7.5	6.8
	Mrs Priyanjali Goel	6.6	6.4	5.6	3.0
	Mrs Bindu Vashist Goel	3.9	3.3	3.1	2.6
	Mr. J.P. Sharma	-	-	0.2	0.2
	Mr. Arhant Jain	1.3	0.7	0.7	-
	Mrs. Brij Bala Jain	7.1	6.5	4.0	-
	Mrs. Anita Jain	4.0	2.4	2.4	-
	Mr. Anubhav Jain	1.7	3.5	9.3	-
	Mr. Ashish Jain	6.2	8.7	8.8	-
	Mrs. Ankita Jain	2.8	2.3	-	-
	Mrs. Shruti Jain	6.9	7.5	-	-
	Arhant Jain (HUF)	4.1	3.3	3.3	-
	Ashish Jain (HUF)	1.0	0.7	0.6	-
	Anubhav Jain (HUF)	0.9	0.5	0.5	-
	Arvind Jain (HUF)	2.3	1.8	1.9	-
	Mr. Sandeep Sharma	0.1	0.0	-	-
	Mrs. Poonam Sharma	0.8	0.3	1.0	-
	Mr. Rahul Sharma	0.0	0.0	0.1	-
	Ms. Sona Sharma	0.3	0.3	0.2	-
	Sandeep Sharma (HUF)	0.5	0.4	0.3	-
	Mr. Priya Brat	-	-	0.9	0.3
	Mrs. Shakuntala Brat	1.2	0.3	-	-
	V.K. Goel (HUF)	3.8	3.3	3.0	2.6
	A.K. Goel (HUF)	4.4	3.8	3.5	3.0
	Gaurav Goel (HUF)	4.4	3.8	3.5	3.0
	Gautam Goel (HUF)	4.4	3.8	3.5	3.0

(₹ in Million)

S. No.	Particulars	2015-2016	2014-2015	2013-2014	2012-2013
2	**Unsecured Loans and Advances from related parties**	**5.8**	**11.3**	**4.6**	**24.2**
	Goel Investment Limited	5.6	3.8	0.1	2.4
	India Green Fuel Private Limited	0.2	0.3	-	-
	Saraswati Properties Limited	-	2.7	0.3	1.1
	Shudh Edible Products Limited	-	0.4	0.0	3.7
	Sonitron Limited	-	-	-	0.6
	Ujjwal Rural Services Limited	-	1.2	0.8	-
	Mr. Vijay Kumar Goel	-	0.1	0.6	8.2
	Mr. Ashok Kumar Goel	-	0.1	2.1	4.0
	Mr. Gaurav Goel	-	1.3	0.5	4.1
	Mr. Gautam Goel	-	1.4	0.2	0.1
3	**Investments**	**108.0**	**108.0**	**108.0**	**108.0**
	Dhampur International Pte Limited	108.0	108.0	108.0	108.0
4	**Loans & Advances / Receivables Net of Provision**	**121.4**	**83.1**	**38.0**	**1.9**
	Dhampur International Pte Limited	121.4	83.1	36.9	0.8
	Kashipur Sugar Mills Limited	-	-	1.1	1.1
5	**Payables**	**10.3**	**-**	**9.2**	**-**
	Saraswati Properties Limited	3.1	-	-	-
	Shudh Edible Products Limited	0.1	-	-	-
	Ujjwal Rural Services Limited	0.1	-	-	-
	Mr. Ashok Kumar Goel	0.9	-	-	-
	Mr. Gaurav Goel	1.8	-	-	-
	Mr. Gautam Goel	3.3	-	-	-
	Mr. Vijay Kumar Goel	1.0	-	-	-
	J.P. & Sons	-	-	9.2	-
6	**Security Deposits**	**21.9**	**21.9**	**21.9**	**21.9**
	Goel Investment Limited	5.0	5.0	5.0	5.0
	Saraswati Properties Limited	6.5	6.5	6.5	6.5
	Shudh Edible Products Limited	9.9	9.9	9.9	9.9
	Ujjwal Rural Services Limited	0.5	0.5	0.5	0.5

39 Disclosures as required by the Amendment to Clause 32 of the Listing Agreement :
Loans and Advances given to Subsidiary and others :

Particulars	**Type**	**Balance as on 31.03.2016**	**Maximum balance during the period**	**Investment in the Shares of the Company**
Dhampur International Pte Ltd.				
2015-2016	Subsidiary	0.0	0.0	10000 Equity Shares of SG$ 1/- each & 2 million Equity Shares of US $ 1/- each
2014-2015	Subsidiary	0.0	0.0	10000 Equity Shares of SG$ 1/- each & 2 million Equity Shares of US $ 1/- each
2013-2014	Subsidiary	0.0	0.0	10000 Equity Shares of SG$ 1/- each & 2 million Equity Shares of US $ 1/- each
2012-2013	Subsidiary	8.0	8.0	10000 Equity Shares & Share Application money of 2 million US$ pending for allotment
Dhampur Global Pte Ltd.				
2014-2015	Fellow Subsidiary	0.0	0.0	Subsidiary of Dhampur International Pte Limited
2013-2014	Fellow Subsidiary	0.0	0.0	Subsidiary of Dhampur International Pte Limited

