STRENGTH
AND STABILITY

Dalmia Bharat Sugar and Industries Limited
Annual Report, FY 2017-18

Contents

Forward-looking statement

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

The year 2017-18 was marked by a record sugar production in India.

Sugar prices weakened. Mills reported lower profits. Cane arrears mounted.

Dalmia Bharat Sugar moderated costs. Strengthened efficiencies. Enhanced output.

Reported a 25 bps increase in sugar recovery. Helped farmers generate a significant increase in cane yield.

Leveraging its strengths with the objective to enhance stability.

7 things
you need to know about Dalmia Bharat Sugar

1 **Vision**
We want to be amongst the top integrated players in the industry with a special impetus on generating the highest return on capital employed for our stake holders.

2 **Pedigree**
The Dalmia Bharat group has been a pioneer in innovation and a market leader in the cement industry for seven decades. Our growth has been the collective efforts of our senior management and employees. The group was founded by Sh. Jaidayal Dalmia in 1935. The group forayed into the sugar sector by setting up its first unit of 2500 TCD at Ramgarh in Sitapur district, Uttar Pradesh, in 1994.

3 **Background**
Dalmia Bharat Sugar Limited has grown by leaps and bounds. From a single state presence, it has expanded across two diverse states - Uttar Pradesh and Maharashtra. From one manufacturing unit, the Company now has five units.

4 **Employees**
Dalmia Bharat Sugar has attracted experienced and knowledgeable professionals. The Company continuously works towards making the work culture engaging and rewarding for employees. As on 31st March, 2018 the Company had around 2000 employees.

5 **Products**
The company manufactures sugar and processes byproducts derived from sugar manufacture (bagasse and molasses) with the objective to generate power and manufacture ethanol and organic manure.

6 **Presence**
The Company is headquartered in New Delhi with a manufacturing presence across two states: Uttar Pradesh (Ramgarh, Jawaharpur and Nigohi) and Maharashtra (Kolhapur and Ninaidevi). The company is the only sugar company to have operations in Uttar Pradesh and Maharashtra.

7 **Health and safety**
The Company invested in Occupational Health and Safety Management (OHSAS), Environment Management System (EMS) and Food, Safety and Quality (FSQ) certifications.

Installed capacities

Unit	Sugar (TCD)	Distillery (KLPD)	Cogeneration (MW)
Ramgarh	7,500	0	25
Jawarharpur	7,500	80	27
Nigohi	9,000	0	27
Uttar Pradesh	**24,000**	**80**	**79**
Kolhapur	7,500	60	28
Ninaidevi	2,500	0	0
Maharashtra	**10,000**	**60**	**28**
Total	**34,000**	**140**	**107**

Achievements, Sugar Season 2017-18

Parameter	Uttar Pradesh	Maharashtra	Total
Crushing capacity (tonnes per day)	24000	10000	34000
Cane crushed (Lac tonnes)	40.73	10.08	50.81
Recovery (%)	11.33%	13.17%	11.70%

Financial highlights

Particulars	Unit	FY2018	FY2017
Total operating income	₹ crore	2271	1764
Operating profit (EBITDA)	₹ crore	271	402
Cash profit	₹ crore	188	242
Profit before tax (PBT)	₹ crore	148	244
Profit after tax (PAT)	₹ crore	134	187
Share capital	₹ crore	16.19	16.19
Other equity	₹ crore	1433	1234
Loan funds#	₹ crore	430	489
Net block	₹ crore	1300	1282
Net current assets	₹ crore	332	293
Operating profit margin	%	11.93	22.79
EPS (fully diluted)	₹	16.57	23.08
Cash EPS (fully diluted)	₹	23.22	29.89

#including current maturities of long-term debt

Managing Director's overview

The year 2017-18 will be remembered for one of the sharpest reversals in the fortunes of India's sugar industry.

To get a perspective on the extent and suddenness of reversal, a background is necessary. During the previous few years, India's sugar output had declined from a peak of 285 lac MT to 203 lac MT in 2016-17 sugar season. The country's sugar realisations had rebounded to a decent Rs. 35/kg, strengthening the ability of sugar companies to remunerate farmers on schedule.

As things stood at that point, the industry was at a sweet spot – cane growers were being remunerated adequately, millers were reporting an increase in surplus and consumer prices were at a reasonable level.

What transpired thereafter was a sudden and extensive turnaround in the sector's fortunes. The government (Centre and State) announced an increase in the cane price. The increase in cane price by Rs. 10/qtl to Rs 315/qtl (State Advised Price for the general cane variety) came at a time when the marketplace-driven return for other cash crops was not as pronounced. The result was that a larger number of farmers allocated a bigger proportion of their farms for cane cultivation as the crop provided one of the most attractive farm propositions.

India's sugar industry prepared for the increase in cane costs and cane output. However, what the industry – and perhaps no sectoral observer – was prepared for was the extent of the increase. The country's sugar industry prepared for 250 lac quintals of sugar output as per an early season estimate. Thereafter, the official estimate was virtually revised every month as reports of substantial planting and harvests began to come in.

India's sugar industry eventually finished at more than 320 lac MT of production for the 2017-18 sugar season – the largest sugar output in the country's history. This estimate was nearly 117 lac MT higher than the previous season – the highest incremental output in any season in the industry's existence.

The result is that sugar prices declined from Rs 36 per kg to Rs 26 per kg within the space of just 6-7 months, possibly

INDIA'S SUGAR INDUSTRY

India's sugar industry eventually finished at more than 320 lac MT of production for the 2017-18 sugar season

> The commitment to perform better than we had done in the past and better than most was reflected in our FY2017-18 performance as well. The company reported a 25 bps increase in aggregate recovery to 11.84 per cent, our highest ever."
>
> **Gautam Dalmia**

the sharpest realisations erosion that we have seen in a long time. An industry that was preparing for a stable medium-term outlook suddenly faced the prospect of losses, working capital squeeze, margins erosion and a grim outlook. The one figure that captures the picture of the sector is that the industry now faced nearly Rs 18,000 crore in cane arrears to farmers with the prospect of early or complete liquidation appearing remote.

The sharpness of this realizations decline was not lost on the farmers. We believe that the crisis can potentially threaten the social fabric of cane growing regions in India. Besides, the reality would leave virtually no incentive for sugar companies to invest in their businesses for the long-term without the assurance of how raw materials costs would move in the short-term. As things stand today, the business is surviving on the strength of byproduct proceeds. Long-term sectoral players need a greater incentive to invest, grow and de-risk their operations.

At Dalmia Bharat Sugar, we were affected by this volatility. Even as the company had reported a cash profit of Rs 242 crore in 2016-17, it now reported a cash profit of Rs 188 crore in 2017-18.

At Dalmia Bharat Sugar, we had prepared for volatile sectoral cycles through stronger operational discipline. This discipline is captured in just three words at our company – more from less. The operating mechanics of this approach is the need to maximize cane output and thereafter maximise output from every stick of cane. This was derived from a complement: the foresight to invest in downstream byproduct processing capacity to manufacture ethanol and co-generate power on the one hand and a commitment to work with a passion translating into outperformance.

This commitment to perform better than we had done in the past and better than most was reflected in our FY 2017-18 performance as well. The company reported a 25 bps increase in aggregate recovery to 11.84 per cent, our highest ever. The linear increase in recovery translated into a significant incremental production of sugar in addition to generating an increased throughput of byproducts to grow our ethanol and cogeneration businesses. As it turned out, the byproducts business generated 18% per cent of our turnover and 76% per cent of our EBITDA during the year under review, validating the rationale for our synergic diversification.

> At Dalmia Bharat Sugar, our objective will be to do what we have always done: focus on the fundamentals. The company will encourage farmers to plant superior cane varieties, process more efficiently, enhance asset utilization and protect the integrity of its Balance Sheet."
>
> **Gautam Dalmia**

47.49

Price of B-heavy molasses in marketing year 2018-19 (per litre)

43.70

Price of C molasses in marketing year 2018-19 (per litre)

The Indian government responded with speed and sensitivity to the crisis. The Government proposed a scheme to provide subsidized loans of Rs. 4,440 crore to sugar mills to create additional ethanol capacity. The government approved the production of ethanol from the B-heavy molasses and sugarcane juice from the next ethanol marketing year starting December 1 2018 (presently manufactured from only C molasses). The GST reduced applicable to ethanol supply to oil manufacturing companies (OMC) was reduced from 18% to 5%.

The decisions could enable mills to trim surplus sugar output (in times of excessive cane supplies) by diverting a portion of B-heavy molasses for ethanol production, without further extracting sugar, so that the sugar surplus could moderate, realisations could stabilise and cane arrears cleared at the earliest.

Besides, ethanol made out of the B-heavy molasses would now be priced at Rs 47.49 per litre compared to ethanol produced out of the usual C molasses fetching Rs 43.70 per litre in the 2018-19 marketing year. The government hiked the ethanol procurement price by Rs 2.85 per litre to Rs 43.70 for the forthcoming sugarcane season.

The Government had earlier announced plans to hold a buffer stock of 3 million tonnes of sugar for a year from July 2018, the carrying cost of which would be borne by the Government.

The Government also provisionally allocated a quota of sugar that could be maintained by different sugar mills as buffer stock.

Sugar production is expected to be even higher in the 2018-19 sugar season estimated at more than 35 million tonnes, which could push the national sugar inventory to 19.5 million tonnes by September 2019, unless there is a substantial focus on exports in the season. This higher sugar inventory could drive down the borrowing capacity of mills, putting a strain on additional investments and payments to farmers.

The various initiatives of the government notwithstanding, the principal argument being raised within the sugar industry is the need for a long-term policy that is in the collective interests of farmers, millers and consumers. The government's decision to deregulate the sector across the last decade was a step in the right direction, liberating the Indian sugar industry from sharing a part of its produce with the government at a sub-optimal cost and from rationed sales across various blocks of time.

Even as these measures helped enhance industry clarity and flexibility, the deregulation has not been complete. The Indian sugar industry still needs to remunerate farmers on the basis of cane prices announced by the government. Over the decades, the cane prices announced by farmers have been based around populist considerations more than economic. The result is that most of the cane increases have been announced with only one stakeholder's interest in mind – the farmer's. The UP government increased the cane price almost two and a half times to Rs. 315/qtl in SS 2017-18 from Rs. 140/qtl in SS 2008-09 and FRP increased from around Rs. 130/qtl in SS 2008-09 to Rs. 255/qtl in SS 2017-18 at a basic sugar recovery of 9.5%. Cane prices further increased to Rs. 275/qtl for SS 2018-19 at a basic sugar recovery of 10%, with sales realization neither linked to nor showing any correlation with increased cane prices.

This indicates that returns to the country's sugar industry have under-performed returns to farmers. We believe that in a cyclical business where the cost of raw material accounts for nearly 85% per cent of revenues and when it is necessary to protect consumer interests through stable end product pricing, the only insurance can be derived from affordable raw material pricing. Two points need to be indicated here: one, farmers have been remunerated handsomely through the industry's proactive investment in early maturing cane varieties in the last few years, resulting in an increase in hectare incomes by as much as 60 per cent. The result of this sustainable increase in farmer remuneration did not come at the cost of the Balance Sheets of sugar companies, making it a win-win proposition.

Over the years, various committees commissioned by the government to explore collaborative interests of the industry's stakeholders suggested a similar approach: that cane prices be linked to sugar realisations. This linkage – practiced in a number of countries – would make it possible to graduate the farmer into a partner and make it possible for both to grow without one exploiting the other.

At Dalmia Bharat Sugar, our objective will be to do what we have always done: focus on the fundamentals. The company will encourage farmers to plant superior cane varieties, process more efficiently, enhance asset utilization and protect the integrity of its Balance Sheet.

By keeping our cash flows moving, focusing on our strengths and staying stable, we expect to stay liquid and prepare for the next sectoral recovery.

Gautam Dalmia
Managing Director

THE GOVERNMENT'S RESPONSE

The Government proposed a scheme to provide subsidized loans of Rs. 4,440 crore to sugar mills to create additional ethanol capacity.

Enhancing our multi-cycle competence through superior cane management

At Dalmia Bharat Sugar, we believe that in a cyclical resource-dependent business like sugar, business sustainability is derived from a deepening competence in the management of the core product – cane.

During the last decade, the company focused increasingly on getting more out of less cane even as industry observers suggested that perhaps it would be more remunerative to look elsewhere.

The company continued to believe that the nurturing, dispatch and processing of cane continued to be the biggest frontier when it came to prospective improvements. In view of this, the company charted out a full-fledged programme to strengthen resource management.

The Company collaborated with the Cane Development Institute at Coimbatore for the development of a varietal cane bank. The company convinced farmers to plant early maturing cane variety. It provided farmers with material support (subsidized seeds and fertilisers). It hand-held farmers during cane growth. It addressed cane infestation. It tested soil fertility. It developed a pipeline of new

The Company collaborated with the Cane Development Institute at Coimbatore for the development of a varietal cane bank. The company convinced farmers to plant early maturing cane variety.

Particulars	Uttar Pradesh	Maharashtra	Aggregate
SS 2014-15			
Cane crushed (Lac MT)	22.70	6.90	29.60
Recovery (%)	10.32	13.33	11.02
SS 2017-18			
Cane crushed (Lac MT)	40.73	10.08	50.81
Recovery (%)	11.33	13.17	11.70

This focused commitment to cane management paid off in terms of significantly higher cane yield, better varietal percentages, lower water consumption in cane farming and sustained recovery % year over year.

cane varieties. It engaged in timely cane harvest and evacuation.

This focused commitment to cane management paid off in terms of a significantly higher cane yield, better varietal percentages, lower water consumption in cane farming and sustained recovery improvement. More importantly, it resulted in a win–win situation for farmers with a significantly higher per hectare income and for the sugar industry in turns of higher profits and revenues.

A stronger focus and monitoring translated into a 11.84 per cent recovery of sugar that made it possible for the company to amortise fixed costs more efficiently on the one hand and provide for a larger raw material base for downstream byproduct processing on the other.

This singular focus on getting more out of less cane strengthened the company's capability to enhance competitiveness across business cycles.

Returns from cane most attractive for farmers

- An analysis of key cane-growing states suggests that net returns from key competing crops are only a fraction of what farmers earn from cane - in some cases less than a tenth.
- Data by the Commission for Agricultural Costs and Prices (CACP) shows the average net return of farmers in Maharashtra from sugarcane was as high as Rs 59,452 per hectare in the three-year period ending 2014-15 - over 10 times the net realisation from cotton and gram *put together*.
- Growers of cotton, the major kharif crop in the state, reported net returns of Rs 2,949/hectare while those of gram reported net returns of only Rs 2,291/hectare.
- Farmers in Uttar Pradesh, the largest producer of sugarcane and sugar, reported average net returns of Rs 62,116/hectare between 2012-13 and 2014-15. But the less fortunate farmers who grew paddy and wheat in kharif and rabi season respectively, earned only Rs 14,827/hectare as net return from both crops.

Enhancing our agility in a volatile sectoral phase

At Dalmia Bharat Sugar, we believe that what we do with the cane coming into our factories separates the winners from the others.

Over the years, the company invested in various initiatives directed at a singular objective: maximize efficiencies and minimise deviations.

The company addressed the variables affecting cane quality with operational discipline.

The discipline of investing in cutting-edge technologies that would translate into a high plant uptime.

The discipline of training shopfloor workers in benchmarking operations around the highest efficiencies.

The discipline of progressive process automation, translating into fewer process variations.

The discipline of progressive debottlenecking, making it possible to sweat the overall system more effectively.

The discipline of manufacturing an end product around the highest quality standards (whiteness, taste, granularity).

The discipline of urgency, strengthening our responsiveness to sectoral and marketplace developments.

This mindset strengthened the company's positioning as an agile and responsive player when passing through a volatile sectoral phase.

DALMIA BHARAT SUGAR'S RESPONSE

The company addressed the variables affecting cane quality with operational discipline.

Cane management

Cane management is the most critical function in the sugar sector. The kind of seeds the cane growers use, their plantation techniques, prudent use of fertilisers and robust ratoon management are essential in farmers being able to deliver superior cane quality.

Strengths

Dalmia Bharat Sugar invested in various initiatives to enhance its competence related to cane management.

- Propagated the use of early maturing cane to enhance yields
- Invested in nutrition and integrated pest management
- Strengthened farm surveillance
- Engaged in enduring farmer and vendor relationships, creating an eco-system
- Strengthened its dedicated cane management team
- Conducted regular workshops at the village and district level; engaged daily with growers

Seed management and development

The Company focused on the identification of new cane varieties demonstrating superior strains (high recovery and yield). The Company entered into collaborations with various research institutes with a track record in the development of superior seeds. These seeds were showcased through experiments on the company's demonstration plots; once deemed successful, these seeds were shifted for use in commercial farms. The Company was among pioneers in the adoption of the revolutionary Co 0238 seed variety that has since translated into higher recoveries.

Ratoon management

Cane growers, especially those in Central Uttar Pradesh, usually neglected ratoon as treated them as bonus crops. In the last couple of years, the Company conducted workshops to popularise ratoon management, engaged tractors mounted with insecticidal and foliar fertiliser sprayers (to safeguard ratoon from black bugs that cause yellowing and malnutrition), gap-filling and irrigation followed by fertiliser spraying.

Innovative planting techniques

The Company's cane management team trained farmers in innovative planting methods (trench planting, wide row spacing, intercropping and twin row planting) to enhance yield, recovery and cane quality.

Soil testing and improvement

The Nigohi and Jawaharpur plants were equipped with soil testing laboratories to analyse soil quality in command areas. Soil samples were collected from different villages, tested for fertility and fertilisers (organic) recommended, improving nutrient content. The organic fertilisers were manufactured from

SEED MANAGEMENT

The Company was among the pioneers in the adoption of the revolutionary Co 0238 seed variety that has since translated into higher recoveries.

"The organic fertilisers were manufactured from bio-compost and subsidised for farmers. Balanced nutrition management involved micro-nutrients, PSB and Azotobacter; land preparation improved soil health"

bio-compost and subsidised for farmers. Balanced nutrition management involved micro-nutrients, PSB and Azotobacter; land preparation improved soil health (land leveling and deep ploughing, among others).

Regular inspection

The Company deployed teams to check each grower's farm area across cane health, fertiliser use and ratoon management, among others, reported to a core team that suggested solutions for improvement.

Supply chain management

The Company strengthened its supply chain through extensive planning comprising the allocation of harvesting schedules to growers, staggering deliveries according to available crushing capacity and crop delivery within a stipulated time to prevent cane drying – making it possible for mills to be provided the right amount of crushable cane at any time. The Company automated the supply chain through the introduction of mobile apps that farmers used in cane delivery and payment updation.

Health, safety and environment

In the business of sugar manufacture, environment integrity plays an important role. As a responsible producer, Dalmia Bharat Sugar focuses on the identification of climate change-related risks on its business with corresponding mitigation.

The company's responsible eco-friendly approach comprises the measurement of inputs and output across all manufacturing operations, assessing the impact of each on the environment coupled with responsible mitigation.

Raw materials, energy and water are the three principal inputs in end-to-end sugar manufacturing operations; the output impacting the environment comprise emissions, effluents and waste products. The Company's responsibility towards the environment is showcased through the effective utilisation of byproducts from sugar manufacture as outlined below:

Bagasse	Molasses	Press mud
Generate green electricity	Manufacture ethanol for automotive fuel blending	Organic manure

Water conservation and effluent treatment

Sugar mill operations generate a significant waste water due to the high water content in cane (~70%). The Company proactively recycles and reuses water to reduce its dependence on freshwater. The Company installed a water re-circulation system to moderate fresh water intake; its Kolhapur unit is a zero-liquid discharge unit, possessing a state-of-the-art water recycling plant.

The Company widened the coverage of its drip irrigation practice from 16 hectares in 2016-17 to 107 hectares in 2017-18 with plans to expand it across the entirety of its Uttar Pradesh footprint. This is expected to moderate irrigation water requirement by 80% due to a localised effective application of water directly to crop roots. The other water-efficiency practices comprised trash mulching, trench mulching, land-leveling and water harvesting through pond recharge.

Energy

The Company addressed 95% of its direct energy appetite through captive power generation using agro-waste. During FY2017-18, 34.92 Cr units of power generated by the company was exported to the state electricity grids of Uttar Pradesh and Maharashtra. Power exports grew by 5 % during the year under review. All the Company's plant illumination was converted to the LED variant to moderate power consumption.

Emissions

The Company's cogeneration units at Jawaharpur, Nigohi and Ramgarh were registered under the under Clean Development Mechanism of United Nations Framework Convention on Climate Change. Through the use of green power generated from bagasse, the Company reduced its dependence on fossil fuels and associated greenhouse emissions. The Company planted thousands of saplings with the objective to create effective carbon sinks.

Waste management

The Company optimised resources through investments in fermentation distilleries for molasses, bagasse-related co-generation and a facility for converting pressmud to usable compost, substituting imported potash. The bio-composting facility in Jawaharpur manufactures around 40,000 metric tonnes of organic manure per annum by using the in-house availability of press mud from captive sugar factories. The Company commissioned a zero-waste society where waste was segregated and disposed as per biosafety standards.

Safety

The Company invested in a robust safety management system marked by an extensive operational framework for monitoring activities. Its locational safety committees comprised cross-functional teams (engineering, production, environment, power plant, among others) follow the 'clean and green' concept. The Company celebrated a Safety Week to enhance awareness on safety issues and best practices. Periodic health checks were conducted for plant personnel. The Company ran a fully-equipped dispensary in the colony. It conducted regular mock drills across units; its employees were trained in firefighting. All units were equipped with fire safety measures and provisions (water, dry chemicals, CO2, sand, dolomite and foam, among others).

Major initiatives across five years

- Reduction of fresh water requirement for mill operations to near-zero
- Installation of air-cooled condenser in the cogeneration unit to shrink cooling water requirement
- Shift to sulphur-less sugar manufacture in the Nigohi unit
- Reduction of load at the effluent treatment plant following recycling
- Development of an extensive network of pipelines to release treated water into grower farms
- Installation of incinerator boilers to treat spent wash
- Registration of three projects with United Nations Framework Convention on Climate Change for Clean Development Mechanism framework

WATER CONSERVATION

The wider adoption of drip irrigation from 16 hectares in 2016-17 to 107 hectares in 2017-18 is expected to moderate irrigation water requirement by 80%

The Dalmia Bharat Sugar business model

Multi-state presence

The Company selected to base manufacturing operations out of two states (Uttar Pradesh and Maharashtra), derisking its presence from an excessive presence in any one state.

Integrated operations

Dalmia Bharat Sugar invested in the manufacture of downstream products like ethanol and power to ensure complete raw material utilisation, moderating its excessive dependence on the sugar business.

Employee engagement

The Company undertook employee engagement initiatives that made it a preferred employer within the sugar sector. The result was a passionately-driven and creatively-inspired company.

Eco-friendly approach

The Company minimized environment impact through compliance with regulatory guidelines. It promoted the manufacture of green power; it manufactured ethanol, an environment friendly petrol additive.

Qualitative excellence

The Company strengthened its respect as a quality sugar manufacturer, enjoying superior realisations in the good markets and quicker offtake during market troughs.

Industry knowledge

Dalmia Bharat Sugar's promoters and senior management bank on two-and-a-half decades of experience reflected in a rich understanding of the sector's cyclicality, government regulation and farm practices.

Cane development

The Company engaged in knowledge sharing, farm demonstrations and awareness-enhancing programmes. Each unit possessed plots that demonstrated scientific practices. Best practices were communicated to farmers through text messages, leaflets and roadshows.

Farmer engagement

Each of Dalmia Bharat Sugar's units comprised at least four kisan seva kendras for distributing fertilisers, agrochemicals and seeds. Each kisan seva kendra covered 5-10 centres. The Company operationalised cane purchasing centres to measure cane weight and reimburse growers.

Robust financials

Dalmia Bharat Sugar emphasises prudent financial management. The Company restructured long-term debt, resulting in credit upgrading from A + to AA-. The Company's one of the lowest-cost sugar manufacturers in India.

Value-addition

Strong operational efficiency and a robust Balance Sheet empowered the Company to enhance market capitalisation – from Rs 121 crore as on 31st March 2013 to Rs 534 crore as on 31st March 2018.

Our Integrated Report

Key enablers

Innovate and excel

Reinforced a culture of innovation and outperformance through the creation of focused teams

Invested in cutting-edge technologies to achieve the highest operational benchmarks

Introduced the early maturing Co 0238 cane variety, which led to an increase in yield per hectare by more than 30% and enhanced average recovery by more than 100 bps

Improved ratoon management in Uttar Pradesh to enhance yield

Cost leadership

Focused on cost management through proactive investments in superior equipment, scale, integration and stronger terms of trade

Significantly reduced long-term debt by utilising accruals.

Funded a large proportion of working capital outlay through commercial paper, which resulted in a steep reduction in finance costs.

Supplier-of-choice

Focused on improving product quality and the overall price-value proposition

Manufactured superior quality sugar (M-31), the most popular variant in Northern India

Manufactured the L-30 and L-31 variants, a big-grained variant popular in Haryana and Punjab, as well as the S-31 grade sugar for biscuit manufacturers

Emerged as a supplier-of-choice for reputed FMCG giants.

Robust people practices

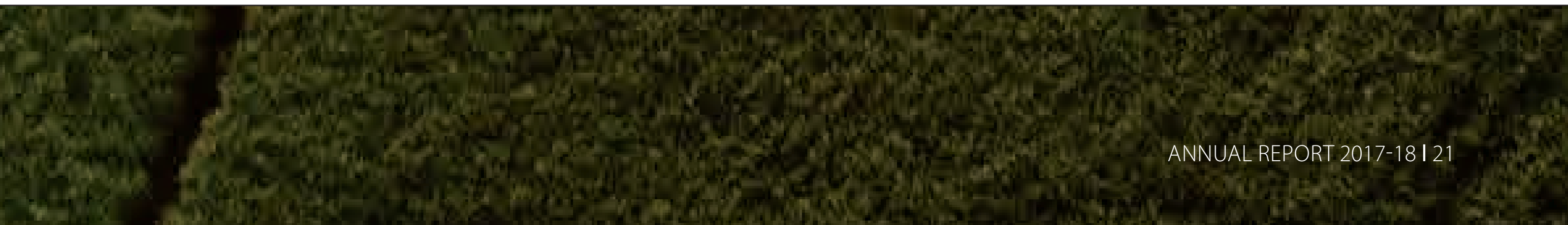
Facilitated personal and professional development	Implemented a superior appraisal system for employee reward and recognition	Enhanced employee motivation; enhanced people retention to 96%

Responsible corporate citizenship

Engaged in impact-based CSR initiatives	Focused on sustainability through environmentally responsible and compliant operations, investments in renewable energy and resource recycling	Spent Rs. 1.98 crore in 2017-18 on CSR activities across soil and water conservation, energy conservation, local youth skilling and social development across 10 states

Value creation

Enhanced the downstream manufacture of ethanol and power (green impact)	Utilised by-products to manufacture green power for captive use and merchant sales	Manufactured ethanol for fuel blending



Dalmia Bharat Sugar's value-creation paradigm

Resources

Financial capital: The financial resources driving the Company comprise internal accruals and mobilisations from banks and financial institutions.

Manufactured capital: The Company's manufacturing infrastructure, technologies and equipment constitute its manufactured capital. The distance of the command areas of cane from our mills is integral to our competence.

Human capital: The Company's management, employees and contractual workers constitute its human capital.

Intellectual capital: The Company's repository of proprietary knowledge forms a part of its intellectual capital.

Natural capital: Dalmia Bharat Sugar depends on cane growers for sourcing raw materials and on nature for water and energy.

Social capital: Dalmia Bharat Sugar's enduring ties with the stakeholder community and channel partners (cane growers, agents and customers) provide it with the respectability accorded to a responsible corporate citizen.

Influencers of business fundamentals

Vision, mission and values	Corporate governance	Code of conduct

Value created

Financial capital

₹2308 cr. Turnover

₹16.57 Earnings per share

₹534 cr. Market capitalization (31.3.18)

Manufacturing capital

₹1909 cr. Revenues earned from sugar

₹126 cr. Revenues earned from ethanol

₹206 cr. Revenues earned from cogeneration

14.6% Revenues from non-sugar as % of whole

Human capital

1800 Employees

₹104 cr. Employee remuneration

Intellectual capital

11.33% UP sugar sector recovery average, SS 2017-18

11.70% Dalmia Bharat Sugar recovery, SS 2017-18

Natural capital

- Significant specific carbon emissions reduction.
- Number of units of cogenerated power produced in 5 years.

Lac Units	5279	4750	4306	4174	3536	3644
FY	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13

- Quantity of ethanol produced by volume ('000 litres) was 33099 KL in FY 2017-18

Value shared with

Investors: Focus on cost reduction, operational excellence and balance of all capitals strengthened earnings and shareholder returns

Suppliers: Focus on vendor growth and timely payments.

Employees: Focus on developing skills and preparing leaders; enhancing workplace safety and health.

Customers: High product quality; timely product delivery

Government: Ethical conduct, complete compliance; timely payments to the exchequer

Communities: Harmonious engagement with communities.

Corporate Social Responsibility

Key highlights, 2017-18

Solid and Water Conservation

- Through the soil and water conservation initiatives of village ponds and drip Irrigation 16.11 Lac m3 of additional water was harvested enhancing the total water harvested in 2017-18 to 16.75 Lac m3.

Energy Conservation

- 13 villages converted to clean cooking villages and clean lighting villages
- A solar mini grid (2) project was initiated in Uttar Pradesh in partnership with Schneider to irrigate 400 acres with solar pumps and provide electricity to 100 households.

Livelihood and Skill Training

- World on Wheels WoW Bus, a digital education platform, was initiated in partnership with Hewlett Packard to provide computer education programmes to more than 1000 school children and youth in Kolhapur.
- A dairy development project was initiated in Uttar Pradesh increase the income of 5,000 beneficiaries across 30 villages in partnership with BAIF. three artificial insemination centers were set up as a first step.

CSR at Dalmia Bharat Sugar

Dalmia Bharat Sugar is a part of Dalmia (Bharat) Group, which was founded in 1935. Our company is committed towards creating a conducive environment to bring about an inclusive growth in society, reflected in our CSR philosophy and strategy. The CSR policies of the company are based on the principles of Gandhian Trusteeship. For over seven decades the company has laid a strong emphasis on promoting equitable and sustainable growth, addressing the health and sanitation, education, rural infrastructure, women empowerment and other social development issues.

The Company is driven by a well-defined Corporate Social Responsibility (CSR) Policy with the purpose to support responsible and sustainable initiatives, taking into account the interests of society and environment. We continuously strive towards systematic and sustainable improvement of local communities surrounding our plants and project sites.

CSR Vision and mission

Dalmia Bharat Sugar's underlying belief is to make a positive contribution to the society and ensuring environment sustainability. As a company we strive to create opportunities for communities and enrich lives of our stakeholders and community at large through our CSR initiatives.

The company's CSR mission is to facilitate social, economic and environmental progress through the effective management of human and natural capital.

Our vision is to create an opportunity for every stakeholder to reach his or her full potential.

Our CSR Policy

The Company implemented various measures in the area of Corporate Social Responsibility (CSR) across India. As per the guidelines, issued by the Ministry of Corporate Affairs, in terms of Section 135 of the Companies Act, 2013, the Company constituted a Committee on Corporate Social Responsibility to oversee CSR activities. The CSR policy was approved by the Board in 2013 and is available on the website of the Company. The CSR Policy can be accessed on http://www.dalmiasugar.com/upload/policies/DBSIL-CSR%20POLICY.pdf

Objective and scope of the policy

The Corporate Social Responsibility Policy of Dalmia Bharat Sugar and Industries Limited demonstrates its commitment to business in a manner sensitive and responsible society and compliant with the relevant directives, regulations and Code of Business Ethics and Practice. The Policy strives to support the Government's vision of Corporate Social Responsibility.

The objective of the policy is to articulate guidelines that make CSR a key business process for sustainable societal development. The policy supplements the role of the Government in enhancing welfare measures based on immediate and long-term social and environmental

consequences.

Our CSR Policy is framed taking into account the following:

a) Welfare measures for the community at large to ensure that poorer sections derive the maximum benefit.

b) Contribution to society at large by way of social and cultural development, imparting education, training and social awareness especially with regard to the economically backward class for their development and income generation.

c) Protection and safeguard of the environment while maintaining an ecological balance.

CSR journey

Dalmia Bharat Sugar and Industries Limited has been engaged in CSR since inception. In recent years the Company realigned its CSR focus on issues material to the company and stakeholders. CSR activities are identified based on stakeholder expectations and needs assessment through structured engagement process and communication. This understanding is leveraged to develop and implement outcome-based and impact-oriented projects in selected areas. The aim is to make a positive impact through the development of resilient sustainable models.

Stakeholder engagements and needs assessment studies water scarcity, erratic power supply, unemployment among rural youths and basic rural infrastructure needs in the neighboring community.

The company realized that these issues were material to the Group's businesses as well as to the communities around their facilities. The Company planned their CSR programmes under the following themes: soil & water conservation; energy conservation and climate change mitigation; livelihood skill training and social development aimed at the creation of shared value for all stakeholders.

Geographically, the Company is working in two states viz. Uttar Pradesh and Maharashtra in more than 35 villages in 5 districts.

CSR focus areas

Dalmia Bharat Sugar, through its CSR initiatives, is committed to bring a positive change in communities. Its CSR program is an example of how a corporate creates additional value for all stakeholders. As a leading Indian conglomerate, Dalmia Bharat Sugar is engaged in ensuring equitable and sustainable growth across its areas of operations.
Its key focus areas are as follows:

Soil and water Conservation

Depleting water table is a growing problem faced across the country. In our neighboring communities, the water table is as low as 500 feet, creating water scarcity and stress for agriculture and household use. We are working on a systematic, integrated and predictive approach for water management along with the community for water conservation, water management, construction, renovation and maintenance of water harvesting structures for improving surface and ground water availability through check dams, village and farm ponds, ring wells and watershed activities.

- Our initiatives have enabled additional water harvesting of 16 lakh m3 this year.
- Drip irrigation installed in 316 acres in Kolhapur and Uttar Pradesh, benefitted 169 farmers and helped grow two crops with 60 percent less water consumption coupled with increased income.
- Two village ponds were constructed in Jawaharpur, Uttar Pradesh, benefiting more than 2000 people in FY18.

Energy conservation and Climate change mitigation

Energy is another major concern in rural India, with a majority of the population being dependent on depleting fuel wood and erratic electricity supply. Clean and renewable energy for the poor and vulnerable rural communities are another focus area at Dalmia Bharat Sugar. Our technology innovation initiatives have helped operationalize and decentralize renewable energy solutions in the rural areas by promoting cook stoves, LPG connections, bio gas plants, Solar lighting systems like lanterns, street lights, study lamps and home lighting systems.

- 13 villages (15,000 households) were made kerosene-free villages by promoting solar lights and clean cooking villages through the promotion of LPG connections, smokeless cook stoves and biogas plants.
- 660 LPG connections were promoted under the Government Ujjwala Scheme.
- 45 solar home lighting systems, 1315 solar lanterns and 180 solar study lamps were promoted.
- 16 biogas plants were promoted in Kolhapur, benefitting 80 individuals with clean fuel for everyday cooking.
- As a next step to promote sustainable livelihoods for village entrepreneurs in association with Dharma Life, 48 Village Level Entrepreneurs were provided credit of Rs.10,000 and product training. This enabled them to create a basket which includes iron, induction stove, solar torch and water purifiers for sale. By selling these products, the VLEs are earning an average Rs.3,500 per month.
- Under the Smart Power Project initiated in partnership with Schneider and Smart Power India, the installation of two solar mini grids is under progress in Ramgarh and Nigohi. The grids will provide electricity at night to 100 households and power for irrigation pumps to 100 farmers for 400 acres.

Livelihood skills training

Unemployment amongst the rural youth is significantly high and a substantial number is employed seasonally. Aiming at long-term benefits for the youth and their families, the company started skill development programmes comprising training in various areas. It set up 3 Dairy Development Centers in Ramgarh, Jawaharpur and Nigohi, helping 1,000 households with alternative livelihoods.

- World on Wheels Project promoting digital learning is operational in Kolhapur. The project has provided assisted learning on computers and academic subjects to 422 school students and youth.
- 24 new SHGs were promoted with more than 250 members, taking the total number of SHGs to 61.
- Strengthened 52 SHGs by interacting with and training more than 500 women.
- Under the Dairy Development project initiated in partnership with BAIF Development Research Foundation, three Artificial Insemination Centers were set up. The centres trained three Artificial Insemination Technicians. The objective of the project is to enhance milk production through livestock breed improvement and community capacity building in identified villages of the project area. The project will benefit 5,000 beneficiaries from 30 villages with a proposed increase in income of Rs.1,500 per month.
- Initiated a joint project with the Cane Development Department, Nigohi, wherein both teams will work towards the Government of India's mandate of doubling farmers' income by 2022. The project will help in the implementation of Government schemes in the entire block of 476 villages across 35,000 farmers.

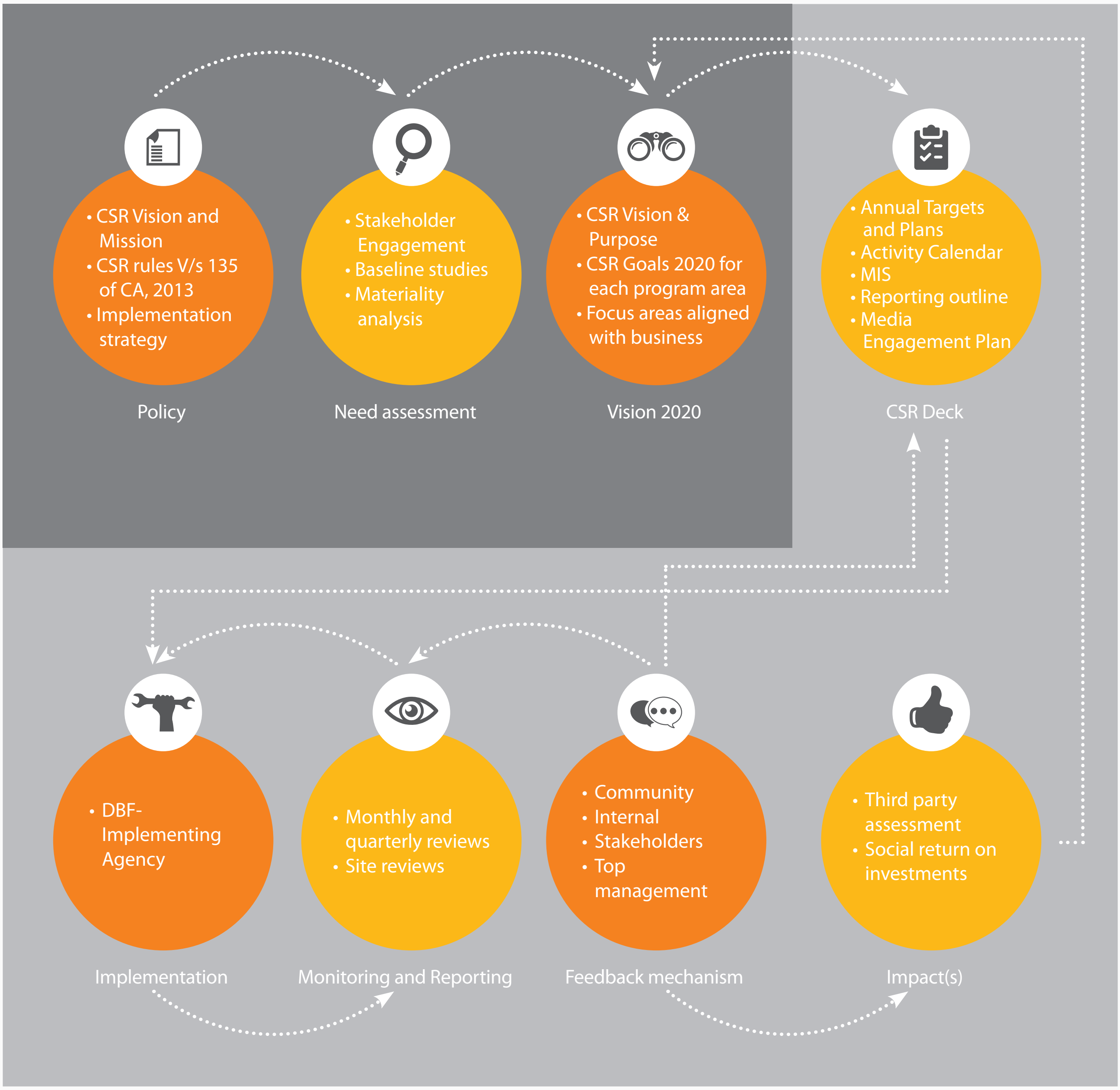
Social Development: Addressing health & sanitation, education, rural infrastructure development and social campaigns

The stakeholder engagement highlighted the issue of poor basic infrastructure, which hinders the daily life and development of these villages. The Company is helping build basic infrastructure needs like school sanitation blocks, low cost toilets, community halls, school buildings etc. Health is another concern among the community and the Company pitched in by arranging general as well as specialized health camps, providing medicines, immunizations, maternal and child health care.

