

DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED

(Registered Office: Dalmiapuram – 621 651, Distt. Tiruchirapalli, Tamil Nadu)

Phone No. 04329-235132 Fax No. 04329-235111

CIN L26942TN1951PLC000640 Website: www.dalmiasugar.com

NOTICE

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

1. To consider and adopt the (a) audited Standalone Financial Statements for the year ended 31st March, 2016, and the Reports of the Directors and Auditors thereon; and (b) audited Consolidated Financial Statements for the year ended 31st March, 2016 and the Report of the Auditors' thereon.
2. To confirm interim dividend declared and in this regard, pass the following resolution as an **ORDINARY RESOLUTION**:

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

3. To appoint a Director in place of Shri Jai Hari Dalmia (DIN 00009717), who retires by rotation and is eligible for re-appointment.
4. To consider, and if thought fit to pass, with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:-

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

AS SPECIAL BUSINESS

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

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

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

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

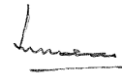
the Agreement dated 10-8-2016 entered into between the Company and Shri Jai Hari Dalmia.”

- (b) “ **RESOLVED FURTHER THAT**, in the event of loss or inadequacy of profits in any financial year falling within the first three financial years effective from the date of reappointment, the remuneration as specified in Part II of Schedule V to the Companies Act, 2013 shall be paid to Shri Jai Hari Dalmia, as minimum remuneration.”
- (c) “ **RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to enhance and/or vary the remuneration and to alter/make or accept variations in the terms of appointment and in the other terms of the Agreement, so however that, the remuneration and other terms and conditions are in accordance with the provisions of the Companies Act, 2013 including any statutory modifications or re-enactment thereof or any further amendments/ substitution thereto and any guidelines or notifications on managerial remuneration which may be issued or any rules that may be prescribed by the Central Government from time to time, and acceptable to Shri Jai Hari Dalmia.”

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

- (a) “ **RESOLVED BY WAY OF A SPECIAL RESOLUTION THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company hereby approves the reappointment of Shri Gautam Dalmia as Managing Director of the Company for a period of 5 years with effect from 16-1-2017, on the salary, perquisites etc. set out in the Agreement dated 10-8-2016 entered into between the Company and Shri Gautam Dalmia.”
- (b) “ **RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year falling within the first three financial years effective from the date of reappointment, the remuneration as specified in Part II of Schedule V to the Companies Act, 2013 shall be continued to be paid to Shri Gautam Dalmia, as minimum remuneration.”
- (c) “ **RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to enhance and/or vary the remuneration and to alter/make or accept variations in the terms of appointment and in the other terms of the Agreement, so however that, the remuneration and other terms and conditions are in accordance with the provisions of the Companies Act, 2013 including any statutory modifications or re-enactment thereof or any further amendments/ substitution thereto and any guidelines or notifications on managerial remuneration which may be issued or any rules that may be prescribed by the Central Government from time to time, and acceptable to Shri Gautam Dalmia.”

By Order of the Board



K.V. Mohan
Company Secretary

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

NOTES:

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

form). Any communication with the Company will be greatly facilitated, if the Folio number is quoted in all correspondence.

5. In view of the “Green Initiative in Corporate Governance” introduced by the Ministry of Corporate Affairs, Government of India, vide its Circular No. 17/2011 dated 21-04-2011, all members who are holding shares of the Company in physical mode, are requested to register their e-mail ids and consents to receive the future notices and annual reports by e-mail, so as to enable the Company to send all notices/ reports/ documents/ intimation and other correspondences etc., through e-mails., i.e., in electronic mode instead of sending physical copies of the same. Members holding shares in demat mode, who have not registered their e-mail IDs with Depository Participants (DPs), are requested to register/update their e-mail IDs with their respective DPs.
6. Electronic copy of the Annual Report for 2016 is being sent to all the members whose email IDs are registered with the Company/DPs for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016 is being sent in the permitted mode.
7. Electronic copy of the Notice of the Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Proxy Form is being sent in the permitted mode.
8. The Company has made arrangements with M/s Karvy Computershare Private Limited for providing remote voting facility through electronic means the details of which are mentioned on the reverse of the covering letter.
9. All documents referred to in the accompanying Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 1.00 pm) on all working days except Saturdays, up to the date of the Annual General Meeting of the Company.
10. Dalmiapuram can be reached by taking a Bus (Route No. 91 from Chattram Bus Stand, Tiruchirapalli or by any Bus going to Ariyalur or Chidambaram or Jayamkundam from the Central Bus Stand, Tiruchirapalli.