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

(a) Sundry creditors include a sum aggregating ₹ 52.2 Million, ₹ 28.3 Million, ₹ 38.3 Million and ₹ 27.9 Million for the year 2015-16, 2014-15, 2013-14 and 2012-13 respectively, due to micro and small enterprises is on account of principal only.

(b) The amount of interest paid by the company in terms of Section 16, alongwith the amount of payments made to the micro and small enterprise beyond the appointed date during the period - ₹ Nil.

(c) The amount of interest due and payable for the period of delay in making payment which have been paid but beyond the appointed day during the period but without adding the interest specified under this Act. - ₹ Nil.

(d) The amount of interest accrued and remaining unpaid - ₹ Nil.

(e) The amount of further interest remaining due and payable even in succeeding years - ₹ Nil.

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

41 Derivative instruments

i) The company has entered into following Forward Contract :

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

Outstanding forward exchange contracts entered into by the company :

Particulars	**2015-16**	**2014-15**	**2013-14**	**2012-13**
No. of Contracts	0	11	0	11
US Dollar Equivalent (Million)	-	4.0	-	7.5
INR Equivalent (₹ in Million)	-	253.9	-	407.1

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

(Amount in Million)

Particulars	**US Dollar Equivalent**	**INR Equivalent**	**US Dollar Equivalent**	**INR Equivalent**
	2015-16		**2014-15**	
a) Amounts payable in foreign currency on account of the following :				
Capital Imports	-	-	-	-
Stock-in-trade/Raw materials	4.5	300.2	11.6	731.1
Advance from customers	-	-	-	-
Loans Payable	4.9	330.4	15.9	1,000.1
b) Amounts receivable in foreign currency on account of the following :				
Export receivable	1.8	121.4	1.5	96.5

(Amount in Million)

Particulars	US Dollar Equivalent	INR Equivalent	US Dollar Equivalent	INR Equivalent
	2013-14		2012-13	
a) Amounts payable in foreign currency on account of the following :				
Capital Imports	-	-	0.9	48.6
Stock-in-trade/Raw materials	-	-	-	-
Advance from customers	-	-	0.3	16.0
Loans Payable	8.8	528.8	8.0	434.2
b) Amounts receivable in foreign currency on account of the following :				
Export receivable	1.2	71.9	2.5	135.0

42 Additional informations

(₹ in Million)

Particulars	Year ended 31.03.16	Year ended 31.03.15	Year ended 31.03.14	Year ended 31.03.13
a)				
Imports calculated on CIF basis in respect of:				
1. Stores and spare parts	2.9	2.8	8.5	3.2
2. Stock-in trade	1,325.6	733.3	16.6	-
3. Capital goods	10.1	31.9	239.5	3.7
b) Expenditure in foreign currency during the period :				
1. For foreign travel	5.8	14.1	20.1	9.0
2. Interest	14.2	38.6	4.8	11.9
3. Others	19.9	4.5	11.2	5.2

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
	Amount	% age	Amount	% age
c) Consumption of :				
1. Stores,spare parts etc.				
i) Value of imported goods	2.9	0.45	2.9	0.34
ii) Value of indigenous stores and spare parts	647.0	99.55	859.3	99.66
	649.9	100.00	862.2	100.00
2. Raw materials				
i) Value of imported goods	338.9	2.24	589.5	4.42
ii) Value of indigenous goods	14,819.3	97.76	12,740.6	95.58
	15,158.2	100.00	13,330.1	100.00

Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
	Amount	% age	Amount	% age
c) Consumption of :				
1. Stores,spare parts etc.				
i) Value of imported goods	24.0	2.68	0.3	0.04
ii) Value of indigenous stores and spare parts	871.7	97.32	747.5	99.96
	895.7	100.00	747.8	100.00
2. Raw materials				
i) Value of imported goods	753.3	5.96	847.9	5.59
ii) Value of indigenous goods	11,881.6	94.04	14,330.0	94.41
	12,634.8	100.00	15,177.9	100.00

Particulars	Year ended 31.03.16	Year ended 31.03.15	Year ended 31.03.14	Year ended 31.03.13
d) Earnings in Foreign Exchanges				
i) Export of Goods	1,666.9	1,792.4	1,771.1	1,892.5

43 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.