- Made 3 villages in Ramgarh open defecation-free.
- Constructed 970 Individual Sanitary Latrines (ISLs)
- Organized 28 health camps across all locations benefitting 3200 people
- Organized cattle vaccination camp in 7 villages in Ramgarh in partnership with District Veterinary Hospital. The seven-day camp immunized 1286 cattle
- Installed 30 handpumps were installed in Uttar Pradesh benefitting 1,500 people
- Events such as Independence day, World Malaria Day, World Environment day (In line with NABARD's Jal Dhoot program) and Dengue Day were celebrated in program area villages with a participation of more than 2,000 people
- Painted 5 anganwadis with educational BALA Art in Kolhapur, Maharashtra
- Under Dalmia Happy School project, one primary school was adopted in Jawaharpur for undertaking infrastructure improvement, painting BALA Art and creating a library

CSR Process

Driven by the senior management



Managed through online CSR Management Software

SDG mapping and alignment with government policies

1 NO POVERTY

Employment generation training followed by market linkages

2 ZERO HUNGER

Assisting farmers to increase harvests through drip irrigation, constructing village/ farm ponds

3 GOOD HEALTH AND WELL-BEING

Conducting local health camps and setting up preventive health services

4 QUALITY EDUCATION

Construction of girls' toilets in schools aimed at uninterrupted education for girls

5 GENDER EQUALITY

Promotion of Self Help Groups to promote social entrepreneurship leading to women's empowerment

6 CLEAN WATER AND SANITATION

Promotion of clean drinking water in villages through setting up of RO plants

7 AFFORDABLE AND CLEAN ENERGY

Converting conventional kitchens to clean kitchens and providing solar lit lanterns, lamps, home lighting systems

8 DECENT WORK AND ECONOMIC GROWTH

Implementation of Income Generating Activities to augment income

11 SUSTAINABLE CITIES AND COMMUNITIES

Rain water harvesting projects leading to ground water table recharge

13 CLIMATE ACTION

Major CO_2 emission reduction through fuel-efficient cooking and solar lighting in homes

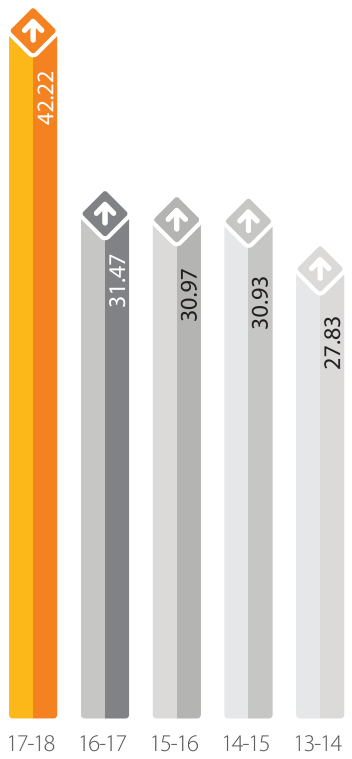
15 LIFE ON LAND

Halting land degradation through soil and water (conservation watershed model)

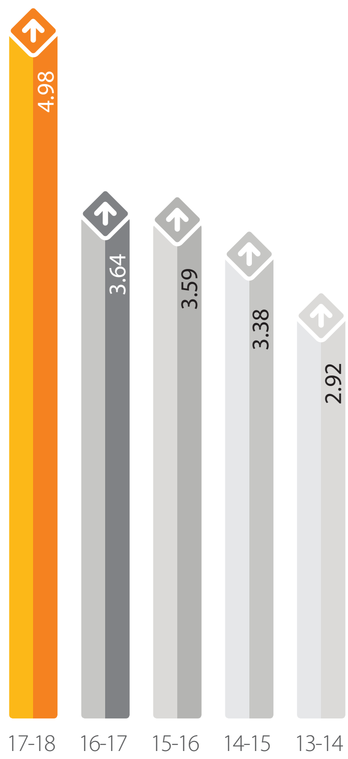
Optimized our CSR programme through benefits under various government initiatives like:

- Skill India
- National Digital Mission
- National Rural Livelihood Mission
- National Skill Development Mission
- Swachh Bharat Abhiyan
- More Crop per Drop
- Pradhan Mantri Kisan Sinchayi Yojana
- Ujjwala Scheme
- Akshay Urja Scheme

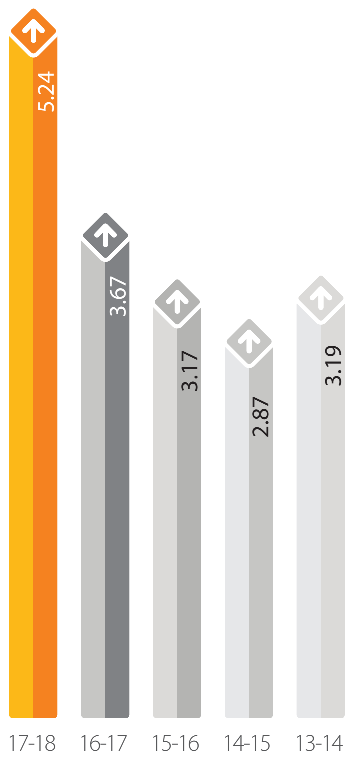
Operational highlights



Sugarcane crushed
(Lakh tonnes)

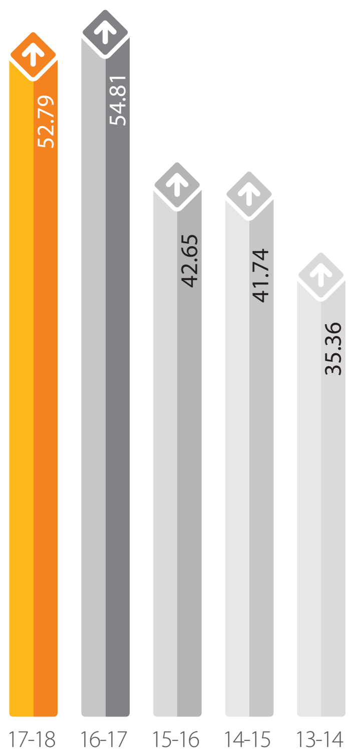


Sugar produced
(Lakh tonnes)

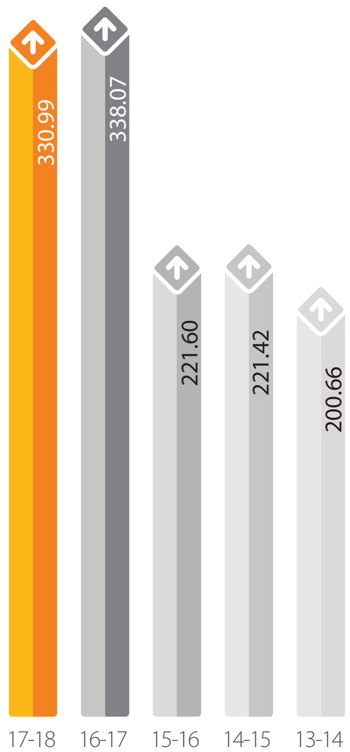


Sugar sales volume
(Lakh tonnes)

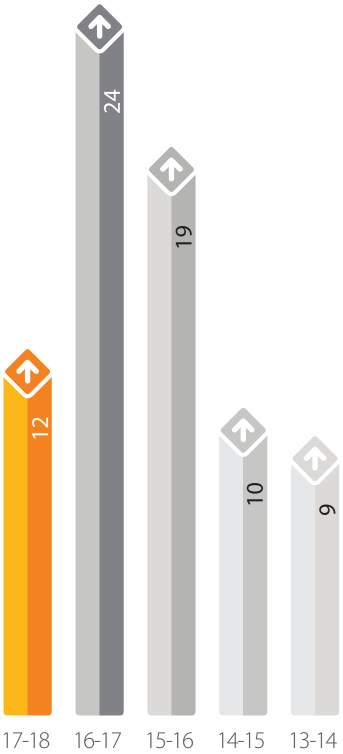
Average recovery
(%)



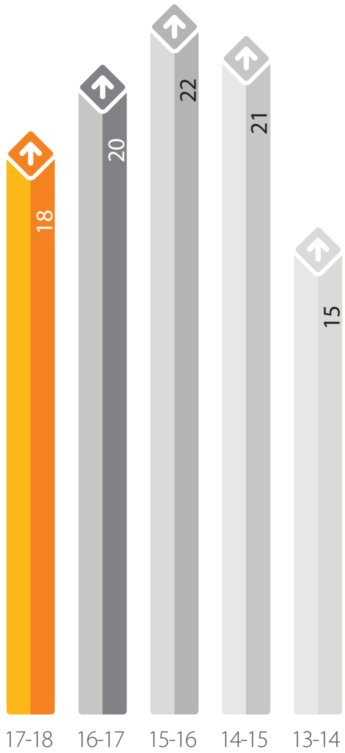
Power generated
(Crore units)



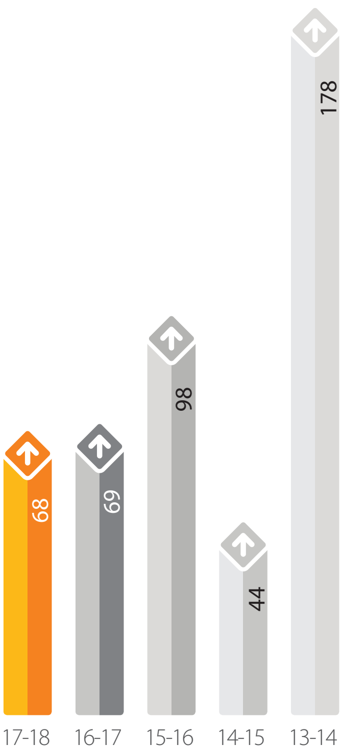
Ethanol/RS/ENA production
(Lakh litres)



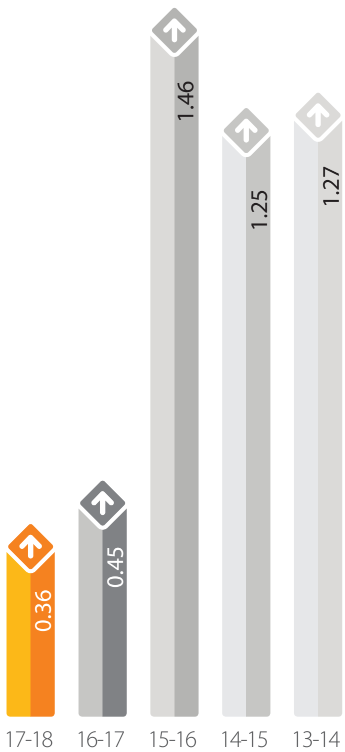
EBITDA margin
%



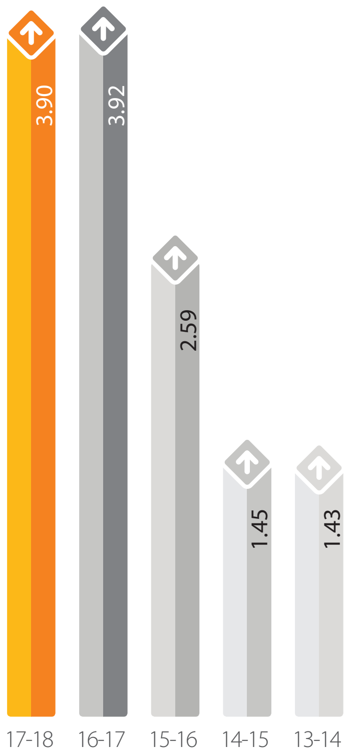
Downstream product revenues
as % of overall revenues



Capital invested
(Rs. Crore)



Debt-equity ratio



Interest cover
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Management discussion and analysis

Global economic growth for six years

Year	2014	2015	2016	2017 (e)	2018 (f)	2019 (f)
Real GDP Growth (%)	3.5	3.2	3.1	3.8	3.9	3.0

[Source: World Economic Outlook, January 2018] f: forecasted

GDP growth rates of emerging Asian nations

	Cambodia	Laos	Myanmar	Philippines	Vietnam	Thailand	Malaysia	Indonesia
2017	6.8%	6.7%	6.4%	6.7%	6.7%	3.5%	5.8%	5.1%
2018*	6.9%	6.6%	6.7%	6.7%	6.5%	3.6%	5.2%	5.3%

*estimated
(Source: World Bank)

Global economic overview

In 2017, a decade after the global economy spiraled into a meltdown, a revival in the global economy became visible. Consider the realities, every major economy expanded and a growth wave created jobs. This reality was marked by ongoing growth in the eurozone, modest growth in Japan, a late revival in China and improving conditions in Russia and Brazil leading to an estimated 3.7% growth in the global economy in 2017, 60 bps higher than the previous year. Crude oil prices increased in 2017, with a price of US$54.13 per barrel at the beginning of the year, declining to a low of US$46.78 per barrel in June 2017 and closing the year at US$61.02 per barrel, the highest since 2013.

Outlook

The outlook for advanced economies improved, notably for the eurozone, but in many countries inflation remained weak, indicating that prospects of GDP growth were being held back by weak productivity levels and rising dependency ratios. Prospects of emerging market and developing economies in sub-Saharan Africa, the Middle East, and Latin America remained lacklustre with several countries experiencing stagnant per capita incomes. Fuel exporters were particularly affected by protracted adjustments to lower commodity revenues. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting an improved momentum and the impact of tax policy changes in the US.(Source: WEO, IMF)

Indian economic overview

After registering a GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for somewhat slower growth, estimated to be 6.7% in 2017-18. Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period from 2014-15 to 2017-18, the highest among the major economies. This was achieved on the back of lower inflation, an improved current account balance and a reduction in fiscal deficit-to-GDP ratio. The year under review was marked by various structural reforms being undertaken by the Central Government. In addition to GST introduction, the year witnessed significant steps towards resolution of problems associated with NPA levels, FDI liberalisation, bank recapitalisation and privatisation of coal mines. After remaining in the negative territory for a couple of years, export growth rebounded during 2016-17 and strengthened in 2017-18. Foreign exchange reserves rose to US$ 414 billion as on January 2018. (Source: CSO, Economic Survey 2017-18)

Bank recapitalisation scheme

The Central Government announced capital infusion of Rs. 2.1 lac crore in public sector banks. The measure entailed a budgetary allocation of Rs. 76,000 crore by the Central Government, while the remaining amount is to be raised by the sale of recapitalisation bonds. (Source: KPMG)

Expanding road network

To boost road infrastructure in the country and foster job creation, the Government of India announced a Rs. 6.9 lac crore investment outlay to construct 83,677 kilometres of road network, over a period of five years. The ambitious programme is expected to generate 14.2 crore man-day jobs for the country. (Source: KPMG)

Improving business ecosystem

The country was ranked at the hundredth position, registering an improvement of 30 places, in the World Bank's Ease of Doing Business 2017 report. The significant jump was a result of the Central Government's pro-reform agenda, comprising measures such as passing of Insolvency and Bankruptcy Code, simplifying tax computation and merging applications for PAN and TAN. In addition, Aadhaar-based identification approach could further help streamline challenges pertaining to the regulatory regime. (Source: KPMG)

GST implementation

The Government of India carried out a significant overhaul of the indirect tax regime and launched the GST in July 2017, with the vision of creating a unified market. Under this regime, various goods and services would be taxed as per five slabs (28%, 18%, 12%, 5% and zero tax). To reduce the short-term inflationary effect of GST, the GST Council cut tax rates on> 250 goods and services by moving them to lower tax slabs in two separate rate cuts. Post-GST implementation, India's tax net expanded, as a 50% increase was recorded in unique indirect taxpayers. (Source: KPMG)

Outlook

The World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and a growth in the services sector are expected to continue supporting economic activity. Private investments are expected to revive as the corporate sector adjusts to the GST. Over the medium-term, the introduction of the GST is expected to catalyse economic activity and fiscal sustainability by reducing the cost of tax compliance drawing informal activity into the formal sector and expanding the tax base. The recapitalisation package for public sector banks announced by the Government of India is expected to resolve banking sector balance sheets, enhance credit to the private sector and spur investment inflows. (Source: IMF, World Bank)

Global sugar industry overview

The global sugar balance will sharply rise by 11.075 million tonnes to reach a record high of 179.448 million tonnes following high production in India, European Union, Thailand and China. Brazil is expected to see a significant drop in production with mills changing their production preference from sugar to ethanol. Stock availability for exports is expected to rise by 0.999 million tonnes to 61.094 million tonnes – the second-highest level in history. Import demand could shrink by 2.57 million tonnes to reach 57.46 million tonnes as domestic production in importing nations remain high. Even as China was the world's largest importer of sugar, the Chinese Government increased duties on out-of-quota sugar from 50% to 95% to moderate imports from Australia, Brazil and Thailand. (Source: ISO, USDA)

Global sugar production levels (in million metric tons)

2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
162.2	172.4	177.8	175.8	177.4	164.7	170.8	179.4*

*estimated; (Source: Statista)

Global sugar price highlights

Global sugar prices stood at US$ 465.1 per tonne in April 2017 declined by 23.9% to US$ 354.1 per tonne in March 2018. Prices declined in most months between April 2017 and March 2018, triggered by the expected global surplus. According to November 2017 estimates, while global sugar production is likely to stand at 184.9 million tonnes, consumption is expected to be reach 174.2 million tonnes in 2017-18. While consumption is expected to grow by 1.6%, production is likely to increase by 6.2% creating a surplus. (Source: CARE Ratings, United States Department of Agriculture)

Sugar industry in Brazil

Sugar production is expected to decline to 601 million tonnes due to adverse weather conditions. The production mix is also changing with increasing focus on ethanol production due to superior returns from bio-fuels. In the total product mix, the share of ethanol production could range between 40% and 60%. (Source: Reuters)

International white sugar prices 2017-18

Period	International white sugar prices in London (USD/tonne)	y-o-y % change
April-17	451.1	6.1
May-17	442.2	-6.7
June-17	396.5	-24.8
July-17	397.5	-26.6
August-17	380.1	-29.4
September-17	371.9	-34.8
October-17	374.3	-37.1
November-17	380.9	-28.8
December-17	377.5	-24.9
January-18	371.6	-31.1
February-18	358.7	-34.1
March-18	354.1	-29.8

(Source: CMIE)

Sugar production and consumption in the last 14 years

Sugar season	Production (lakh tons)	Consumption (lakh tons)
2004-05	127	185
2005-06	193	185
2006-07	284	199
2007-08	264	219
2008-09	145	229
2009-10	189	213
2010-11	244	208
2011-12	263	226
2012-13	251	228
2013-14	244	242
2014-15	283	256
2015-16	251	248
2016-17	203	246
2017-18*	315	250

*Estimated; Source: ISMA

Indian sugar industry overview, 2017-18

Sugarcane yields were higher per hectare in Maharashtra and North Karnataka, raising the nation's sugar production to ~29.5 million tonnes, 45% higher than the previous year's production of 20.3 million tonnes. Out of ~29.5 million tonnes, Uttar Pradesh is expected to produce 10.51 million tonnes, Maharashtra 10.13 million tonnes and Karnataka 3.54 million tonnes and the rest coming from other states in the 2017-18 sugar season.

Yields in Maharashtra and Karnataka were one of the highest ever. In 2016-17, the yields from both these states were 60 tonnes per hectare. Average yields in the current season from Maharashtra and Karnataka stood at ~100 tonnes per hectare and ~91 tonnes per hectare, respectively. Of 524 sugar mills in operation, 193 mills had stopped crushing by 31st March 2018. Surplus sugar production led to ex-mill sugar prices declining to Rs.2,700per quintal: ~Rs.600 per quintal below the average manufacturing cost. Minimal realisations from domestic sales and a depressed global sugar market meant that mills were unable to generate sufficient funds to pay farmers on time. Cane price arrears touched Rs.17,000 crore as of 31st March 2018. (Source: ISMA, Business Standard)

Chocolates

India's chocolate sales are projected to grow at a CAGR of 4% to reach Rs. 148 billion by 2022.

Soft drinks

Revenues from this segment amounted to US$3,266 million in 2018 and expected to report a CAGR of 10% until 2021.

Confectioneries

The Indian confectionery market is estimated to grow from US$ 2.18 billion to US$ 2.67 billion by 2022.

(Source: Euromonitor, Statista)

India’s sugar industry Balance Sheet

Particulars	2017-18(E)	2018-19(P)
Opening Stock as on 1st October	39	100
Production during the season	322	355
Imports	2	0
Total Availability	**363**	**455**
Offtake:		
I) Internal Consumption	258	260
ii)Exports	5	60
Total Offtake	**263**	**320**
Closing Stock as on 30th September	**100**	**135**
Stock as % of Offtake	**38%**	**42%**

India’s sugar industry Balance Sheet

Period	Small grade sugar prices in Mumbai (Rs. per kilogram)	y-o-y % change
April-17	39.5	8.9
May-17	38.8	7.6
June-17	38.3	5.9
July-17	37.3	1.4
August-17	37.4	1.4
September-17	37.3	2.4
October-17	36.9	1.4
November-17	36.0	-0.5
December-17	33.7	-6.6
January-18	31.9	-16.5
February-18	31.8	-20.0
March-18	31.4	-21.3

(Source: CARE)

Domestic sugar sector price trends

High sugar production in the 2017-18 sugar season subdued sugar prices, affecting sectoral viability. Sugar output surged 49.2% to reach 28.2 million tonnes (between October 2017 and March 2018) compared to 18.9 million tonnes in the previous sugar season. Small grade sugar prices in Mumbai hovered between Rs.37 per kilogram and Rs.39.5 per kilogram during April-September 2017 but declined to Rs.31.4 per kilogram in March 2018.

Sugar Production and ex-mill prices in the last 14 years

Year	Production (lakh tons)	Ex-mill sugar price (Rs. / quintal)
2004-05	127	1420
2005-06	193	1577
2006-07	284	1205
2007-08	264	1247
2008-09	145	2022
2009-10	189	2951
2010-11	244	2727
2011-12	263	2951
2012-13	251	3148
2013-14	244	2917
2014-15	283	2492
2015-16	251	3121
2016-17	203	3620
2017-18*	315	3200

*Estimated; Source: ISMA

Government interventions, 2017-18

- In April 2017, the Central Government announced that only a restricted quantity of 5 lac tonnes of raw sugar would be allowed at zero duty through open general licenses.
- In July 2017, the import duty on sugar was hiked from 50% to 100%.
- In August 2017, the Central Government imposed a stockholding limit on sugar that did not allow any sugar manufacturer to hold stocks in >21% and reduced the same to >8% for the months of September and October, respectively.
- In December 2017, this stockholding limit was withdrawn to ensure adequate availability of sugar across India as well as aid traders to increase their sugar stocks, thereby increasing demand and propping up prices.
- This stock holding limit on sugar mills was imposed again in February and March 2018.
- In February 2018, the import duty on sugar was increased to 100% and imposed limit on sugar and dictated a retention stock of 83% for February 2018 and 86% for March 2018.
- In March 2018, the Central Government allowed the export of 2 million tonnes of sugar by September 2018 under the minimum indicative export quota.
- In March 2018, the Central Government allowed the export of white sugar till September 2018 under the duty-free import authorisation scheme (valid for all imports till September 2021).
- In March 2018, the Central Government scrapped the 20% export duty on raw, white or refined sugar to encourage exports.
- Announcement of DFIA scheme and MIEQ.

Post Balance Sheet government initiatives

- In June 2018, the government decided to make subsidized loans available to sugar players to the tune of Rs. 4,440 crore for creation of additional ethanol capacity.
- In the same month, the government further decided to allow sugar mills to utilize their B-heavy molasses and sugarcane juice which contain small amounts of sucrose to manufacture ethanol from the next marketing year beginning from 1st December 2018. This was a welcome move as this initiative would allow players to divert some of their molasses to ethanol manufacture especially during times of excess cane production which would sugar prices from crashing. To encourage mills to utilize this opportunity, the Cabinet Committee on Economic Affairs (CCEA) decided to offer a premium of Rs 3.79 per litre for the ethanol so manufactured. So while ethanol produced out of the usual C molasses will fetch mills Rs 43.70 per litre in 2018-19 marketing year, the bio-fuel made out of the B-heavy molasses will be priced at Rs 47.49 per litre.
- In terms of sugar, the government has decided to hold a buffer stock of 3 million tonnes of sugar for a year from July 2018 and also bear its carrying costs.

Indian ethanol sector overview

Ethanol is generated from molasses, a byproduct of sugar manufacture. Ethanolis a cleaner fuel option compared to gasoline as far as carbon dioxide emissions are concerned. The main challenge that oil companies face is to locally procure the product at the government-mandated rates as State Governments impose heavy taxes on ethanol which is widely used in the liquor industry. Sugar mills also prefer to sell the ethanol to distilleries on account of superior realisations. In India, sugar firms produce ethanol from molasses, which is a byproduct of sugar manufacture unlike countries such as Brazil, where ethanol is produced directly from cane juice. Ethanol supply to OMCs for blending is pegged to rise by 71% in 2017-18 to touch a record 113 crore litres, helping sugar mills earn ~Rs.4,500 crore revenue. Oil marketing companies finalised supply contracts for a record 1.4 billion litres for 2017 compared to 665 million litres a year ago.

The government's decision to hike the price of ethanol procured from C molasses by Rs 2.85 per litre to Rs 43.70 for the new sugarcane season beginning December to help mills reduce cane arrears has proven to have a double benefit of reducing cane arrears of farmers as well as cut the crude import bill through incentivising ethanol manufacture and its blending with petrol.

(Source: ET, Reuters, ISMA)

Indian cogeneration sector overview

Power is produced from bagasse, which is a byproduct of sugar manufacture. Cogeneration uses fuel to produce two forms of energy, mainly electrical and mechanical. As India is one of the largest sugar producers in the world and the second-largest producer of sugarcane, the nation's agricultural produce drives the cogeneration sector. Sugar mills in India consume their bagasse to create the energy to run their mills and generate steam to run the boilers and turbines to generate power to run their plants. Excess power is exported to the grid of distribution licensees. Available biomass is estimated at 500 million metric tonnes per annum and an additional 120-150 million metric tonnes per annum is generated from agricultural residues, which puts the potential of cogenerated power in India at ~18,000 megawatts. (Source: Power Line, ISMA, Ministry of New and Renewable Energy)

In March 2018, the Central Government scrapped the 20% export duty on raw, white or refined sugar to encourage exports.

Our operations in Uttar Pradesh

3
Number of facilities

2,500
Capacity at inception (tonnes per day)

24,000
Total capacity today (tonnes per day)

Overview

The Company commenced operations with one plant in Uttar Pradesh in 1994 and thereafter expanded its presence to three locations in Ramgarh, Jawaharpur and Nigohi. The Company is one of the ten largest sugar manufacturing groups in India today.

Cane management

The Company has been involved in extensive resource development to improve cane cultivation, engage local farmers and help them grow high-yielding cane varieties. Besides, providing superior quality seeds and other products such as fertilisers at subsidised rates, the Company also educates farmers through new farming techniques that increased the amount of cane crushed, enhanced recovery and lowered varietal rejects.

The Company commissioned kisan sewa kendras near its sugar mills. These institutions distribute fertilisers, pesticides and farm equipment at subsidised rates. The Company started a comprehensive cane development programme called Unnati in the catchment areas of its Uttar Pradesh-based sugar mills. Unnati focused on the cultivation of high-yield cane varieties, customising the desired nutrients based upon the scientific soil testing and varietal shift in cane mix. These efforts helped farmers grow more cane by optimising resources (land, water, seed, nutrients and crop protection inputs).

Challenges

Cane growers, especially those based in Central Uttar Pradesh, neglected ratoon as they used to treat them as bonus crops. In the last couple of years, the Company conducted workshops emphasizing the importance of ratoon management. The Company engaged tractors mounted with insecticidal and foliar fertiliser sprayers to protect the ratoon from disease.

Highlights, 2017-18

- Crushed 40.73 lac metric tonnes of cane in SS 2017-18.
- Maintained recovery at 11.33% compared to previous year's 11.46%.
- Highest ethanol production at 22,772 KL
- Enhanced power sales to 35.91 crore units.

Our operations in Maharashtra

2
Number of facilities

2,500
Capacity at inception (tonnes per day)

10,000
Total capacity today (tonnes per day)

Overview

The Company established its first sugar manufacturing unit in Maharashtra in 2013 at Kolhapur.

The Company is now present in two locations (Kolhapur and Ninaidevi). The Company's Maharashtra operations have expanded beyond sugar manufacture to ethanol production and cogeneration as well.

Challenges

A dearth of skilled labour in Maharashtra meant that during harvest season, the Company was compelled to employ migrant labourers to work in the mills. During the two fiscals preceding the year under review, severe droughts meant that there was ample availability of labour. However, due to the surplus sugar production in the state during FY2017-18, local farm labourers did not need to migrate to look for work, resulting in a shortage. The Company dealt with this challenge by installing mechanised harvesters.

Highlights, 2017-18

- Crushed 10.08 lac metric tonnes of cane
- Recovery stood at 13.17% as against the previous year's 13.33%.
- Increased ethanol production at 10327 KL
- Power generation stood at 16.88 Cr units.

ETHANOL PRODUCTION

The Company effectively increased ethanol production during the year, producing 10327 KL

Our Sugar business

5.24 Sales volumes (lac tonnes), 2017-18	**3.67** Sales volumes (lac tonnes), 2016-17	**43** Increase (%)
84 Contribution to revenues (%), 2017-18	**78** Contribution to revenues (%), 2016-17	**6** Increase (%)
17 Contribution to EBITDA margin (%), 2017-18	**51** Contribution to EBITDA margin (%), 2016-17	**65** Decrease (%)

Overview

The Company's sugar operations accounted for the largest share of its overall revenues and profits. The Company started reporting profitable growth in the sugar business from 2013 by banking on the increased quantity of cane crushed and an extended footprint.

Strengths

- Among the ten largest Indian sugar manufacturers
- Among the fastest-growing Indian sugar manufacturers
- The only private sector player from Uttar Pradesh to enter Maharashtra
- Inspired cane growers to plant increasing quantities
- One of the most efficient sugar producers (average recovery in Uttar Pradesh stood at a high 11.33% and Maharashtra recovery at 13.17%)

Challenges

- Production estimates for the season were higher than estimated consumption, weakening realisations. To moderate the impact, the Company is increasing its distillery output.

Achievements, FY2017-18

- Grew sugar sales by 43% from 3.67 lac tonnes in 2016-17 to 5.24 lac tonnes
- Increased revenues by 37.63% to Rs. 1909 crore
- Planted more than 90% of the Company's command areas with early varietal cane

Outlook, 2018-19

The sectoral scenario appears daunting with a record amount of sugar being produced. The Company intends to leverage its distillery operations to sustain profitability.

Our Distillery business

Overview
The Company's distillery capacity stood at 140 kilolitres per day (comprising distilleries in Uttar Pradesh and Maharashtra). The unit in Maharashtra commenced operations from 2016-17. The Company increased its distillery capacity following the governmental directive on mandatory ethanol blending with automotive fuel. The Company also benefited from the use of captively-generated molasses as a raw material for its distillery units.

Strengths
The Company possesses the capacity to produce different grades of alcohol (ethanol, rectified spirit and extra neutral alcohol), addressing different user segments

Achievements, FY2017-18
- Net distillery revenues stood at Rs. 126 crore
- Distillery production stood at 33099 KL.

Outlook, FY 2018-19
The Company plans to expand its distillery capacity in Jawaharpur to 120 KLPD and commission a unit at Nigohi with a capacity of 60 KLPD.

28810 Sales volumes (kilolitres), 2017-18	**36126** Sales volumes (kilolitres), 2016-17	**20** Decrease (%)
5 Contribution to revenues (%), 2017-18	**9** Contribution to revenues (%), 2016-17	**39** Decrease (%)
14 Contribution to EBITDA margin (%), 2017-18	**8** Contribution to EBITDA margin (%), 2016-17	**69** Increase (%)

Our Cogeneration business

206 Revenue from power exports, 2017-18 (Rs crore)	**197** Revenue from Power, 2016-17 (Rs crore)	**5** Increase (%)
9 Contribution to revenues (%), 2017-18	**11** Contribution to revenues (%), 2016-17	**18** Decrease (%)
63 Contribution to EBITDA margin (%), 2017-18	**40** Contribution to EBITDA margin (%), 2016-17	**57** Increase (%)

The Company entered the cogeneration segment in 2007-08 when it commissioned its first capacity of 79 megawatts at Uttar Pradesh. It progressed to commissioning its second capacity of 23 megawatts at Kolhapur. The Company's total power cogeneration capacity stands at 102 megawatts today.

The Company entered this business to make use of the bagasse generated during sugar manufacture and generate environment-friendly power. Nearly 34% of the total power generated was consumed captively in 2017-18 and the rest was exported to the state grid. Revenues were secured through long-term power purchase agreements with the State Government (with periodic escalation clauses).

Strengths

- The Company possesses adequate capacity to cater to 100% of its power requirement
- The Kolhapur co-generation plant is equipped with cutting-edge high-pressure boilers, enhancing power generation per metric tonne of cane

Achievements, FY2017-18

- Increased power generation by 11.15 % from 47.5 crore units in 2016-17 to 52.80 crore units in 2017-18
- Increased power exported to the grid by 6% from 33 crore units in 2016-17 to 35 crore units in 2017-18
- Earned revenues from power exports worth Rs. 206 crore

Financial statement analysis

Standalone profit and loss statement:

The Company reported gross revenues worth Rs. 2308 crore during 2017-18, compared to Rs. 1,788 crore during 2016-17. Operating EBITDA stood at Rs. 271 crore for 2017-18 compared to Rs. 402 crore for 2016-17. Depreciation and interest for the current year stood at Rs. 54 crore and Rs 69 crore, respectively.

- Operating EBITDA: Better sugar recovery resulted in a reduction in the cost of production. Lower realisations of sugar and value-added downstream products resulted in an operating EBITDA of Rs 271 crore for the year under review compared to Rs 402 Crore in the previous year.
- Financial and interest expenses: Finance costs for the year stood at Rs. 69 crore compared to Rs. 102 crore for 2016-17, which reduced due to substantial reduction in long-term as well as short-term borrowings.
- Other income: Other income for the current year stood at Rs. 37 crore.
- Provision for tax: Tax expenses for 2017-18 including current and deferred tax amounted to Rs. 14 crore.
- Net profit: Net profit for the year 2017-18 amounted to Rs. 134 crore, declining from Rs. 187 crore during 2016-17.

Standalone Balance Sheet:

- Capital structure: The Company's paid-up equity share capital stood at Rs. 16.19 crore as on March 31, 2018, comprising 8,09,39,303 equity shares of Rs. 2 each (fully-paid up).
- Reserves and surplus: The Company's reserves and surplus for 2017-18 stood at Rs. 1433 crore. It includes Rs. 259 crore on account of Other comprehensive income.
- Loan profile: The total borrowed funds of the Company stood at Rs. 785 crore (including current maturities of long term debt classified under the head of 'other current liabilities' worth Rs. 55 crore) as on 31st March 2018. There was a substantial reduction in long-term loans on the Company's books (by Rs. 65 crore).

Long-term borrowings stood at Rs. 440 crore as on 31st March 2018 compared to Rs. 505.41crore as on 31st March 2017. The Company's long-term debt-equity ratio reduced to 0.30 as on 31st March 2018 from 0.40 as on 31st March 2017.

- Total assets: The total asset base of the Company stood at Rs. 2857 crore as on 31st March 2018. The Company's net fixed assets as proportion of its total assets stood at 46 % at the end of the year.
- Fixed assets: Fixed assets worth Rs. 1300 crore mainly comprised plants, machinery, land and buildings. It also included a small sum amounting to Rs. 7 crore in the form of capital work-in-progress.
- Investments: Out of the total investments of Rs. 435 crore, the Company had an investment of Rs. 151 crore in the form of fixed income money market mutual funds.
- Inventories: Total inventories stood at Rs. 750 crore as on 31st March 2018 and comprised finished stock of sugar and other products worth Rs. 657 crore and raw material, store and spares and work in progress worth Rs. 37 crore.
- Sundry debtors: Sundry debtors for the year amounted to Rs. 76 crore largely on account of power business debtors.
- Loans and advances: Loans and advances made by the Company stood at Rs. 164 crore as on 31st March 2018.
- Cash and cash equivalents: The Company had cash and equivalents worth Rs. 59 crore as on 31 March 2018.
- Current liabilities and provisions: Current liabilities and provisions stood at Rs. 536 crore (excluding short-term borrowings worth Rs. 345 crore), wherein Trade Payables stood at Rs. 429 crore, other Current Liabilities stood at Rs. 104 crore and Provisions included Rs. 4 crore.

People management

The Company has emerged as one of the fastest-growing sugar players in the country due to its ability to leverage its human capital to realise its nation-building vision. Dalmia Bharat Sugar develops employee competencies by charting out their long-term career progression. Due to its robust work culture and balanced work-life environment, the Company enjoys one of the highest retention rates in the industry: 96% in 2017-18. The Company's operating philosophy is captured in two words ('new think'), indicating a new way of doing things. Besides, the 'Dalmia way' epitomises excellence, innovation and trust with an emphasis on sustainable development. A set of values form the backbone of the organisation. These 'timeless values' comprise the following:

- **Integrity:** This represents the Company's ability to do what is right and not what is easy - even when no one is watching.
- **Trust and respect:** Respect is earned and trust is gained and together they remind the Company of its unique worth.
- **Humility:** This represents Company's ability to not to think less about itself, but to think about itself less.
- **Commitment:** This represents the Company's confidence in the adage that where there is a will, there is a way.

At Dalmia Bharat Sugar, our aim has always been to establish longstanding relationships with employees develop a family-oriented work environment and keep people happy by focusing on their wellness and well-being. Based on three aspects of life described as 'WIN', which stand for 'work', 'inspire', and 'nourish', the Company has been able to develop programs focused on achieving physical, intellectual and spiritual wellness, raising productivity:

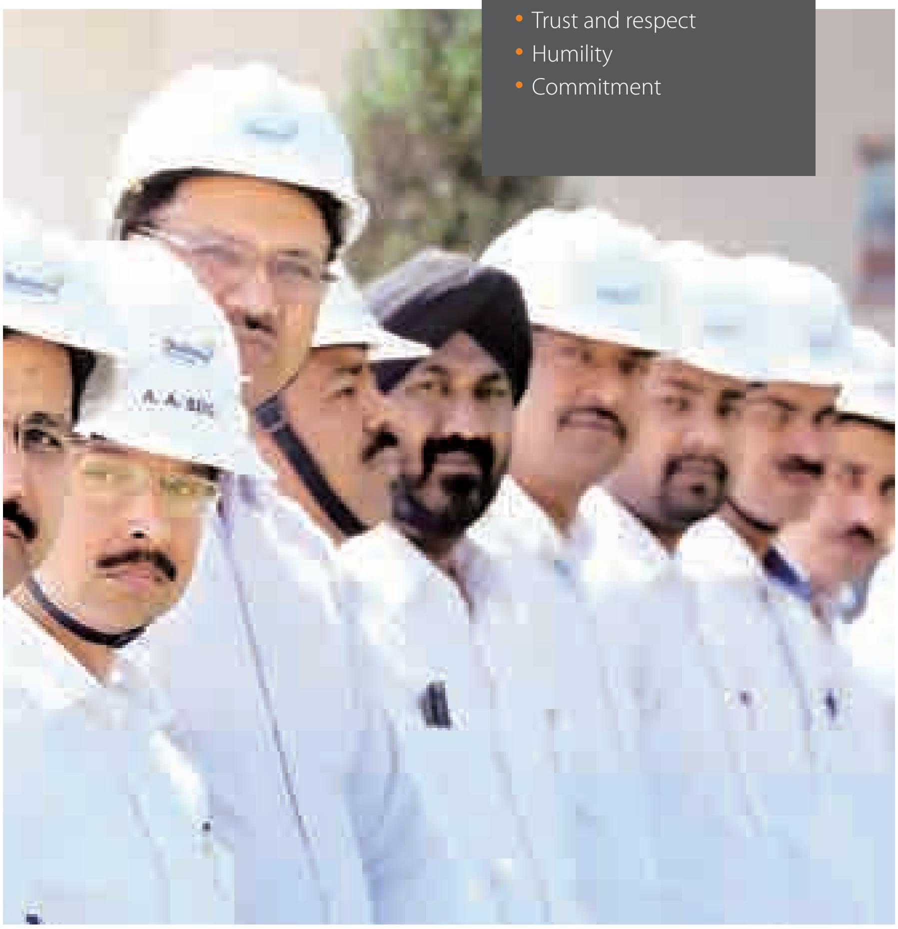
- **Work the body:** Improve the health, vitality and vigour of the employees
- **Inspire the mind:** Hone leadership skills of each of the employees
- **Nourish the soul:** Ensure the spiritual elevation of the employees

The Company's HR department implemented farsighted strategies to ensure continual growth. Digitalisation was a key focus area with various HR functions being migrated onto a digital platform. Automation played an important role, with several sub-functions being automated. The Dalmia Training Institute conducted skill development training in line with the Government's 'Skill India' initiative.

Nalanda is a leadership, learning and change division of the Company, which conducts leadership training programmes and behavioural development workshops, among others. Regular interventions and monthly trainings ensured continuity in employee engagement. The aim was to promote gradual but consistent career growth of all employees in the Company. Dalmia Bharat Sugar maintained its strategy of inducting employees into its workforce based on specific requirements to fulfill specific roles. The Star Programme continues to nurture and develop the leaders of tomorrow, with several surveys indicating improved performance and responsibility among attendees. The Company also ensured business sustainability through its career progression plans for specific roles within the organisation. Employee relations remained cordial throughout the year with the Company promoting growth and development of talent. Dalmia Bharat Sugar maintained an open and transparent redressal mechanism for all employees. The Company continued its partnerships with NGOs through its Roshni programme in order to encourage community engagement and to extend employee outreach in making the lives of people better.

TIMELESS VALUES

- Integrity
- Trust and respect
- Humility
- Commitment



Information management

Dalmia Bharat Sugar invested in a state-of-the-art information management systems to improve organisational efficiency, accelerate responsiveness, shrink time-to-market cycles, control costs and deliver sustainable business solutions. The Company has an integrated information management system and a stable SAP ERP platform. For decision-makers to enforce control and achieve pre-decided financial objectives and goals, the Company invested in a best-in-class MIS setup. The Company's HR department went paperless and the entire organisation's infrastructural framework and networks were consolidated to enhance bandwidth and cost-efficiency. All the print and facilities management services were outsourced to a core IT vendor to moderate costs, reduce response times and liberate resources. To improve communication and collaboration between internal teams, Dalmia Bharat Sugar adopted a Google-based platform. The Company undertook various initiatives to ensure business managers possessed real-time access to KPIs related to sales, finance, supply chain and plant operations to ensure timely resolution of issues and queries and efficient allocation of resources. The Company invested in the latest technologies. The result is that the Company has an efficient system of tracking cane consignments, remunerating harvesters and transporters and monitoring the movement of raw material and finished products. Its field force management operations are completely automated and all information related to attendance, field surveys and other activities are transmitted through text, audio and video messages.

Statutory section

Directors' Report

Dear members

Your Directors have pleasure in submitting their sixty sixth report on the audited financial statements of the Company for the financial year ended March 31, 2018.

Financial Highlights

(₹ crore)

Particulars	2017-18	2016-17*
Net Sales Turnover	2270.79	1764.10
Earnings Before Interest, Depreciation, Taxes and Amortization	271.02	402.16
Less: Interest & Financial Charges	69.46	102.49
Profit Before Depreciation and Tax	201.57	299.67
Less: Depreciation	53.69	55.58
Profit Before Tax	147.87	244.09
Less:- Tax		
Current Tax	31.52	50.85
Deferred Tax	(17.75)	6.47
Profit After Tax	134.10	186.77
Add:- Surplus brought forward	1,021.78	835.01
Balance available for appropriation	1,155.88	1,021.78
Appropriations		
Transferred to General Reserve	19.00	-
Dividend	16.19	-
Dividend Distribution Tax	3.30	-
Balance carried Forward	1,117.39	1,021.78

*Previous financial year figures have been restated as per IND AS.