EXPLANATORY STATEMENT

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

Item No. 3:

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

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

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

5	Dalmia Cement (Bharat) Limited	Nil
6	Dalmia Bharat Limited	Nil

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

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

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

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

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

Item No. 4:

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

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

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

Item No. 5:

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

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

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

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

Item No. 6 and 7:

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

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

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

Part I, item (c) of Schedule V to the Companies Act, 2013 provides that the appointment of a person as Managing Director of a Company can be made by way of Special Resolution in case of persons who are aged 70 years or more. Further the proviso to sub-section (2) of Section 196 of the Companies Act, 2013 provides that the reappointments shall not be made earlier than one year before the expiry of the current term of appointment. Section 197 read with Schedule V of Companies Act, 2013 further specifies that the period of validity of the Special Resolution

approving the payment of minimum remuneration shall be for 3 years. Accordingly, in order to comply with the above provisions of the Companies Act, 2013, the resolutions set out in items 6 and 7 are being proposed so as to enable the reappointment and payment of minimum remuneration to the Managing Directors in event of a loss or inadequacy of profits during the 3 financial years commencing from the date of respective reappointments.

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

A. Period of Appointment:

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

B. Salary:

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

C. Annual Increments:

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

D. Perquisites:

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

(i) Provident Fund, Superannuation Fund and Gratuity:

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

(ii) Leave/Encashment of Leave:

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

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

(iii) Car and Telephone:

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

E. Commission:

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

F. Minimum Remuneration:

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

G. Other Terms and Conditions:

- (a) Shri Jai Hari Dalmia shall be permitted to hold office as the Managing Director of Dalmia Bharat Limited and Shri Gautam Dalmia shall be permitted to hold office as the Managing Director of Dalmia Cement (Bharat) Limited in addition to the offices being held by them in this Company and the aggregate remuneration of Shri Jai Hari Dalmia/Shri Gautam Dalmia drawn from both the companies shall not exceed the higher maximum limit of remuneration admissible from any one of the companies of which they are Managerial person/s. The remuneration to be drawn by each of them shall be decided by the Companies, inter se.
- (b) The appointee(s) shall be entitled to privilege / sick / casual / general leave on full pay and allowances as per the Rules of the Company. Accumulated leave not availed of since the date of their appointment as above will be permitted to be encashed as per the Rules of the Company.
- (c) The appointee(s) shall not be paid any sitting fees for attending the meetings of the Board of Directors or any Committee thereof.
- (d) The headquarters of the appointee(s) shall be at New Delhi or at such other place as may be required, from time to time, and the appointee(s) shall be allowed reimbursement of travelling expenses on Company's business outside the headquarters as per the Rules of the Company.
- (e) The appointee(s) shall not, so long as he function as such, become interested or otherwise concerned directly or through their wife, sons or unmarried daughters, in any selling agency of the Company in future, without the prior approval of the Central Government.
- (f) The agreements may notwithstanding the period of five years mentioned in clause A hereof, be terminated by either party by giving to the other three month's notice in writing."

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

I. General Information:

1. Nature of Industry

Manufacturers of sugar, distillery products and dead burnt magnesite.

2. Date of commencement of commercial production:

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

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

Not applicable.

4. Financial performance based on given indicators:

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

Export performance and net foreign exchange collaborations:

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

5. Foreign investments or collaborators, if any:

No foreign collaboration is involved.

II. Information about the appointees:

1. Background details:

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

2. Past remuneration:

(₹ crore)

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

3. Recognition or award:

None.

4. Job profile and suitability:

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

5. Remuneration proposed:

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

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

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

(₹ crore)

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

The appointees are residents of India.

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

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

III. Other Information:

1. Reasons of loss or inadequate profits.

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

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

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

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

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

The Board accordingly recommends the passing of these Special Resolution.

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

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

DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED

(Registered Office: Dalmiapuram – 621 61, Distt. Tiruchirapalli, Tamil Nadu)

Phone No. 04329-235132 Fax No. 04329-235111

CIN L26942TN1951PLC000640 Website: www.dalmiasugar.com

FORM NO. MGT-11 (Proxy Form)

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

Name of the Member:

Registered Address:

E-Mail ID:

Folio No./Client ID:

DP ID:

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

1. Name:

Address:

E-Mail ID:

Signature:

or failing him

2. Name:

Address:

E-Mail ID:

Signature:

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

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

Signed this..... day of, 2016

Affix One
Rupee Stamp

Signature of Shareholder:

Signature of Proxy holder:

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

Note: This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

BOOK POST

To,

*Dalmia Bharat Sugar and Industries
Limited*

Dalmiapuram-621 251

Dist. Tiruchirapalli

Tamil Nadu