44 **CONTINGENT LIABILITIES AND COMMITMENTS : NOT PROVIDED FOR IN RESPECT OF :**

I Contingent Liabilities **(₹ in Million)**

Particulars	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013
i) Demands being disputed by the Company:				
a) Excise duty and Service Tax demands	445.1	352.6	302.7	317.2
b) Trade Tax and Entry Tax demands	493.4	319.9	208.1	151.9
c) Other demands	80.8	10.9	8.8	8.8
d) Estimated amount of interest on above	1,128.7	923.5	-	-
ii) Claims against the company not acknowledged as debts :				
a) Statutory liability being disputed by authorities	3.6	28.4	-	-
b) Income Tax demand on processing of TDS Returns	2.5	3.2	-	-
c) Other Liabilities including interest	261.7	57.1	-	-
d) In respect of some pending cases of employees under labour laws	Amount not ascertainable	Amount not ascertainable	Amount not ascertainable	Amount not ascertainable

a) 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.

b) The Government of Uttar Pradesh had always waived liabilities of interest on account of delayed payment of sugar cane price in past for the industry and also considering the fact that the various initiatives taken by the Government to support the Sugar Industry, the Company as well as the industry believe that the interest on delayed payment of Cane Price for sugar season 2014-15 onwards will also be waived by the U.P. Government. Therefore, the same has not been recognised as liability.

c) 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.

d) 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 sucessfull outcome.

e) Excise Department has served show cause notices on the company for levy of duty of ₹ 610.9 Million as at 31.03.15, ₹ 723.5 Million as at 31.03.14 and ₹ 110.7 Million as at 31.03.13 on sale of Rectified Spirit; of ₹ 83.3 Million as at 31.03.15, ₹ 193.8 Million as at 31.03.14 and ₹ 88.3 Million as at 31.03.13 on sale of Electiricity; and of ₹ 584.4 Million as at 31.03.15, ₹ 43.1 Million as at 31.03.14 and ₹ 73.6 Million as at 31.03.13 for reversal of CENVAT credit taken by the company on certain capital goods and inputs. The company is legally advised that no duty is leviable on these cases and accordingly no provision is considered necessary.

f) During the year 2008-09, the Meergunj Unit has received demand/show cause Notice for ₹ 88.4 Million from Commissioner Central Excise Meerut (U.P.) demanding duty on the generation of electricity due to the non maintenance of separate set of books. Out of ₹ 88.4 Million, demand of ₹ 80.7 Million has been stayed by Hon'ble Custom, Excise & Service Tax Appellate Tribunal (CESTAT) and remaining ₹ 7.7 Million has been set aside by Commissioner Central Excise pursuant to guideline set by Hon'ble Supreme Court.It is expected that on the same basis remaining liability will be set aside by CESTAT.

II Commitments

a) Uncalled liability on investments in partly paid-up shares - Nil

b) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 127.8 Million, ₹ 64.5 Million, ₹ 2.2 Million and ₹ 519.3 Million for the year 2015-16, 2014-15, 2013-14 and 2012-13 respectively.

c) Corporate guarantee given by the company - ₹ 3,250 Million as at 31.03.2016 & 31.03.2015 and ₹ 1,750 Million as at 31.03.2014.

III Arrears of Cumulative Preference share dividend including Corporate dividend tax is amounting to ₹ 46.2 Million (including ₹ 14.4 Million for the year 2015-16) as at 31.03.2016 and ₹ 17.1Million for the year 2014-15 as at 31.03.2015.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VIII, Part G of Schedule VIII and Schedule XVIII of the SEBI Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VIII, Part G of Schedule VIII and Schedule XVIII of the SEBI Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

Signed by:

Mr. Vijay Kumar Goel

CHAIRMAN

Date : June 20, 2016

Place : New Delhi

DECLARATION

We, the Board of Directors of our Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;

(iii) the monies received under the offer shall be used only for the purposes and objects indicated in the Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

____

Mr. Vijay Kumar Goel

CHAIRMAN

I am authorized by the Securities Issue Committee of Board of Directors of our Company, vide resolution dated June 20, 2016 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed:

Date: June 20, 2016

Place: New Delhi

DHAMPUR SUGAR MILLS LIMITED

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Corporate Office
241, Okhla Industrial Estate, Phase – III, New Delhi – 110020, India
Telephone No. +91 11 3065 9400; **Facsimile No:** +91 11 2693 5697
Website: www.dhampur.com; **CIN:** L15249UP1933PLC000511

Compliance Officer
Mr. Arhant Jain, Company Secretary & Compliance Officer,
Dhampur Sugar Mills Limited,
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Telephone No: +91 11 3065 9400; E mail: arhantjain@dhampur.com

GLOBAL COORDINATOR AND BOOK RUNNING LEAD MANAGER

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Mittal Gupta & Company, Chartered Accountants
Kanpur, India