Operations and Business Performance

The Company has achieved the highest ever turnover however profitability got impacted on account of fall in sugar prices especially in last quarter of the financial year.

During the year under review, the gross revenue of the Company for the financial year 2017-18 has increased by 29% which is ₹ 2271 Crore as compared to ₹ 1764 Crore in the previous financial year and the profit before tax for the financial year 2017-18 stood at ₹ 148 crore as against ₹ 244 Crore in the previous financial year.

Please refer to the chapter on Management Discussion and Analysis for a detailed analysis of the performance of the Company during the financial year 2017-18. In addition, working results for key businesses have been provided which forms part of this report as Annexure – 1.

The Company continues to be engaged in the same business during the financial year 2017-18. There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

Transfer to Reserves

A sum of ₹ 19 Crore is proposed to be transferred to the General Reserve of the Company which is an appropriation out of profits of the Company. This reaffirms the inherent financial strength of your Company.

Dividend

Keeping in view the financial outlook and plough back the profits, your Directors have decided not to recommend payment of dividend for the year under review.

Credit Rating

During the financial year 2017-18, ICRA has upgraded the rating for long term facilities of the Company to AA- from A+ which signifies the high degree of safety regarding timely servicing of financial obligations. ICRA has also reaffirmed the rating for short term facilities of the Company at A1+ which is the highest rating in the rating scale of ICRA, signifying very strong degree of safety regarding timely payment of financial obligations.

Board of Directors and its Committees' Meetings

During the financial year 2017-18, four Board meetings were held. Reference is invited to the Corporate Governance Report, which forms part of this Report, for the details of Board of Directors, its committees and their meetings.

Directors and Key Managerial Personnel

Smt Himmi Gupta, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment. She has furnished requisite declaration to the effect that she is qualified to be appointed as a Director of the Company.

The Key Managerial Personnel, namely, Shri Jai Hari Dalmia, Vice chairman and Managing Director, Shri Gautam Dalmia, Managing Director and Chief Executive Officer, Shri Anil Kataria, Chief Financial Officer and Smt. Isha Kalra, Company Secretary continue to hold their respective offices during the current financial year.

The independent Directors namely, Shri J.S. Baijal, Shri M. Raghupathy and Shri P. Kannan have given their respective declaration of independence under Section 149 of the Companies Act, 2013. Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 your Directors proposed to the shareholders in the notice of Annual General Meeting for continuation of the appointment of Shri J. S. Baijal and Shri M. Raghupathy, who has attained the age of 86 years and 81 years respectively, till the term of their original appointment.

A meeting of the Independent Directors excluding all Non Independent Directors and members on the management of the Company was held as mandated by provisions of Part VIII of Schedule IV to the Companies Act, 2013 wherein they *inter-alia* reviewed the performance of the Non Independent Directors, Chairman and Board as a whole.

The Board members are provided with necessary documents, updates and policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations on industry, business segments, legal updates and related responsibilities of Directors, are made at the Board meetings of the Company. The details of familiarisation programs for Independent Directors of the Company can be accessed at www.dalmiasugar.com/upload/pdf/Familiarisation-Programme-For-Independent-Directors-2017-18.pdf.

In terms of the requirement of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), your Board has formulated the Nomination and Remuneration Policy of the Company on Director's appointment evaluation and remuneration of directors, key managerial personnel and senior managerial personnel of the Company.

The policy provides for the constitution of Nomination and Remuneration committee, role of committee, minimum criteria for appointment and removal of Directors/KMP/SMP, evaluation criteria and remuneration of Director/KMP / SMP.

During the year under review the Company has reviewed and revised the said policy in order to streamline the same with the Companies Act, 2013.The Nomination and Remuneration policy of the Company can be accessed at www.dalmiasugar.com/upload/policies/DBSIL-N&R-Policy.pdf.

Annual evaluation of performance of the Board, its Committees and individual Directors

Annual evaluation of performance of the Board, its Committees and individual Directors was carried out by the Board, Nomination and Remuneration Committee and Independent Directors in accordance with the Companies Act, 2013 and the SEBI LODR Regulations. An indicative criteria was circulated to the members of the Board to facilitate such evaluation and same was carried out in terms of the Nomination and Remuneration Policy and such indicative criterion.

It was observed that the Board was well composed in as much as there was a mix of youth and maturity, competencies and experience in the business of the Company as well as other areas like finance, legal, compliance, policy making, etc. and that there was adequate gender and other diversity in the Board. The Board had met the high standards in relation to Corporate Governance as envisaged by the Companies Act, 2013 as well as those provided in the SEBI LODR Regulations and/or the other requirements of the SEBI. The Board functioned as a cohesive team and the decision making was based on due deliberations where views and counter views were encouraged.

It was further observed that the mandate and composition of Committees was clearly defined. The Committees performed their duties diligently and contributed effectively to the decisions of the Board.

All the Directors were performing their role effectively and discharging their responsibilities and obligations efficaciously and had been meeting the high standards of professing and ensuring best practices in relation to overall governance of the Company's affairs.

Directors' Responsibility Statement

Your Directors state that:

(a) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed and there are no material departures from the same;

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

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

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

(e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

Particulars of Remuneration of Directors', Key Managerial Personnel and Employees'

The particulars of remuneration to Directors and Key Managerial Personnel and other particulars attached as Annexure – 2 and forms part of this report.

A statement showing the names and other particulars of the employees drawing remuneration in excess of the limits is attached as Annexure – 2A and forms part of this report.

Employees' Stock Option Scheme

The Company has not granted any employee stock options.

Subsidiaries

The report on the financial position of the Company's Subsidiaries, Himshikhar Investment Limited, Dalmia Solar Power Limited and Dalmia Sugar Ventures Limited, for the year ended March 31, 2018 is attached in Form AOC -1 and forms part of this report as Annexure –3.

The detailed Annual Reports of these subsidiaries are not being enclosed with this Annual Report. Any Member desiring to inspect the detailed Annual Reports of any of the aforementioned subsidiaries may inspect the same at the Registered Office of the Company and that of the subsidiaries concerned. In event a member desires to obtain a copy of the Annual Report of any of the aforementioned subsidiaries, he may write to Company at its Registered Office specifying the name of the subsidiary whose Annual Report is required. The Company shall supply a copy of such Annual Report to such Member. The Annual Report of the aforementioned subsidiaries are available at the Company's website www.dalmiasugar.com.

During the said financial year no company ceased to be a subsidiary of the Company or its subsidiary. The Company has no Associates or Joint Ventures.

The policy for determining material subsidiaries may be accessed on the Company's website at www.dalmiasugar.com/upload/policies/DBSIL-Material-Subsidiary-Policy-Board.pdf.

Consolidated Financial Statements

As required under section 129(3) of the Companies Act, 2013 read with Regulation 33 of the SEBI LODR Regulations and Accounting Standard - 21, this Annual Report also includes Consolidated Financial Statements for the financial year ended March 31, 2018.

Corporate Governance Report

Your Directors believe that corporate governance is an ethically driven business process that is committed to values aimed at enhancing the growth for the Company. Your Company's corporate governance practices are driven by effective and strong Board oversight, timely disclosures, transparent accounting policies and high levels of integrity in decision making. The Company's corporate governance practices have been detailed in the Corporate Governance Report and same is attached hereto together with the

Auditors' certificate thereon and forms part of this Report.

Extract of Annual Return

The extract of the annual return is attached in Form MGT-9 giving inter-alia details of shareholding pattern, indebtedness and managerial remuneration and forms part of this Report as Annexure –4.

Corporate Social Responsibility

Your Directors have constituted a Corporate Social Responsibility ("CSR") Committee responsible to identify, monitor and review CSR activities of the Company and provide strategic direction for implementation of the corporate social responsibility policy of the Company which can be accessed at www.dalmiasugar.com/upload/policies/DBSIL-CSR-POLICY.pdf.

The Committee decided to expend an amount of ₹ 1.89 crore on CSR activities covering eradication of extreme hunger and poverty, promotion of education including special education, ensuring environmental sustainability and ecological balance, etc. health, sanitation, education and environment sustainability.

Pursuant to the said policy, the Company has made expenses aggregating to ₹ 1.98 Crore towards CSR during the financial year 2017-18, which is more than 2% of average net profits of the Company made during three immediately preceding financial years. The annual report on CSR activities is attached as Annexure – 5 and forms part of this Report.

Related Party Policy and Transactions

The Company's policy on Related Party Transactions may be accessed at the Company's website at www.dalmiasugar.com/upload/policies/ DBSIL-RPT-Policy-Board.pdf.

During the year under review there was no material contracts or arrangements entered into by the Company with the related parties referred to in section 188(1) of the Companies Act, 2013. Hence, Form AOC-2 is not being attached to this Report.

Risk Management

Your Company has formulated the Risk Management policy that defines the adequate risk management process and procedures, which are based upon business environment, operational controls and compliance procedures. The major risks are assessed through a systematic procedure of risk identification and classification. Risks are prioritized according to significance and likelihood. The purpose of risk management is not to eliminate the risks inherent to the business but to proactively address such risks. The Audit Committee oversees the risk management plan and ensuring its effectiveness.

Whistle Blower Policy and Vigil Mechanism

The Company has in place the whistle blower policy and vigil mechanism for directors, employees and other stakeholders with a view to provide for adequate safeguards against victimisation of stakeholders and provide for direct access to the Chairperson of the Audit Committee in appropriate cases.

The policy can be accessed at the website of the Company at http://www.dalmiasugar.com/upload/policies/DBSIL-Whistle-Blower-Policy-Vigil-Mechanism.pdf.

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

During the year under review, your Company did not receive any complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Investments, Loans and Guarantees

The particulars of investments made by the Company and details of loans given and guarantees given by the Company are furnished in Note Nos. 5(i) and 9(v) of the Standalone Financial Statements of the Company.

Adequacy of Internal Financial Controls

Your Company has in place adequate internal control systems commensurate with the size of its operations. The Company has requisite policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The internal control systems are subject to regular reviews, self-assessments and audits and based on such reviews, we believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

A statement giving details of conservation of energy, technology absorption and foreign exchange earnings and outgo, is given in Annexure – 6 and the same forms part of this Report.

Compliance of Laws and Secretarial standards

The Company is in compliance with the Secretarial Standards on meeting of Board of Directors (SS1) and General Meeting (SS-

2) issued by the Institute of Company Secretaries of India and approved by the Central Government.

Auditors

Statutory Auditors

Your Company at its Sixty Fifth Annual General Meeting held on August 31, 2017 had appointed NSBP & Co, Chartered Accountants (Firm Registration No. 001075N) as Statutory Auditors of the Company up to the conclusion of the Seventieth Annual General Meeting at a remuneration as may be fixed by the Board of Directors on the recommendation of the Audit Committee.

Cost Auditors

HMVN & Associates, Cost Accountants, were appointed as the Cost Auditors of the Company to conduct Cost Audit for the year ended March 31, 2017, and they had submitted the Cost Audit Report for the said year on August 23, 2017.

HMVN & Associates, Cost Accountants, New Delhi, were re-appointed as the Cost Auditors to conduct cost audit for the year ended March 31, 2018 and they will be submitting their report in due course of time.

In order to rotate the auditors, the Board of Directors of the Company has appointed R.J. Goel & Co., Cost Accountants, New Delhi, as the Cost Auditors to conduct cost audit for the year ended March 31, 2019 and the remuneration payable to them for conduct of cost audit will be coming up for approval before the Shareholders at the ensuing Annual General Meeting.

Secretarial Auditor and Report Thereon

The Board of Directors of the Company appointed Harish Khurana & Associates, Practising Company Secretaries, as the Secretarial Auditor to conduct the Secretarial Audit for the financial year 2017-18. The Report of the Secretarial Audit is attached in Form MR - 3 and forms part of this report as Annexure – 7.

Comments on Auditors' Observations

The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any comments and explanation. During the year under review, the Statutory Auditors have not reported any matter under Section 143 (12) of the Act.

There is no qualification, reservation or adverse remark or disclaimer made by Statutory Auditors/Secretarial Auditors/Cost Auditors in their respective reports.

Public Deposits

The Company has not accepted any deposits from public during the year under review.

Orders Passed By Regulators

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Health, Safety and Environment

Safety and health of employees and clean environment is the core value of the Company. The world class EHS Management System has already been implemented at all the operations. The endeavour of the Company is to continue safe and healthy environment at all its plants.

Towards this end, regular training programmes are being conducted for all levels of employees. Health and Safety audit was conducted by external auditors during the year. Towards greener environment, the Company and employees have made it a habit to plant more and more trees.

Industrial Relations

The industrial relations during the year under review were harmonious and cordial.

Acknowledgement

Your Directors wish to place on record their appreciation for the assistance and cooperation received from the financial institutions, banks, government authorities, customers, vendors and stakeholders during the year under review. The Directors also wish to place their deep appreciation for the committed services by all the employees of the Company.

For and on behalf of the Board

(J.S. Baijal)
Chairman
DIN: 00049565

Place: New Delhi
Dated: May 28, 2018

Annexure - 1

Working Results

Particulars	FY 2017-18	FY 2016-17	FY 2015-16
Sugar Division ('000 MT)			
Cane Crushed	4,222	3147	3,097
Sugar Production	499	365	359
Sugar Sales	524	367	317
Molasses Production	187	140	141
Magnesite Division ('000 MT)			
Refractory Product Production	3	7	9
Refractory Product Sale & Self Consumption	7	6	10
Electronic Division ('000 MT)			
Chip Capacitor Production	0	31	202
Chip Capacitor Sales	0	33	202
Chip Resistor Production	0	0	0
Chip Resistor Sales	0	0	0
Wind Farm			
Installed Capacity (MW)	16.53	16.50	16.53
Production (Million Units)	29.15	28.40	19.81
Plant Load Factor	20.0%	20.0%	13.0%
Govan Travels			
Business Handled (₹ In Crore)	24.38	18.72	24.25
Co-Generation			
Installed Capacity (MW)	102	102	102
Production (Million Units)	528	541	427

Annexure - 2

Details pertaining to remuneration as required under Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. Details of the ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the said financial year are as under:

Name of the Director/KMP and Designation	Remuneration of Director/ KMP for the F.Y. 2017-18 ₹ crores	Ratio of remuneration of each Director to median remuneration* of employees of the Company	% increase in the remuneration in the F.Y. 2017-18
Shri J. S. Baijal, Chairman, Non-Executive Independent	0.20	8.14	(20)
Shri Jai H. Dalmia, Vice Chairman and Managing Director	1.81	73.68	(78.86)
Shri Gautam Dalmia, Managing Director and Chief Executive Officer	4.48	182.37	(53.76)
Shri M. Raghupathy, Non-Executive Independent	0.19	7.73	(17.39)
Shri Panchapakesan Kannan, Non-Executive Independent	0.17	6.92	(10.53)
Shri B.B. Mehta, Non-Executive	0.03	1.22	Nil
Smt. Himmi Gupta, Non-Executive	0.02	0.81	(33.33)
Shri T. Venkatesan, Non-Executive	0.02	0.81	Nil
Shri Anil Kataria, Chief Financial Officer	0.90	36.64	3.45
Smt. Isha Kalra, Company Secretary	0.08	3.26	-

Note:* The median remuneration of employees of the Company during the financial year 2017-18 was ₹ 2,45,659/- per year.

2. The percentage increase in the median remuneration of employees in the financial year was 11.23%.

3. The number of permanent employees on the rolls of the Company at the end of the financial year 2017-18 was 2589.

4. The average percentage increase in the remuneration of employees other than the managerial personnel was about 12.57% during the financial year 2017-18 and the percentage decrease in the remuneration of managerial personnel during the said financial year was about 62.14%.

   The decrease in the remuneration of managerial personnel was due to the higher commission paid to Managing Directors of the Company during the last financial year.

5. It is hereby affirmed that the remuneration paid to Directors, Key Managerial Personnel and Senior Management is as per the Nomination and Remuneration Policy of the Company.

Annexure - 2A

Statement of Particulars of Employees pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2017-18

S. No	Name	Age	Designation	Qualifications	Experience (years)	Date of Commencement of Employment	Last Employment held	Remuneration received (₹ in Crore)	Whether related to a Director
A.	Employed throughout the year								
1	Shri Anil Kataria	58	Chief Financial Officer	B.Com, FCA & FCS	33	06/04/2009	Escorts Group	0.90	No
2	Shri Chander Pal	50	Assistant Executive Director	Diploma- Materials Management	31	20/08/2007	Century Metals & Recycling Pvt. Ltd.	0.50	No
3	Shri Gautam Dalmia	50	Managing Director	B.SC, M.S. in Electrical Engineering	26	16/01/2007	None	4.48	Yes*
4	Shri Gopendra Singh	49	Assistant Executive Director	PGDM	26	11/09/2006	Veetee Fine Foods Ltd, Graintec India	0.63	No
5	Shri Jai Hari Dalmia	71	Vice Chairman & Managing Director	B.E. (ELEC.), M.S. in Electrical Engineering	48	01/04/2007	Orissa Cement Limited	1.81	Yes*
6	Shri Kuldeep Kumar	48	Assistant Executive Director	MBA- Operations	28	17/07/2015	Mawana Sugar Works	0.58	No
7	Shri Naresh Paliwal	61	Deputy Executive Director	B.Com, FCA	32	24/06/2010	Oudh Sugar Mills Limited	0.94	No
8	Shri Sreenivas Madabhushi	56	General Manager	MSC Agriculture	30	01/05/2016	D1 Oil Fuel Crops (P) Ltd.	0.45	No
B.	Employed for the part of the year								
9	Shri J K Gupta	69	Advisor	ANSI-Sugar Tech	46	01/04/2008	Bajaj Hindustan Ltd.	0.64	No
10	Shri K P Singh	65	Executive Director	B.SC. (Hons) - Agriculture	40	12/11/1999	DCM Shriram Industries Limited	0.63	No

* Shri Jai Hari Dalmia is father of Shri Gautam Dalmia. Hence they are related to each other.

Notes:

1. None of the above employees held 2% or more of the paid up equity share capital of the Company as on March 31, 2018 either himself and /or alongwith his spouse and dependent childern.
2. Remuneration shown above, inter alia, includes value of perquistes, all allowances and retiral benefits (excluding gratuity).
3. Shri Jai Hari Dalmia and Shri Gautam Dalmia are employed as Managerial Personnel on fixed term basis.

Annexure - 3

Form AOC-I

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

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

Part A: Subsidiaries

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

SL. No.	Particulars	Name of Subsidiary		
		1 HIMSHIKHAR INVESTMENT LIMITED	2 DALMIA SUGAR VENTURES LIMITED	3 DALMIA SOLAR POWER LIMITED
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company (31st March of every year)	Same as Holding Company (31st March of every year)	Same as Holding Company (31st March of every year)
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable	Not Applicable
3	Share capital	0.45	0.05	0.05
4	Reserves & surplus	59.78	(0.05)	(0.07)
5	Total assets	195.27	0.01	0.09
6	Total Liabilities	135.04	0.01	0.11
7	Investments	189.34	Nil	Nil
8	Turnover	0.47	Nil	Nil
9	Profit before taxation	(12.26)	0.02	0.56
10	Provision for taxation	0.08	0.00	0.03
11	Profit after taxation	(12.34)	0.02	(0.53)
12	Proposed Dividend	Nil	Nil	Nil
13	% of shareholding	100%	100%	100%

1. Names of subsidiaries which are yet to commence operations: NIL
2. Names of subsidiaries which have been liquidated or sold during the year: NIL

Part B : Associates and Joint Ventures: Not Applicable

Isha Kalra	**Anil Kataria**	**J.S. Baijal**	**Gautam Dalmia**
Company Secretary	*Chief Financial Officer*	*Director*	*Managing Director*
Membership No: A24748	PAN: AALPK4889N	DIN: 00049565	DIN: 00009758

Place: New Delhi
Date: May 28,2018

Annexure - 4

Form No. MGT-9

Extract of Annual Return

on the financial year ended on 31-3-2018

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

I. Registration and Other Details:

i)	CIN	L26942TN1951PLC000640
ii)	Registration Date	November 1, 1951
iii)	Name of the Company	DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED
iv)	Category/ Sub- Category of the Company	Public Limited Company
v)	Address of the Registered office and Contact Details	Dalmiapuram-621651, Distt. Tiruchirapalli, Tamil Nadu. Ph No. – 04329-235132, Fax No.- 04329-235111
vi)	Whether Listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No.31-32 , Gachibowli, Financial District - Nanakramguda Hyderabad 500 032

II. Principal Business Activities of the Company

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

S.No	Name and Description of main products/services	NIC Code of the Product/ Service	% of total turnover of the Company
1	Sugar	1072	84.10
2	Power	3510	9.04

III. Particulars of Holding, Subsidiary and Associate Companies

S.No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of Shares Held	Applicable Section
1	Dalmia Sugar Ventures Limited 11th Floor, Hanslaya Building, 15 Barakhamba Road, Delhi - 100001	U24233DL2007PLC166943	SUBSIDIARY	100	2 (87)
2	Dalmia Solar Power Limited Dalmiapuram, Dist.- Tiruchirapalli, Tamil Nadu - 621651	U40102TN2005PLC057328	SUBSIDIARY	100	2 (87)
3	Himshikhar Investment Limited Dalmiapuram, Dist.- Tiruchirapalli, Tamil Nadu - 621651	U67190TN1997PLC038989	SUBSIDIARY	100	2 (87)

IV. Shareholding Pattern

(Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2017				No. of Shares held at the end of the year March 31, 2018				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1033785	0	1033785	1.28	1033785	0	1033785	1.28	0
b) Central Govt./ State Govt(s)	0	0	0	0	0	0	0	0	0
c) Bodies Corp	59513672	0	59513672	73.52	59513672	0	59513672	73.52	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other… Trusts	86665	0	86665	0.11	86665	0	86665	0.11	0
Sub-total (A) (1):-	60634122	0	60634122	74.91	60634122	0	60634122	74.91	0
(2) Foreign									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other- Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other…	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	60634122	0	60634122	74.91	60634122	0	60634122	74.91	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	2500	2500	0	0	2500	2500	0	0
b) Banks/FI	1692511	21326	1713837	2.12	1498614	18035	1516649	1.87	(0.25)
c) Central Govt./ State Govt(s)	59200	68955	128155	0.16	59200	68955	128155	0.16	0
d) Venture Capital Funds	0	0	0	0	0	0	0	0	0
e) Insurance Companies	0	0	0	0	0	0	0	0	0
f) FIIs	0	0	0	0	0	0	0	0	0
g) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
h) Other (specify) Foreign Portfolio Investors	835358	0	835358	1.03	710867	0	710867	0.88	(0.15)
Sub- total (B)(I):-	2587069	92781	2679850	3.31	2268681	89490	2358171	2.91	(0.40)
2. Non Institutions									
a) Bodies Corp.	2459577	29399	2488976	3.08	1823649	22795	1846444	2.28	(0.80)
b) Individuals									
i. Individual Shareholders holding nominal share capital upto ₹2 Lakh	8957272	2542642	11499914	14.21	9742637	1276066	11018703	13.61	(0.60)
ii. Individual Shareholders holding nominal share capital in excess of ₹2 Lakh	3025074	0	3025074	3.74	3199303	0	3199303	3.96	0.22

Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2017				No. of Shares held at the end of the year March 31, 2018				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
c) Other (specify)									
Clearing Member	175495	0	175495	0.22	167952	0	167952	0.21	(0.01)
Directors and Their Relatives	7260	0	7260	0.01	6260	0	6260	0.01	0.00
Foreign Nationals	0	17325	17325	0.02	0	0	0	0	(0.02)
Non Resident Indians	267818	58376	326194	0.40	375568	13170	388738	0.48	0.08
Trusts	61273	20920	82193	0.10	32150	20920	53070	0.07	(0.03)
NBFC Registered with RBI	2900	0	2900	0.00	3356	0	3356	0	0.00
d) I E P F	0	0	0	0	1263184	0	1263184	1.56	1.56
Sub- total (B)(2):-	**14956669**	**2668662**	**17625331**	**21.78**	**16614059**	**1332951**	**17947010**	**22.18**	**0.40**
Total Public Shareholding(B)=(B)(1)+(B)(2)	**17543738**	**2761443**	**20305181**	**25.09**	**18882740**	**1422441**	**20305181**	**25.09**	**0.00**
C. Shares Held By Custodian For GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	78177860	2761443	80939303	100	79516862	1422441	80939303	100	0.00

ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the Beginning of the Year April 1, 2017			Shareholding at the end of the year March 31, 2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% Of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% Of Shares Pledged/ encumbered to total shares	
1	Shri Jai Hari Dalmia	240000	0.30	NIL	240000	0.30	NIL	0
2	Smt. Kavita Dalmia	5	0	NIL	5	0	NIL	0
3	Shri Gautam Dalmia	151990	0.19	NIL	151990	0.19	NIL	0
4	Smt. Anupama Dalmia	11250	0.01	NIL	11250	0.01	NIL	0
5	Ku. Vaidehi Dalmia	37180	0.05	NIL	37180	0.05	NIL	0
6	Ku. Sukeshi Dalmia	37180	0.05	NIL	37180	0.05	NIL	0
7	Shri Jai Hari Dalmia C/o J. H. Dalmia (HUF)	315175	0. 39	NIL	315175	0. 39	NIL	0
8	Shri Yadu Hari Dalmia C/o Y. H. Dalmia (HUF)	241005	0.30	NIL	241005	0.30	NIL	0
9	Shree Nirman Limited	5	0	NIL	5	0	NIL	0
10	Alirox Abrasives Limited	120360	0.15	NIL	120360	0.15	NIL	0
11	Dalmia Bharat Limited	14829764	18.32	NIL	14829764	18.32	NIL	0
12	Himgiri Commercial Limited	5	0	NIL	5	0	NIL	
13	Valley Agro Industries Limited	5	0	NIL	5	0	NIL	
14	Keshav Power Limited	5	0	NIL	5	0	NIL	0
15	Ku. Shrutipriya Dalmia C/o Shrutipriya Dalmia Trust	86665	0.11	NIL	86665	0.11	NIL	0
16	Dalmia Refractories Limited	1000	0	NIL	1000	0	NIL	0
17	Vanika Commercial and Holdings Private Limited	8687305	10.73	NIL	8687305	10.73	NIL	0
18	Samagama Holdings and Commercial Private Limited	35875223	44.32	NIL	35875223	44.32	NIL	0
	Total	60634122	74.91	NIL	60634122	74.91	NIL	0

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

No Change

iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	Name of the Shareholder	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares Purchase or Sale	% of total shares of the company	No of Shares	% of total shares of the company
1	Life Insurance Corporation Of India	Opening Balance	01/04/17	1259685	1.55	1259685	1.55
		Sale	01/12/17	(23242)	0.03	1236443	1.52
		Sale	08/12/17	(18915)	0.02	1217528	1.50
		Closing Balance	31/03/18			1217528	1.50
2	Morgan Stanley Asia (Singapore) PTE.	Opening Balance	01/04/17	613970	0.76	613970	0.76
		Sale	12/05/17	(439)	0.00	613531	0.76
		Sale	28/07/17	(584404)	0.72	29127	0.04
		Sale	18/08/17	(28451)	0.04	676	0
		Closing Balance	31/03/18			676	0
3	Ankit Jain	Opening Balance	01/04/17	558850	0.69	558850	0.69
		Sale	24/11/17	(558850)	0.69	0	0
		Closing Balance	31/03/18			0	0
4	Harsh Jain	Opening Balance	01/04/17	450000	0.56	450000	0.56
		Closing Balance	31/03/18			450000	0.56
5	Dynamic Equities Pvt Ltd	Opening Balance	01/04/17	409530	0.51	409530	0.51
		Purchase	26/05/17	700	0.00	410230	0.51
		Sale	02/06/17	(700)	0.00	409530	0.51
		Purchase	18/08/17	655	0.00	410185	0.51
		Sale	29/09/17	(655)	0.00	409530	0.51
		Closing Balance	31/03/18			409530	0.51
6	Anil Kumar Goel	Opening Balance	01/04/17	400000	0.49	400000	0.49
		Purchase	28/04/17	30000	0.04	430000	0.53
		Sale	09/06/17	(100000)	0.12	330000	0.41
		Purchase	25/08/17	100000	0.12	430000	0.53
		Purchase	15/09/17	21688	0.03	451688	0.56
		Purchase	29/09/17	3305	0.00	454993	0.56
		Purchase	06/10/17	1007	0.00	456000	0.56
		Purchase	08/12/17	1000	0.00	457000	0.56
		Purchase	22/12/17	41000	0.05	498000	0.62
		Purchase	19/01/18	424	0.00	498424	0.62
		Purchase	26/01/18	6576	0.01	505000	0.62
		Purchase	02/02/18	1000	0.00	506000	0.63
		Purchase	09/02/18	1000	0.00	507000	0.63
		Purchase	09/03/18	6000	0.01	513000	0.63
		Purchase	16/03/18	3000	0.00	516000	0.64
		Purchase	30/03/18	1000	0.00	517000	0.64
		Closing Balance	31/03/18			517000	0.64

Sl. No	Name of the Shareholder	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares Purchase or Sale	% of total shares of the company	No of Shares	% of total shares of the company
7	Hemanth Dhandapani	Opening Balance	01/04/17	376436	0.46	376436	0.46
		Purchase	16/03/18	5940	0.01	382376	0.47
		Closing Balance	31/03/18			382376	0.47
8	Gaurav Jain	Opening Balance	01/04/17	278010	0.34	278010	0.34
		Closing Balance	31/03/18			278010	0.34
9	General Insurance Corporation Of India	Opening Balance	01/04/17	225000	0.28	225000	0.28
		Sale	12/01/18	(20000)	0.03	205000	0.25
		Closing Balance	31/03/18			205000	0.25
10	Custodian Of Enemy Property For India	Opening Balance	01/04/17	188303	0.23	188303	0.23
		Closing Balance	31/03/18			188303	0.23

v) Shareholdings of Directors and Key Managerial Personnel:

Sl. No	Name of the Director / KMP	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares Purchase or Sale	% of total shares of the company	No of Shares	% of total shares of the company
1	Shri Jai H. Dalmia	Opening Balance	01/04/17	240000	0.30	240000	0.30
			31/03/18			240000	0.30
2	Shri Gautam Dalmia	Opening Balance	01/04/17	151990	0.19	151990	0.19
			31/03/18			151990	0.19
3	Shri P Kannan	Opening Balance	01/04/17	2730	0	2730	0
			31/03/18			2730	0
4	Shri T. Venkatesan	Opening Balance	01/04/17	1000	0	1000	0
			14/04/17	1000	0	2000	0
			19/01/18	(2000)	0	0	0
			31/03/18			0	0
6	Smt. Isha Kalra	Opening Balance	01/04/17	130	0	130	0
			16/01/18	(129)	0	1	0
			31/03/18			1	0

V. Indebtedness

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
i. Principal amount	564.17	675.00	-	1239.17
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	1.67	-	-	1.67
Total (i+ii+iii)	**565.84**	**675.00**	**-**	**1240.84**
Change in Indebtedness during the Financial Year				
• Addition	31.03	344.23	-	375.26
• Reduction	164.65	675.00	-	839.65
Net Change	**(133.62)**	**(330.77)**	**-**	**(464.39)**
Indebtedness at the end of the Financial Year				
i. Principal amount	430.55	344.23	-	774.78
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	4.10	-	-	4.10
Total (i+ii+iii)	**434.65**	**344.23**	**-**	**778.88**

VI. Remuneration of Directors and Key Managerial Personnel

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

S. No	Particulars of Remuneration	Name of the MD / WTD / Manager		Total Amount
		Shri Jai H. Dalmia (Vice Chairman & Managing Director)	Shri Gautam Dalmia (Managing Director & CEO)	
1.	Gross Salary			
	(a) Salary as per the Provisions contained in section 17(1) of the Income Tax Act, 1961	0.93	3.92	4.85
	(b) Value Of Perquisites u/s 17(2) Income Tax Act, 1961	0.02	0.02	0.04
	(c) Profits in Lieu of salary under Section 17(3) Income Tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	0.70	-	0.70
	- As % of profit	-	-	-
	- Others, specify....			
5.	Others,	-	-	-
	Total (A)	1.65	3.94	5.59
	Ceiling as per the Act	14.83 crore		

B. Remuneration to the Directors:

₹ crores

S. No	Particulars of Remuneration	Name of the Directors			Total Amount
		Shri J.S. Baijal	Shri M. Raghupathy	Shri P. Kannan	
	1. Independent Directors				
	• Fee for attending Board / Committee Meeting	0.06	0.05	0.05	0.16
	• Commission	0.14	0.14	0.12	0.40
	• Others, please specify				
	Total (1)	**0.20**	**0.19**	**0.17**	**0.56**
		Shri T. Venkatesan	Shri B.B. Mehta	Smt. Himmi Gupta	Total Amount
	2. Other Non-Executive Directors				
	• Fee for attending Board / Committee Meeting	0.02	0.03	0.02	0.07
	• Commission	NIL	NIL	NIL	NIL
	• Others, please specify				
	Total (2)	**0.02**	**0.03**	**0.02**	**0.07**
	Total (B)= (1+2)	**0.22**	**0.22**	**0.19**	**0.63**
	Total Managerial Remuneration(A+B)				**6.22**
	Overall Ceiling as per the Act	16.28 crore			

C. Remuneration to Key Managerial Personnel Other than MD / Manager / WTD

₹ crores

S. No	Particulars of Remuneration	Key Managerial Personnel		Total
		Isha Kalra (Company Secretary)	Anil Kataria (CFO)	
1.	Gross Salary			
	(a) Salary as per the Provisions contained in section 17(1) of the Income Tax Act, 1961	0.08	0.76	0.84
	(b) Value of Perquisites u/s 17(2) Income Tax Act, 1961	0.00	0.03	0.03
	(c) Profits in Lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- As % of profit	-	-	-
	- Others, specify….	-	-	-
5.	Others, please specify	-	-	-
	Total	**0.08**	**0.79**	**0.87**

VII. Penalties / Punishment / Compounding of Offences:

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

Annexure - 5

ANNUAL REPORT ON CSR ACTIVITIES

for the financial year 2017-18

1. **A brief outline of the company's Corporate Social Responsibility ("CSR") policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

Dalmia Bharat Sugar and Industries Limited ('the Company") is a part of Dalmia Bharat Group which was founded in 1935 and has been following the concept of giving back and sharing with the under privileged sections of the society for more than seven decades. The CSR of the company is based on the principal of Gandhian Trusteeship. For over seven decades the company has addressed the issues of health and sanitation, education, rural infrastructure, women empowerment and other social development issues.

The prime objective of our CSR Policy is to hasten social, economic and environmental progress. We remain focussed on generating systematic and sustainable improvement for local communities surrounding our plants and project sites.

In the recent years, the Company has realigned its CSR to focus on issues material to the company and its stakeholders. The approach is to make significant and sustainable difference through our programmes in the lives of beneficiaries by working in partnership with our stakeholders. Stakeholder engagements and baseline studies highlighted the issues of erratic power supply, unemployment amongst rural youths and basic rural infrastructure needs in our neighbouring community. (The Company realized that these issues were more material to their Group's businesses as well as to the communities around their facilities). We thus planned the CSR programmes in sectors of energy conservation and climate change mitigation; Skill development & livelihood training and social development and started aiming at creation of shared values for all stakeholders.

Our Corporate Social Responsibility Policy can be accessed at www.dalmiasugar.com/upload/policies/DBSIL-CSR-POLICY.pdf

Presently, Dalmia Bharat Sugar and Industries Limited is working in two states of Uttar Pradesh and Maharashtra, across 38 villages in 4 districts.

PROGRAMME OUTREACH DURING FINANCIAL YEAR 2017-18

Our Key Focus Areas

1. Soil and Water Conservation

   Depleting water table is a massive problem being faced across the country. In our neighbouring communities, the water table is as low as 500 feet, creating water scarcity and stress for agriculture and household use. We are thus working on a systematic, integrated and predictive approach for water management along with the community for water conservation, water management, construction, renovation and maintenance of water harvesting structures for improving surface and ground water availability like check dams, village and farm ponds, etc.

   - Our initiatives have enabled an additional water harvesting of 16 lakh m3 this year.
   - Drip Irrigation installed in 316 acres of land in Kolhapur and Uttar Pradesh, benefitting 169 farmers and help farmers grow two crops with 60 percent less water consumption and increased income.
   - Two village ponds were constructed in Jawaharpur, Uttar Pradesh benefiting more than 2,000 people in financial year 2017-18.

2. Energy conservation and Climate Change Mitigation

   Energy is another major concern in rural India, with majority of the population being dependent on depleting fuel wood and erratic electricity supply. Clean and renewable energy for the poor and vulnerable rural communities is another focus area of the Company. Our technology innovation initiatives have helped operationalize and decentralize renewable energy solutions in the rural areas by promoting cook stoves, Liquified Petroleum Gas connections, bio gas plants, Solar lighting systems like lanterns, street lights, study lamps and home lighting systems.

   - 13 Villages (15,000 Households) made Kerosene free villages through promoting solar lights and also clean cooking villages through promotion of Liquified Petroleum Gas connections, smokeless cook stoves and biogas plants.
   - 660 LP Liquified Petroleum Gas Connections promoted under Government Ujjwala Scheme.
   - 45 Solar Home Lighting Systems, 1315 Solar Lanterns and 180 Solar Study Lamps promoted.
   - 16 Biogas Plants promoted in Kolhapur benefitting 80 beneficiaries with clean fuel for everyday cooking.
   - As a next step to promote sustainable livelihoods for Village Entrepreneurs in association with Dharma Life, 48 Village Level Entrepreneurs (VLEs) were provided

with Credit of ₹10,000/- & product trainings. This has enabled them in creating a basket which includes Iron, Induction stove, Solar Torch and Water Purifiers, for sale. By selling these products, the Village Level Entrepreneurs are earning average ₹3,500 per month.

- Under the Smart Power project initiated in partnership with Schneider and Smart Power India, installation of 2 Solar Mini Grids is under progress, in Ramgarh and Nigohi. The Grids will provide electricity at night to 100 households and power for irrigation pumps to 100 farmers for 400 acres of land. The profiling of the beneficiaries has also been completed.

3. Livelihood Skill Training

Unemployment amongst the rural youth is significantly high and substantial number of them are just employed seasonally. Aiming at long term benefits for the youths and their family, the company has started many Skill Development programmes and provided training in various areas. It has set up 3 Dairy Development Centers in Ramgarh, Jawaharpur and Nigohi which is helping 1,000 households with alternative livelihood generation.

- "World on Wheels" Project promoting "Digital Learning" is operational in Kolhapur. The project has provided assisted learning on computers and academic subjects to 422 school students and youth.
- 24 new Self Help Groups promoted with more than 250 members, making the total no. of Self Help Groups to 61.
- We are also strengthening 52 already formed Self Help Groups by interacting with and training more than 500 women.
- Under the Dairy Development project initiated in partnership with BAIF Development Research Foundation, 3 Artificial Insemination Centers have been set up. The centres have trained 3 Artificial Insemination Technicians. The objective of the project is "To Enhance Milk Production through Livestock Breed Improvement and Capacity building of community in identified villages of Project area." The project will benefit 5,000 beneficiaries from 30 villages with proposed increase in income of ₹1,500 per month.
- Initiated a joint project with in convergence with the Cane development Department, Nigohi wherein both teams will work towards Government of India's mandate of doubling farmers' income by 2022. The project will help in implementation of Government schemes in the entire Block of 476 villages and 35,000 farmers to achieve the target.

4. Social Development

The stakeholder engagement highlighted the issue of poor basic infrastructure which hinders the daily life as well as development of these villages. The company is helping in building the basic infrastructure needs of the community like School Sanitation blocks, low cost toilets, community halls, school buildings etc. Health is another concern among the community and company has pitched in by arranging General as well as Specialized Health Camps, providing medicines, Immunizations, Maternal and Child health Care.

- 3 Villages in Ramgarh have been made Open Defecation Free.
- 970 Individual Sanitary Latrines (ISLs) were constructed benefitting more than 5,000 people.
- 28 Health Camps organized across all locations benefitting 3200 people.
- Organized cattle vaccination camp in 7 villages in Ramgarh in partnership with District Veterinary Hospital. The seven day camp immunized 1286 cattle.
- 30 Handpumps have been installed in Uttar Pradesh benefitting 1,500 beneficiaries.
- Events such as Independence day, World Malaria Day, World Environment day (in line with NABARD's Jaldhoot program), Dengue Day were celebrated in program area villages with participation of more than 2,000 people.
- 5 Anganwadis have been painted with educational Building as learning Aid, BALA Art in Kolhapur, Maharashtra.
- Under Dalmia Happy School project, 1 primary school has been adopted in Jawaharpur for undertaking infrastructure improvement work, painting Building as learning Aid, BALA Art and creating a Library.

2. The Composition of the CSR Committee.

Composition of the CSR Committee of the Company is:

1. Shri J.S. Baijal, Chairman, Independent Director
2. Shri Gautam Dalmia, Member, Executive Director
3. Shri B.B. Mehta, Member, Non-Executive Director

3. Average net profit of the company for last three financial years – ₹94.67 Crore

4. Prescribed Corporate Social Responsibility Expenditure (two per cent of the amount as in item 3 above) – ₹1.89 Crore

5. Details of Corporate Social Responsibility spent during the financial year:

(a) Total amount to be spent for the financial year; ₹1.98 Crore

(b) Amount unspent, if any; NIL

(c) Manner in which the amount spent during the financial year is detailed below.

₹ in Crore

S. No.	CSR project or activity identified.	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Soil and Water Conservation (Village Ponds, Drip Irrigation)	**Schedule VII / item No IV** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur	1.19	1.28	1.28	Directly and through Implementing agency - Dalmia Bharat Foundation
2	Energy Conservation (Bio Gas Plants, Fuel efficient Cookstoves, Solar products)	**Schedule VII / item No IV** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur				
3	Education and Livelihood (Education in schools, Stithcing and Tailoring, Moonj Craft training, etc.)	**Schedule VII / item No II** Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled & livelihood enhancement project	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur	0.28	0.28	0.28	
4	Women Empowerment (SHG formation and Training)	**Schedule VII / item No III** Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur				
5	Health and Sanitation (Health Camps, Low Cost Toilets, Awareness Programs on health issues, school toilet units)	**Schedule VII / item No I** Eradicating extreme hunger and poverty and malnutrition, promoting health care including preventive health care and sanitation and making available drinking water	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur and Sangli	0.42	0.42	0.42	
6	Rural development (Infrastructure, Sports Events, Awareness programs on Social issues)	**Schedule VII / item No X** Rural development projects	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur and Sangli				
	Total			1.89	1.98	1.98	

Remarks -

1. The above mentioned expenditures for the year 2017-18 are tentative figures, based out of unaudited statement of expenses.
2. Item no I & X mentioned in serial no 5 & 6 are covered under social development head of CSR.

6. In case the company has failed to spend the two percent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not Applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The implementation and monitoring of CSR programmes of the Company is in compliance with the Corporate Social Responsibility objectives and policy of the company.

Gautam Dalmia
Managing Director
DIN: 00009758

J.S. Baijal
Chairman of CSR Committee
DIN: 00049565

Place: New Delhi
Date: May 28,2018

Annexure - 6

Particulars with Respect to Conservation of Energy, Technology Absorption and Foreign Exchange Outgo and Earnings

For the financial year ended 2017-18

(Pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014)

(A) Conservation of Energy:

I. **The steps taken/impact on conservation of energy:-**

a) Replacement of conventional CFL lighting with LED is implemented in some area.

b) Output of distillery is enhanced with process modification to increase capacity utilization resulting into energy conservation.

c) More Falling Film Evaporators were put into operation during the year resulting in further reduction in Steam consumption % cane

d) More AC Variable Frequency Drives and high efficiency helical gearboxes were installed for mill drive.

e) Energy efficient mills were installed to achieve better milling efficiency and reduced power consumption per MT cane.

f) Continuous Vacuum Pans have been put into operation to reduce steam consumption in Pan boiling.

g) Strengthen Installation of Automatic Batch type centrifugal with AC Variable Frequency Drives for reduced power consumption per MT sugar produced.

h) Installation of new distillation plant with integrated evaporation system along with waste heat type incineration cogeneration plant is planned.

II. **The steps taken by the Company for utilizing alternate sources of energy.**

The Company is primarily using the renewable source of energy. Also, the company is implementing solar based water pumping system in farms.

III. **The capital investment on energy conservation equipments.**

The Company has invested around ₹ 2.00 Crore during the F.Y. 2017-18 to conserve the energy.

(B) Technology Absorption :

I. **The efforts made towards technology absorption.**

a) Centrifugal type solid and liquid separation through Decanters are used for filtration of spent wash to improve efficiency of incineration boiler.

b) Distributed control system (DCS): State of art Operations of Cane Milling, Pan boiling, Co-Gen, Decanters, etc. are automated and controlled.

c) Air-cooled condensers: Surface condensers without use of water are environment friendly.

d) Drip irrigation schemes have been further boosted to conserve water and increase of productivity per hectare.

e) Water management: various schemes are implemented to conserve use of water for cane processing.

f) Almost ZERO water consumption in sugar cane processing has been continued and further improvement to use recycle water.

II. **The benefits derived like product improvement, cost reduction, product development, import substitution, etc.**

The Company as a result of the efforts made has achieved lower stoppage days, which has resulted in better crush rates and consistent improvement in the utility of sugar manufactured.

III. **Technology imported during the last 3 years reckoned from the beginning of the financial year**

No technology has been imported during the F.Y. 2017-18.

IV. **Expenditure incurred on Research and Development**

NIL

(C) Foreign Exchange Earnings and Outgo

i. Foreign Exchange earned in terms of actual inflows during the financial year 2017-18	₹ 0.42 Crore
ii. Foreign Exchange outgo in terms of actual outflows during the financial year 2017-18	₹ 0.28 Crore

Annexure - 7

Secretarial Audit Report

(For the Financial Year ended March 31, 2018)

To,
The Members,
Dalmia Bharat Sugar and Industries Limited
Dalmiapuram, Tiruchirapalli Distt., Tamil Nadu

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dalmia Bharat Sugar and Industries Limited, **(herein after called "the Company").** Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, e-Forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minute books, e-forms and returns filed and other records maintained by Dalmia Bharat Sugar and Industries Limited ("the Company") for the financial year ended on 31st March, 2018 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made there under;
2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
    e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
    h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
6) As per our discussion with the management and based on the compliance certificates placed before the Board by the respective head of the departments in respect of the following other Acts:
    - Electricity Act, 2003
    - Food Safety and Standards Act, 2006
    - Food Safety and Standards (Licensing and Registration of Food Business) Regulations, 2011
    - Essential Commodities Act, 1955
    - Industries (Development and Regulation) Act, 1951
    - Molasses Control Order, 1961
    - Sugar Cess Act, 1982 and Sugar Cess Rules, 1982
    - Employees State Insurance Act, 1948 and Employees State Insurance (General) Regulations, 1950
    - Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975
    - Employee Provident Fund and Miscellaneous Provisions Act, 1952
    - Contract Labour (Regulation and Abolition) Act, 1970
    - Employees Compensation Act, 1923
    - U. P. Industrial Disputes Act, 1947
    - Maternity Benefit Act, 1961
    - Minimum Wages Act, 1948
    - Payment of Gratuity Act, 1972
    - Payment of Wages Act, 1936
    - Industrial Employment (Standing Orders) Act, 1946
    - Factories Act, 1948
    - Energy Conservation Act, 2001
    - Uttar Pradesh Labour Welfare Fund Act, 1965 and Uttar Pradesh Labour Welfare Fund Rules, 1972
    - Uttar Pradesh Shops and Commercial Establishment Act, 1947

and Uttar Pradesh Shops and Commercial Establishment Rules, 1963

Compliances in respect of other laws, as stated above was generally made during the financial year 2017-18.

7) Secretarial Standards I & II as issued by The Institute of Company Secretaries of India.

8) We have also examined compliance with the applicable Regulations of SEBI (LODR) Regulations, 2015 in connection with listing of its securities with Bombay Stock Exchange and National Stock Exchange;

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

We further report that in respect of three show cause notices received during financial year 2014-15, from the Registrar of Companies ("ROC"), Chennai under the Companies Act, 1956 and on Directors' petitions before the Hon'ble High Court of Madras at Chennai, the Hon'ble High Court has disposed of the said applications with the directions to the ROC to pass appropriate reasoned orders.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, however, we have been informed that there was no transaction reported under the provisions of FEMA relating to point no. 4 supra, during the year under report.

Signature:
Harish Khurana & Associates
Company Secretaries
FCS No. 4835
C P No. 3506

Place: Delhi
Date: May 28, 2018

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

"Annexure A"

To
The Members,
Dalmia Bharat Sugar and Industries Limited
Dalmiapuram, Tiruchirapalli Distt., Tamil Nadu

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

(1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

(2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure the correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

(3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

(4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

(5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

(6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature:
Harish Khurana & Associates
Company Secretaries
FCS No. 4835
C P No. 3506

Place: Delhi
Date: May 28,2018

Report on Corporate Governance

Company's Philosophy on Corporate Governance

The Company firmly believes in and continues to practice good corporate governance. Corporate governance seeks to raise the standards of corporate management, strengthens the Board systems, significantly increase its effectiveness and ultimately serve the objective of maximising the shareholders' value. The philosophy of the Company is in consonance with the accepted principles of good governance.

The spirit of corporate governance has always remained imbibed in the Company's business philosophy. This philosophy is shaped by the values of transparency, professionalism and accountability. The Company's corporate governance practices are driven by strong Board oversight, timely disclosures, transparent accounting policies and high levels of integrity in decision-making.

In India, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI (LODR) Regulations) lists out the requirements relating to Corporate Governance vide Schedule V thereof.

This chapter along with the chapter on Management Discussion and Analysis reports complies with SEBI (LODR) Regulations.

Board of Directors

Composition of the Board

As on March 31, 2018 the Company's Board comprised of eight members — two Executive Directors, and six Non-executive Directors, of which three are Independent and one is a Woman Director. Shri J.S. Baijal, a Non-executive Independent Director, is the Chairman of the Board of Directors of the Company. The composition of the Board is in conformity with SEBI (LODR) Regulations.

Board Meetings, Directors' Attendance Record and Directorships Held

The Board meetings are generally held at the corporate office of the Company. The Board meets at least once a quarter and additional meetings are held, when necessary. Committees of the Board usually meet before the formal Board meeting or whenever the need arises for transacting business. The recommendations of the Committee are placed before the Board for necessary approval.

The Board of Directors met four times during the financial year on May 5, 2017, August 11, 2017, November 2, 2017 and February 2, 2018. The maximum gap between any two meetings was less than one hundred and twenty days.

None of the Directors are members of more than ten Board level Committees nor are they Chairman of more than five Committees in which they are members. Table 1 gives the details of the composition of the Board, attendance and details of Committee membership and Committee chairmanship.

Table 1: Composition of the Board of Directors

Name of the Directors	Category	Attendance Particulars			No. of other Directorships and Committee Memberships/Chairmanships		
		Number of Board Meetings		Last AGM	Other Directorships@	Committee Memberships#	Committee Chairmanships#
		Held	Attended				
Shri J.S. Baijal Chairman	Independent Non-Executive, Chairman	4	4	No	2	3	-
Shri M. Raghupathy	Independent Non-Executive	4	4	Yes	-	-	-
Shri Jai H. Dalmia Vice-Chairman and Managing Director	Promoter-Executive	4	4	No	5	1	-
Shri Gautam Dalmia Managing Director and Chief Executive Officer	Executive	4	3	No	4	1	-
Shri T. Venkatesan	Non-Executive	4	4	No	3	1	1
Shri P. Kannan	Independent Non-Executive	4	4	Yes	-	-	-
Shri B.B. Mehta	Non-Executive	4	4	No	8	-	-
Smt. Himmi Gupta	Non-Executive	4	3	No	-	-	-

@ The other directorships includes only the directorship of public limited companies.

 # As required under Regulation of the SEBI (LODR) Regulations, the disclosure includes other membership/chairmanship of audit committee and stakeholders' relationship committee of Indian public companies (listed and unlisted).

Shri Gautam Dalmia is the son of Shri Jai H. Dalmia.

The Company is regularly conducting familiarisation programmes for its Independent Directors to keep them updated with the business as well as to make them abreast with the updates on applicable legal provisions. The details of such familiarisation programmes held during the year have been disclosed on the website and can be accessed at www.dalmiasugar.com/upload/pdf/Familiarisation-Programme-For-Independent-Directors-2017-18.pdf

As mandated by the Regulation 16 of SEBI (LODR) Regulations, the independent Directors on the Company's Board are not less than 21 years in age, and:

- in the opinion of the Board, are persons of integrity and possesses relevant expertise and experience.
- are or were not a promoter of the Company or its Holding, Subsidiary or Associate Company.
- are not related to the promoters or directors in the Company its Holding, Subsidiary or Associate Company.
- apart from receiving Director's remuneration, has or had no material pecuniary relationship with the Company, its Holding, Subsidiary or Associate Company or their promoters, or Directors during the two immediately preceding financial years or during the financial year.
- none of whose relatives have or had pecuniary relationship or transaction with the Company, its Holding, Subsidiary or Associate Company, or their promoters or Directors amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year.
- neither himself nor any of his relatives –

(i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its Holding, Subsidiary or Associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.

(ii) is or has been an employee or proprietor or a partner in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of –

  (a) a firm of Auditors or Company Secretaries in Practice or Cost Auditors of the Company or its Holding, Subsidiary or Associate Company; or

  (b) any legal or a consulting firm that has or had any transaction with the Company, its Holding Subsidiary or Associate Company amounting to 10% or more of the gross turnover of such firm.

(iii) holds together with his relatives two percent or more of the total voting power of the Company.

(iv) is a Chief Executive or Director, by whatever name called, of any non-profit organisation that receives 25% or more of its receipts or corpus from the Company, any of its Promoters, Directors, or its holding, subsidiary or associate company or that holds more than two percent or more of the total voting power of the Company.

(v) is a material supplier, service provider or customer or a lessor or lessee of the Company.

Information Supplied to the Board

The Board has complete access to all information with the Company. The agenda and papers for consideration of the Board are circulated at least seven days prior to the date of the Board meeting. Adequate information is circulated as part of the agenda papers and also placed at the meeting to enable the Board to take an informed decision. Inter-alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting.

- Annual operating plans & budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly results of the Company and its operating divisions and business segments.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in human resources / industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.

- Sale of investments, subsidiaries, assets, which are material in nature and not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

The Board periodically reviews compliance system for monitoring the compliance of all laws applicable to the Company adopted by it.

Remuneration of Directors

The remuneration payable to the Executive Directors and Non-Executive Directors is decided by the Nomination and Remuneration Committee constituted by the Board of Directors. The details of remuneration paid, during the year, to the Executive Directors and Non-Executive Directors is presented in Table 2.

Table 2: Details of remuneration of Directors for the financial year 2017-18 (₹ Crore)

Name of the Director	Category	Sitting Fees	Salary and Perquisites	Retirement Benefits	Commission@	Total
Shri J.S. Baijal, Chairman	Independent ,Non-Executive	0.06	–	–	0.14	0.20
Shri M. Raghupathy	Independent, Non-Executive	0.05	–	–	0.14	0.19
Shri Jai H. Dalmia Vice-Chairman and Managing Director	Executive	–	0.99	0.12	0.70	1.81
Shri Gautam Dalmia Managing Director and Chief Executive Officer	Executive	–	4.01	0.47	–	4.48
Shri T. Venkatesan	Non-Executive	0.02	–	–	–	0.02
Shri P. Kannan	Independent, Non-Executive	0.05	–	–	0.12	0.17
Shri B.B. Mehta	Non-Executive	0.03	–	–	–	0.03
Smt Himmi Gupta	Non-Executive	0.02	–	–	–	0.02

@ Commission paid on net profit only.

Retirement benefits to the Executive Directors comprise of the Company's contribution to provident fund and superannuation fund. The payment of retirement benefits is being made by the respective fund(s). In addition to the above the Company also contributes, on actuarial valuation basis, amounts to the Gratuity Fund towards gratuity of its employees including the Vice Chairman and Managing Director. The Company has not provided any stock options to its employees including those at the Board level.

The appointments of Shri Jai H. Dalmia, Vice Chairman & Managing Director and Shri Gautam Dalmia, Managing Director, was made for a period of five years with effect from April 1, 2017 and January 16, 2017, respectively. As per the terms of appointment, the appointment may be terminated by either party by giving 3 month's notice. If the appointment is terminated by the Company, no severance fees is payable.

Shares and Convertible Instruments held by Non-Executive Directors

Table 3 gives details of the shares and convertible instruments held by the Non-Executive Directors as on March 31, 2018.

Name of the Director	Category	Number of shares held	Number of convertible instruments held
Shri J.S. Baijal	Independent, Non-Executive	Nil	Nil
Shri M. Raghupathy	Independent, Non-Executive	Nil	Nil
Shri P. Kannan	Independent, Non-Executive	2,730	Nil
Shri T. Venkatesan	Non-Executive	Nil	Nil
Shri B.B. Mehta	Non-Executive	Nil	Nil
Smt Himmi Gupta	Non-Executive	Nil	Nil

Code of Conduct

The Company has laid down a code of conduct for all Board members and designated senior management of the Company. The code of conduct is available on the website of the Company at http://www.dalmiasugar.com/images/code_of_conduct.pdf. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer (CEO) to this effect is enclosed at the end of this report

Committees of the Board

As on March 31, 2018, the Company has five Board-level Committees - Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, CSR Committee, and Finance Committee. The Risk Management Committee, constituted on October 31, 2014 was dissolved effective from February 2, 2018.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for

Committee members is taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

a) Audit Committee

As on March 31, 2018, the Audit Committee comprises of three members namely Shri P. Kannan, Shri M. Raghupathy, and Shri J.S. Baijal, all of whom are independent Directors. Shri P. Kannan is the Chairman of the Audit Committee. The Audit Committee met four times during the financial year on May 5, 2017, August 11, 2017, November 2, 2017 and February 2, 2018. The particulars of attendance of the members in the meetings of this Committee is set out in Table 4 hereunder.

Table 4: Attendance record of the Company's Audit Committee during the financial year 2017-18:

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Shri P. Kannan	Independent	Chairman	4	4
Shri M. Raghupathy	Independent	Member	4	4
Shri J. S. Baijal	Independent	Member	4	4

The Board has accepted all recommendations made by the Audit Committee.

The Officer responsible for the finance function, the head of internal audit and the representative of the Statutory Auditors, Internal Auditors and Cost Auditors are regularly invited by the Audit Committee to its meetings.

All members of the Audit Committee have requisite accounting and financial management expertise. Shri P. Kannan, the Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on August 31, 2017 to answer shareholders queries.

The functions of the Audit Committee of the Company include the following:

- Examination of the financial statement and the Auditors' report thereon;
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Modified opinion in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- The following information is reviewed by the Audit Committee
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

b) Nomination and Remuneration Committee

As on March 31, 2018, the Nomination and Remuneration Committee comprised of Shri J.S. Baijal, Shri M. Raghupathy and Shri P. Kannan, all independent Directors, with Shri M. Raghupathy as its Chairman. The Committee met three times during the financial year on May 5, 2017, August 11, 2017, and February 2, 2018. The particulars of attendance of the members in the meetings of this Committee is set out in Table 5 hereunder:

Table 5: Attendance record of the Company's Nomination and Remuneration Committee during the financial year 2017-18

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Shri M. Raghupathy	Independent	Chairman	3	3
Shri P. Kannan	Independent	Member	3	3
Shri J. S. Baijal	Independent	Member	3	3

The Chairman of the Committee attended the Annual General Meeting of the Company held on August 31, 2017.

The Committee is to carry out the following functions:

i) identify persons who are qualified to become directors and persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and/or removal;

ii) carry out evaluation of every director's performance;

iii) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. while formulating the aforesaid policy the Committee shall ensure that –

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The performance appraisal of independent directors is being done on the basis of attendance, preparedness and participation in items of business being discussed at the meetings of the Board and Committees and contribution in improving business performance and pro-active availability for company's business purposes, besides time devoted by them for Board meetings/Company.

c) Stakeholders' Relationship Committee

As on March 31, 2018, the Stakeholders' Relationship Committee comprised of Shri P. Kannan a Non-Executive Independent Director as its Chairman, Shri J.S. Baijal, Shri Gautam Dalmia, and Shri B.B. Mehta as its members. The terms of reference to this Committee is to look into and redress the complaints received from investors, in coordination with the Company's Registrars and Share Transfer Agent. The Committee met four times during the financial year on May 5, 2017, August 11, 2017, November 2, 2017 and February 2, 2018. The particulars of attendance of members in the meetings of the Committee is given below in Table 6:

Table 6: Attendance record of the Company's Stakeholders Relationship Committee during financial year 2017-18

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Shri P. Kannan	Independent	Chairman	4	4
Shri Gautam Dalmia	Executive	Member	4	3
Shri J.S. Baijal	Independent	Member	4	4
Shri B.B. Mehta	Non-Executive	Member	4	4

The Chairman of the Committee was present at the Annual General Meeting of the Company held on August 31, 2017.

During the year, 151 complaints were received from investors and all of them were attended and resolved. At the close of the year there were no cases pending in respect of share transfers. Table 7 gives the details:

Table 7: Nature of complaints received and attended during financial year 2017-18

	Nature of Complaint	Pending as on April 1, 2017	Received during the year	Answered during the year	Pending as on March 31, 2018
1.	Transfer / Transmission / Duplicate	Nil	23	23	Nil
2.	Non-receipt of Dividend/Interest/Redemption Warrants	Nil	99	99	Nil
3.	Non-receipt of securities/electronic credits	Nil	-	-	Nil
4.	Non-receipt of Annual Report	Nil	12	12	Nil
5.	Complaints received from:				
	– Securities and Exchange Board of India	Nil	8	8	Nil
	– Stock Exchanges	Nil	9	9	Nil
	– Registrar of Companies/ Department of Company Affairs	Nil	-	-	Nil
6	Others	Nil	-	-	Nil
	Total	**Nil**	**151**	**151**	**Nil**

The names and designations of the Compliance Officers are as follows: -

- Smt. Isha Kalra, Company Secretary; and
- Shri R. Gururajan, Authorised Signatory

The Board of Directors has delegated the powers of approving the transfer of shares to senior executives of the Company.

d) CSR Committee

As on March 31, 2018, the CSR Committee comprised of Shri J.S. Baijal as its Chairman, Shri Gautam Dalmia, and Shri B.B. Mehta as its members. This Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy, indicating the activities to be undertaken by the Company in compliance with the provisions of the Companies Act, 2013. The CSR Committee met four times during the financial year on May 5, 2017, August 11, 2017, November 2, 2017, and February 2, 2018, and the particulars of attendance of members in the meetings of the Committee is given in Table 8 below:

Table 8: Attendance record of the Company's CSR Committee during financial year 2017-18

Name of Members	Category	Status	No. of Meetings Held	No. of Meetings Attended
Shri J. S. Baijal	Independent	Chairman	4	4
Shri Gautam Dalmia	Executive	Member	4	3
Shri B.B. Mehta	Non-Executive	Member	4	4

e) Finance Committee

The Finance Committee comprised of Shri J.S. Baijal, Shri Gautam Dalmia and Shri B.B. Mehta as its members. The terms of reference to this Committee is to borrow money, to grant loans or give guarantee or provide security in terms of loans within the overall limit passed by the Shareholders. The Finance Committee was formed by the Board in its meeting held on May 23, 2016. The Finance Committee did not met during the financial year 2017-18.

f) Risk Management Committee

The Risk Management Committee of the Company which was formed on October 31, 2014 with Shri M. Raghupathy as its Chairman, Shri J.S. Baijal and Shri B.B. Mehta, as members, stands dissolved w.e.f. February 2, 2018. The Committee haven't met during the year under review

Subsidiary Companies

Regulation 16 of SEBI (LODR) Regulations defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year. As mandated by Regulation 46 of SEBI (LODR) Regulations, the Company has framed a Policy on Material Subsidiaries and has displayed it at www.dalmiasugar.com/upload/policies/DBSIL-Material-Subsidiary-Policy-Board.pdf. As on March 31, 2018, under this definition, DBSIL does not have a 'material non-listed Indian subsidiary'.

Management

Disclosures

(a) Related party transactions in the ordinary course of business have been disclosed in Note No. 38 of the attached Standalone Financial Statements. No materially significant related party transactions have been entered into during the year ended March 31, 2018 that had the possibility of injuring the Company's interests. The web-link for the Company's policy on Related Party Transactions can be accessed at www.dalmiasugar.com/upload/policies/DBSIL-RPT-Policy-Board.pdf

(b) The Company complied with the regulatory requirements on capital markets. No penalties/strictures have been imposed against it by the Stock Exchanges, SEBI or any other authority on any matter related to capital markets during last three years.

(c) The Company has framed a Whistle Blower policy and Vigil Mechanism, and the details of the same are hosted on the website of the Company at www.dalmiasugar.com/upload/policies/DBSIL-Whistleblower-Policy-Board.pdf. The Company also affirms that all persons have been permitted to access the Audit Committee.

(d) The Company is compliant with the applicable mandatory requirements specified in Regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (LODR) Regulations.

(e) The discretionary/non-mandatory requirements as stipulated in regulation 27 (1) read with part E of schedule II of SEBI (LODR) Regulations other than item B (Half yearly declaration to shareholders) have been adopted by the Company.

Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has followed the guidelines of Indian Accounting Standards laid down by the Central Government under the provisions of section 129(1) of the Companies Act, 2013 in the preparation of its financial statements.

Code for Prevention of Insider-Trading Practices

In compliance with the SEBI regulations on prevention of insider trading the Company has instituted a code of conduct to regulate, monitor and report trading by insiders. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations.

CEO/ CFO certification

The CEO and CFO certification on the financial statements for the year is enclosed at the end of the report

Shareholders

Means of Communication with Shareholders

The Company follows a robust process of communicating with its stakeholders. The Company uses multiple channels of communications viz. on-line portals of stock exchanges and SEBI, annual reports, website, newspapers, etc.

The quarterly unaudited and annual audited financial results are disseminated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed, within the time limit prescribed in the SEBI (LODR) Regulations.

The Board of Directors of the Company approves and takes on record the unaudited financial results in the format prescribed by the Stock Exchanges within forty-five days of the close of every quarter and such results are published in one financial newspaper, viz., Business Line, and one Regional Newspaper, Dinamani, within the stipulated time. The Company also publishes its annual audited results in these newspapers within the stipulated period of sixty days

The quarterly unaudited and annual audited financial results are also published in the English newspapers having Country wide circulation, i.e., Business Line and also in newspapers having wide circulation in the Tamil, where registered office of the Company is situated, i.e., Dinamani. The said results are also posted on the Company's website, i.e., www.dalmiasugar.com.

The Company also communicates the dates of Board meetings and General meetings, notice of postal ballot and e-voting, etc. as per the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations through Stock Exchanges, newspaper publications and by posting on the Company's website. The Company discloses all material events and information through Stock Exchanges in accordance with the SEBI (LODR) Regulations read with Company's Policy for determination of materiality of events and information for disclosure to the Stock Exchanges, which is posted on the Company's website.

General Body Meetings

Table 9 gives the details of the last three Annual General Meetings (AGMs).

Table 9: Details of last three AGMs

Financial year	Date	Time	Location
2016-17	August 31, 2017	10:00 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651.
2015-16	September 9, 2016	10:00 a.m.	Dalmia Higher Secondary School Auditorium, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651.
2014-15	August 24, 2015	11.30 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651.

The details of Special Resolutions in respect of the last three Annual General Meetings are given in Table 10.

Table 10: Details of Special Resolutions passed in last three Annual General Meetings

Date of Meeting	Type of Meeting	Particulars
August 31, 2017	AGM	• Increase in the commission payable to Shri Jai H. Dalmia, Vice Chairman & Managing Director and Shri Gautam Dalmia, Managing Director, from existing 3% each of the net profits as computed under section 198 of the Companies Act, 2013 to 5% each of the net profits as computed under section 198 of the Companies Act, 2013 per person for the balance period of appointment. • Revision in remuneration of Shri Jai Hari Dalmia, Vice Chairman & Managing Director, with effect from April 1, 2017, as set out in the deed of variation dated June 15, 2017 to the agreement date August 10, 2016 entered into between the Company and Shri Jai Hari Dalmia. • Revision in remuneration of Shri Gautam Dalmia, Managing Director of the Company, with effect from April 1, 2017, as set out in the deed of variation dated June 15, 2017 to the agreement date August 10, 2016 entered into between the Company and Shri Gautam Dalmia.
September 9, 2016	AGM	• Reappointment of Shri Jai Hari Dalmia as Managing Director, designated as Vice Chairman of the Company with effect from April 1, 2017 for a period of 5 years. • Reappointment of Shri Gautam Dalmia as Managing Director of the Company with effect from January 16, 2017 for a period of 5 years.
August 24, 2015	AGM	• No Special resolution was passed during the f.y. 2014-15.

Postal Ballot

During the financial year 2017-18, one resolution was passed by the shareholders through postal ballot. The Board had approved the notice of the postal ballot and appointed Shri Harish Khurana, Practising Company Secretary, as scrutinizer, who had conducted the postal ballot exercise in accordance with the Companies Act, 2013 and SEBI (LODR) Regulations. Shareholders were provided with the e-voting facility through Karvy Computershare Private Limited for casting of their votes through postal ballot. The necessary intimations relating to the postal ballot and details of voting pattern were sent to the BSE Limited and National Stock Exchange of India Limited, the Stock Exchanges where the Company's shares are listed. The details of resolution passed by the shareholders through postal ballot and the voting pattern thereon are as under:

1. Special Resolution authorising the Board of Directors to raise finances by way of issue of securities pursuant to section 62(1)(c) of the Companies Act, 2013 whether with a without further right to conversion to the total aggregate extent of ₹ 400 crores which upon conversion of all securities would give rise to the issue of equity capital of an aggregate face value of ₹ 4 crores.

Date of the postal ballot notice:	May 5, 2017
Date of declaration of result:	September 12, 2017
Voting period:	August 8, 2017 to September 6, 2017

Particulars	Type of Resolution	Total No. of Votes	Total Votes casted in favour		Total Votes casted again	
			No. of Shares	% of votes cast	No. of Shares	% of votes cast
Raising of fund	Special Resolution	62513635	62243220	99.57	267954	0.43

E Voting

In compliance with section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Shareholders of the Company were permitted to use the e-voting facility provided by the Company through Karvy Computershare Private Limited for casting their votes at the Annual General Meeting as well through Postal Ballot.

Additional Shareholder Information

Annual General Meeting

Date:	September 14, 2018
Time:	10.30 a.m.
Venue:	Dalmia Higher Secondary School Auditorium, Dalmiapuram -621651, Dist. Tiruchirapalli, Tamil Nadu

Financial Calendar

Financial year: April 1, 2018 to March 31, 2019

For the year ended March 31, 2019, results will be announced on:

- First quarter: By mid-August, 2018
- Second quarter: By mid-November, 2018
- Third quarter: By mid-February, 2019
- Fourth quarter: By end May, 2019

Book Closure

The dates of book closure are from September 8, 2018 to September 14, 2018 (both days inclusive).

Dividend Payment

With a view to conserve resources for future operations, your Directors do not recommend payment of dividend for the year under review.

Listing

Listing on Stock Exchanges in respect of the Equity Shares is as under:

a) Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.	a) The National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G - Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051

The Equity shares of the Company have never been suspended.

Listing fees for the year 2018-19 has been paid to all the Stock Exchanges. The bills for the annual custodial fees raised by the depositories viz. NSDL and CDSL for the year 2018-19 have also been paid.

Stock Codes

Bombay Stock Exchange	500097 (DALMIASUG)
National Stock Exchange	DALMIASUG
ISIN (for Dematerialised Shares):	INE495A01022

Stock Market Data

Table 11,12, Chart A and Chart B gives details

Table 11: High, lows of Company's shares for the financial year 2017-18 at BSE and NSE

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April, 2017	186.55	164.55	176.70	187.00	164.00	176.45
May, 2017	193.35	134.85	136.40	193.00	136.10	136.85
June, 2017	148.95	121.00	134.40	148.70	120.25	134.55
July, 2017	162.00	136.85	155.40	162.00	137.00	153.80
August, 2017	189.00	130.00	165.80	188.50	134.20	166.35
September, 2017	169.50	148.75	149.20	170.50	147.80	149.60
October, 2017	189.90	149.10	183.40	190.00	148.55	183.55
November, 2017	189.00	144.00	145.30	189.50	144.40	145.20
December, 2017	151.75	130.00	133.45	151.50	130.00	132.20
January, 2018	145.90	100.85	106.20	145.00	101.10	106.80
February, 2018	114.00	98.75	104.60	115.00	98.10	104.30
March, 2018	105.25	64.00	64.30	105.70	63.90	64.35

Table 12: Stock Performance over past 5 years

	% of Change in					
	Company's Share		Sensex	Nifty	Company in comparison with	
	BSE	NSE			Sensex	Nifty
2017-18	-63	-63	11	10	-74	-73
2 years	-35	-35	30	19	-65	-54
3 years	270	270	18	19	252	250
5 years	343	358	70	73	273	285

Chart A: The Company's Share Performance versus BSE Sensex

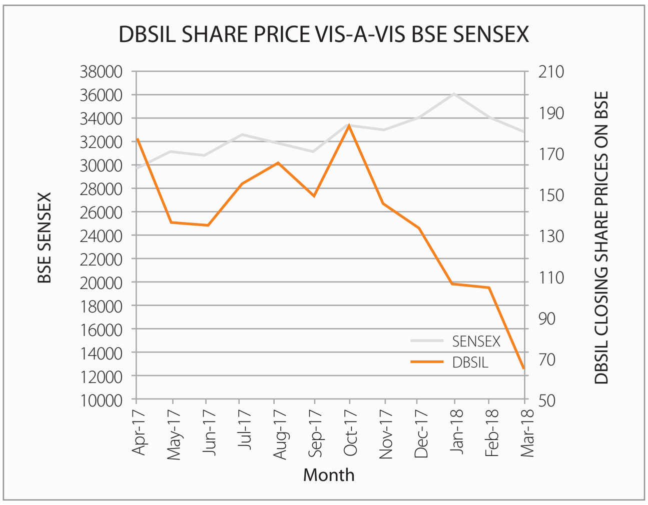
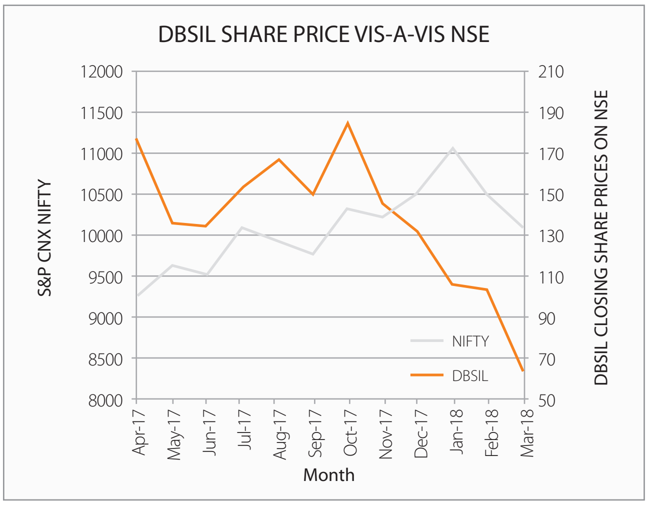


Chart B: DBSIL's Share Performance versus NIFTY



Distribution of Shareholding

Table 13 and 14 lists the distribution of the shareholding of the equity shares of the Company by size and by ownership class as on March 31, 2018.

Table 13: Shareholding pattern by size

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-500	17727	80.19	2395899	2.96
501-1000	2021	9.14	1601474	1.98
1001-2000	1176	5.32	1780189	2.20
2001-3000	400	1.81	1022951	1.26
3001-4000	203	0.92	726667	0.90
4001-5000	142	0.64	654393	0.81
5001-10000	252	1.14	1802380	2.23
10001 and above	185	0.84	70955350	87.66
Total	**22106**	**100.00**	**80939303**	**100.00**

Table 14: Shareholding Pattern by ownership

Particulars	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters	9	0.04	1120450	1.38
Promoter Bodies Corporate	11	0.05	59513672	73.53
Central/State Governments	4	0.02	128155	0.16
Financial Institutions/ Banks	20	0.09	1486649	1.84
Mutual Funds	1	0.00	2500	0.00
Foreign Institutional Investors	15	0.07	710867	0.88
Bodies Corporate	445	2.01	1846444	2.28
NRI/Foreign Nationals	397	1.80	388738	0.48
IEPF	1	0.00	1263184	1.56
Individuals/Others	21203	95.92	14448644	17.85
Total	**22106**	**100.00**	**80939303**	**100**

Dematerialisation of Shares

As on March 31 2018, 98.25% shares of the Company were held in the dematerialised form. As on March 31 2018, all shares are held by the Promoters in dematerialised form

Outstanding GDRs/ADRs/Warrants/Options

NIL

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company is a manufacturer of sugar and sugar prices are subject to market fluctuations from time to time. In order to cover its risk, the Company is also hedging small quantity of sugar in domestic market. The Company has as of now no foreign exchange exposure and hedges in event foreign exchange risk only when such exposure arises.

Details of Public Funding Obtained in the last three years

NIL

Registrar and Transfer Agent

Karvy Computershare Private Limited,
Karvy Selenium Tower B,
Plot 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032

Share Transfer System

The share transfers in the physical form are presently processed by the Registrars and Transfer Agents and returned within a period of 15 days of receipt of complete documents. The Company's Equity Shares are tradable in dematerialised form since August, 2000. Under the dematerialised system, a Shareholder can approach a Depository Participant (DP) for getting his shares converted from physical form to dematerialised form. The DP will generate a request for the dematerialisation, which will be sent by him to the Company's Registrars and Share Transfer Agents. On receipt of the same the shares will be dematerialised.

Shares Transferred to IEPF

The Company has complied with the requirements of Section 125 of the Companies Act, 2013 and all amounts due to be credited to the Investor Education & Protection Fund have been duly credited within the time specified under the said section.

During the year under review the Company has transferred 12,63,184 (1.56%) equity shares of the Company to the Demat Account of IEPF Authority of those shareholders of which dividend had remained unclaimed for seven consecutive years.

Registered Office Address:	**Address for Correspondence**
Dalmia Bharat Sugar and Industries Limited Dalmiapuram -621651, Dist. Tiruchirapalli, Tamil Nadu Phone: 04329 - 235132, Fax: 04329 235111	Dalmia Bharat Sugar and Industries Limited Shares Department, Dalmiapuram – 621651 Dist. Tiruchirapalli, Tamil Nadu Phone: 04329 - 235132, Fax: 04329 235111

Plant Locations

Sugar Plants :

Dalmia Chini Mills (Unit: Ramgarh) (Prop. Dalmia Bharat Sugar and Industries Limited) Village Ramgarh - 261403, Tehsil Misrikh, District Sitapur (Uttar Pradesh)	Dalmia Chini Mills (Unit : Nigohi) (Prop. Dalmia Bharat Sugar and Industries Limited) Village Kuiyan, Post Areli – 242407, Tehsil Tilhar, District Shahjahanpur (Uttar Pradesh)	Dalmia Chini Mills (Unit : Jawaharpur) (Prop. Dalmia Bharat Sugar and Industries Limited) Village Jawaharpur - 261403, Tehsil Sitapur Sadar, District Sitapur (Uttar Pradesh)
Shri Dutta Sakhar Karkhana (Prop. Dalmia Bharat Sugar and Industries Limited) Village Asurle Porle - 416005, Panhala Taluka, District Kolhapur (Maharashtra State)	Ninaidevi Sakhar Karkhana (Prop. Dalmia Bharat Sugar and Industries Limited) Village Karungali Aarala -415405, Shirala Taluka, District Sangli (Maharastra State)	

Magnesite Refractory Products:	Wind Farm Unit:	Electronics Division:
Dalmia Magnesite Corporation (Prop. Dalmia Bharat Sugar and Industries Limited) Salem (Tamil Nadu) Vellakkalpatti, P.O. Karuppur, Salem – 636012.	Dalmia Wind Farm (Prop. Dalmia Bharat Sugar and Industries Limited) Muppandal (Tamil Nadu) Aralvaimozhy –629301, District Kanyakumari (Tamil Nadu)	Dalmia Bharat Sugar and Industries Limited Plot No. 53, 54A, Keonics Electronics City, Phase - 1 Hosur Road, Bangalore – 560100 Karnataka

Auditors' Certificate on Corporate Governance

To The Members of
Dalmia Bharat Sugar and Industries Limited
Dalmiapuram, Disctrict - Tiruchirapalli,
Tamil Nadu

1. This certificate is issued in accordance with the terms of our engagement letter with Dalmia Bharat Sugar and Industries Limited (the "Company").

2. We, NSBP & Co., Chartered Accountants, the Statutory Auditors of the Company, have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

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

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

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended March 31, 2018.

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

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

FOR NSBP & CO.
Chartered Accountants
Firm Registration No.001075N

Deepak K. Aggarwal
Partner
Membership No.095541

Place: New Delhi
Date: May 28, 2018

CFO-CEO Certification

To
The Board of Directors,
Dalmia Bharat Sugar and Industries Limited
Registered Office: Dalmiapuram – 621651
District Tiruchirapalli, Tamil Nadu

Dear Sirs/Madam,

I do hereby certify that all the Members of the Board of Directors of the Company and the Senior Management Personnel have affirmed their compliance with the Code of Conduct laid down by the Board of Directors of the Company in their Meeting held on 6-11-2015.

This certificate is being given in compliance with the requirement of Regulation 34(3) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Dated: May 28, 2018
Place: New Delhi

Gautam Dalmia
Managing Director & Chief Executive Officer
DIN: 00009758

The Audit Committee/Board of Directors,
Dalmia Bharat Sugar and Industries Limited

Sub: - Certificate in terms Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir(s)/ Madam,

In accordance with Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we certify that:

1. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2018 and that to the best of our knowledge and belief:
    a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
    b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2018 which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the auditors and the Audit Committee:-
    a. that there are no significant changes in internal control over financial reporting during the financial year ended March 31, 2018;
    b. that there are no significant changes in accounting policies during the financial year ended March 31, 2018; and
    c. that there are no instances of significant fraud of which we have become aware.

Dated: May 28, 2018
Place: New Delhi

Anil Kataria
Chief Financial Officer
PAN: AALPK4889N

Gautam Dalmia
Managing Director & Chief Executive Officer
DIN:00009758

Independent Auditors' Report

To the Members of
Dalmia Bharat Sugar and Industries Limited

Report on the Standalone Ind AS financial statements

We have audited the accompanying standalone Ind AS financial statements of **Dalmia Bharat Sugar and Industries Limited ("the Company")**, which comprise the balance sheet as at March 31, 2018, statement of profit and loss (including the statement of other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended thereof.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under Section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in this Ind AS Financial Statements, are based on the previously issued statutory financial statement prepared in accordance with the Companies (Accounting Standards)Rules, 2006 audited and reported by S.S. Kothari Mehta & Co. having firm registration number 000756N who have issued an unmodified audit report dated May 05,2017 and May 23, 2016, have been furnished to us by the management and which have been relied upon by us for the purpose of issuing the report on the financial statement as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which has been audited by us.

Our report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A "a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid standalone Ind AS financial statements;

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

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

   d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended thereof;

   e. On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and explanations given to us:

      i. The Company has disclosed the impact of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 31 to the standalone Ind AS financial statements;

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

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

For **NSBP & Co.**
Chartered Accountants
Firm Registration No. 001075N

Deepak K. Aggarwal
Partner
Membership No: 095541

Place: New Delhi
Date: May 28, 2018

Annexure A to the Independent Auditor's Report to the Members of Dalmia Bharat Sugar and Industries Limited on its standalone Ind AS financial statements dated May 28, 2018

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

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year, the frequency of which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) In our opinion, and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company except for 2.79 acres (having gross block and net block of ₹ 0.13 Crores) of land at Salem for which all dues for transfer of land in favour of the Company have been paid and transfer of title in the name of company is awaited.

ii. The Management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

iii. (a) The Company has granted unsecured loans to two companies covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the grants and loans is not prejudicial to the interest of the Company's.

(b) The Company has granted tenure based as well as loans re-payable on demand to parties covered in the register maintained under section 189 of the Act. As per information and explanations given to us there are no default on these loans and advances. The payment of interest has been regular.

(c) Since there is no overdue amount as on the date, the relevant reporting is not applicable.

iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

vi. We have broadly reviewed the Cost Accounting records maintained by the Company pursuant to the Rules prescribed by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We are, however, not required to make a detailed examination of such books and records.

vii. (a) According to the records of the Company examined by us and the information and explanations given to us, the Company is generally regular in depositing its undisputed statutory dues including Provident Fund, employees' State Insurance, Income-tax, Sales-tax, Service Tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable,, with the appropriate authorities during the year and there are no such undisputed amounts payable which have remained outstanding as at March 31, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales-tax, duty of customs, goods and service tax & value added tax which have not been deposited on account of any dispute, except dues of service tax, duty of excise and sales tax along with the forum where the dispute is pending as follows:

Name of Statue	Nature of dues	Forum where dispute is pending	Period for which the amount relates	Amount (in ₹ Crores)*
Central Excise Act, 1944	Demand of differential duty reversed under Rule 6 (3) (A).	Assistant Commissioner, LTU, Delhi.	2012 to 2015	0.29
Central Excise Act, 1944	Demand of duty on sale of Electricity.	CESTAT, Delhi	April 2010 to June 2010	1.64
Central Excise Act, 1944	Demand of duty on storage loss of R.S. and ENA.	CESTAT, Delhi	December 2009 to March 2010	0.01
Central Excise Act, 1944	Denial of cenvat credit on M.S. Pipes, MS Angles, Steel, Channels, Aluminium Sheets, Bars & Rods, etc.	High Court, Allahabad	June 2005 to September 2005	0.04
Finance Act, 1994	Denial of credit on Service tax paid by Sugar selling agent.	Commissioner (A) , LTU	April 2011 to July 2014	0.18
Central Excise Act, 1944	Demand of Interest on reversal of credit taken on Cement.	Dy. Commissioner	March 2006 to March 2007	0.06
Central Excise Act, 1944	Denial of credit on Welding Electrodes.	Commissioner(A)	December 2009 to March 2010	0.01
Finance Act, 1994	Denial of credit on Service tax paid by Sugar selling agent.	Commissioner(A)	April 2010 to July 2014	0.47
Finance Act, 1994	Demand of Service tax on Commissioning & Installation charges.	Dy. Commissioner	2006-07 & 2007-08	0.03
Central Excise Act, 1944	Demand of differential duty reversed under Rule 6 (3) (A).	Commissioner (A)	2012 to 2015	0.36
Finance Act, 1994	Demand of Service tax on the Commission paid by Galilio on their system.	Dy. Commissioner	December 2008 to September 2009	0.02
Central Excise Act, 1944	Denial of Cenvat Credit to erstwhile SDSSKL	Rev. Authority	2004-2005	0.13
Finance Act, 1994	Demand of Service tax on reimbursement of expenses received from various banks for the dividend a/c under Reverse charge mechanism.	Additional Commissioner LTU, New Delhi	2013-14	0.05
Central Sales Tax	Entry tax demand	Additional Commissioner (Appeal)	2006-2007	0.17
Central Sales Tax	Entry tax demand	Additional Commissioner (Appeal) Sitapur	2007-2010	1.38
Central Sales Tax	Entry tax demand	High Court, Allahabad	2000-2001	0.03
Central Sales Tax	Demand for CST	Additional Commissioner (Appeal) Lucknow	2011-12	0.25
Central Sales Tax	Entry tax demand	Additional Commissioner (Appeal) Lucknow	2012-13	0.12

*Net of amount deposited.

viii. According to the information and explanations given to us and as per the books and records examined by us, the company has not defaulted in repayment of its dues to a financial institution, banks and Government. The Company has not taken any loans from debenture holders.

ix. In our opinion and on the basis of information and explanations given to us, the company has not raised any monies by way of initial public offer or further public offer or term loan during the financial year, hence the related reporting requirement of the Order are not applicable.

x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.

xi. In our opinion, and according to the information and explanations given to us, the managerial remuneration has been paid/ provided in accordance the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. The company is not a Nidhi company, hence the related reporting requirement of the Order are not applicable.

xiii. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 177 and section 188 of the Act and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

xiv. As the Company has not made any preferential allotment and private placement of shares or fully & partly convertible debentures during the year under review, the requirement of section 42 of the Act are not applicable.

xv. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **NSBP & Co.**
Chartered Accountants
Firm Registration No. 001075N

Deepak K. Aggarwal
Partner
Membership No: 095541

Place: New Delhi
Date: May 28, 2018

Annexure B to the Independent Auditor's Report to the Members of Dalmia Bharat Sugar and Industries Limited ('the Company') on its standalone Ind AS financial statements dated May 28, 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 1(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of **Dalmia Bharat Sugar and Industries Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations, given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **NSBP & Co.**
Chartered Accountants
Firm Registration No. 001075N

Deepak K. Aggarwal
Partner
Membership No: 095541

Place: New Delhi
Date: May 28, 2018

Standalone Balance Sheet as at March 31, 2018

(₹ in Crores)

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
A) Non-current assets				
a) Property, plant and equipment	4	1,291.49	1276.85	1256.26
b) Capital work - in - progress	4	6.93	2.44	6.46
c) Intangible assets	4	1.72	2.90	3.30
d) Financial assets	5			
i) Investments	(i)	283.89	197.34	86.99
ii) Loans	(ii)	27.08	27.47	27.58
iii) Others	(iii)	3.02	1.57	0.86
e) Other non-current assets	6	9.87	8.22	1.48
f) Current tax assets (net)	7	19.00	5.48	10.32
		1,643.00	**1,522.27**	**1,393.25**
B) Current assets				
a) Inventories	8	749.77	1020.68	915.47
b) Financial Assets	9			
i) Investments	(i)	151.37	77.85	73.37
ii) Trade receivables	(ii)	76.03	110.52	106.40
iii) Cash and cash equivalents	(iii)	58.85	58.04	45.16
iv) Bank Balances other than (iii) above	(iv)	0.58	0.40	1.02
v) Loans	(v)	136.54	80.49	0.23
vi) Others	(vi)	26.47	28.51	32.25
c) Other current assets	10	14.50	24.64	21.37
		1,214.11	**1401.13**	**1195.27**
Total Assets		**2,857.11**	**2923.40**	**2588.52**
EQUITY & LIABILITIES				
A) Equity				
a) Equity share capital	11	16.19	16.19	16.19
b) Other equity	12	1,432.71	1233.81	938.03
		1,448.90	**1250.00**	**954.22**
B) Liabilities				
Non- current liabilities				
a) Financial liabilities	13			
i) Borrowings		375.72	396.05	557.95
ii) Others		3.67	3.92	4.24
b) Provisions	14	16.75	10.05	5.93
c) Deferred tax liabilities (Net)	15	124.95	143.89	138.14
d) Other non current liabilities	16	5.38	11.72	15.29
		526.47	**565.63**	**721.55**
Current liabilities				
a) Financial liabilities	17			
i) Borrowings	(i)	345.17	725.34	390.65
ii) Trade payables	(ii)			
Due to MSME		0.23	0.03	0.39
Others		428.39	173.37	259.44
iii) Other financial liabilities	(iii)	83.89	130.96	186.44
b) Other current liabilities	18	19.78	74.29	72.03
c) Provisions	19	4.28	3.78	3.80
		881.74	**1107.77**	**912.75**
Total equity & liabilities		**2,857.11**	**2923.40**	**2588.52**
Corporate Information	1			
Basis of preparation of financial statement	2			
Significant accounting policies	3			

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For **NSBP & Co.**
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Ltd.

Deepak K. Aggarwal
Partner
Membership No.: 095541

Isha Kalra
Company Secretary
Membership No.: A24748

Anil Kataria
Chief Finance Officer
PAN: AALPK4889N

J. S. Baijal
Director
DIN: 00049565

Gautam Dalmia
Managing Director
DIN: 00009758

Place : New Delhi
Date : May 28, 2018

Standalone Statement of Profit and Loss for the year ended March 31, 2018

(₹ in Crores)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue			
Revenue from operations (including excise duty)	20	2270.79	1764.10
Other income	21	37.46	23.85
Total Income (I)		**2308.25**	**1787.95**
Expenses			
Cost of raw materials consumed	22	1489.32	1112.88
Excise duty on sales		30.51	78.10
Change in inventories of finished goods and work in progress	23	217.19	(98.95)
Employee benefits expense	24	103.89	108.02
Finance costs	25	69.46	102.49
Depreciation and amortization expense	4 & 26	53.69	55.58
Other expenses	27	196.32	185.74
Total Expenses (II)		**2160.38**	**1543.86**
Profit/(loss) before exceptional items and tax		**147.87**	**244.09**
Exceptional items		-	-
Profit/(loss) before tax		**147.87**	**244.09**
Tax expense:	28		
Current tax		31.52	50.85
Deferred tax		(17.75)	6.47
Total of tax expense		**13.77**	**57.32**
Profit/(loss) for the year from operations		**134.10**	**186.77**
Other comprehensive income	29		
i) Items that will not be reclassified to profit/(loss)		83.10	108.30
ii) Income tax relating to items that will not be reclassified to profit/(loss)		1.19	0.71
Total comprehensive income for the year		**218.39**	**295.78**
(Comprising profit/(loss) and other comprehensive income for the year)			
Earning per share	30		
Basic (in ₹)		16.57	23.08
Diluted (in ₹)		16.57	23.08
[Face value of share ₹ 2 (March 31, 2017-₹ 2, April 1, 2016-₹ 2) each]			
Corporate Information	1		
Basis of preparation of Financial Statement	2		
Significant Accounting Policies	3		

The accompanying notes are an integral part of these financial statements.

As per our report of even date

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Managing Director
DIN: 00009758

Place : New Delhi
Date : May 28, 2018

Standalone Statement of Changes in Equity for the year ended March 31, 2018

A. Equity Share Capital

(₹ in Crores)

	As at March 31, 2018	Changes during the year	As at March 31, 2017	Changes during the year	As at April 01, 2016
Balance of Equity Share Capital	16.19	-	16.19	-	16.19

B. Other equity

(₹ in Crores)

	Reserves and Surplus				Items of other comprehensive income			Total
			Other Reserves					
	Capital Reserve	Retained earnings	Debenture Redemption Reserve	General Reserve	Revaluation Surplus	Equity instruments through other comprehensive income	Acturial Gain & Losses on Defined Benefits Plan	
As at April 01, 2016	**4.07**	**453.56**	**25.00**	**8.54**	**3.74**	**-**	**-**	**494.91**
Opening Ind AS adjustments:-								
- Transfer to retained earnings	-	3.74	-	-	(3.74)	-	-	-
- Remeasurement (net)	-	377.71	-	-	-	65.16	0.25	443.12
Restated balance as at April 01, 2016	**4.07**	**835.01**	**25.00**	**8.54**	**0.00**	**65.16**	**0.25**	**938.03**
<u>Movement during FY 16-17</u>								
Profit for the year	-	186.77	-	-	-	-	-	186.77
Transfer to general reserve	-	-	(25.00)	25.00	-	-	-	-
Other comprehensive income	-	-	-	-	-	110.36	(1.35)	109.01
As at March 31, 2017	**4.07**	**1021.78**	**-**	**33.54**	**-**	**175.52**	**(1.10)**	**1233.81**
<u>Movement during FY 17-18</u>								
Dividends	-	(19.49)	-	-	-	-	-	(19.49)
Profit for the year	-	134.10	-	-	-	-	-	134.10
Transfer to general reserve	-	(19.00)	-	19.00	-	-	-	-
Other comprehensive income	-	-	-	-	-	86.55	(2.26)	84.29
As at March 31, 2018	**4.07**	**1117.39**	**-**	**52.54**	**-**	**262.07**	**(3.36)**	**1432.71**

	Note No.
Corporate Information	1
Basis of preparation of Financial Statement	2
Significant Accounting Policies	3

The accompanying notes are an integral part of these financial statements.
As per our report of even date

For **NSBP & Co.**
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of
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Managing Director
DIN: 00009758

Place : New Delhi
Date : May 28, 2018

Standalone Statement of Cash Flows for the year ended March 31, 2018

(₹ in Crores)

		For the year ended March 31, 2018	For the year ended March 31, 2017
A.	**Cash Flow from Operating Activities**		
	Net Profit before tax	**147.87**	**244.09**
	Adjustments for Non-cash and Non -operating items:-		
	Add:-		
	Depreciation / Amortization	53.69	55.58
	Provision for doubtful debts/ advances	1.35	0.05
	Bad Debts/ Advances written off	0.02	0.00
	Finance Cost	69.46	102.49
	Less:-		
	Dividend Income	(0.21)	(0.68)
	Interest Income	(15.07)	(2.25)
	(Profit)/Loss on sale of Investments	(1.50)	(1.56)
	Changes in Fair Value of Investments	(6.01)	(6.13)
	(Profit)/Loss on sale of property, plant & equipment and Assets written off	(0.05)	(0.36)
	Grant amortized	(6.52)	(5.96)
	Operating Profit before working Capital Changes	**243.03**	**385.27**
	Adjustments for working Capital changes :		
	Inventories	270.92	(105.21)
	Trade and Other Payables	195.37	(67.46)
	Trade and Other Receivables	(5.09)	(90.67)
	Cash Generated from Operations	**704.24**	**121.93**
	Direct Taxes (Paid)/Refund	(45.04)	(46.02)
	Net Cash generated from operating activities	**659.20**	**75.91**
B.	**Cash Flow from Investing Activities**		
	Purchase of property, plant and equipment	(71.60)	(71.39)
	(Purchase)/ Sale of Investments	(66.00)	3.21
	Interest Received	6.53	2.25
	Dividend Received from Non Current Investments	0.21	0.68
	Net Cash used in Investing Activities	**(130.86)**	**(65.25)**
C.	**Cash Flow from Financing Activities**		
	Proceeds/(Repayment) of Short term Borrowings (net)	(380.16)	334.69
	Proceeds/(Repayment) of Long term Borrowings (net)	(64.94)	(241.64)
	Finance Cost	(62.93)	(90.83)
	Dividend Paid	(16.19)	0.00
	Corporate Dividend tax paid	(3.30)	0.00
	Net cash used in financing activities	**(527.52)**	**2.22**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**0.81**	**12.88**
	Cash and cash equivalents at the beginning of the year	58.04	45.16
	Cash and cash equivalents at the end of the year	58.85	58.04

Components of Cash & Cash Equivalents

	As at March 31, 2018	As at March 31, 2017
Balances with banks		
Cash on hand	0.23	0.38
Cheques, drafts on hand	0.06	0.02
Balances with banks	58.56	57.64
Net Cash & Cash Equivalents	**58.85**	**58.04**

Note: 1) Cash & cash equivalents components are as per Note 9 (iii).

2) Cash flow statement has been prepared in accordance with Ind AS 7- "Statement of Cash Flows".

As per our report of even date

For **NSBP & Co.**
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Ltd.

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Gautam Dalmia
Managing Director
DIN: 00009758

Place : New Delhi
Date : May 28, 2018

Notes to Financial Statements for the year ended March 31, 2018

1. Corporate Information

The company was incorporated as Dalmia Cement (Bharat) Limited. Name of the company was changed from Dalmia Cement (Bharat) Limited to Dalmia Bharat Sugar and Industries Limited ('The Company') vide fresh certificate of incorporation dated 7th September, 2010 issued by registrar of companies, Tamilnadu.

The company is mainly engaged in manufacturing of sugar, generation of power, manufacturing of Industrial alcohol and manufacturing of refractory products.

The company is listed on the National Stock Exchange of India and Bombay Stock Exchange of India. These financial statements are presented in Indian Rupees (₹).

2. Basis of accounting and preparation of Financial Statements

A. Statement of Compliance with Ind AS

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from April 1, 2017 with restatement of previous year figures presented in this financial statements. Accordingly, the financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The Company has adopted all the applicable Ind AS and the adoption was carried out in accordance with Ind AS-101 First time adoption of Indian Accounting Standards.

The transition was carried out from Generally Accepted Accounting Principles in India which comprised of applicable Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India (ICAI), relevant applicable provisions of the Companies Act, 1956, and the Companies Act, 2013 to the extent applicable and the applicable guidelines issued by the Securities and Exchange Board of India (SEBI) ("Previous GAAP").

These financial statements for the year ended March 31, 2018 are the first financial statements of the Company prepared in accordance with Ind AS. The date of transition to Ind AS is April 1, 2016. All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are approved by the Board of Directors have been considered in preparing these financial statements.

These financial statements are approved and adopted by board of directors of the company in their meeting held on 28th May 2018.

B. Basis of preparation and presentation.

These financial statements have been prepared in accordance with Ind AS under the historical cost basis except for the following:

i) Certain financial assets and financial liabilities - measured at fair value and

ii) Defined benefits plan – plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration in exchange for goods and services.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to 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.

C. Current/Non-current assets and liabilities:

A. Current Assets – An asset is classified as current when:

(a) The company expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) The company holds the asset primarily for the purpose of trading;

(c) The company expects to realise the asset within twelve months after the reporting period;

(d) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

Notes to Financial Statements for the year ended March 31, 2018

B. Current Liability – A liability is classified as current when:

(a) The company expects to settle the liability in its normal operating cycle;

(b) The company holds the liability primarily for the purpose of trading;

(c) The liability is due to be settled within twelve months after the reporting period; or

(d) The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

D. Functional and presentation currency

The financial statements including notes thereon are presented in Indian rupees, which is the functional currency of the company. All the financial information presented in Indian rupees has been rounded to the nearest crore as per the requirement of Schedule III to the Act, unless stated otherwise.

E. Use of judgment, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the Management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities and contingent assets at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the Management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

a. Property, plant and equipment and intangible assets

The useful life and residual value of plant, property equipment and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period.

b. Recognition and measurement of defined benefit obligations

The cost of the leave encashment, defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are periodically reviewed at each reporting date.

c. Fair value measurement of financial instruments

When the fair value of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market price in active markets, their fair value is measured using valuation technique. The input to these models are taken from the observable market wherever possible, but where this is not feasible, a review of judgment is required in establishing fair values. Changes in assumption relating to these assumption could affect the fair value of financial instrument.

d. Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount.

e. Impairment of financial and non-financial assets

The impairment provision for financial assets are based on assumptions about risk of default and expected losses. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Company assesses at each reporting date whether there is an indication that a Non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount which is higher of an asset's or Cash generating unit (CGU) fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

F. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis as explained above, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

3. Significant accounting policies

A. Property, plant and equipment and Capital work-in-progress

Property, plant and equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses. The cost of an asset includes the purchase cost of materials including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets are capitalized as part of cost of the asset until such time that the asset is ready for its intended use. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

When significant part of the property, plant and equipment are required to be replaced at intervals, the company derecognized the replaced part and recognized the new parts with its own associated useful life and it is depreciated accordingly. Likewise when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance cost are recognized in the statement of the profit and loss as incurred.

Internally manufactured property, plant and equipment are capitalised at factory cost.

Capital work in progress include property plant & equipment under installation/under development as at the balance sheet date and are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

Property, plant and equipment are derecognised from the financial statement, either on disposal or when no economic benefits are expected from its use or disposal. Losses arising in the case of retirement of property, plant and equipment and gain or losses arising from disposal of property, plant and equipment are a recognized in the statement of profit and loss in the year of occurrence.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment, except Land, recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. For Land the company has elected to use Fair Value at the transition to Ind AS and use this value as its deemed cost.

B. Investment Property

Investment properties are properties, either land or building or both, held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transactions costs. Subsequent to initial recognition, investment properties are measured in accordance with requirement for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is de-recognised.

C. Intangible assets

Intangible asset are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of asset can be measured reliably.

Capital expenditure on purchase and development of identifiable assets without physical substance is recognized as intangible assets in accordance with principles given under Ind AS-38 – Intangible Assets.

Internally generated intangible asset, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of profit & loss in the period in which the expenditure is incurred.

The useful lives of intangible asset are assed as either finite or indefinite. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible asset with indefinite useful lives, if they are not amortised, but are tested for impairment either individually or at the cash generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite life continues to be supportable. Currently there are no intangible assets with indefinite useful life.

Gain or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit & loss when the asset is derecognised.

D. Depreciation and amortization

Depreciation on Property, Plant and Equipment (PPE) and Intangible assets is calculated on the basis of useful lives as prescribed under Schedule II to the Companies Act, 2013. The following methods of depreciation are used for PPE and Intangible assets:

"Plant and machinery" at Salem (excluding earth moving machinery) and on all PPE at Wind Farm Unit, MLCC devision and Dalmia Chini Mills (Sugar Units) excluding machinery in Power Plants.	Straight line method
Leasehold land	Amortised over the period of lease, i.e., 99 years
Remaining PPE	Written down value method
Computer software	Amortised over a period of 3-5 years on a Straight line basis.
Other intangible assets	Amortised over a period of maximum 10 years on a straight line basis.

E. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Company is the lessee

Finance leases are capitalized as assets at the commencement of the lease, at an amount equal to the fair value of leased asset or present value of the minimum lease payments, whichever is lower, valued at the inception date. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the company's general policy on borrowing cost. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Payment made under operating leases are recognized as expense in the Statement of Profit and Loss on a straight line basis over the lease term, unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the escalation of lease rentals is in line with the expected general inflation so as to compensate the lessor for expected inflationary cost, the increases in the rentals is not straight lined.

F. Government grants

Government grants are recognised at fair value when there is reasonable assurance that the grant would be received and the Company would comply with all the conditions attached with them.

Government grants are recognised in statement of profit or loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

G. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset till such time that is required to complete and prepare the asset to get ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to the statement of profit and loss in the period in which they are incurred.

H. Segment accounting and reporting

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

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 transaction price agreed to between the segments which is at cost in case of transfer of Company`s intermediate and final products and estimated realisable value in case of by-products.

- Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on direct and/or on a reasonable basis, have been disclosed as "Unallocable"

I. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (Ind AS)-19 - 'Employee Benefits'.

a. Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered

b. Defined contribution plan

Retirement benefits in the form of provident fund, pension fund, superannuation fund and ESI are a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident fund/trust.

c. Defined benefit plan

Retirement benefits in the form of gratuity and provident fund contribution to Dalmia Cement Provident Fund Trust are defined benefit plans. Gratuity is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Contributions to Dalmia Cement Provident Fund Trust are charged to the Statement of Profit and Loss of the year when the contributions to the fund is due.

The Company's liabilities on account of gratuity and earned leaves on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from registered actuary in accordance with the measurement procedure as per Indian Accounting Standard (INDAS)-19- 'Employee Benefits'. Gratuity liability is funded on year-to-year basis by contribution to respective fund. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Accumulated leaves, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the year-end.

J. Inventories

a. Finished goods are valued at lower of cost or net realisable value. In case of Dead Burnt Magnesite Dust Stocks to the extent these are considered saleable, valuation is done at raw materials cost plus packing charges or net realizable value, whichever is lower. By-products are valued at net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods (as on March 31,2017 & transition date April 01, 2016) includes excise duty. Cost is determined on a weighted average basis.

b. Work in progress is valued at lower of cost or net realisable value. Cost is determined on a weighted average basis.

c. Stores, Spares and Raw Materials are valued at lower of cost or net realisable value. However materials & other items of inventories held for use in the production are not written below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis

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

K. Financial Instruments

(a) Financial Assets

i. Classification

The company classified financial assets as subsequently measured at amortized cost, fair value though other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and contractual cash flow characteristics of the financial asset.

ii. Initial Recognition and Measurement

The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

iii. Subsequent Measurement

For the purpose of subsequent measurement the financial assets are classified in three categories:

- At amortised cost - For debt instruments only.
- At fair value through profit & loss account
- At fair value through other comprehensive income

iv. Debt instruments at amortized cost

A Financial Asset i.e. a debt instrument is measured at the amortized cost if both the following condition are met.

- The assets is held within a business model whose objective is to hold assets for collecting contractual cash flow (business model test), and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding (contractual cash flow characteristics).

After initial measurement (at Fair value minus transaction cost), such financial assets are subsequently measurement at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount and premium and fee or costs that are an integral part of an EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

v. Debt instrument at Fair value through Profit or loss

Debt instruments included within the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

vi. Debt instruments at Fair value through other comprehensive income

A financial asset should be measured at FVTOCI if both the following condition are met:

- The assets is held within a business model in which asset are managed both in order to collect contractual cash flows and for sale (business model test), and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding (contractual cash flow characteristics).

After initial measurement (at Fair value minus transaction cost), such financial assets are measured at Fair value with changes in fair value recognized in OCI except for:

(a) Interest calculated using EIR

(b) Foreign exchange gain and losses; and

(c) Impairment losses and gains

vii. Equity investments

All equity investments other than investment in subsidiaries, joint venture and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then fair value changes on the instrument, excluding dividends, are recognised in other compressive income (OCI). There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of such investments.

Equity instrument includes within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit or loss.

viii. Derecognition

A financial assets (or, where applicable, a part of a financial asset) is primarily derecognised when:

- The right to receive cash flows from the assets have expired or
- The company has transferred substantially all the risks and rewards of the assets, or
- The company has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the assets.

(b) Financial liabilities & Equity

i. Classification

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

ii. Initial recognition and measurement of Financial Liability

The company recognizes financial liability when it becomes a party to the contractual provisions of the instrument. All financial liability are recognized initially at fair value minus, for financial liability not subsequently measured at FVTPL, transaction costs that are directly attributable to the issue of financial liability.

iii. Subsequent Measurement of Financial Liabilty

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies

iv. Financial Liability at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) Method. Gain and losses are recognised in statement of profit and loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transaction cost. The EIR amortization is included as finance cost in the statement of profit and loss.

This category generally applies to loans & Borrowings.

v. Financial Liability at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability

vi. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

vii. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are, substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amount recognised in the Statement of Profit and loss.

viii. Offsetting of financial instrument

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

L. Investments in Associate, Joint venture & Associate

Investments in equity shares of Subsidiaries, Joint Ventures & Associates are recorded at cost and reviewed for impairment at each balance sheet date.

M. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances..

Sale of goods

Revenue is recognized net of returns and discounts when the significant risks and rewards of ownership of the goods have passed to the buyer for a consideration.

Sale of Power

Revenue from power has been recognized on transmission of electricity to Grid. Power generated at power plant is consumed at manufacturing units and excess power is sold to Grid, which is included in sales at power tariff prevailing as per the respective Power Purchase Agreements.

Inter unit transfers of power is also accounted for at the same rates i.e. Grid Power Tariff, for computing segmental profitability. For consolidation purposes these transfers are eliminated from respective heads.

Revenue from sale of Certified Emission Reductions (CERs) and Renewable Energy Certificates (REC)

Income from the sale of CERs and RECs is recognised on the delivery of the CERs/RECs to the customers' accounts as evidenced by the receipt of confirmation of execution of delivery instructions and treated as capital receipts.

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the Balance Sheet date.

Insurance claim

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

Sale of services

The company being a manufacturing entity does not generally provides services in the normal course of business. However revenue from supply of services if any is recognized as and when the services has been provided and recoverability accrues.

N. Foreign currency translation/conversion

Standalone financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

- Initial recognition

  Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

- Conversion

  Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

- Exchange differences

  The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

Notes to Financial Statements for the year ended March 31, 2018

O. Taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum alternate tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

P. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

Q. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settled the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingent liability is disclosed in the notes in case of:

- There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
- A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation
- A present obligation arises from the past event, when no reliable estimate is possible
- A present obligation arises from the past event, unless the probability of outflow are remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Contingent assets

Contingent assets are not recognized in the financial statements.

R. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Company's cash management.

S. Impairment

Non-financial assets

Property, plant and equipment, intangible assets and assets classified as investment property with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Impairment losses on continuing operations, including impairment on inventories are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

Financial assets

The company applies 'simplified approach' measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instrument and are measured at amortised cost e.g. loans, debt securities, deposits, and bank balance.
- Trade receivables

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

4. Property plant & equipment, intangible assets & capital work in progress.

(₹ in Crores)

Particulars	Tangible Assets								Intangible Assets			
	Land Freehold#	Land Lease hold	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Total	Operating Rights	Computer Software	Total	Total
Cost or revalued amount												
as at April 1, 2016 (IGAAP)	72.70	0.58	161.22	1,152.61	7.43	3.77	4.86	1,403.17	3.63	1.30	4.93	1,408.10
IND AS Fair Valuation impact	507.20	-	-	-	-	-	-	507.20	-	-	-	507.20
as at April 1, 2016 (IND AS)	579.90	0.58	161.22	1,152.61	7.43	3.77	4.86	1,910.37	3.63	1.30	4.93	1,915.30
Additions	0.38	-	12.87	76.56	0.45	0.71	0.53	91.50	0.01	0.68	0.69	92.19
Disposals	-	-	0.46	25.97	0.29	0.18	0.48	27.38	-	-	-	27.38
as at March 31, 2017	580.28	0.58	173.63	1,203.20	7.59	4.30	4.91	1,974.49	3.64	1.98	5.62	1,980.11
Additions	1.36	-	8.23	57.45	0.46	0.11	0.35	67.96	-	-	-	67.96
Disposals	-	-	-	0.68	0.08	0.05	0.06	0.87	-	-	-	0.87
as at March 31, 2018	581.64	0.58	181.86	1,259.97	7.97	4.36	5.20	2,041.58	3.64	1.98	5.62	2,047.20
Depreciation and amortisation												
as at April 1, 2016	0.01	0.13	52.44	590.53	5.29	1.67	4.03	654.11	1.22	0.41	1.63	655.74
Charge for the year @	-	0.01	5.10	47.94	0.59	0.51	0.43	54.59	0.71	0.38	1.09	55.68
Disposals	-	-	0.06	10.21	0.20	0.20	0.39	11.06	-	-	-	11.06
as at March 31, 2017	0.01	0.14	57.48	628.26	5.68	1.98	4.07	697.64	1.93	0.79	2.72	700.36
Charge for the year @	-	0.01	8.93	42.34	0.40	0.56	0.37	52.61	0.81	0.36	1.18	53.79
Disposals	-	-	-	0.03	0.03	0.05	0.06	0.16	-	-	-	0.16
as at March 31, 2018	0.01	0.15	66.41	670.57	6.05	2.49	4.38	750.09	2.74	1.15	3.90	753.99
Net Block												
as at March 31, 2016	579.89	0.45	108.78	562.08	2.14	2.09	0.83	1,256.26	2.41	0.89	3.30	1,259.56
as at March 31, 2017	580.27	0.44	116.14	574.93	1.91	2.31	0.84	1,276.85	1.71	1.19	2.90	1,279.75
as at March 31, 2018	581.63	0.43	115.45	589.40	1.92	1.87	0.81	1,291.49	0.90	0.83	1.72	1,293.21
Capital Work in Progress*												
as at March 31, 2016												6.46
as at March 31, 2017												2.44
as at March 31, 2018												6.93

Transition date fair value of freehold land has been considered as deemed cost for IND AS Purposes.

@ includes depreciation charged to other accounts ₹ 0.10 Cr (₹ 0.10 cr, ₹ 0.13 Cr) (refer note no. 43)

* Includes preoperative expenditure pending capitalisation of ₹ 0.06 Cr (₹ 0.39 Cr, NIL) (refer note no. 42)

Includes immovable property for 2.79 acres of land at Salem unit for which all dues for transfer of land have been paid and transfer of title in the name of the company is awaited.

5. Non-current financial assets

5 (i). Investments

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A. Quoted			
Equity Shares Carried at Fair Value through OCI			
942567 (March 3, 2017-942567, April 1, 2016-942567) Equity shares of ₹ 2 each fully paid up in Dalmia Bharat Limited	271.97	185.42	75.07
B. Unquoted			
(i) Investments in Subsidiaries (Carried at Cost)			
Equity Shares			
250000 (March 31, 2017-250000, April 1, 2016-250000) Equity shares of ₹ 10 each fully paid up in Dalmia Sugar Ventures Limited	0.05	0.05	0.05
450000 (March 31, 2017-450000, April 1, 2016-450000) Equity shares of ₹ 10 each fully paid up in Himshikhar Investment Limited	4.45	4.45	4.45
50000 (March 31, 2017-50000, April 1, 2016-50000) Equity shares of ₹ 10 each fully paid up in Dalmia Solar Power Limited	0.05	0.05	0.05
(ii) Investment in Bonds (Carried at amortised Cost)			
10.40% Vijaya Bank Bonds 2020	1.98	1.98	1.98
9.55% Canara Bank (Perp.) Bonds	5.39	5.39	5.39
(iii) Others*			
Shares of Co-operative Socities (Unquoted)			
DMC Employees Co-op Stores Limited	((2500))	((2500))	((2500))
Government or Trust Securities (Unquoted)			
National Saving Certificates	((2000))	((2000))	((2000))
	283.89	**197.34**	**86.99**
Aggregate amount of quoted investments and market value thereof	271.97	185.42	75.07
Aggregate amount of unquoted investments	11.92	11.92	11.92
Aggregate amount of impairment in value of investments	-	-	-

* Figures less than ₹ Fifty thousand which are required to be shown separately have been shown at actual in double brackets.

5 (ii). Loans

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, considered good unless stated otherwise)			
Security deposits	1.72	1.38	1.18
Others	25.36	25.81	26.25
(Considered doubtful)			
Others	0.30	1.10	1.51
Less : Allowance for bad and doubtful debts	(0.30)	(0.82)	(1.36)
	27.08	**27.47**	**27.58**

5 (iii). Others

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fixed deposits with banks	0.15	0.15	0.15
(with remaining maturity of more than 12 months)			
(Unsecured, considered good)			
Others	2.87	1.42	0.71
	3.02	**1.57**	**0.86**

Notes to Financial Statements for the year ended March 31, 2018

6. Other non current assets

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, considered good unless stated otherwise)			
Capital advances	7.98	5.16	0.69
Advances other than capital advances	0.55	1.60	0.16
Balances with Government departments under protest	1.34	1.46	0.63
	9.87	**8.22**	**1.48**

7. Current Tax Assets (Net)

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Net Income Tax Assets	19.00	5.48	10.32
	19.00	**5.48**	**10.32**

8. Inventories

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Refer Note No. 3(J))			
Raw materials	14.06	13.27	9.75
Work in progress	13.90	10.73	2.62
Finished goods	694.29	972.50	882.73
Stores, spare & others	27.52	24.18	20.37
	749.77	**1,020.68**	**915.47**

9. Current financial assets

9 (i). Investments

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investment in mutual funds (quoted)			
(Carried at Fair Value through profit and loss)			
Debt based schemes	151.37	77.85	73.37
Total	**151.37**	**77.85**	**73.37**
Aggregate amount of quoted investments and market value thereof	151.37	77.85	73.37
Aggregate amount of unquoted investments	-	-	-
Aggregate amount of impairment in value of investments	-	-	-

9 (ii). Trade receivables

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good	76.03	110.52	106.40
Considered Doubtful	0.45	-	-
Less : Allowance for bad and doubtful debts	(0.45)	-	-
	76.03	**110.52**	**106.40**

9 (iii). Cash and cash equivalents

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash on hand	0.23	0.38	0.47
Cheques, drafts on hand	0.06	0.02	0.03
Balances with banks	58.56	57.64	44.66
	58.85	**58.04**	**45.16**

Notes to Financial Statements for the year ended March 31, 2018

9 (iv). Bank balances other than cash & cash equivalents

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
- Deposits with original maturity of more than 3 months but less than 12 months	-	0.20	0.21
- Earmarked balances with banks (Unpaid dividend accounts)	0.58	0.20	0.81
	0.58	**0.40**	**1.02**

9 (v). Loans

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, considered good)			
Loans to related parties (Refer note no. 44(a) & 45)*	134.82	79.59	-
Others			
Loans to employees	1.72	0.90	0.23
	136.54	**80.49**	**0.23**

* Includes interest recoverable amounting ₹ 8.54 Cr (March 31, 2017-₹ 0.93 Cr, April 1, 2016-NIL).

9 (vi). Others

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, considered good)			
Interest receivable	5.08	3.63	2.55
Unbilled revenue	20.99	23.16	21.14
Others	0.40	1.72	8.56
	26.47	**28.51**	**32.25**

10. Other current assets

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, considered good)			
Advances other than capital advances			
Deposit and Balances with Government departments and other authorities	4.60	16.40	12.08
Other advances	9.90	8.24	9.29
	14.50	**24.64**	**21.37**

11. Equity Share capital

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised :			
11,47,26,820 (March 31, 2017-114726820, April 1, 2016- 114726820) Ordinary equity shares of ₹ 2/- each	22.95	22.95	22.95
8,52,73,180 (March 31, 2017-85273180, April 1, 2016-85273180) Unclassified equity shares of ₹ 2/- each	17.05	17.05	17.05
	40.00	**40.00**	**40.00**
Issued, Subscribed and Fully Paid Up :			
8,09,39,303 (March 31, 2017-80939303, April 1,2016-80939303) ordinary equity shares of ₹ 2/- each	16.19	16.19	16.19
	16.19	**16.19**	**16.19**

Notes to Financial Statements for the year ended March 31, 2018

11. Equity Share capital (Contd.)

(a) Reconciliation of ordinary equity shares outstanding at the beginning and at the end of the reporting year.

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	₹ Cr	No. of Shares	₹ Cr
At the beginning of the year	8,09,39,303	16.19	8,09,39,303	16.19
Changes during the year	-	-	-	-
At the end of the year	8,09,39,303	16.19	8,09,39,303	16.19

(b) Terms/ rights attached to ordinary equity shares

The Company has only one class of ordinary equity shares having a face value of ₹ 2 per share. Each ordinary equity shareholder is entitled to one vote per share.

In the event of winding-up of the company, the ordinary equity shareholders shall be entitled to be repaid remaining assets of the company, in the ratio of the amount of capital paid up on such ordinary equity shares.

(c) Details of shareholders holding more than 5% shares in the company

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Ordinary Equity shares of ₹ 2 each fully paid up	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Samagama Holdings and Commercial Private Limited	3,58,75,223	44.32%	3,58,75,223	44.32%	-	-
Dalmia Bharat Limited	1,48,29,764	18.32%	1,48,29,764	18.32%	1,48,29,764	18.32%
Vanika Commercial and Holdings Private Ltd	86,87,305	10.73%	86,87,305	10.73%	-	-
Mayuka Investment Limited	-	-	-	-	1,57,36,537	19.44%
Sita Investment Company Limited	-	-	-	-	58,76,800	7.26%
Ankita Pratisthan Limted	-	-	-	-	58,29,070	7.20%
Puneet Trading and Investment Co. Private Limited.	-	-	-	-	97,92,775	12.10%

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

(e) During the year company has paid final dividend for the FY 2016-17 @ 100% i.e. ₹ 2 per share.

12. Other Equity

(₹ in Crores)

Reserve & Surplus	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital reserve			
Opening balance as per last financial statements	4.07	4.07	4.07
Less:- Transferred to retained earnings	-	-	-
Closing balance	4.07	4.07	4.07
Revaluation reserve			
Opening balance as per last financial statements	-	-	3.74
Less:- Transferred to retained earnings	-	-	(3.74)
Closing balance	-	-	-
General reserve			
Opening balance as per last financial statements	33.54	8.54	0.54
Add:- Amount transferred from surplus balance in statement of profit & loss	19.00	-	8.00
Add:- Amount transferred from debenture redemption reserve	-	25.00	-
Closing balance	52.54	33.54	8.54
Debenture redemption reserve			
Opening balance as per last financial statements	-	25.00	25.00
Less:- Amount transferred to general reserve	-	(25.00)	-
Closing balance	-	-	25.00

12. Other Equity (Contd.)

(₹ in Crores)

Reserve & Surplus	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Surplus in the statement of profit and loss			
Balance as per last financial statements	1021.78	835.01	408.96
Profit for the year	134.10	186.77	58.45
IND AS impact (Refer Note No. 46)	-	-	377.71
Transferred from other reserves	-	-	3.74
Less: appropriations			
(i) Transfer to general reserve	(19.00)	-	(8.00)
(ii) Final dividend on ordinary shares	(16.19)	-	(4.86)
(iii) Dividend distribution tax	(3.30)	-	(0.99)
Total appropriations	**(38.49)**	**-**	**(13.85)**
Net surplus in the statement of profit and loss	**1117.39**	**1021.78**	**835.01**
Total reserves and surplus	**1174.00**	**1059.39**	**872.62**
Other Comprehensive Income			
Opening Balance	174.42	65.41	-
Addition during the year*	84.29	109.01	65.41
Closing Balance	258.71	174.42	65.41
Total Other Equity	**1432.71**	**1233.81**	**938.03**

* refer note no. 46 for transition impact.

1 Capital Reserve majorly comprises of reserve created consequent to slum purchase of plants in Ninaidevi & Kolhapur units.

2 Retained earnings represents undistributed profits of the Company which can be distributed to its equity shareholders in accordance with the requirement of the Companies Act, 2013.

3 Other Comprehensive Income Reserve represent the balance in equity for items to be accounted in Other Comprehensive Income. OCI is classified into (i) items that will not be reclassified to statement of profit and loss, and (ii) items that will be reclassified to statement of profit and loss.

4 General reserve represents the statutory reserve, this is in accordance with Indian Corporate Law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer the amount before a company can declare dividend. However under Companies Act , 2013, transfer of any amount to general reserve is at the discretion of the Company.

13. Non current financial liabilities

13 (i). Borrowings

(₹ in Crores)

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
Secured						
Redeemable Non-convertible debentures						
i. From banks	-		-		33.33	
Less: Shown in current maturities of long term borrowings	-		-		33.33	
Term loans:						
i. From banks	397.65		451.51		661.37	
Less: Shown in current maturities of long term borrowings	50.35	347.30	89.13	362.38	122.37	539.00
ii. From other parties	32.90		37.28		30.60	
Less: Shown in current maturities of long term borrowings	4.48	28.42	3.61	33.67	11.65	18.95
(Refer note no. 17(iii) for current maturities)		**375.72**		**396.05**		**557.95**

Notes to Financial Statements for the year ended March 31, 2018

13. Non current financial liabilities (Contd.)

(₹ in Crores)

Sl. No.	Particulars	As at 31st, March 2018	As at 31st, March 2017	As at 1st, April 2016	Fixed/Fluctuating interest rate	Rate of interest
	Non Current Borrowings					
A)	**From Bank**					
a)	Axis Bank (Debentures)	-	-	33.33	Fixed	10.42%
b)	Punjab National Bank					
	1. Excise Loan	26.06	52.13	78.20	Fixed	12.00%
	2. Soft Loan for cane payment	12.28	14.11	73.20	Fluctuating	Base Rate+1.75%, Presently 9.40%
c)	Allahabad Bank - Loan 1	-	193.67	236.15	Fluctuating	Base Rate+1.50%
d)	Allahabad Bank - Loan 2	-	41.37	-	Fluctuating	Base Rate+1.50%
e)	Ratnakar Bank Ltd.					
	- Term Loan 1	-	-	120.00	Fluctuating	RBL Base Rate
	- Term Loan 2	-	44.45	50.00	Fluctuating	RBL Base Rate
f)	Canara Bank	-	-	120.00	Fluctuating	BPLR - 0.75%
g)	HDFC Term Loan 1	102.90	114.66	-	Fluctuating	One year MCLR+0.80%, Presently 9.00%
h)	HDFC Term Loan 2	6.07	-	-	Fluctuating	One year MCLR+0.25%, Presently 8.55%
i)	Axis Bank	254.24	-	-	Fluctuating	One year MCLR+0.75%, Presently 9.00%
	Notional reduction in loan balances due to IND AS adjustments	(3.90)	(8.88)	(16.18)		
	Total	**397.65**	**451.51**	**694.70**		
B)	**From Others**					
	Sugar Development Fund Loans					
a)	Secured against Bank Guarantee	38.91	41.57	20.31	Fixed	4.75% to 5.75%
b)	Secured against Assets	-	3.45	15.85	Fixed	4.0% to 7.5%
	Notional reduction in loan balances due to IND AS adjustments	(6.01)	(7.74)	(5.56)		
	Total	**32.90**	**37.28**	**30.60**		
	G Total	**430.55**	**488.79**	**725.30**		

Nature of securities, Interest & repayment terms.

A) Details of Loans taken from Banks:-

a) Debentures from Axis bank were secured by mortgage and first charge on pari-passu basis on all the immovable and movable assets (both current and future) excluding current assets of the sugar units of the company at Jawaharpur and Nigohi.

b.1) PNB Interest free loan (availed under "Scheme for Extending Financial Assistance to Sugar Undertaking 2014" of Govt of India) is secured by second charge on pari passu basis with SDF lendors and Allahabad Bank on entire fixed assets of the company's sugar units.

b.2) PNB Farmer soft loan is secured by first pari passu charge on the current assets of the company alongwith woking capital lenders and subservient charge on movable & immovable fixed assets of the company at sugar factories Ramgarh, Jawaharpur and Nigohi location. Repayable in 20 quarterly structured installments starting from 20th Sept 2017.

(c) & (d) Allahabad Bank term loans were secured by first pari passu charge on movable & immovable Fixed Assets at Shri Datta Sakhar Karkhana (unit Kolhapur).

e) Ratnakar bank term loan was secured by first pari passu charge on movable & immovable fixed assets of the company at Ramgarh, Jawaharpur & Nigohi location.

f) Canara Bank term loan was secured by subservient charge on entire fixed assets excluding vehicles of company's sugar units at Jawaharpur and Nigohi and subservient charge on plant & machinery at Ramgarh Sugar unit. The same was repaid in Dec 2016.

g) HDFC Term loan 1, is secured by first pari passu charge on movable and immovable fixed assets of the sugar mills located at Ramgarh, Jawaharpur & Nigohi location repayable in 40 structured quarterly installments starting from March 2017.

13. Non current financial liabilities (Contd.)

h) HDFC Term loan 2, is secured by first pari passu charge through mortgage on movable and immovable fixed assets of the ethanol plant at Nigohi location, payable in 40 equal quarterly installments starting after two years moratorium.

i) Axis Bank Term Loan is secured by first pari passu charge through mortgage on movable and immovable fixed assets of the Kolhapur location, payable in unequal quarterly installments starting March 31, 2018.

B) Details of Loans taken from entities other than banks:-

a) Sugar Development Fund (SDF) loans are secured by guarantees given by banks amounting ₹ 48.50 cr on behalf of the company and are repayable in unequal structured installments.

b) Loans from SDF were secured by second exclusive charge on movable and immovable properties of the sugar units situated in Uttar Pradesh.

13 (ii). Others

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Carried at amortised cost:-			
Other liabilities	3.67	3.92	4.24
	3.67	**3.92**	**4.24**

14. Non current provisions

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for employee benefits	16.75	10.05	5.93
	16.75	10.05	5.93

15. Deferred tax liabilities (Net)

A) Major components of deferred tax liabilities as on March 31, 2018 and movement during the year 2017-18.

(₹ in Crores)

	As at March 31, 2018	Recognised in statement of profit & loss	Recognised in other comprehensive income	As at March 31, 2017
Property, plant & equipment including fair valuation of land	233.43	6.05	-	227.38
Others	6.58	3.27	-	3.31
Expenses allowed on payment basis	(8.00)	2.41	(1.19)	(9.22)
MAT Credit Entitlement	(107.06)	(29.48)	-	(77.58)
Net Deferred tax liability / (asset)	**124.95**	**(17.75)**	**(1.19)**	**143.89**

B) Major components of deferred tax liabilities as on March 31, 2017 and movement during the year 2016-17.

(₹ in Crores)

	As at March 31, 2017	Recognised in statement of profit & loss	Recognised in other comprehensive income	As at April 01, 2016
Property, plant & equipment including fair valuation of land	227.38	0.85	-	226.53
Others	3.31	2.06	-	1.25
Expenses allowed on payment basis	(9.22)	(3.55)	(0.71)	(4.95)
Business losses	-	38.29	-	(38.29)
MAT Credit Entitlement	(77.58)	(31.18)	-	(46.40)
Net Deferred tax liability / (asset)	**143.89**	**6.47**	**(0.71)**	**138.14**

16. Other non current liabilities

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Government Grant	5.38	11.72	15.29
(Refer note no. 39 for movement during the year)	**5.38**	**11.72**	**15.29**

Notes to Financial Statements for the year ended March 31, 2018

17. Current financial liabilities

17 (i). Borrowings

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Secured			
loans from banks			
Working capital/short term loans	-	-	380.00
Cash credit	0.94	58.76	10.65
Unsecured			
Commercial Papers issues	344.23	616.58	-
Short term loan from related parties	-	50.00	-
	345.17	725.34	390.65

(i) Working capital Loan and Bank overdraft are secured by hypothecation of Inventories and trade receivables in favour of the participating banks ranking pari passu on inter-se-basis, repayable during next one year and carrying interest in the range of 9.00% to 10.35%

(ii) Commercial Papers issued are repayable during next one year and carry interest in the range of 7.5% to 8.5%.

17 (ii). Trade payables

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade Payables			
- Micro and small enterprises *	0.23	0.03	0.39
- Others	428.39	173.37	259.44
	428.62	173.40	259.83

* There are no outstanding amounts payable beyond the agreed period to Micro, Small and Medium enterprises as required by MSMED Act, 2006 as on the balance sheet date to the extent such enterprises have been identified based on information available with the company. In view of this there is no overdue interest payable.

17 (iii). Other financial liabilities

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current maturities of long term borrowings	54.83	92.73	167.35
Interest accrued but not due on borrowings	4.10	4.28	0.82
Unclaimed dividend *	0.58	0.20	0.81
Others:-			
Accrued salaries & benefits	3.22	19.87	1.91
Security deposits received	3.72	2.75	1.74
Others	17.44	11.13	13.81
	83.89	130.96	186.44

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

18. Other current liabilities

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advances from customers	4.78	3.36	4.45
Excise duty payable on closing stock	-	57.85	58.92
Statutory dues	8.65	6.56	2.82
Government grant (refer note no. 39 for movement during the year.)	6.35	6.52	5.84
	19.78	74.29	72.03

19. Provisions (current)

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for employee benefits	4.28	3.78	3.80
	4.28	**3.78**	**3.80**

20. Revenue from operations

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sales of products		
Sugar and allied products	1909.57	1375.18
Power	192.31	185.64
Distillery	126.41	159.52
Others	17.60	18.25
	2245.89	**1738.59**
Sales of services	2.41	1.88
Other operating revenue		
REC Sales	13.19	11.11
Others	9.30	12.52
	2270.79	**1764.10**

21. Other income

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Dividend income from non current investment	0.21	0.68
Interest Income from bank deposits and others	15.07	2.25
Profit on sale of current investments	1.50	1.56
Profit on changes in Fair valuation of investments	6.01	6.13
Profit on sale of fixed assets	0.05	0.36
Gain on foreign exchange fluctuation	0.12	0.00
Government Grant	6.52	5.96
Miscellaneous receipts	7.98	6.91
	37.46	**23.85**

22. Cost of raw materials consumed

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sugar Cane & Molasses*	1468.74	1094.67
Raw Magnesite	5.13	4.82
Others	15.45	13.39
	1489.32	**1112.88**

* includes cane and other incidental expenses payable as per statue.

Notes to Financial Statements for the year ended March 31, 2018

23. Changes in inventories of finished goods, work in progress

(₹ in Crores)

	For the year ended March 31, 2018		For the year ended March 31, 2017	
(Refer Note No. 3(j))				
Finished goods				
- Closing stock	694.29		972.50	
- Opening stock	972.50		882.73	
		278.21		(89.77)
Work-in-process				
- Closing stock	13.90		10.73	
- Opening stock	10.73		2.62	
		(3.17)		(8.11)
		275.04		(97.88)
Less:- Excise duty on account of change in stock of finished goods		57.85		1.07
		217.19		**(98.95)**

24. Employee benefits expense

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages, bonus and other payments	91.91	95.92
Contribution to provident fund and other funds	8.42	8.70
Workmen and staff welfare expenses	3.56	3.40
	103.89	**108.02**

25. Finance Costs

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest		
- On term loans, debentures, WCDL & commercial papers	62.38	95.64
- On other borrowing from banks	3.25	2.38
- Others	0.26	1.01
Interest on delay in payment of taxes	0.00	1.24
Other borrowing costs	3.59	2.77
	69.48	**103.04**
Less: Interest cost capitalised	0.02	0.55
	69.46	**102.49**

26. Depreciation and amortization expenses

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on tangible assets	52.51	54.49
Amortization of intangible assets	1.18	1.09
	53.69	**55.58**

27. Other Expenses

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Power and Fuel	54.87	53.24
Packing Materials	14.54	11.56
Consumption of Stores and Spares Parts	15.76	13.48
Repairs and Maintenance :		
- Plant & Machinery	34.29	27.51
- Buildings	2.67	2.27
- Others	1.24	1.47

27. Other Expenses (Contd.)

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent	0.57	0.46
Rates and Taxes	2.66	2.07
Insurance	1.05	0.76
Travelling	1.37	1.54
Advertisement and Publicity	0.22	0.13
Freight and Forwarding Charges	7.86	5.59
Management Service Charges	21.35	15.13
Selling Expenses	0.36	1.96
Commission paid to Other Selling Agents	2.19	1.58
Rebates, Discount and Allowances	0.65	0.32
Director's Sitting Fees	0.22	0.25
Charity and Donation	0.17	0.35
Assets written off / Loss on sale of Fixed Assets	0.01	15.95
Advances written off	0.71	0.00
Bad Debts written Off	0.02	0.00
Provision for Doubtful Debts	1.35	0.05
Provision for diminution in value of Inventory	0.00	0.02
CSR Expenses	1.98	0.45
Miscellaneous Expenses	30.29	31.45
	196.41	**187.59**
Less: Expenses Capitalised	0.09	1.85
	196.32	**185.74**

28. Tax expense

(₹ in Crores)

		For the year ended March 31, 2018	For the year ended March 31, 2017
i)	The major components of income tax expense for the financial year 2017-18 & 2016-17 are as follows:-		
	Statement of profit and loss:		
	Current income tax	31.52	50.85
	Deferred tax on timming differences	11.73	37.65
	Mat credit entitlement	(29.48)	(31.18)
	Total	**13.77**	**57.32**
	Other comprehensive income:		
	Re-measurement (gains)/losses on defined benefit plans	(1.19)	(0.71)
	Income tax relating to items recognised in OCI during the year	**(1.19)**	**(0.71)**
(ii)	Reconciliation of deffered tax and accounting profit multiplied by India's domestic tax rate for the year:-		
	Accounting profits before tax	147.87	244.09
	Applicable tax rate	34.608%	34.608%
	Computed tax expense	**51.17**	**84.47**
	Impact of difference in tax rate	2.23	0.00
	Tax impact on additions of permanent nature	0.84	0.81
	Impact of 80IA deduction for tax holiday period	(31.87)	(13.49)
	Differential tax on REC income chargeable at lower/nil rates	(3.05)	(3.85)
	Others	(5.55)	(10.62)
		13.77	**57.32**

Notes to Financial Statements for the year ended March 31, 2018

29. Other Comprehensive Income

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Items that will not be reclassified to profit/(loss)	83.10	108.30
Income tax relating to items that will not be reclassified to profit/(loss)	1.19	0.71
	84.29	**109.01**

30. Earning Per Share

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Net profit/(loss) attributable to equity shareholders (₹ In crores.)	134.10	186.77
Number of equity shares outstanding during the year (weighted average)	80939303	80939303
Face value of equity shares (₹ per share)	2.00	2.00
Earning per share (Amount in ₹)		
Basic	16.57	23.08
Diluted	16.57	23.08

31. Contingent Liabilities (not provided for) in respect of:

(₹ in Crores)

S.N.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a)	Claims against the company not acknowledged as debts*	80.69	0.70	0.59
b)	Demand raised by income tax authorities under dispute	-	8.29	7.91
c)	Demand raised by custom, excise, entry tax, service tax and sales tax authorities under dispute	5.61	57.93	79.43
d)	Other money for which the company is contingently liable	-	0.15	0.15
e)	Guarantee issued by the company's banker on behalf of the company	49.91	39.99	20.48

* Includes demand of ₹ 79.88 cr raised by Dist. Collector Salem in respect of mines, against which the company has filed a writ petition and the Hon'ble High Court has stayed the recovery of demand & the writ is pending for final disposal.

i) The company assesses it's obligation arising in the normal course of business including pending litigations, proceedings with tax authorities and other contracts including derivative & long-term contracts. A provision for material foreseeable losses is recognised in accordance with the applicable accounting standards. Disclosure of contingent liabilities is made as applicable.

ii) Based on favourable decisions in similar cases, discussions with the solicitors etc, the Company believes that there is a fair chance of favourable decisions in respect of the items listed above and hence no provision is considered necessary against the same.

32. Capital and other commitments:

(₹ in Crores)

S.N.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	10.58	31.26	1.84
b)	Other Commitments	-	-	-

33. Remuneration paid to Auditors (included in Miscellaneous Expenses):

(₹ in Crores)

S.N.	Particulars	2017-18	2016-17
a)	Statutory Auditor		
i	Audit Fee	0.10	0.10
ii	For tax audit and other services	0.04	0.05
iii	For reimbursement of expenses	0.07	0.06

34. Details of Dues to Micro and Small Enterprises as per MSMED Act, 2006 to the extent of information available with the Company:

(₹ in Crores)

S.N.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a)	Principal amount and Interest due thereon remaining unpaid to any supplier as at end of each accounting year	0.23	0.03	0.39
b)	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	-	-
c)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-	-
d)	The amount of interest accrued and remaining unpaid	-	-	-
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-	-
Total		**0.23**	**0.03**	**0.39**

35. Details of Opening and Closing Inventory of Finished Goods:

(₹ in Crores)

S.N.	Particulars	2017-18	2016-17	2015-16
a)	Opening stock			
	Refractory products	11.67	12.53	13.48
	Sugar	896.77	797.78	596.61
	Multilayer Ceramic Chip Capacitors	0.03	0.01	0.01
	Power-Banked	0.60	0.46	0.47
	Industrial Alcohol	16.47	18.60	2.82
	Others	46.96	53.35	45.21
	Total	**972.50**	**882.73**	**658.60**
b)	Closing stock			
	Refractory products	3.24	11.67	12.53
	Sugar	657.18	896.77	797.78
	Multilayer Ceramic Chip Capacitors	0.02	0.03	0.01
	Power-Banked	0.58	0.60	0.46
	Industrial Alcohol	14.03	16.47	18.60
	Others	19.24	46.96	53.35
	Total	**694.29**	**972.50**	**882.73**

36. Disclosure as required by Ind AS 108, Operating Segments:

(i) Identification of segments

The chief operational decision maker monitors the operating results of its business segments seperately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the nature of products and services and have been identified as per the quantitative criteria specified in the Ind AS.

(ii) Operating segments identified as follows

a) The "Own Manufactured Sugar Segment" includes manufacture and marketing of Sugar.

b) The "Power Segment" includes generation and sale of Power. Power is also used for captive consumption by the Company.

c) The "Distillery Segment" includes Production and sale of Ethanol and ENA.

d) The 'Others' segment' includes Magnesite, Travel, and Electronics activities of the Company.

36. Disclosure as required by Ind AS 108, Operating Segments: (Contd.)

The company caters mainly to the needs of the domestic market. The export turnover is not significant in the context of total turnover. As such there are no reportable Geographical Segments. There is no major reliance on a few customers or suppliers.

(iii) Segment revenue and results

The expense or incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income)

(iv) Segment assets and liabilities

Segment assets include all operating assets used by the operating segments and mainly consists of property plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any other segments are shown as part of unallocable assets/liabilities.

(v) Segment revenue and segment profit

(₹ in Crores)

Particulars	Sugar	Power	Distillery	Other	Total
Revenue					
Gross Revenue	2,054.57	362.60	127.32	29.31	2573.80
	(1,557.21)	(325.28)	(163.63)	(17.30)	(2,063.42)
Inter Segment sale	145.00	157.10	0.91	-	303.01
	(169.53)	(128.50)	(1.29)	-	(299.32)
Total Revenue from operation*	1,909.57	205.50	126.40	29.32	2270.79
	(1,387.68)	(196.78)	(162.35)	(17.29)	(1,764.10)
Other Income					37.46
					(23.85)
Total Revenue					2308.25
					(1,787.95)
Results	25.88	150.98	34.67	5.80	217.33
	(182.92)	(130.14)	(29.07)	(4.45)	(346.58)
Finance Cost					69.46
					(102.49)
Less Exceptional items					-
					-
Profit Before Tax					147.87
					(244.09)
Tax Expense					13.77
					(57.32)
Profit After Tax					134.10
					(186.77)

* Includes other operating Income.

(vi) Segment Assets & Liabilities

(₹ in Crores)

Particulars	Sugar	Power	Distillery	Other	Total
Segment Assets					
As at March 31, 2018	1,381.63	356.30	111.23	418.86	2268.02
As at March 31, 2017	(1,678.64)	(375.18)	(102.61)	(413.30)	(2,569.73)
As at April 1, 2016	(1,470.54)	(402.88)	(132.69)	(411.72)	(2,417.83)
Unallocable Asset					
As at March 31, 2018					589.09
As at March 31, 2017					(353.67)
As at April 1, 2016					(170.69)
Total Asset					
As at March 31, 2018					2,857.11
As at March 31, 2017					(2,923.40)
As at April 1, 2016					(2,588.52)

36. Disclosure as required by Ind AS 108, Operating Segments: (Contd.)

(₹ in Crores)

Particulars	Sugar	Power	Distillery	Other	Total
Segment Liability					
As at March 31, 2018	833.69	7.49	6.71	4.80	852.69
As at March 31, 2017	(1,015.38)	(2.82)	(4.04)	(6.04)	(1,028.28)
As at April 1, 2016	(731.32)	(6.98)	(5.32)	(6.08)	(749.70)
Unallocable Liability					
As at March 31, 2018					555.52
As at March 31, 2017					(645.12)
As at April 1, 2016					(884.60)
Total Liability					
As at March 31, 2018					1,408.21
As at March 31, 2017					(1,673.40)
As at April 1, 2016					(1,634.30)

(vii) Other Information

(₹ in Crores)

Particulars	Sugar	Power	Distillery	Other	Total
Depreciation / Amortisation	28.89	19.91	3.99	0.90	53.69
	(25.19)	(25.50)	(3.68)	(1.21)	(55.58)
Capital expenditure	61.30	5.46	0.32	0.88	67.96
	(84.75)	(7.37)	(0.04)	(0.03)	(92.19)

Notes:-

a) The accounting policies of the reportable segments are the same as the Company's accounting policies described in note no. 2 and 3.

b) All assets are allocated to reportable segments other than investments, loans, certain financial assets and current and deferred tax assets. Segment assets include all assets directly attributable to the segments and portion of the enterprise assets that can be allocated on a reasonable basis to the segments.

c) All liabilities are allocated to reportable segments other than borrowings, certain financial liabilities, current and deferred tax liabilities. Segment liabilities include all liabilities directly attributable to the segments and portion of the enterprise liabilities that can be allocated on a reasonable basis to the segments.

37. Employee Benefits - Gratuity & Post employment benefits:

Gratuity

Gratuity is computed as 15 days salary, for every recognized retirement / termination / resignation. The Gratuity plan for the company is a defined benefit scheme where annual contributions as per actuarial valuation are charged to the Statement of profit and loss.

For summarizing the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans, the details are as under

A. Statement of profit and loss

Net employee benefit expense

(₹ in Crores)

Particulars	2017-18	2016-17
	Gratuity (Funded)	Gratuity (Funded)
Current Service cost	2.18	1.74
Net Interest cost	0.45	0.20
Expenses Recognized in the statement of Profit & Loss	2.63	1.94

B. Balance Sheet

(i) Details of Plan assets/ (liabilities) for gratuity

(₹ in Crores)

Particulars	2017-18	2016-17
	Gratuity (Funded)	Gratuity (Funded)
Defined benefit obligation	29.43	23.02
Fair value of plan assets	17.66	16.98
Net Asset/(Liability) recognized in the Balance Sheet	(11.77)	(6.04)

Notes to Financial Statements for the year ended March 31, 2018

37. Employee Benefits - Gratuity & Post employment benefits: (Contd.)

(ii) Changes in the present value of the defined benefit obligation are as follows: (₹ in Crores)

Particulars	2017-18 Gratuity (Funded)	2016-17 Gratuity (Funded)
Opening defined benefit obligation	23.02	19.20
Interest cost	1.73	1.49
Current service cost	2.18	1.74
Benefit paid	(0.95)	(1.46)
Actuarial (gains)/losses on obligation	3.45	2.05
Closing defined benefit obligation	29.43	23.02

(iii) Changes in the fair value of plan assets (gratuity) are as follows: (₹ in Crores)

Particulars	2017-18	2016-17
Opening fair value of plan assets	16.98	16.56
Actual return on Plan Assets	1.28	1.28
Contribution during the year	0.35	0.60
Benefit paid	(0.95)	(1.46)
Closing fair value of plan assets	17.66	16.98

iv) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

(₹ in Crores)

Particulars	2017-18 %	2016-17 %
Discount rate (%)	7.90%	7.50%
Expected salary increase (%)	7.00%	7.00%
Demographic Assumptions	Indian Assured Lives Mortality	Indian Assured Lives Mortality
	(2006-08)	(2006-08)
Retirement Age (year)	58 Years	58 Years

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by Actuary.

v) Contribution to defined contribution plans: (₹ in Crores)

Particulars	2017-18	2016-17
Pension Fund/Superannuation funds/ESI/EPF	4.47	4.94

vi) Sensitivity analysis of the defined benefit obligation: (₹ in Crores)

Assumption	Discount rate			
Sensitivity Level	1% Decrease		1% Increase	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Impact on defined benefit obligation	31.59	24.90	27.52	21.38
Impact on defined benefit obligation (change in %)	7.3%	8.2%	-6.5%	-7.1%

(₹ in Crores)

Assumption	Future salary increases			
Sensitivity Level	1% Decrease		1% Increase	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Impact on defined benefit obligation	27.48	21.36	31.59	24.89
Impact on defined benefit obligation (change in %)	-6.60%	-7.20%	7.30%	8.10%

Sensitivities due to mortality & withdrawals are insignificant & hence ignored.

38. Related party transaction:

a) List of related parties

i. Subsidiaries of the Company

Himshikhar Investment Limited, Dalmia Solar Power Limited and Dalmia Sugar Ventures Limited.

ii. Key Management Personnel of the Company

Shri Jai Hari Dalmia– Vice-Chairman, Shri Gautam Dalmia - Managing Director, Shri K V Mohan- Company Secretary (Till 26th Sept 2016), Isha Kalra Company Secretary (W.e.f 27th Oct 2016) & Shri Anil Kataria- Chief Financial Officer.

iii. Enterprises having Shareholder/ Key Managerial Personnel in common with the Company (including its subsidiaries)

Dalmia Bharat Limited, Dalmia Cement (Bharat) Limited, Dalmia Refractories Limited, Adhunik Cement Limited, Calcom Cement India Limited, DCB Power Ventures Limited, OCL India Limited, Dalmia Cement East Limited, Dalmia Bharat Foundation & Dalmia Institute of Scientific & Industrial Research.

b) The following transactions were carried out with related parties in the ordinary course of business:

(₹ in Crores)

Nature of transaction	Subsidiary company	Key management personnel	Key management personnel controlled enterprise	Total
A. Sale of goods and services				
a) Dalmia Cement (Bharat) Limited	-	-	4.38	4.38
	-	-	(3.62)	(3.62)
b) OCL India Limited	-	-	0.31	0.31
	-	-	(0.78)	(0.78)
c) Dalmia Bharat Limited	-	-	2.44	2.44
	-	-	(1.96)	(1.96)
d) Adhunik Cement Limited	-	-	0.28	0.28
	-	-	(0.44)	(0.44)
e) Dalmia Refractories Limited	-	-	0.53	0.53
	-	-	(0.28)	(0.28)
f) Calcom Cement India Limited	-	-	0.04	0.04
	-	-	(0.32)	(0.32)
g) Dalmia Cement East Limited	-	-	0.21	0.21
	-	-	(0.21)	(0.21)
h) Dalmia Institute of Scientific & Industrial Research	-	-	0.01	0.01
	-	-	-	-
B. Reimbursement of expenses – receivable				
a) Dalmia Bharat Limited	-	-	0.08	0.08
	-	-	(0.14)	(0.14)
C. Reimbursement of expenses – payable				
a) Dalmia Bharat Limited	-	-	0.08	0.08
	-	-	(0.31)	(0.31)
b) Dalmia Cement (Bharat) Limited	-	-	-	-
	-	-	(0.08)	(0.08)
c) Dalmia Institute of Scientific & Industrial Research	-	-	0.12	0.12
	-	-	-	-
d) Dalmia Bharat Foundation	-	-	1.40	1.40
(For CSR Expenditure)	-	-	(0.45)	(0.45)
D. Purchase of goods and services				-
a) Dalmia Bharat Limited	-	-	21.31	21.31
	-	-	(14.79)	(14.79)
b) Dalmia Cement (Bharat) Limited	-	-	0.49	0.49
	-	-	(1.47)	(1.47)
c) Dalmia Refractories Limited	-	-	0.15	0.15
	-	-	(0.02)	(0.02)
d) Adhunik Cement Limited	-	-	0.85	0.85
	-	-	-	-

Notes to Financial Statements for the year ended March 31, 2018

38. Related party transaction: (Contd.)

b) The following transactions were carried out with related parties in the ordinary course of business:

(₹ in Crores)

Nature of transaction	Subsidiary company	Key management personnel	Key management personnel controlled enterprise	Total
E. Loans and Advances given				
a) Dalmia Solar Power Limited	-	-	-	-
	(0.32)	-	-	(0.32)
b) Himshikhar Investment Limited	54.30	-	-	54.30
	(84.78)	-	-	(84.78)
c) Dalmia Sugar Ventures Limited	0.01	-	-	0.01
	-	-	-	-
F. Balances written off during the year				
a) Dalmia Solar Power Limited	0.71	-	-	0.71
	-	-	-	-
b) Dalmia Sugar Ventures Limited	0.02	-	-	0.02
	-	-	-	-
G. Loans Repaid				
a) Himshikhar Investment Limited	-	-	6.00	6.00
	-	-	(6.80)	(6.80)
H. Interest received on Loans				
a) Dalmia Solar Power Limited	0.03	-	-	0.03
	(0.02)	-	-	(0.02)
b) Himshikhar Investment Limited	12.64	-	-	12.64
	(1.03)	-	-	(1.03)
I. Salary and Perquisites				
a) Shri J.H. Dalmia*	-	1.80	-	1.80
	-	(8.56)	-	(8.56)
b) Shri Gautam Dalmia**	-	4.48	-	4.48
	-	(9.69)	-	(9.69)
c) Shri Anil Kataria	-	0.79	-	0.79
	-	(0.76)	-	(0.76)
d) Smt. Isha Kalra***	-	0.09	-	0.09
	-	(0.04)	-	(0.04)
e) Shri. K V Mohan	-	-	-	-
	-	(0.87)	-	(0.87)
J. Director Sitting Fees				
a) Shri M.Raghupathy	-	0.05	-	0.05
	-	-	-	-
K. Other Consultancy Charges				
a) Shri M.Raghupathy	-	0.02	-	0.02
	-	-	-	-
L. Dividend Received				
a) Dalmia Bharat Limited	-	-	0.21	0.21
	-	-	-	-
M. Dividend Paid				
a) Dalmia Bharat Limited	-	-	2.97	2.97
	-	-	-	-

* Includes director commission approved by the board of directors amounting ₹ 0.70 cr (₹ 8.00 cr).

** Includes director commission approved by the board of directors amounting NIL (₹ 9.00 cr).

*** Last year remuneration is for part of the year.

38. Related party transaction: (Contd.)

c) Balances Outstanding at Year End:

(₹ in Crores)

Nature of transaction	Subsidiary company	Key management personnel	Key management personnel controlled enterprise	Total
A. Loan Receivable				
a) Himshikhar Investment Limited	126.28	-	-	126.28
	(77.98)	-	-	(77.98)
b) Dalmia Solar Power Limited	-	-	-	-
	(0.67)	-	-	(0.67)
c) Dalmia Sugar Venture Limited	-	-	-	-
	(0.01)	-	-	(0.01)
B. Amounts payable				
a) Dalmia Bharat Limited	-	-	1.86	1.86
	-	-	(0.72)	(0.72)
b) Dalmia Cement (Bharat) Limited	-	-	0.01	0.01
	-	-	-	-
c) Dalmia Institute of Scientific & Industrial Research	-	-	0.03	0.03
	-	-	-	-
C. Amounts Receivable				
a) Himshikhar Investment Limited	8.54	-	-	8.54
	(0.93)	-	-	(0.93)
b) Dalmia Bharat Limited	-	-	0.11	0.11
	-	-	-	-
c) Dalmia Cement (Bharat) Limited	-	-	0.08	0.08
	-	-	-	-
d) Dalmia Refractories Limited	-	-	0.06	0.06
	-	-	-	-
e) Adhunik Cement Limited	-	-	0.01	0.01
	-	-	-	-
f) Dalmia Cement East Limited	-	-	0.01	0.01
	-	-	-	-

39. Government Grant:

a) Government grants recognised in the financial statements

The Company is eligible to receive various government grants by way of reimbursement of cane price, production subsidy, society commission and interest subvention on certain term loans. Accordingly, the Company has recognised these government grants in the following manner:-

(₹ in Crores)

Particulars	Treatment in accounts	2017-18	2016-17
Revenue related government grant			
Production subsidy	Shown as a part of other Operating Income	-	12.52
Deffered government grant			
Deferred income relating to interest on term loans	Shown under Government Grant under Other Income	6.52	5.96

b) Movement of deferred government grants is provided here below:

(₹ in Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	18.24	21.13
Add: Received during the year	-	3.07
Less: Released to the Statement of Profit & Loss	6.52	5.96
Closing balance	11.72	18.24
Current	6.35	6.52
Non-current	5.37	11.72

Notes to Financial Statements for the year ended March 31, 2018

40. Leases:

(i) Operating lease arrangements

Office premises are taken on operating lease. There is no escalation clause in the lease agreement

Payments recognised as expense

(₹ in Crores)

Particulars	2017-18	2016-17
Minimum lease payment	0.57	0.46

41. Disclosures as required by Indian Accounting Standard (Ind AS) 37:- Provisions, Contingent liabilities and Contingent assets:

There are no present obligations requiring provisions in accordance with the guiding principles as enunciated in Ind As 'Provisions, Contingent Liabilities & Contingent Assets.

42. Pre operative expenditure included in capital work in progress:

The Company had incurred some expenditure related to acquisition/construction of fixed assets and therefore accounted for the same under Capital work in progress. Details of the expenses capitalised and carried forward as capital work in progress are given below:

(₹ in Crores)

Particulars	2017-18	2016-17	2015-16
Carried forward as part of Capital Work in Progress (A)	**0.39**	**-**	**7.55**
Expenditure incurred during the year			
Personnel Expenses			
Salary and Wages			1.46
Operating and Other Expenses	**0.09**	**2.40**	**6.05**
Cost of material including change in Produced goods stock	-	-	0.33
Power & Fuel	-	-	0.74
Packing			
Stores & Spares			
Repair and Maintenance	-	-	0.38
Depreciation and amortisation			
Finance Cost	-	0.55	1.12
Consultancy Charges	0.03	1.78	0.41
Miscellaneous Expenses	0.06	0.08	3.06
Expenditure incurred during Trial Run			
Total Expenditure incurred during the year (B)	**0.09**	**2.40**	**7.51**
Total Pre-operative Expenditure (A + B)	**0.48**	**2.40**	**15.06**
Less : Revenue during Trial Run			0.55
Less : Capitalised as Fixed Assets	0.42	2.01	14.51
Carried forward as part of Capital Work in Progress	**0.06**	**0.39**	**-**

43. The Company has debited direct expenses relating to magnesite division to Cost of Raw Materials Consumed as follows:

(₹ in Crores)

Particulars	For the year ending March 31, 2018	For the year ending March 31, 2017
Cost of raw materials consumed	5.54	6.03
Total	**5.54**	**6.03**

The expenses if reclassified on 'nature of expenses' basis will be as follows :

(₹ in Crores)

Particulars	For the year ending March 31, 2018	For the year ending March 31, 2017
Employee benefits expense	3.82	4.29
Depreciation and amortization expense	0.10	0.10
Other expenses	1.62	1.64
Total	**5.54**	**6.03**

44. Discosure Required by Companies Act 2013:

a) Particulars of Loans given (under Section 186 (4) of the Companies Act 2013)

(₹ in Crores)

S.N.	Name of the Loanee	Opening Balance	Loan given	Loan repaid	Written off during the year	Outstanding Balance	Purpose
1	Dalmia Solar Power Limited	0.67	-	-	0.67	-	Operational
2	Dalmia Sugar Ventures Ltd	0.01	0.01	-	0.02	-	Operational
3	Himshikhar Investment Limited	77.98	54.30	6.00	-	126.28	Operational

(b) Particulars of Guarantee given NIL

c) Particulars of Investments made

(₹ in Crores)

S.N.	Name of the Investee	Opening Balance	Investment made	Investment redeemed	Outstanding Balance	Purpose
1	Dalmia Bharat Limited	9.90	-	-	9.90	Long term Investment
2	Dalmia Sugar Ventures Limited	0.05	-	-	0.05	Long term Investment
3	Himshikhar Investment Limited	4.45	-	-	4.45	Long term Investment
4	Dalmia Solar Power Limited	0.05	-	-	0.05	Long term Investment

(d) Particulars of Security Deposit NIL

(e) Expenditure incurred on Corporate Social Responsibilities

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act , 2013 read with schedule III are as below

1) Detail of CSR Expenditure

(₹ in Crores)

Particulars	2017-18	2016-17
a) Gross amount required to be spent by the company during the year	1.89	0.36
b) Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	1.98	0.45
Total	**1.98**	**0.45**

2) Various heads under which CSR Expenditure is incurred

(₹ in Crores)

Description	Relevent Clause of SCH VII of Companies Act 2013	2017-18	2016-17
Expenditure done through Dalmia Bharat Foundation			
Social Development	Clause No. I & X	0.40	0.24
Skill Training & Livelihood	Clause No. II & III	0.26	0.07
Soil, Water & Energy Conservation	Clause No. IV	0.61	0.14
Programme Execution		0.13	-
		1.40	**0.45**
Expenditure done directly by the company			
Soil, Water & Energy Conservation	Clause No. IV	0.58	-
Total Expenditure by the Company		**1.98**	**0.45**

Notes to Financial Statements for the year ended March 31, 2018

45. Disclosure required by SEBI (Listing Obligation & Disclosure Requirements) Regulation 2015:

Detail of loans & advances in the nature of Loans given to Subsidiaries in which Directors are interested as required by clause 53(F) of SEBI (Listing Obligation & Disclosure Requirements) Regulation 2015.

(₹ in Crores)

S.N.	Particulars	As at the balance sheet date	Maximum Balance during the year
	Subsidiary Company		
I.	Dalmia Solar Power Limited	-	**0.67**
		(0.67)	(0.67)
II.	Dalmia Sugar Ventures Ltd	-	**0.02**
		(0.01)	(0.01)
III.	Himshikhar Investment Limited	**126.28**	**131.78**
		(77.98)	(77.98)

46. Transition to Ind As

First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first financial statements, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

This note explains the principal adjustments made by the Company and an explanation on how the transition from the previous GAAP to Ind AS has affected its financial statements, including the Balance Sheet as at April 1, 2016 and the financial statements for the year ended March 31, 2017.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from the previous GAAP to Ind AS:

a) Deemed cost

The Company has opted to continue with the carrying value for all of its property, plant and equipment as recognized in the previous GAAP financial statements as their deemed cost at the transition date to IND AS (i.e. April 1, 2016) except land for which the company has elected to use fair value at the date of transition to Ind AS i.e. April 1, 2016 as deemed cost on the date of transition to Ind AS.

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for a class of its property, plant and equipment as recognised in the financial statements as on the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost on the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

b) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing on the date of transition to Ind AS, except where the effect is expected to be not material.

46. Transition to Ind As (Contd.)

c) Investment in subsidiaries.

Ind AS 27 requires an entity to account for its investments in subsidiaries and associates either at cost or in accordance with Ind AS 109. Ind AS 101 provides an option to measure such investments as at the date of transition to Ind AS either at cost determined in accordance with Ind AS 27 or deemed cost, where deemed cost shall be its fair value as at date of transition to Ind AS or previous GAAP carrying amount as at that date.

d) Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances on the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

e) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

f) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

g) Impairment of financial assets

As permitted by Ind AS 101, the company has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

h) Government Grant

Ind As 101 requires a first time adopter to recognise the Government grant as per the requirements of Ind AS 109, Financial Instruments, and Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance. Consequentially the comapny has recognised and measured government grant on a government loan at a below-market rate of interest.

Notes to Financial Statements for the year ended March 31, 2018

46. Transition to Ind As (Contd.)

46.1 Reconciliation of equity as previously reported under IGAAP to IND AS as at April 01, 2016

(₹ in Crores)

	As at April 1, 2016 IGAAP	As at April 1, 2016 Adjustment	As at April 1, 2016 As Per IND AS
ASSETS			
A) Non-current assets			
a) Property, plant and equipment	749.06	507.20	1,256.26
b) Capital work - in - progress	6.46	-	6.46
c) Intangible assets	3.30	-	3.30
d) Financial assets			
i) Investments	21.81	65.18	86.99
ii) Loans	27.58	-	27.58
iii) Others	0.86	-	0.86
e) Other non-current assets	1.48	-	1.48
f) Current tax assets (net)	10.32	-	10.32
	820.87	**572.38**	**1,393.25**
B) Current assets			
a) Inventories	915.47	-	915.47
b) Financial Assets			
i) Investments	70.13	3.24	73.37
ii) Trade receivables	106.40	-	106.40
iii) Cash and cash equivalents	45.16	-	45.16
iv) Bank Balances other than (iii) above	1.02	-	1.02
v) Loans	0.23	-	0.23
vi) Others	32.25	-	32.25
c) Other current assets	21.37	-	21.37
	1,192.03	**3.24**	**1,195.27**
Total Assets	**2,012.90**	**575.62**	**2,588.52**
EQUITY & LIABILITIES			
A) Equity			
a) Equity share capital	16.19	-	16.19
b) Other equity	494.90	443.13	938.03
	511.09	**443.13**	**954.22**
B) Liabilities			
Non- current liabilities			
a) Financial liabilities			
i) Borrowings	571.00	(13.05)	557.95
ii) Others	4.24	-	4.24
b) Provisions	5.93	-	5.93
c) Deferred tax liabilities (Net)	5.05	133.09	138.14
d) Other non current liabilities	-	15.29	15.29
	586.22	**135.33**	**721.55**
Current liabilities			
a) Financial liabilities			
i) Borrowings	390.65	-	390.65
ii) Trade payables	259.83	-	259.83
iii) Other financial liabilities	195.13	(8.69)	186.44
b) Other current liabilities	66.19	5.84	72.03
c) Provisions	3.80	-	3.80
	915.59	**(2.85)**	**912.75**
Total equity & liabilities	**2,012.90**	**575.62**	**2,588.52**

46.2 Reconciliation of equity as previously reported under IGAAP to IND AS as at March 31, 2017

(₹ in Crores)

	As at March 31, 2017 IGAAP	As at March 31, 2017 Adjustment	As at March 31, 2017 As Per IND AS
ASSETS			
A) Non-current assets			
a) Property, plant and equipment	769.65	507.20	1,276.85
b) Capital work - in - progress	2.44	-	2.44
c) Intangible assets	2.90	-	2.90
d) Financial assets	-	-	-
i) Investments	21.81	175.53	197.34
ii) Loans	27.47	-	27.47
iii) Others	1.57	-	1.57
e) Other non-current assets	8.22	-	8.22
f) Current tax assets (net)	5.48	-	5.48
	839.55	**682.73**	**1,522.27**
B) Current assets			
a) Inventories	1,020.68	-	1,020.68
b) Financial Assets			
i) Investments	68.48	9.37	77.85
ii) Trade receivables	110.52	-	110.52
iii) Cash and cash equivalents	58.04	-	58.04
iv) Bank Balances other than (iii) above	0.40	-	0.40
v) Loans	80.49	-	80.49
vi) Others	28.51	-	28.51
c) Other current assets	24.64	-	24.64
	1,391.77	**9.37**	**1,401.13**
Total Assets	**2,231.32**	**692.10**	**2,923.40**
EQUITY & LIABILITIES			
A) Equity			
a) Equity share capital	16.19	-	16.19
b) Other equity	678.33	555.49	1,233.81
	694.52	**555.49**	**1,250.00**
B) Liabilities			
Non- current liabilities			
a) Financial liabilities			
i) Borrowings	404.93	(8.88)	396.05
ii) Others	3.92	-	3.92
b) Provisions	10.05	-	10.05
c) Deferred tax liabilities (Net)	8.90	135.00	143.89
d) Other non current liabilities	-	11.72	11.72
	427.80	**137.84**	**565.63**
Current liabilities			
a) Financial liabilities			
i) Borrowings	725.34	-	725.34
ii) Trade payables	173.40	-	173.40
iii) Other financial liabilities	138.71	(7.75)	130.96
b) Other current liabilities	67.77	6.52	74.29
c) Provisions	3.78	-	3.78
	1,109.00	**(1.23)**	**1,107.77**
Total equity & liabilities	**2,231.32**	**692.10**	**2,923.40**

Notes to Financial Statements for the year ended March 31, 2018

46.3 Reconciliation of statement of profit and loss for the year ended March 31, 2017

(₹ in Crores)

	For the year ended March 31, 2017 IGAAP	For the year ended March 31, 2017 Adjustment	For the year ended March 31, 2017 As Per IND AS
Income			
Revenue from operations	1,764.10	-	1,764.10
Other income	11.76	12.09	23.85
Total	**1,775.86**	**12.09**	**1,787.95**
Expenses			
Cost of raw materials consumed	1,112.88	-	1,112.88
Excise duty on sales	78.10	-	78.10
Change in inventories of finished goods, work in progress and traded goods.	(97.88)	(1.07)	(98.95)
Employee benefit expense	110.59	(2.57)	108.02
Finance costs	93.79	8.70	102.49
Depreciation and amortization expense	55.58	-	55.58
Other expenses	184.66	1.07	185.74
Total	**1,537.72**	**6.14**	**1,543.86**
Profit before tax	238.15	5.95	244.09
Tax expense:			
Current tax	50.85	-	50.85
Deferred tax	3.88	2.59	6.47
Total of tax expense	**54.73**	**2.59**	**57.32**
Net profit after tax	183.42	3.35	186.77
Other comprehensive income			
i) Items that will not be classified to profit & Loss	-	108.30	108.30
ii) Income tax relating to items that will not be reclassified to profit or loss	-	0.71	0.71
Total other comprehensive income	**-**	**109.01**	**109.01**
Total comprehensive income	**183.42**	**112.36**	**295.78**

	(₹ in Crores)
Profit As per IGAAP	**183.42**
Fair Value measurement of Debt based financial investments (FVTPL)	6.11
Amortization of Government grant	5.96
Actuarial losses transfered to other comprehensive income	2.06
Upfront charges derecognised as per IND AS during the FY 2016-17	0.67
Notional interest charged off to P&L account on account of derecognition of loans	(8.86)
Tax Impact of above items	(2.59)
Profit As Per IND AS	**186.77**

Footnotes to the reconciliation of equity as at April 1, 2016 and March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017 :

Equity

Equity as at the transition date has been adjusted consequent to the above Ind AS transitional adjustments.

Detailed reconciliation of Equity as per I GAAP & Equity as per IND AS is as per the below table.

Equity Reconcilation

(₹ in Crores)

	As at April 1, 2016	As at March 31, 2017
As Per IGAAP	494.90	678.33
Upfront charges derecognised as per IND AS as on transition date.	0.61	0.61
Upfront charges derecognised as per IND AS during the FY 2016-17	-	0.67
Notional interest charged off to P&L account on account of derecognition of loans	-	(8.86)
Government Grant amortised	-	5.96

46. Transition to Ind As (Contd.)

Equity Reconcilation

(₹ in Crores)

	As at April 1, 2016	As at March 31, 2017
Fair valuation of Investment in Equity instrument (FVTOCI)	65.18	175.53
Fair valuation of Investment in Debt based instrument (FVTPL)	3.24	9.37
Fair Valuation of Land on transition	507.20	507.20
Tax impact on above items.	(115.99)	(117.90)
Tax impact on 80 IA deduction during tax holiday period	(17.10)	(17.10)
As Per IND AS	**938.04**	**1,233.81**

Property, plant and equipment & Intangible Assets

The Company has opted to continue with the carrying value for all of its property, plant and equipment as recognized in the previous GAAP financial statements as their deemed cost at the transition date to IND AS (i.e. April 1, 2016) except land for which the company has elected to use fair value at the date of transition to Ind AS i.e. April 1, 2016 as deemed cost on the date of transition to Ind AS.

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for a class of its property, plant and equipment as recognised in the financial statements as on the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost on the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Property Plant & Equipment reconciliation

(₹ in Crores)

	As at April 1, 2016	As at March 31, 2017
Tangible Assets		
As Per IGAAP	749.06	769.65
Fair valuation of Land on transition	507.20	507.20
As Per IND AS	**1,256.26**	**1,276.85**

Borrowings

Ind AS requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under the previous GAAP, transaction costs incurred in connection with borrowings were accounted upfront and charged to Statement of Profit and Loss for the period in which such transaction costs was incurred.

Also IND AS requires the loans to be recognised basis EIR method and therefore subsidized & interest free loans have been derecognised to that extent.

Detailed accounting treatment of the above two adjustment has been shown in the table below.

Borrowing reversal reconciliation

(created due to upfront fees derecognition & subsidized or interest free loans)

(₹ in Crores)

	As at April 1, 2016	As at March 31, 2017
Upfront charges derecognised as per IND AS as on transition date.	(0.61)	(0.61)
Reduction in loan due to government grant recognised on subsidized or interest free loan as on the date of transition	(21.13)	(21.13)
Upfront charges derecognised as per IND AS during the FY 2016-17	-	(0.67)
Reduction in loan due to government grant recognised on subsidized or interest free loan as on the date of transition	-	(3.07)
Notional interest charged off to P&L account on account of derecognition of loans	-	8.86
Total closing balance	**(21.74)**	**(16.62)**

Treatment in books of account

	As at April 1, 2016	As at March 31, 2017
Reduced from Long Term Loan	(13.05)	(8.88)
Reduced from current maturities of long term debts	(8.69)	(7.75)
Total closing balance	**(21.74)**	**(16.62)**

Notes to Financial Statements for the year ended March 31, 2018

46. Transition to Ind As (Contd.)

Government Grant

Ind As 101 requires a first time adopter to recognise the Government grant as per the requirements of Ind AS 109, Financial Instruments, and Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance. Consequentially the comapny has recognised and measured government grant on a government loan at a below-market rate of interest. Detailed reconciliation alongwith the accounting treatment is shown in the table below.

Government grant reconciliation
(created on account of subsidized or interest free loans)

(₹ in Crores)

	As at April 1, 2016	As at March 31, 2017
Government grant recognised on subsidized or interest free loan as on the date of transition	21.13	21.13
Government grant recognised on subsidized or interest free loan during the FY 2016-17	-	3.07
Government grant amortised during the FY 2016-17	-	(5.96)
Total closing balance	**21.13**	**18.24**
Treatment in books of account		
Shown under the head other non current liabilities	15.29	11.72
Shown under the head other current liabilities	5.84	6.52
Total closing balance	**21.13**	**18.24**

Investments

Under Indian GAAP, the company accounted for long term investments in quoted or unquoted equity shares and perpetual bonds as investment measured at cost less provision for other than temporary diminution in the value of investments.

Under Ind AS, the compay has designated such investments in quoted equity shares as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value with changes in fair value recognised in other comprehensive income. At the date of transition to Ind AS, difference between the instruments' fair value and Indian GAAP carrying amount has been recognised in other comprehensive income, net of related deferred taxes.

For the investments in perpetual Bonds, the compay has designated such investments in bonds at amortised costs using effective interest rate method with difference in carrying value and amortised cost at the date of transition to be recognised in retained earnings.

Further, in case of a subsidiary, the Company has the option to account for investment in shares either at cost/deemed cost or FVTOCI or FVTPL as at the transition date.

As per the aforesaid alternatives, the Company has designated investment in the subsidiary at deemed cost i.e. the previous GAAP carrying amount as at the date of transition

Under Indian GAAP, the company accounted for current investments in debt based mutual funds as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the company has designated such investments as FVTPL investments. Ind AS requires FVTPL to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and carrying value as at the date of transition has been recognised in retained earnings, net of related deferred taxes.

Detailed reconciliation of investment as per IGAAP & as per IND AS is given in the table below.

Non current investment reconciliation

(₹ in Crores)

	As at April 1, 2016	As at March 31, 2017
As Per IGAAP	**21.81**	**21.81**
Fair valuation of Investment in Equity instrument (FVTOCI)	65.18	175.53
As Per IND AS	**86.99**	**197.34**

Current investment reconciliation

(₹ in Crores)

	As at April 1, 2016	As at March 31, 2017
As Per IGAAP	**70.13**	**68.48**
Fair valuation of Investment in Debt based instrument (FVTPL)	3.24	9.37
As Per IND AS	**73.37**	**77.85**

46. Transition to Ind As (Contd.)

Defined benefit obligation

Both under Indian GAAP and Ind AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit cost is increased by ₹ 0.25 Cr and re-measurement gain on defined benefit plans has been recognized in the OCI, net of tax as at the transition date and reduced by ₹ 2.06 Cr on account to re-measurement loss for the FY 2016-17 and remeasurement loss on defined benefit plan has been recognized in the OCI, net of tax as at March 31, 2017.

Under Ind AS, an entity is permitted to transfer amounts recognized in Other Comprehensive Income within equity. The Company has taken recourse of the said povision and has transferred as at the date of transition to Ind AS, all re-measurement costs relating to prior period to the transition date to Retained earnings.

Deferred tax Liability (net)

"Previous GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the year. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which were not required under the previous GAAP. Moreover, carryforward of unused MAT tax credits are to be treated as deferred tax assets which was earlier considered as Other non-current non-financial assets.

In addition, the various transitional adjustments lead to temporary differences and consequently deferred tax adjustments have been recognized in correlation to the underlying transaction in retained earnings. The impact on deferred tax liabilities is shown in the table below.

Deferred Tax Liability reconciliation

(₹ in Crores)

	As at April 1, 2016	As at March 31, 2017
As Per IGAAP	**5.05**	**8.90**
Tax impact on Fair valuation of Land	114.75	114.57
Tax impact on other IND AS adjustments	1.25	3.31
Tax impact on 80 IA deduction during tax holiday period	17.10	17.10
As Per IND AS	**138.14**	**143.88**

Revenue

Under the previous GAAP, revenue from sale of goods was presented as net of excise duty on sales. However, under Ind AS, revenue from sale of goods includes excise duty and such excise duty is separately presented as an expense on the face of the Statement of Profit and Loss. Thus, under Ind AS, sale of goods for the year ended March 31, 2017 has increased by ₹ 78.10 Cr.

Financial Assets & Liabilities

Under Indian GAAP, there was no such concept of financial assets or liabilities. Under Ind AS, financial assets and financial liabilities has been classified as per Ind AS 109 read with Ind AS 32. Figures of the Previous Year have been regrouped as per Ind AS, wherever necessary.

Other comprehensive income

Under the previous GAAP, the Company did not present total comprehensive income and other comprehensive income. Hence, it has reconciled the previous GAAP profit to profit as per Ind AS. Further, the previous GAAP profit is reconciled to other comprehensive income and total comprehensive income as per Ind AS.

47. Financial Risk Management

Financial risk management objectives and policies:

Sugar industry being an industry which is cyclical in nature, the company's operational activities are exposed to various financial & operational risks, such as economical & political risk, market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks and devise approrpiate risk management framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives.

Notes to Financial Statements for the year ended March 31, 2018

47. Financial Risk Management (Contd.)

A. Market Risk:-

Major market risk which the company has is the selling prices of it's mainstream product i.e. sugar. Market demand supply plays a very much dominating role with strong outcomes in both the situations i.e. over production & under production.

Sugar industry being cyclical in nature, the company is exposed to sugar market price risk in respect of the inventories held at the year-end as any decline in prices below the carrying cost inflicts losses to the Company. However, the Company has mitigated this risk by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products.

B. Credit Risk:-

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. The Company is exposed to credit risks from its operating activities, primarily trade receivables. Since there is a blend of instituitional & non instituitional buyers with the company and also considering the fact that major sales gets effected after receipt of advance from the customers, the credit risks in respect of trade receivables is minimized.

Table hereunder provides the data with regard to trade receivables and it's ageing.

(₹ in Crores)

Trade receivables	More than 6 Months	Less than 6 Months	Total
As at March 31, 2018	2.45	73.58	76.03
As at March 31, 2017	0.69	109.83	110.52
As at April 01, 2016	1.49	104.91	106.40

C. Liquidity risk:

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities, short term loans and commercial papers and to reduce debts to be able to meet the cyclicalities of the sugar business. Apart from cyclical sugar business, the Company has alternate revenue streams in the form of cogeneration and distillery, which, to a large extent, offset the impact of sugar cyclicalities.

Table hereunder provides the current ratios of the Company as at the year end

(₹ in Crores)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total current assets	1,214.11	1,401.13	1,195.27
Total current liabilities	881.74	1,107.77	912.75
Current ratio	**1.38**	**1.26**	**1.31**

In view of seasonal nature of sugar business, which is a dominant business of the Company, there is a peak build-up of sugar inventories at the year end, resulting in peak working capital requirement. With the liquidation of such inventories over the year, the working capital requirement is gradually reduced. Thus, the current ratio computed at the year end is not a reflection of average and realistic ratio for the year.

The table below summarises the maturity profile of the Company's financial liabilities :

Particulars of Investments made

(₹ in Crores)

	Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
I	As at March 31, 2018				
(i)	Borrowings*	345.17	179.22	196.50	720.89
(ii)	Other Financial Liability #	87.56	-	-	87.56
(iii)	Trade and other payble	428.62	-	-	428.62
II	As at March 31, 2017				
(i)	Borrowings*	725.34	207.75	188.30	1,121.39
(ii)	Other Financial Liability #	134.88	-	-	134.88
(iii)	Trade and other payble	173.40	-	-	173.40
III	As at April 1, 2016				
(i)	Borrowings*	390.65	446.59	111.36	948.60
(ii)	Other Financial Liability #	190.67	-	-	190.67
(iii)	Trade and other payble	259.83	-	-	259.83

* Includes short term borrowings & Long term borrowings payable after 1 year.

includes current maturities of long term debts.

47. Financial Risk Management (Contd.)

D. Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regard to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Table hereunder provides the sensitivity of interest rate changes:-

(₹ in Crores)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total long term borrowing on fluctuation rates	375.49	408.26	599.35
Increase in profit before tax with each 1% reduction in interest rates	3.75	4.08	5.99
Decrease in profit before tax with each 1% increase in interest rates	(3.75)	(4.08)	(5.99)

48. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian accounting standard.

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Crores)

S.N.	Particulars	Fair value hierarchy	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	Financial assets designated at fair value through profit and loss							
(i)	In Debt based mutual funds	Level 1	151.37	151.37	77.85	77.85	73.37	73.37
2	**Financial assets designated at fair value through other comprehensive income**							
(i)	Investment In Listed Equity shares	Level 1	271.97	271.97	185.42	185.42	75.07	75.07
3	**Financial assets designated at amortised cost**							
(i)	Investment in Bonds	Carried at amortised cost.	7.37	7.37	7.37	7.37	7.37	7.37
(ii)	Other Bank Balances	Level 2	0.58	0.58	0.40	0.40	1.02	1.02
(iii)	Cash & Cash Equivalents	Level 2	58.85	58.85	58.04	58.04	45.16	45.16
(iv)	Trade receivables	Carried at amortised cost.	76.03	76.03	110.52	110.52	106.40	106.40
(v)	Loans and other receivable (Non- Current)		30.10	30.10	29.04	29.04	28.44	28.44
(vi)	Loans and other receivable (Current)		163.01	163.01	108.99	108.99	32.48	32.48
4	**Investment in subsidiary companies**		4.55	4.55	4.55	4.55	4.55	4.55

(₹ in Crores)

S.N.	Particulars	Fair value hierarchy	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	**Financial liability designated at amortised cost**							
	Borrowings - Non Current	Carried at amortised cost.	375.72	375.72	396.05	396.05	557.95	557.95
	Other financial liability - Non Current		3.67	3.67	3.92	3.92	4.24	4.24
	Borrowings - Current		345.17	345.17	725.34	725.34	390.65	390.65
	Other financial liability - Current		83.89	83.89	130.96	130.96	186.44	186.44
	Trade payables		428.62	428.62	173.40	173.40	259.83	259.83
	Total		**1,237.07**	**1,237.07**	**1,429.67**	**1,429.67**	**1,399.10**	**1,399.10**

Notes to Financial Statements for the year ended March 31, 2018

48. (Contd.)

A - Company has fair valued its debt based mutual fund investment through profit & loss.

B - Company has opted to fair value its quoted investments in equity share through OCI.

C - As per Para D-15 of Appendix D of Ind AS 101, the first time adopter may chose to measure its investment in subsidiaries, JVs and Associates at cost or at fair value. Company has opted to value its investments in subsidiaries, JVs and Associates at cost.

D - Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

49. Impairment Review:

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

Key assumptions used in value-in-use calculations are:-

(i) Operating margins (Earnings before interest and taxes), (ii) Discount Rate, (iii) Growth Rates and (iv) Capital Expenditure

50. Events occurring After the Balance Sheet date:

No adjusting or significant non adjusting events have occurred between the reporting date and date of authorization of financial statements.

51. Previous Year Comparatives:

Figures in brackets pertain to previous year. Previous year's figures have been regrouped where necessary to conform to this year's classification.

For **NSBP & Co.**
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Ltd.

Deepak K. Aggarwal	**Isha Kalra**	**Anil Kataria**	**J. S. Baijal**	**Gautam Dalmia**
Partner	Company Secretary	Chief Finance Officer	Director	Managing Director
Membership No.: 095541	Membership No.: A24748	PAN: AALPK4889N	DIN: 00049565	DIN: 00009758

Place : New Delhi
Date : May 28, 2018

Independent Auditors' Report

To the Members of
Dalmia Bharat Sugar and Industries Limited

Report on the Consolidated Ind AS financial statements

We have audited the accompanying consolidated Ind AS financial statements of **Dalmia Bharat Sugar and Industries Limited** (hereinafter referred to as "the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated balance sheet as at March 31, 2018, the consolidated statement of profit and loss (including the statement of other comprehensive income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including subsidiaries in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended thereof.

The respective Board of Directors of the Companies included in the group including its subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, its consolidated profit including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Other Matter

1. The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in this Ind AS

Financial Statements, are based on the previously issued statutory financial statement prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited and reported by S.S. Kothari Mehta & Co. having firm registration number 000756N who have issued an unmodified audit report dated May 05 2017 and May 23, 2016, have been furnished to us by the management and which have been relied upon by us for the purpose of issuing the report on the financial statement as adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, which has been audited by us.

2. We did not audit the financial statements/ financials information of three subsidiaries, whose financial statements reflect total assets of ₹ 195.37 crores as at March 31, 2018, total revenues of ₹ 0.48 crores and net cash outflows amounting to ₹ 0.16 crores for the year ended on that date, as considered in the consolidated financial statements. These Ind AS financial statements of subsidiaries have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report to the extent applicable, that:

a. We have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept by the Group so far as it appears from our examination of those books and the report of the other auditors;

c. The consolidated balance sheet, the consolidated statement of profit and loss including statement of other comprehensive income, the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended thereof;

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary Companies, none of the directors of the Group Companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company & its subsidiaries Companies and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Consolidated Ind AS financial statement disclosed the impact of pending litigations as at March 31, 2018 on its financial position in its consolidated Ind AS financial statements – Refer Note 32 to the Consolidated Ind AS financial statements;

   ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

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

For **NSBP & Co.**
Chartered Accountants
Firm Registration No. 001075N

Deepak K. Aggarwal
Partner
Membership No: 095541

Place: New Delhi
Date: May 28, 2018

Annexure A to the Independent Auditor's Report to the Members of Dalmia Bharat Sugar and Industries Limited ('the Holding Company') on its consolidated Ind AS financial statements dated May 28, 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 1(f) of 'Report on Other Legal and Regulatory Requirements' section

In conjunction with our audit of the consolidated Ind AS financial statement of **Dalmia Bharat Sugar and Industries Limited** as of and for the year ended March 31, 2018. We have audited the Internal Financial Controls over Financial Reporting of Dalmia Bharat Sugar and Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") all incorporated in India, for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated

Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial control over financial reporting includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the respective Holding and subsidiary Companies; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the Consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies incorporated in India have maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding company including its subsidiaries incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to, three subsidiary companies which are incorporated in India, is based on the corresponding reports of the auditors of such companies.

Our audit report is not modified in respect of above matters.

For **NSBP & Co.**
Chartered Accountants
Firm Registration No. 001075N

Deepak K. Aggarwal
Partner
Membership No: 095541

Place: New Delhi
Date: May 28, 2018

Consolidated Balance Sheet as at March 31, 2018

(₹ in Crores)

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
A) Non-current assets				
a) Property, plant and equipment	4	1,291.49	1276.93	1256.36
b) Capital work - in - progress	4	6.93	2.44	6.54
c) Intangible assets	4	1.72	2.90	3.30
d) Financial assets	5			
i) Investments	(i)	284.90	207.87	94.40
ii) Loans	(ii)	27.08	27.47	27.58
iii) Others	(iii)	3.02	1.57	0.86
e) Other non-current assets	6	9.87	8.22	1.48
f) Current tax assets (net)	7	19.11	5.49	10.34
		1,644.12	**1,532.89**	**1,400.86**
B) Current assets				
a) Inventories	8	749.77	1020.68	915.47
b) Financial Assets	9			
i) Investments	(i)	340.71	158.07	73.37
ii) Trade receivables	(ii)	76.03	110.52	106.40
iii) Cash and cash equivalents	(iii)	58.98	58.34	45.23
iv) Bank Balances other than (iii) above	(iv)	0.58	0.40	1.02
v) Loans	(v)	1.72	0.90	0.23
vi) Others	(vi)	26.47	28.52	32.25
c) Other current assets	10	14.50	24.64	21.37
		1,268.76	**1402.07**	**1195.34**
Total Assets		**2,912.88**	**2934.96**	**2596.20**
EQUITY & LIABILITIES				
A) Equity				
a) Equity share capital	11	16.19	16.19	16.19
b) Other equity	12	1,488.37	1245.25	945.36
		1,504.56	**1261.44**	**961.55**
B) Liabilities				
Non- current liabilities				
a) Financial liabilities	13			
i) Borrowings		375.72	396.05	557.95
ii) Others		3.67	3.93	4.59
b) Provisions	14	16.75	10.05	5.93
c) Deferred tax liabilities (Net)	15	124.75	143.89	138.14
d) Other non current liabilities	16	5.38	11.72	15.29
		526.27	**565.64**	**721.90**
Current liabilities				
a) Financial liabilities	17			
i) Borrowings		345.17	725.34	390.65
ii) Trade payables				
Due to MSME		0.23	0.03	0.39
Others		428.39	173.38	259.45
iii) Other financial liabilities		83.87	130.96	186.42
b) Other current liabilities	18	20.11	74.39	72.04
c) Provisions	19	4.28	3.78	3.80
		882.05	**1107.88**	**912.75**
Total equity & liabilities		**2,912.88**	**2934.96**	**2596.20**
Corporate Information	1			
Basis of preparation of financial statement	2			
Significant accounting policies	3			

The accompanying notes are an integral part of these financial statements.
As per our report of even date

For **NSBP & Co.**
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Ltd.

Deepak K. Aggarwal
Partner
Membership No.: 095541

Isha Kalra
Company Secretary
Membership No.: A24748

Anil Kataria
Chief Finance Officer
PAN: AALPK4889N

J. S. Baijal
Director
DIN: 00049565

Gautam Dalmia
Managing Director
DIN: 00009758

Place : New Delhi
Date : May 28, 2018

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(₹ in Crores)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue			
Revenue from operations (including excise duty)	20	2270.79	1764.10
Other income	21	25.27	23.83
Total Income (I)		**2296.06**	**1787.93**
Expenses			
Cost of raw materials consumed	22	1489.32	1112.88
Excise duty on sales		30.51	78.10
Change in inventories of finished goods and work in progress	23	217.19	(98.95)
Employee benefits expense	24	103.89	108.02
Finance costs	25	69.48	102.49
Depreciation and amortization expense	4 & 26	53.70	55.59
Other expenses	27	195.79	186.22
Total Expenses (II)		**2159.88**	**1544.35**
Profit/(loss) before exceptional items and tax		**136.18**	**243.58**
Exceptional items		-	-
Profit/(loss) before tax		**136.18**	**243.58**
Tax expense:	28		
Current tax		31.84	50.85
Deferred tax		(17.96)	6.47
Total of tax expense		**13.88**	**57.32**
Profit/(loss) for the year from operations		**122.30**	**186.26**
Other comprehensive income	29		
i) Items that will not be reclassified to profit/(loss)		139.12	112.92
ii) Income tax relating to items that will not be reclassified to profit/(loss)		1.19	0.71
Total comprehensive income for the year		**262.61**	**299.89**
(Comprising profit/(loss) and other comprehensive income for the year)			
Earning per share	30		
Basic (in ₹)		15.11	23.01
Diluted (in ₹)		15.11	23.01
[Face value of share ₹ 2 (March 31, 2017-₹ 2, April 1, 2016-₹ 2) each]			
Corporate Information	1		
Basis of preparation of Financial Statement	2		
Significant Accounting Policies	3		

The accompanying notes are an integral part of these financial statements.
As per our report of even date

For **NSBP & Co.**
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Ltd.

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PAN: AALPK4889N

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Director
DIN: 00049565

Gautam Dalmia
Managing Director
DIN: 00009758

Place : New Delhi
Date : May 28, 2018

Consolidated Statement of Changes in Equity for the year ended March 31, 2018

A. Equity Share Capital

(₹ in Crores)

	As at March 31, 2018	Changes during the year	As at March 31, 2017	Changes during the year	As at April 01, 2016
Balance of Equity Share Capital	16.19	-	16.19	-	16.19

B. Other equity

(₹ in Crores)

	Reserves and Surplus				Items of other comprehensive income			Total
			Other Reserves					
	Capital reserve	Retained earnings	Debenture Redemption Reserve	General Reserve	Revaluation Surplus	Equity instruments through other comprehensive income	Acturial Gain & Losses on Defined Benefits Plan	
As at April 01, 2016	4.07	455.09	25.00	8.54	3.74	-	-	496.44
Opening Ind AS adjustments:-								
- Transfer to retained earnings	-	3.74	-	-	(3.74)	-	-	-
- Remeasurement (net)	-	381.16	-	-		67.51	0.25	448.92
Restated balance as at April 01, 2016	4.07	839.99	25.00	8.54	-	67.51	0.25	945.36
Movement during FY 16-17								
Profit for the year	-	186.26	-	-	-	-	-	186.26
Transfer to general reserve	-	-	(25.00)	25.00	-	-	-	-
Other comprehensive income	-	-	-	-	-	114.98	(1.35)	113.63
As at March 31, 2017	4.07	1026.25	-	33.54	-	182.49	(1.10)	1245.25
Movement during FY 17-18								
Dividends	-	(19.48)	-	-	-	-	-	(19.48)
Profit for the year	-	122.30	-	-	-	-	-	122.30
Transfer to general reserve	-	(19.00)	-	19.00	-	-	-	-
Other comprehensive income	-	-	-	-	-	142.56	(2.26)	140.30
As at March 31, 2018	4.07	1110.07	-	52.54	-	325.05	(3.36)	1488.37

	Note No.
Corporate Information	1
Basis of preparation of Financial Statement	2
Significant Accounting Policies	3

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For **NSBP & Co.**
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Ltd.

Deepak K. Aggarwal
Partner
Membership No.: 095541

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Director
DIN: 00049565

Gautam Dalmia
Managing Director
DIN: 00009758

Place : New Delhi
Date : May 28, 2018

Consolidated Statement of Cash Flows for the year ended March 31, 2018

(₹ in Crores)

		For the year ended March 31, 2018	For the year ended March 31, 2017
A.	**Cash Flow from Operating Activities**		
	Net Profit before tax	**136.18**	**243.58**
	Adjustments for Non-cash and Non-operating items:-		
	Add:-		
	Depreciation / Amortization	53.70	55.59
	Provision for doubtful debts/ advances	1.35	0.05
	Bad Debts/ Advances written off	0.02	0.00
	Finance Cost	69.48	102.49
	Less:-		
	Dividend Income	(0.42)	(0.68)
	Interest Income	(2.39)	(1.20)
	(Profit)/Loss on sale of Investments	(1.76)	(1.56)
	Changes in Fair Value of Investments	(6.01)	(7.16)
	(Profit)/Loss on sale of property, plant & equipment and Assets written off	(0.05)	(0.36)
	Grant amortized	(6.52)	(5.96)
	Operating Profit before working Capital Changes	**243.58**	**384.79**
	Adjustments for working Capital changes :		
	Inventories	270.92	(105.21)
	Trade and Other Payables	195.57	(67.68)
	Trade and Other Receivables	41.61	(11.10)
	Cash Generated from Operations	**751.68**	**200.80**
	Direct Taxes (Paid)/Refund	(45.45)	(46.02)
	Net Cash generated from Operating activities	**706.23**	**154.78**
B.	**Cash Flow from Investing Activities**		
	Purchase of property, plant and equipment	(71.53)	(71.30)
	(Purchase)/Sale of Investments (net)	(109.33)	(74.47)
	Interest Received	2.39	1.20
	Dividend Received from Non Current Investments	0.42	0.68
	Net Cash used in Investing Activities	**(178.05)**	**(143.89)**
C.	**Cash Flow from Financing Activities**		
	Proceeds/(Repayment) of Short term Borrowings (net)	(380.16)	334.69
	Proceeds/(Repayment) of Long term Borrowings (net)	(64.94)	(241.64)
	Finance Cost	(62.95)	(90.83)
	Dividend Paid	(16.19)	0.00
	Corporate Dividend tax paid	(3.30)	0.00
	Net cash used in financing activities	**(527.54)**	**2.22**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**0.64**	**13.11**
	Cash and cash equivalents at the beginning of the year	58.34	45.23
	Cash and cash equivalents at the end of the year	58.98	58.34

Components of Cash & Cash Equivalents	As at March 31, 2018	As at March 31, 2017
Balances with banks		
Cash on hand	0.23	0.38
Cheques, drafts on hand	0.06	0.02
Balances with banks	58.69	57.94
Net Cash & Cash Equivalents	**58.98**	**58.34**

Note: 1) Cash & cash equivalents components are as per Note 9 (iii).
2) Cash flow statement has been prepared in accordance with Ind AS 7- "Statement of Cash Flows".

As per our report of even date

For **NSBP & Co.**
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Ltd.

Deepak K. Aggarwal
Partner
Membership No.: 095541

Isha Kalra
Company Secretary
Membership No.: A24748

Anil Kataria
Chief Finance Officer
PAN: AALPK4889N

J. S. Baijal
Director
DIN: 00049565

Gautam Dalmia
Managing Director
DIN: 00009758

Place : New Delhi
Date : May 28, 2018

Notes to Consolidated Financial Statements for the year ended March 31, 2018

1. Corporate Information

The company was incorporated as Dalmia Cement (Bharat) Limited. Name of the company was changed from Dalmia Cement (Bharat) Limited to Dalmia Bharat Sugar and Industries Limited ('The Company') vide fresh certificate of incorporation dated 7th September, 2010 issued by registrar of companies, Tamilnadu.

The company is mainly engaged in manufacturing of sugar, generation of power, manufacturing of Industrial alcohol and manufacturing of refractory products.

The company is listed on the National Stock Exchange of India and Bombay Stock Exchange of India. These financial statements are presented in Indian Rupees (₹).

2. Basis of accounting and preparation of Financial Statements

A. Statement of Compliance with Ind AS

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from April 1, 2017 with restatement of previous year figures presented in this financial statements. Accordingly, the financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The Company has adopted all the applicable Ind AS and the adoption was carried out in accordance with Ind AS-101 First time adoption of Indian Accounting Standards.

The transition was carried out from Generally Accepted Accounting Principles in India which comprised of applicable Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India (ICAI), relevant applicable provisions of the Companies Act, 1956, and the Companies Act, 2013 to the extent applicable and the applicable guidelines issued by the Securities and Exchange Board of India (SEBI) ("Previous GAAP").

These financial statements for the year ended March 31, 2018 are the first financial statements of the Company prepared in accordance with Ind AS. The date of transition to Ind AS is April 1, 2016. All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are approved by the Board of Directors have been considered in preparing these financial statements.

These financial statements are approved and adopted by board of directors of the company in their meeting held on 28th May 2018.

B. Principles of consolidation.

The Consolidated financial statements (CFS) of the Group have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended, the relevant provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India ('SEBI'), as applicable. The financial statements for the year ended March 31, 2018 are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Accordingly, the Company has prepared an Opening Ind AS Balance Sheet as on April 1, 2016 and comparative figures for the year ended March 31, 2017 are also in compliance with Ind AS.

The Consolidated Financial Statements have been prepared on the following basis.

i. Subsidiaries 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 all significant intra-group balances and intra-group transactions and also unrealised profits or losses, except where cost cannot be recovered.

ii. Non-controlling interest in net profit of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the Holding Company.

iii. Interests in the assets, liabilities, income and expenses of the joint venture are consolidated using proportionate consolidation method. Intra group balances, transactions and unrealised profits/ losses are eliminated to the extent of Company's proportionate share.

iv. The difference of the cost to the Company of its investment in subsidiaries and joint venture over its proportionate share in the equity of the Investee Company as at the date of acquisition of stake is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve, as the case may be.

v. Investment in entities in which the Group has significant influence but not controlling interest, are reported according to the equity method i.e. the investment is initially recorded at cost adjusted thereafter for post-acquisition change in the Company's share of net assets of the associates. The Consolidated Statement of Profit and Loss includes the Company's share of the result of the operations of the associate.

vi. Unrealised profits and losses resulting from transactions between the investor (or its consolidated subsidiaries) and the associate have been eliminated to the extent of the investor's interest in the associate. Unrealised losses have not been eliminated if and to the extent the cost of the transferred asset cannot be recovered.

vii. Goodwill/capital reserve arising on the acquisition of an associate by an investor is included in the carrying amount of investment in the associate and is disclosed separately.

viii. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Consolidated Financial Statements. Differences in accounting policies have been disclosed separately.

ix. The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the Consolidated Statement of Profit and Loss as the profit or loss on disposal of investment in subsidiary.

x. The accounts of all the Group Companies are drawn up to the same reporting date as the parent entity.

C. Basis of preparation and presentation.

These financial statements have been prepared in accordance with Ind AS under the historical cost basis except for the following:

i) Certain financial assets and financial liabilities - measured at fair value and

ii) Defined benefits plan – plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration in exchange for goods and services.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to 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.

D. Current/Non-current assets and liabilities:

A. Current Assets – An asset is classified as current when:

(a) The company expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) The company holds the asset primarily for the purpose of trading;

(c) The company expects to realise the asset within twelve months after the reporting period;

(d) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

B. Current Liability – A liability is classified as current when:

(a) The company expects to settle the liability in its normal operating cycle;

(b) The company holds the liability primarily for the purpose of trading;

(c) The liability is due to be settled within twelve months after the reporting period; or

(d) The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

E. Functional and presentation currency

The financial statements including notes thereon are presented in Indian rupees, which is the functional currency of the company. All the financial information presented in Indian rupees has been rounded to the nearest crore as per the requirement of Schedule III to the Act, unless stated otherwise.

F. Use of judgment, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the Management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities and contingent assets at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the Management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

a. Property, plant and equipment and intangible assets

The useful life and residual value of plant, property equipment and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period.

b. Recognition and measurement of defined benefit obligations

The cost of the leave encashment, defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are periodically reviewed at each reporting date.

c. Fair value measurement of financial instruments

When the fair value of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market price in active markets, their fair value is measured using valuation technique. The input to these models are taken from the observable market wherever possible, but where this is not feasible, a review of judgment is required in establishing fair values. Changes in assumption relating to these assumption could affect the fair value of financial instrument.

d. Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount.

e. Impairment of financial and non-financial assets

The impairment provision for financial assets are based on assumptions about risk of default and expected losses. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Company assesses at each reporting date whether there is an indication that a Non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount which is higher of an asset's or Cash generating unit (CGU) fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

G. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis as explained above, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

3. Significant accounting policies

A. Property, plant and equipment and Capital work-in-progress

Property, plant and equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses. The cost of an asset includes the purchase cost of materials including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets are capitalized as part of cost of the asset until such time that the asset is ready for its intended use. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

When significant part of the property, plant and equipment are required to be replaced at intervals, the company derecognized the replaced part and recognized the new parts with its own associated useful life and it is depreciated accordingly. Likewise when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance cost are recognized in the statement of the profit and loss as incurred.

Internally manufactured property, plant and equipment are capitalised at factory cost.

Capital work in progress include property plant & equipment under installation/under development as at the balance sheet date and are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

Property, plant and equipment are derecognised from the financial statement, either on disposal or when no economic benefits are expected from its use or disposal. Losses arising in the case of retirement of property, plant and equipment and gain or losses arising from disposal of property, plant and equipment are a recognized in the statement of profit and loss in the year of occurrence.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment, except Land, recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. For Land the company has elected to use Fair Value at the transition to Ind AS and use this value as its deemed cost.

B. Investment Property

Investment properties are properties, either land or building or both, held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transactions costs. Subsequent to initial recognition, investment properties are measured in accordance with requirement for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is de-recognised.

C. Intangible assets

Intangible asset are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of asset can be measured reliably.

Capital expenditure on purchase and development of identifiable assets without physical substance is recognized as intangible assets in accordance with principles given under Ind AS-38 – Intangible Assets.

Internally generated intangible asset, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of profit & loss in the period in which the expenditure is incurred.

The useful lives of intangible asset are assed as either finite or indefinite. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible asset with indefinite useful lives, if they are not amortised, but are tested for impairment either individually or at the cash generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite life continues to be supportable. Currently there are no intangible assets with indefinite useful life.

Gain or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit & loss when the asset is derecognised.

D. Depreciation and amortization

Depreciation on Property, Plant and Equipment (PPE) and Intangible assets is calculated on the basis of useful lives as prescribed under Schedule II to the Companies Act, 2013. The following methods of depreciation are used for PPE and Intangible assets:

"Plant and machinery" at Salem (excluding earth moving machinery) and on all PPE at Wind Farm Unit, MLCC devision and Dalmia Chini Mills (Sugar Units) excluding machinery in Power Plants.	Straight line method
Leasehold land	Amortised over the period of lease, i.e., 99 years
Remaining PPE	Written down value method
Computer software	Amortised over a period of 3-5 years on a Straight line basis.
Other intangible assets	Amortised over a period of maximum 10 years on a straight line basis.

E. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Company is the lessee

Finance leases are capitalized as assets at the commencement of the lease, at an amount equal to the fair value of leased asset or present value of the minimum lease payments, whichever is lower, valued at the inception date. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the company's general policy on borrowing cost. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Payment made under operating leases are recognized as expense in the Statement of Profit and Loss on a straight line basis over the lease term, unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the escalation of lease rentals is in line with the expected general inflation so as to compensate the lessor for expected inflationary cost, the increases in the rentals is not straight lined.

F. Government grants

Government grants are recognised at fair value when there is reasonable assurance that the grant would be received and the Company would comply with all the conditions attached with them.

Government grants are recognised in statement of profit or loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

G. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset till such time that is required to complete and prepare the asset to get ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to the statement of profit and loss in the period in which they are incurred.

H. Segment accounting and reporting

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

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 transaction price agreed to between the segments which is at cost in case of transfer of Company`s intermediate and final products and estimated realisable value in case of by-products.

- Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on direct and/or on a reasonable basis, have been disclosed as "Unallocable"

I. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (Ind AS)-19 - 'Employee Benefits'.

a. Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered

b. Defined contribution plan

Retirement benefits in the form of provident fund, pension fund, superannuation fund and ESI are a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident fund/trust.

c. Defined benefit plan

Retirement benefits in the form of gratuity and provident fund contribution to Dalmia Cement Provident Fund Trust are defined benefit plans. Gratuity is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Contributions to Dalmia Cement Provident Fund Trust are charged to the Statement of Profit and Loss of the year when the contributions to the fund is due.

The Company's liabilities on account of gratuity and earned leaves on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from registered actuary in accordance with the measurement procedure as per Indian Accounting Standard (INDAS)-19- 'Employee Benefits'. Gratuity liability is funded on year-to-year basis by contribution to respective fund. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Accumulated leaves, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the year-end.

J. Inventories

a. Finished goods are valued at lower of cost or net realisable value. In case of Dead Burnt Magnesite Dust Stocks to the extent these are considered saleable, valuation is done at raw materials cost plus packing charges or net realizable value, whichever is lower. By-products are valued at net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods (as on March 31,2017 & transition date April 01, 2016) includes excise duty. Cost is determined on a weighted average basis.

b. Work in progress is valued at lower of cost or net realisable value. Cost is determined on a weighted average basis.

c. Stores, Spares and Raw Materials are valued at lower of cost or net realisable value. However materials & other items of inventories held for use in the production are not written below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis

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

K. Financial Instruments

(a) Financial Assets

i. Classification

The company classified financial assets as subsequently measured at amortized cost, fair value though other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and contractual cash flow characteristics of the financial asset.

ii. Initial Recognition and Measurement

The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

iii. Subsequent Measurement

For the purpose of subsequent measurement the financial assets are classified in three categories:

- At amortised cost - For debt instruments only.
- At fair value through profit & loss account
- At fair value through other comprehensive income

iv. Debt instruments at amortized cost

A Financial Asset i.e. a debt instrument is measured at the amortized cost if both the following condition are met.

- The assets is held within a business model whose objective is to hold assets for collecting contractual cash flow (business model test), and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding (contractual cash flow characteristics).

After initial measurement (at Fair value minus transaction cost), such financial assets are subsequently measurement at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount and premium and fee or costs that are an integral part of an EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

v. Debt instrument at Fair value through Profit or loss

Debt instruments included within the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

vi. Debt instruments at Fair value through other comprehensive income

A financial asset should be measured at FVTOCI if both the following condition are met:

- The assets is held within a business model in which asset are managed both in order to collect contractual cash flows and for sale (business model test), and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding (contractual cash flow characteristics).

After initial measurement (at Fair value minus transaction cost), such financial assets are measured at Fair value with changes in fair value recognized in OCI except for:

(a) Interest calculated using EIR

(b) Foreign exchange gain and losses; and

(c) Impairment losses and gains

vii. Equity investments

All equity investments other than investment in subsidiaries, joint venture and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then fair value changes on the instrument, excluding dividends, are recognised in other compressive income (OCI). There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of such investments.

Equity instrument includes within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit or loss.

viii. Derecognition

A financial assets (or, where applicable, a part of a financial asset) is primarily derecognised when:

- The right to receive cash flows from the assets have expired or
- The company has transferred substantially all the risks and rewards of the assets, or
- The company has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the assets.

(b) Financial liabilities & Equity

i. Classification

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

ii. Initial recognition and measurement of Financial Liability

The company recognizes financial liability when it becomes a party to the contractual provisions of the instrument. All financial liability are recognized initially at fair value minus, for financial liability not subsequently measured at FVTPL, transaction costs that are directly attributable to the issue of financial liability.

iii. Subsequent Measurement of Financial Liabilty

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies

iv. Financial Liability at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) Method. Gain and losses are recognised in statement of profit and loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transaction cost. The EIR amortization is included as finance cost in the statement of profit and loss.

This category generally applies to loans & Borrowings.

v. Financial Liability at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability

vi. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

vii. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are, substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amount recognised in the Statement of Profit and loss.

viii. Offsetting of financial instrument

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

L. Investments in Associate, Joint venture & Associate

Investments in equity shares of Subsidiaries, Joint Ventures & Associates are recorded at cost and reviewed for impairment at each balance sheet date.

M. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances..

Sale of goods

Revenue is recognized net of returns and discounts when the significant risks and rewards of ownership of the goods have passed to the buyer for a consideration.

Sale of Power

Revenue from power has been recognized on transmission of electricity to Grid. Power generated at power plant is consumed at manufacturing units and excess power is sold to Grid, which is included in sales at power tariff prevailing as per the respective Power Purchase Agreements.

Inter unit transfers of power is also accounted for at the same rates i.e. Grid Power Tariff, for computing segmental profitability. For consolidation purposes these transfers are eliminated from respective heads.

Revenue from sale of Certified Emission Reductions (CERs) and Renewable Energy Certificates (REC)

Income from the sale of CERs and RECs is recognised on the delivery of the CERs/RECs to the customers' accounts as evidenced by the receipt of confirmation of execution of delivery instructions and treated as capital receipts.

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the Balance Sheet date.

Insurance claim

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

Sale of services

The company being a manufacturing entity does not generally provides services in the normal course of business. However revenue from supply of services if any is recognized as and when the services has been provided and recoverability accrues.

N. Foreign currency translation/conversion

Standalone financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

- **Initial recognition**

  Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

- **Conversion**

  Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

- **Exchange differences**

  The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

O. Taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum alternate tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

P. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

Q. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settled the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingent liability is disclosed in the notes in case of:

- There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
- A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation
- A present obligation arises from the past event, when no reliable estimate is possible
- A present obligation arises from the past event, unless the probability of outflow are remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Contingent assets

Contingent assets are not recognized in the financial statements.

R. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Company's cash management.

S. Impairment

Non-financial assets

Property, plant and equipment, intangible assets and assets classified as investment property with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Impairment losses on continuing operations, including impairment on inventories are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

Financial assets

The company applies 'simplified approach' measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instrument and are measured at amortised cost e.g. loans, debt securities, deposits, and bank balance.
- Trade receivables

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

4. Property plant & equipment, intangible assets & capital work in progress.

(₹ in Crores)

Particulars	Tangible Assets								Intangible Assets			Total
	Land Freehold#	Land Lease hold	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Total	Operating Rights	Computer Software	Total	
Cost or revalued amount												
as at April 1, 2016 (IGAAP)	72.70	0.58	161.22	1,152.81	7.43	3.77	4.85	1,403.36	3.62	1.31	4.93	1,408.29
IND AS Fair Valuation impact	507.20	-	-	-	-	-	-	507.20	-	-	-	507.20
as at April 1, 2016 (IND AS)	579.90	0.58	161.22	1,152.81	7.43	3.77	4.85	1,910.56	3.62	1.31	4.93	1,915.49
Additions	0.38	-	12.87	76.55	0.45	0.71	0.53	91.49	0.01	0.67	0.68	92.17
Disposals	-	-	0.46	25.97	0.29	0.18	0.48	27.38	-	-	-	27.38
as at March 31, 2017	580.28	0.58	173.63	1,203.39	7.59	4.30	4.90	1,974.67	3.63	1.98	5.61	1,980.28
Additions	1.36	-	8.24	57.45	0.45	0.11	0.35	67.96	-	-	-	67.96
Disposals	-	-	-	0.86	0.08	0.05	0.06	1.05	-	-	-	1.05
as at March 31, 2018	581.64	0.58	181.87	1,259.98	7.96	4.36	5.19	2,041.58	3.63	1.98	5.61	2,047.19
Depreciation and amortisation												
as at April 1, 2016	0.01	0.13	52.44	590.62	5.29	1.67	4.03	654.20	1.22	0.41	1.63	655.83
Charge for the year @	-	0.01	5.10	47.95	0.59	0.51	0.43	54.60	0.71	0.38	1.09	55.69
Disposals	-	-	0.06	10.21	0.20	0.20	0.39	11.06	-	-	-	11.06
as at March 31, 2017	0.01	0.14	57.48	628.36	5.68	1.98	4.07	697.74	1.93	0.79	2.72	700.45
Charge for the year @	-	0.01	8.93	42.35	0.40	0.56	0.37	52.62	0.81	0.36	1.18	53.80
Disposals	-	-	-	0.14	0.03	0.05	0.06	0.27	-	-	-	0.27
as at March 31, 2018	0.01	0.15	66.41	670.57	6.05	2.49	4.38	750.09	2.74	1.15	3.90	753.98
Net Block												
as at March 31, 2016	579.89	0.45	108.78	562.19	2.14	2.09	0.82	1,256.36	2.40	0.90	3.30	1,259.66
as at March 31, 2017	580.27	0.44	116.14	575.02	1.91	2.31	0.83	1,276.93	1.71	1.19	2.90	1,279.83
as at March 31, 2018	581.63	0.43	115.46	589.41	1.91	1.87	0.80	1,291.49	0.89	0.83	1.72	1,293.21
Capital Work in Progress*												
as at March 31, 2016												6.54
as at March 31, 2017												2.44
as at March 31, 2018												6.93

Transition date fair value of freehold land has been considered as deemed cost for IND AS Purposes.

@ includes depreciation charged to other accounts ₹ 0.10 Cr (₹ 0.10 cr, ₹ 0.13 Cr) (refer note no. 44)

* Includes preoperative expenditure pending capitalisation of ₹ 0.06 Cr (₹ 0.39 Cr, NIL) (refer note no. 43)

Includes immovable property for 2.79 acres of land at Salem unit for which all dues for transfer of land have been paid and transfer of title in the name of the company is awaited.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

5. Non-current financial assets

5 (i). Investments

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A. Quoted			
Equity Shares Carried at Fair Value through OCI			
942567 (March 31, 2017-942567, April 1, 2016-942567) Equity shares of ₹ 2 each fully paid up in Dalmia Bharat Limited	271.96	185.42	75.07
202,318 (March 31, 2017-203,655, April 1, 2016- 203,655) equity shares of ₹ 10 each, fully paid up of Poddar Pigments Limited	5.57	5.38	3.01
Carried at Fair Value through statement of profit and loss			
Debt Based Mutual Funds	-	9.70	8.95
B. Unquoted			
(i) Investment in Bonds (Carried at amortised Cost)			
10.40% Vijaya Bank Bonds 2020	1.98	1.98	1.98
9.55% Canara Bank (Perp.) Bonds	5.39	5.39	5.39
(ii) Others*			
Shares of Co-operative Socities (Unquoted)			
DMC Employees Co-op Stores Limited	((2500))	((2500))	((2500))
Government or Trust Securities (Unquoted)			
National Saving Certificates	((2000))	((2000))	((2000))
	284.90	**207.87**	**94.40**
Aggregate amount of quoted investments and market value thereof	277.53	200.50	87.03
Aggregate amount of unquoted investments	7.37	7.37	7.37
Aggregate amount of impairment in value of investments	-	-	-

* Figures less than ₹ Fifty thousand which are required to be shown separately have been shown at actual in double brackets.

5 (ii). Loans

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, considered good unless stated otherwise)			
Security deposits	1.72	1.38	1.18
Others	25.36	25.81	26.25
(Considered doubtful)			
Others	0.30	1.10	1.51
Less : Allowance for bad and doubtful debts	(0.30)	(0.82)	(1.36)
	27.08	**27.47**	**27.58**

5 (iii). Others

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fixed deposits with banks	0.15	0.15	0.15
(with remaining maturity of more than 12 months)			
(Unsecured, considered good)			
Others	2.87	1.42	0.71
	3.02	**1.57**	**0.86**

6. Other non current assets

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, considered good unless stated otherwise)			
Capital advances	7.98	5.16	0.69
Advances other than capital advances	0.55	1.60	0.16
Balances with Government departments under protest	1.34	1.46	0.63
	9.87	**8.22**	**1.48**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

7. Current Tax Assets (Net)

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Net Income Tax Assets	19.11	5.49	10.34
	19.11	**5.49**	**10.34**

8. Inventories

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Refer Note No. 3(J))			
Raw materials	14.06	13.27	9.75
Work in progress	13.90	10.73	2.62
Finished goods	694.29	972.50	882.73
Stores, spare & others	27.52	24.18	20.37
	749.77	**1,020.68**	**915.47**

9. Current financial assets

9 (i). Investments

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Equity Shares Carried at Fair Value through OCI			
- 656222(March 31, 2017-407807, April 1, 2016-NIL) equity shares of ₹ 2 each, fully paid up of Dalmia Bharat Limited	189.34	80.22	-
Investment in mutual funds (quoted)			
(Carried at Fair Value through profit and loss)			
Debt based schemes	151.37	77.85	73.37
Total	**340.71**	**158.07**	**73.37**
Aggregate amount of quoted investments and market value thereof	340.71	158.07	73.37
Aggregate amount of unquoted investments	-	-	-
Aggregate amount of impairment in value of investments	-	-	-

9 (ii). Trade receivables

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good	76.03	110.52	106.40
Considered Doubtful	0.45	-	-
Less : Allowance for bad and doubtful debts	(0.45)	-	-
	76.03	**110.52**	**106.40**

9 (iii). Cash and cash equivalents

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash on hand	0.23	0.38	0.47
Cheques, drafts on hand	0.06	0.02	0.03
Balances with banks	58.69	57.94	44.73
	58.98	**58.34**	**45.23**

9 (iv). Bank balances other than cash & cash equivalents

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
- Deposits with original maturity of more than 3 months but less than 12 months	-	0.20	0.21
- Earmarked balances with banks (Unpaid dividend accounts)	0.58	0.20	0.81
	0.58	**0.40**	**1.02**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

9 (v). Loans

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, considered good)			
Loans to related parties	-	-	-
Others			
Loans to employees	1.72	0.90	0.23
	1.72	**0.90**	**0.23**

9 (vi). Others

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, considered good)			
Interest receivable	5.08	3.63	2.55
Unbilled revenue	20.99	23.16	21.14
Others	0.40	1.73	8.56
	26.47	**28.52**	**32.25**

10. Other current assets

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, considered good)			
Advances other than capital advances			
Deposit and Balances with Government departments and other authorities	4.60	16.40	12.08
Other advances	9.90	8.24	9.29
	14.50	**24.64**	**21.37**

11. Equity Share capital

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised :			
11,47,26,820 (March 31, 2017-114726820, April 1, 2016- 114726820) Ordinary equity shares of ₹ 2/- each	22.95	22.95	22.95
8,52,73,180 (March 31, 2017-85273180, April 1, 2016-85273180) Unclassified equity shares of ₹ 2/- each	17.05	17.05	17.05
	40.00	**40.00**	**40.00**
Issued, Subscribed and Fully Paid Up :			
8,09,39,303 (March 31, 2017-80939303, April 1,2016-80939303) Ordinary equity shares of ₹ 2/- each	16.19	16.19	16.19
	16.19	**16.19**	**16.19**

(a) Reconciliation of ordinary equity shares outstanding at the beginning and at the end of the reporting year.

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	₹ Cr	No. of Shares	₹ Cr
At the beginning of the year	8,09,39,303	16.19	8,09,39,303	16.19
Changes during the year	-	-	-	-
At the end of the year	8,09,39,303	16.19	8,09,39,303	16.19

(b) Terms/ rights attached to ordinary equity shares

The Company has only one class of ordinary equity shares having a face value of ₹ 2 per share. Each ordinary equity shareholder is entitled to one vote per share.

In the event of winding-up of the company, the ordinary equity shareholders shall be entitled to be repaid remaining assets of the company, in the ratio of the amount of capital paid up on such ordinary equity shares.

11. Equity Share capital (Contd.)

(c) Details of shareholders holding more than 5% shares in the company

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Ordinary Equity shares of ₹ 2 each fully paid up	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Samagama Holdings and Commercial Private Limited	3,58,75,223	44.32%	3,58,75,223	44.32%	-	-
Dalmia Bharat Limited	1,48,29,764	18.32%	1,48,29,764	18.32%	1,48,29,764	18.32%
Vanika Commercial and Holdings Private Ltd	86,87,305	10.73%	86,87,305	10.73%	-	-
Mayuka Investment Limited	-	-	-	-	1,57,36,537	19.44%
Sita Investment Company Limited	-	-	-	-	58,76,800	7.26%
Ankita Pratisthan Limted	-	-	-	-	58,29,070	7.20%
Puneet Trading and Investment Co. Private Limited.	-	-	-	-	97,92,775	12.10%

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

(e) During the year company has paid final dividend for the FY 2016-17 @ 100% i.e. ₹ 2 per share.

12. Other Equity

(₹ in Crores)

Reserve & Surplus	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital reserve			
Opening balance as per last financial statements	4.07	4.07	4.07
Closing balance	4.07	4.07	4.07
Revaluation reserve			
Opening balance as per last financial statements	-	-	3.74
Less:-Transferred to Retained Earnings	-	-	(3.74)
Closing balance	-	-	-
General reserve			
Opening balance as per last financial statements	33.54	8.54	0.54
Add:- Amount transferred from surplus balance in statement of profit & loss	19.00	-	8.00
Add:- Amount transferred from Debenture redemption reserve		25.00	
Closing balance	52.54	33.54	8.54
Debenture redemption reserve			
Opening balance as per last financial statements	-	25.00	25.00
Less:- Amount transferred to General reserve	-	(25.00)	-
Closing balance	-	-	25.00
Surplus in the statement of profit and loss			
Balance as per last financial statements	1026.25	839.99	410.53
Profit for the year	122.30	186.26	58.41
IND AS impact (Refer Note No. 46)	-	-	381.16
Transferred from other reserves	-	-	3.74
Less: appropriations			
(i) Transfer to general reserve	(19.00)	-	(8.00)
(ii) Final dividend on ordinary shares	(16.19)	-	(4.86)
(iii) Dividend distribution tax	(3.30)	-	(0.99)
Total Appropriations	**(38.49)**	**-**	**(13.85)**
Net surplus in the statement of profit and loss	**1110.05**	**1026.25**	**839.99**
Total reserves and surplus	**1166.66**	**1063.86**	**877.60**
Other Comprehensive Income			
Opening Balance	181.39	67.76	-
Addition during the year	140.31	113.63	67.76
Closing Balance	**321.70**	**181.39**	**67.76**
Total Other Equity	**1488.37**	**1245.25**	**945.36**

1 Capital Reserve majorly comprises of reserve created consequent to slum purchase of plants in Ninaidevi & Kolhapur units.

2 Retained earnings represents undistributed profits of the Company which can be distributed to its equity shareholders in accordance with the requirement of the Companies Act, 2013.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

12. Other Equity (Contd.)

3 Other Comprehensive Income Reserve represent the balance in equity for items to be accounted in Other Comprehensive Income. OCI is classified into (i) items that will not be reclassified to statement of profit and loss, and (ii) items that will be reclassified to statement of profit and loss.

4 General reserve represents the statutory reserve, this is in accordance with Indian Corporate Law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer the amount before a company can declare dividend. However under Companies Act , 2013, transfer of any amount to general reserve is at the discretion of the Company.

13. Non current financial liabilities

13 (i). Borrowings

(₹ in Crores)

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
Secured						
Redeemable Non-convertible debentures						
i. From banks	-	-	-	-	33.33	-
Less: Shown in current maturities of long term borrowings	-	-	-	-	33.33	-
Term loans:						
i. From banks	397.65	-	451.51	-	661.37	-
Less: Shown in current maturities of long term borrowings	50.35	347.30	89.13	362.38	122.37	539.00
ii. From other parties	32.90	-	37.28	-	30.60	-
Less: Shown in current maturities of long term borrowings	4.48	28.42	3.61	33.67	11.65	18.95
(Refer note no. 17(iii) for current maturities)	-	**375.72**		**396.05**	-	**557.95**

(₹ in Crores)

Sl. No.	Particulars	As at 31st, March 2018	As at 31st, March 2017	As at 1st, April 2016	Fixed/Fluctuating interest rate	Rate of interest
	Non Current Borrowings					
A)	From Bank					
a)	Axis Bank (Debentures)	-	-	33.33	Fixed	10.42%
b)	Punjab National Bank					
	1. Excise Loan	26.06	52.13	78.20	Fixed	12.00%
	2. Soft Loan for cane payment	12.28	14.11	73.20	Fluctuating	Base Rate+1.75%, Presently 9.40%
c)	Allahabad Bank - Loan 1	-	193.67	236.15	Fluctuating	Base Rate+1.50%
d)	Allahabad Bank - Loan 2	-	41.37	-	Fluctuating	Base Rate+1.50%
e)	Ratnakar Bank Ltd.					
	- Term Loan 1	-	-	120.00	Fluctuating	RBL Base Rate
	- Term Loan 2	-	44.45	50.00	Fluctuating	RBL Base Rate
f)	Canara Bank	-	-	120.00	Fluctuating	BPLR - 0.75%
g)	HDFC Term Loan 1	102.90	114.66		Fluctuating	One year MCLR+0.80%, Presently 9.00%
h)	HDFC Term Loan 2	6.07	-	-	Fluctuating	One year MCLR+0.25%, Presently 8.55%
i)	Axis Bank	254.24	-	-	Fluctuating	One year MCLR+0.75%, Presently 9.00%
	Notional reduction in loan balances due to IND AS adjustments	(3.90)	(8.88)	(16.18)		
	Total	**397.65**	**451.51**	**694.70**		

13. Non current financial liabilities (Contd.)

(₹ in Crores)

Sl. No.	Particulars	As at 31st, March 2018	As at 31st, March 2017	As at 1st, April 2016	Fixed/Fluctuating interest rate	Rate of interest
B)	From Others					
	Sugar Development Fund Loans					
a)	Secured against Bank Guarantee	38.90	41.57	20.31	Fixed	4.75% to 5.75%
b)	Secured against Assets	-	3.45	15.85	Fixed	4.0% to 7.5%
	Notional reduction in loan balances due to IND AS adjustments	(6.00)	(7.74)	(5.56)		
	Total	**32.90**	**37.28**	**30.60**		
	G Total	**430.55**	**488.79**	**725.30**		

Nature of securities, Interest & repayment Terms.

A) Details of Loans taken from Banks:-

a) Debentures from Axis bank were secured by mortgage and first charge on pari-passu basis on all the immovable and movable assets (both current and future) excluding current assets of the sugar units of the company at Jawaharpur and Nigohi.

b.1) PNB Interest free loan (availed under "Scheme for Extending Financial Assistance to Sugar Undertaking 2014" of Govt of India) is secured by second charge on pari passu basis with SDF lendors and Allahabad Bank on entire fixed assets of the company's sugar units.

b.2) PNB Farmer soft loan is secured by first pari passu charge on the current assets of the company alongwith woking capital lenders and subservient charge on movable & immovable fixed assets of the company at sugar factories Ramgarh, Jawaharpur and Nigohi location. Repayable in 20 quarterly structured installments starting from 20th Sept 2017.

(c) & (d) Allahabad Bank term loans were secured by first pari passu charge on movable & immovable Fixed Assets at Shri Datta Sakhar Karkhana (unit Kolhapur).

e) Ratnakar bank term loan was secured by first pari passu charge on movable & immovable fixed assets of the company at Ramgarh, Jawaharpur & Nigohi location.

f) Canara Bank term loan was secured by subservient charge on entire fixed assets excluding vehicles of company's sugar units at Jawaharpur and Nigohi and subservient charge on plant & machinery at Ramgarh Sugar unit. The same was repaid in Dec 2016.

g) HDFC Term loan 1, is secured by first pari passu charge on movable and immovable fixed assets of the sugar mills located at Ramgarh, Jawaharpur & Nigohi location repayable in 40 structured quarterly installments starting from March 2017.

h) HDFC Term loan 2, is secured by first pari passu charge through mortgage on movable and immovable fixed assets of the ethanol plant at Nigohi location, payable in 40 equal quarterly installments starting after two years moratorium.

i) Axis Bank Term Loan is secured by first pari passu charge through mortgage on movable and immovable fixed assets of the Kolhapur location, payable in unequal quarterly installments starting March 31, 2018.

B) Details of Loans taken from entities other than banks:-

a) Sugar Development Fund (SDF) loans are secured by guarantees given by banks amounting ₹ 48.50 cr on behalf of the company and are repayable in unequal structured installments.

b) Loans from SDF were secured by second exclusive charge on movable and immovable properties of the sugar units situated in Uttar Pradesh.

13 (ii). Others

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Carried at amortised cost:-			
Other liabilities	3.67	3.93	4.59
	3.67	**3.93**	**4.59**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

14. Non current provisions

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for employee benefits	16.75	10.05	5.93
	16.75	**10.05**	**5.93**

15. Deferred tax liabilities (Net)

A) Major components of deferred tax liabilities as on March 31, 2018 and movement during the year 2017-18.

(₹ in Crores)

	As at March 31, 2018	Recognised in statement of profit & loss	Recognised in other comprehensive income	As at March 31, 2017
Property, plant & equipment including fair valuation of land	233.43	6.05	-	227.38
Others	6.58	3.27	-	3.31
Expenses allowed on payment basis	(8.00)	2.41	(1.19)	(9.22)
MAT Credit Entitlement	(107.26)	(29.68)	-	(77.58)
Net Deferred tax liability / (asset)	124.75	(17.95)	(1.19)	143.89

B) Major components of deferred tax liabilities as on March 31, 2017 and movement during the year 2016-17.

(₹ in Crores)

	As at March 31, 2017	Recognised in statement of profit & loss	Recognised in other comprehensive income	As at April 01, 2016
Property, plant & equipment including fair valuation of land	227.38	0.85	-	226.53
Others	3.31	2.06	-	1.25
Expenses allowed on payment basis	(9.22)	(3.55)	(0.71)	(4.95)
Business losses	-	38.29	-	(38.29)
MAT Credit Entitlement	(77.58)	(31.18)	-	(46.40)
Net Deferred tax liability / (asset)	143.89	6.47	(0.71)	138.14

16. Other non current liabilities

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Government Grant	5.38	11.72	15.29
(Refer note no. 40 for movement during the year)	**5.38**	**11.72**	**15.29**

17. Current financial liabilities

17 (i). Borrowings

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Secured			
loans from banks			
Working capital/short term loans	-	-	380.00
Cash credit limit	0.94	58.76	10.65
Unsecured			
Commercial Papers issues	344.23	616.58	0.00
Short term loan from related parties	-	50.00	-
	345.17	**725.34**	**390.65**

(i) Working capital Loan and Bank overdraft are secured by hypothecation of Inventories and trade receivables in favour of the participating banks ranking pari passu on inter-se-basis, repayable during next one year and carrying interest in the range of 9.00% to 10.35%

(ii) Commercial Papers issued are repayable during next one year and carry interest in the range of 7.5% to 8.5%.

17 (ii). Trade payables

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade Payables			
- Micro and small enterprises *	0.23	0.03	0.39
- Others	428.39	173.38	259.45
	428.62	**173.41**	**259.84**

* There are no outstanding amounts payable beyond the agreed period to Micro, Small and Medium enterprises as required by MSMED Act, 2006 as on the balance sheet date to the extent such enterprises have been identified based on information available with the company. In view of this there is no overdue interest payable.

17 (iii). Other financial liabilities

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current maturities of long term borrowings	54.83	92.73	167.35
Interest accrued but not due on borrowings	4.10	4.28	0.82
Unclaimed dividend *	0.58	0.20	0.81
Others:-			
Accrued salaries & benefits	3.21	19.87	1.91
Security deposits received	3.72	2.75	1.74
Others	17.43	11.13	13.79
	83.87	**130.96**	**186.42**

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

18. Other current liabilities

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advances from customers	4.78	3.36	4.45
Excise duty payable on closing stock	-	57.85	58.92
Statutory dues	8.97	6.66	2.83
Government grant (Refer note no. 40 for movement during the year)	6.35	6.52	5.84
	20.11	**74.39**	**72.04**

19. Provisions (current)

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for employee benefits	4.28	3.78	3.80
	4.28	**3.78**	**3.80**

20. Revenue from operations

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sales of products		
Sugar and allied products	1909.57	1375.18
Power	192.31	185.64
Distillery	126.41	159.52
Others	17.60	18.25
	2245.89	**1738.59**
Sales of services	2.41	1.88
Other operating revenue		
REC Sales	13.19	11.11
Others	9.30	12.52
	2270.79	**1764.10**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

21. Other income

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Dividend income from non current investment	0.42	0.68
Interest Income from bank deposits and others	2.39	1.20
Profit on sale of investments	1.76	1.56
Profit on changes in Fair valuation of investments	6.01	7.16
Profit on sale of fixed assets	0.05	0.36
Gain on foreign exchange fluctuation	0.12	-
Government Grant	6.52	5.96
Miscellaneous receipts	8.00	6.91
	25.27	**23.83**

22. Cost of raw materials consumed

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sugar Cane & Molasses*	1468.74	1094.67
Raw Magnesite	5.13	4.82
Others	15.45	13.39
	1489.32	**1112.88**

* includes cane and other incidental expenses payable as per statue.

23. Changes in inventories of finished goods, work in progress

(₹ in Crores)

	For the year ended March 31, 2018		For the year ended March 31, 2017	
(Refer Note No. 3(j))				
Finished goods				
- Closing stock	694.29		972.50	
- Opening stock	972.50		882.73	
		278.21		(89.77)
Work-in-process				
- Closing stock	13.90		10.73	
- Opening stock	10.73		2.62	
		(3.17)		(8.11)
		275.04		(97.88)
Less:- Excise duty on account of change in stock of finished goods		57.85		1.07
		217.19		**(98.95)**

24. Employee benefits expense

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages, bonus and other payments	91.91	95.92
Contribution to provident fund and other funds	8.42	8.70
Workmen and staff welfare expenses	3.56	3.40
	103.89	**108.02**

25. Finance Costs

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest		
- On term loans, debentures, WCDL & commercial papers	62.38	95.64
- On other borrowings from banks	3.25	2.38
- Others	0.26	1.01
Interest on delay in payment of taxes	-	1.24

25. Finance Costs (Contd.)

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Other borrowing costs	3.61	2.77
	69.50	**103.04**
Less: Interest cost capitalised	0.02	0.55
	69.48	**102.49**

26. Depreciation and amortization expenses

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on tangible assets	52.52	54.50
Amortization of intangible assets	1.18	1.09
	53.70	**55.59**

27. Other Expenses

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Power and Fuel	54.87	53.24
Packing Materials	14.54	11.56
Consumption of Stores and Spares Parts	15.76	13.48
Repairs and Maintenance :		
- Plant & Machinery	34.29	27.51
- Buildings	2.67	2.27
- Others	1.24	1.47
Rent	0.57	0.46
Rates and Taxes	2.66	2.07
Insurance	1.05	0.76
Travelling	1.37	1.54
Advertisement and Publicity	0.22	0.13
Freight and Forwarding Charges	7.86	5.59
Management Service Charges	21.35	15.13
Selling Expenses	0.36	1.96
Commission paid to Other Selling Agents	2.19	1.58
Rebates, Discount and Allowances	0.65	0.32
Director's Sitting Fees	0.22	0.25
Charity and Donation	0.17	0.35
Assets written off / Loss on sale of Fixed Assets	0.07	15.95
Bad Debts written Off	0.02	0.00
Provision for Doubtful Debts	1.35	0.05
Provision for diminution in value of Inventory	-	0.02
CSR Expenses	1.98	0.45
Miscellaneous Expenses	30.42	31.93
	195.88	**188.07**
Less: Expenses Capitalised	0.09	1.85
	195.79	**186.22**

28. Tax expense

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) The major components of income tax expense for the financial year 2017-18 & 2016-17 are as follows:-		
Statement of profit and loss:		
Current income tax	31.84	50.85
Deferred tax on timming differences	11.72	37.65
Mat credit entitlement	(29.68)	(31.18)
Total	**13.88**	**57.32**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

28. Tax expense (Contd.)

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Other comprehensive income:		
Re-measurement (gains)/losses on defined benefit plans	(1.19)	(0.71)
Income tax relating to items recognised in OCI during the year	(1.19)	(0.71)
(ii) Reconciliation of deffered tax and accounting profit multiplied by India's domestic tax rate for the year:-		
Accounting profits before tax	**136.18**	**243.58**
Applicable tax rate	34.608%	34.608%
Computed tax expense	**47.13**	**84.30**
Impact of difference in tax rate	2.23	-
Tax impact on additions of permanent nature	0.84	0.81
Impact of 80IA deduction for tax holiday period	(31.87)	(13.49)
Differential tax on REC income chargeable at lower/nil rates	(3.05)	(3.85)
Others	(1.40)	(10.45)
	13.88	**57.32**

29. Other Comprehensive Income

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Items that will not be reclassified to profit/(loss)	139.12	112.92
Income tax relating to items that will not be reclassified to profit/(loss)	1.19	0.71
	140.31	**113.63**

30. Earning Per Share

(₹ in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Net profit/(loss) attributable to equity shareholders (₹ In crores)	122.30	186.26
Number of equity shares outstanding during the year (weighted average)	80939303	80939303
Face value of equity shares (₹ per share)	2.00	2.00
Earning per share (Amount in ₹)		
Basic	15.11	23.01
Diluted	15.11	23.01

31. The Group Comprises of the following entities:

The subsidaries,associates and joint ventures considered in the Consolidated Financial Statements are:

Name of the Company	Country of incorporation	Percentage of Ownership held as at March 31, 2018	Percentage of Ownership held as at March 31, 2017	Percentage of Ownership held as at April 01, 2016
Subsidiary companies:-				
Himshikhar Investment Limited(HIL)	India	100%	100%	100%
Dalmia Solar Power Limited (DSPL)	India	100%	100%	100%
Dalmia Sugar Ventures Limited (DSVL)	India	100%	100%	100%

32. Contingent Liabilities (not provided for) in respect of:

(₹ in Crores)

S.N.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a)	Claims against the company not acknowledged as debts*	80.69	0.70	0.59
b)	Demand raised by income tax authorities under dispute	-	8.29	7.91
c)	Demand raised by custom, excise, entry tax, service tax and sales tax authorities under dispute	5.61	57.93	79.43
d)	Other money for which the Company is contingently liable	-	0.15	0.15
e)	Guarantee issued by the Company's banker on behalf of the company	49.91	39.99	20.48

* Includes demand of ₹ 79.88 cr raised by Dist. Collector Salem in respect of mines, against which the company has filed a writ petition and the Hon'ble High Court has stayed the recovery of demand and the writ is pending for final disposal.

32. Contingent Liabilities (not provided for) in respect of: (Contd.)

i) The Company assesses it's obligation arising in the normal course of business including pending litigations, proceedings with tax authorities and other contracts including derivative & long-term contracts. A provision for material foreseeable losses is recognised in accordance with the applicable accounting standards. Disclosure of contingent liabilities is made as applicable.

ii) Based on favourable decisions in similar cases, discussions with the solicitors etc, the company believes that there is a fair chance of favourable decisions in respect of the items listed above and hence no provision is considered necessary against the same.

33. Capital and other commitments:

(₹ in Crores)

S.N.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	10.58	31.26	1.84
b)	Other Commitments	-	-	-

34. Remuneration paid to Auditors (included in Miscellaneous Expenses):

(₹ in Crores)

S.N.	Particulars	2017-18	2016-17
a)	Statutory Auditor		
i	Audit Fee	0.11	0.11
ii	For tax audit and other services	0.04	0.05
iii	For reimbursement of expenses	0.07	0.06

35. Details of Dues to Micro and Small Enterprises as per MSMED Act, 2006 to the extent of information available with the Company:

(₹ in Crores)

S.N.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a)	Principal amount and Interest due thereon remaining unpaid to any supplier as at end of each accounting year	0.23	0.03	0.39
b)	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	-	-
c)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-	-
d)	The amount of interest accrued and remaining unpaid	-	-	-
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-	-
	Total	**0.23**	**0.03**	**0.39**

36. Details of Opening and Closing Inventory of Finished Goods:

(₹ in Crores)

S.N.	Class of Product	2017-18	2016-17	2015-16
a)	**Opening stock**			
	Refractory products	11.67	12.53	13.48
	Sugar	896.77	797.78	596.61
	Multilayer Ceramic Chip Capacitors	0.03	0.01	0.01
	Power-Banked	0.60	0.46	0.47
	Industrial Alcohol	16.47	18.60	2.82
	Others	46.96	53.35	45.21
	Total	**972.50**	**882.73**	**658.60**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

36. Details of Opening and Closing Inventory of Finished Goods: (Contd.)

(₹ in Crores)

S.N.	Class of Product	2017-18	2016-17	2015-16
b)	Closing stock			
	Refractory products	3.24	11.67	12.53
	Sugar	657.18	896.77	797.78
	Multilayer Ceramic Chip Capacitors	0.02	0.03	0.01
	Power-Banked	0.58	0.60	0.46
	Industrial Alcohol	14.03	16.47	18.60
	Others	19.24	46.96	53.35
	Total	694.29	972.50	882.73

37. Disclosure as required by Ind AS 108, Operating Segments:

(i) Identification of Segments

The chief operational decision maker monitors the operating results of its business segments seperately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the nature of products and services and have been identified as per the quantitative criteria specified in the Ind AS.

(ii) Operating segments identified as follows

a) The "Own Manufactured Sugar Segment" includes manufacture and marketing of Sugar.

b) The "Power Segment" includes generation and sale of Power. Power is also used for captive consumption by the Company.

c) The "Distillery Segment" includes Production and sale of Ethanol and ENA.

d) The 'Others' segment' includes Magnesite, Travel, and Electronics activities of the Company.

The company caters mainly to the needs of the domestic market. The export turnover is not significant in the context of total turnover. As such there are no reportable Geographical Segments. There is no major reliance on a few customers or suppliers.

(iii) Segment revenue and results

The expense or incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income)

(iv) Segment assets and liabilities

Segment assets include all operating assets used by the operating segments and mainly consists of property plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any other segments are shown as part of unallocable assets/liabilities.

(v) Segment revenue and segment profit

(₹ in Crores)

Particulars	Sugar	Power	Distillery	Other	Total
Revenue					
Gross Revenue	2,054.57	362.60	127.32	29.31	2,573.80
	(1,557.21)	(325.28)	(163.63)	(17.30)	(2,063.42)
Inter Segment sale	145.00	157.10	0.91	-	303.01
	(169.53)	(128.50)	(1.29)	-	(299.32)
Total Revenue from operation*	1,909.57	205.50	126.41	29.31	2,270.79
	(1,387.68)	(196.78)	(162.34)	(17.30)	(1,764.10)
Other Income					25.27
					(23.83)
Total Revenue					2,296.06
					(1,787.93)
Results	13.69	150.98	34.67	6.32	205.66
	(182.90)	(130.14)	(29.07)	(3.96)	(346.07)
Finance Cost					69.48
					(102.49)
Profit Before Tax					136.18
					(243.58)
Tax Expense					13.88
					(57.32)
Profit After Tax					122.30
					(186.26)

* Includes other operating Income.

(vi) Segment Assets & Liabilities

(₹ in Crores)

Particulars	Sugar	Power	Distillery	Other	Total
Segment Assets					
As at March 31, 2018	1,381.63	356.30	111.23	418.86	2,268.02
As at March 31, 2017	(1,678.64)	(375.18)	(102.61)	(413.30)	(2,569.73)
As at April 1, 2016	(1,470.54)	(402.88)	(132.69)	(411.72)	(2,417.83)
Unallocable Asset					
As at March 31, 2018					644.86
As at March 31, 2017					(365.23)
As at April 1, 2016					(178.37)
Total Asset					
As at March 31, 2018					2,912.88
As at March 31, 2017					(2,934.96)
As at April 1, 2016					(2,596.20)
Segment Liability					
As at March 31, 2018	833.69	7.49	6.71	4.80	852.69
As at March 31, 2017	(1,015.38)	(2.82)	(4.04)	(6.04)	(1,028.28)
As at April 1, 2016	(731.32)	(6.98)	(5.32)	(6.08)	(749.70)
Unallocable Liability					
As at March 31, 2018					555.63
As at March 31, 2017					(645.24)
As at April 1, 2016					(884.95)
Total Liability					
As at March 31, 2018					1,408.32
As at March 31, 2017					(1,673.52)
As at April 1, 2016					(1,634.65)

(vii) Other Information

(₹ in Crores)

Particulars	Sugar	Power	Distillery	Other	Total
Depreciation / Amortisation	28.89	19.91	3.99	0.91	53.70
	(25.19)	(25.50)	(3.68)	(1.22)	(55.59)
Capital expenditure	61.30	5.46	0.32	0.88	67.96
	(84.75)	(7.37)	(0.04)	(0.01)	(92.17)

Notes:-

a) The accounting policies of the reportable segments are the same as the Company's accounting policies described in note no. 2 & 3.

b) All assets are allocated to reportable segments other than investments, loans, certain financial assets and current and deferred tax assets. Segment assets include all assets directly attributable to the segments and portion of the enterprise assets that can be allocated on a reasonable basis to the segments.

c) All liabilities are allocated to reportable segments other than borrowings, certain financial liabilities, current and deferred tax liabilities. Segment liabilities include all liabilities directly attributable to the segments and portion of the enterprise liabilities that can be allocated on a reasonable basis to the segments.

38. Employee Benefits - Gratuity & Post employment benefits :

Gratuity

Gratuity is computed as 15 days salary, for every recognized retirement / termination / resignation. The Gratuity plan for the company is a defined benefit scheme where annual contributions as per actuarial valuation are charged to the Statement of profit and loss.

For summarizing the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans, the details are as under

A. Statement of profit and loss

Net employee benefit expense

(₹ in Crores)

Particulars	2017-18	2016-17
	Gratuity (Funded)	Gratuity (Funded)
Current Service cost	2.18	1.74
Net Interest cost	0.45	0.20
Expenses Recognized in the statement of Profit & Loss	2.63	1.94

Notes to Consolidated Financial Statements for the year ended March 31, 2018

38. Employee Benefits - Gratuity & Post employment benefits (Contd.)

B. Balance Sheet

(i) Details of Plan assets/ (liabilities) for gratuity

(₹ in Crores)

Particulars	2017-18 Gratuity (Funded)	2016-17 Gratuity (Funded)
Defined benefit obligation	29.43	23.02
Fair value of plan assets	17.66	16.98
Net Asset/(Liability) recognized in the Balance Sheet	(11.77)	(6.04)

(ii) Changes in the present value of the defined benefit obligation are as follows:

(₹ in Crores)

Particulars	2017-18 Gratuity (Funded)	2016-17 Gratuity (Funded)
Opening defined benefit obligation	23.02	19.20
Interest cost	1.73	1.49
Current service cost	2.18	1.74
Benefit paid	(0.95)	(1.46)
Actuarial (gains)/losses on obligation	3.45	2.05
Closing defined benefit obligation	29.43	23.02

(iii) Changes in the fair value of plan assets (gratuity) are as follows:

(₹ in Crores)

Particulars	2017-18	2016-17
Opening fair value of plan assets	16.98	16.56
Actual return on Plan Assets	1.28	1.28
Contribution during the year	0.35	0.60
Benefit paid	(0.95)	(1.46)
Closing fair value of plan assets	17.66	16.98

iv) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

(₹ in Crores)

Particulars	2017-18 %	2016-17 %
Discount rate (%)	7.90%	7.50%
Expected salary increase (%)	7.00%	7.00%
Demographic Assumptions	Indian Assured Lives Mortality	Indian Assured Lives Mortality
	(2006-08)	(2006-08)
Retirement Age (year)	58 Years	58 Years

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by Actuary.

v) Contribution to defined contribution plans:

(₹ in Crores)

Particulars	2017-18	2016-17
Pension Fund/Superannuation funds/ESI/EPF	4.47	4.94

vi) Sensitivity analysis of the defined benefit obligation:

(₹ in Crores)

Assumption	Discount rate			
Sensitivity Level	1% Decrease		1% Increase	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Impact on defined benefit obligation	31.59	24.90	27.52	21.38
Impact on defined benefit obligation (change in %)	7.3%	8.2%	-6.5%	-7.1%

38. Employee Benefits - Gratuity & Post employment benefits (Contd.)

(₹ in Crores)

Assumption	Future salary increases			
Sensitivity Level	1% Decrease		1% Increase	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Impact on defined benefit obligation	27.48	21.36	31.59	24.89
Impact on defined benefit obligation (change in %)	-6.60%	-7.20%	7.30%	8.10%

Sensitivities due to mortality & withdrawals are insignificant & hence ignored.

39. Related party transaction:

a) List of related parties

i. Subsidiaries of the Company

Himshikhar Investment Limited, Dalmia Solar Power Limited and Dalmia Sugar Ventures Limited.

ii. Key Management Personnel of the Company

Shri Jai Hari Dalmia– Vice-Chairman, Shri Gautam Dalmia - Managing Director, Shri K V Mohan- Company Secretary (Till 26th Sept 2016), Isha Kalra-Company Secretary (W.e.f 27th Oct 2016) & Shri Anil Kataria- Chief Financial Officer.

iii. Enterprises having Shareholder/ Key Managerial Personnel in common with the Company (including its subsidiaries)

Dalmia Bharat Limited, Dalmia Cement (Bharat) Limited, Dalmia Refractories Limited, Adhunik Cement Limited, Calcom Cement India Limited, DCB Power Ventures Limited, OCL India Limited, Dalmia Cement East Limited, Dalmia Bharat Foundation & Dalmia Institute of Scientific & Industrial Research.

b) The following transactions were carried out with related parties in the ordinary course of business:

(₹ in Crores)

Nature of transaction	Key management personnel	Key management personnel controlled enterprise	Total
A. Sale of goods and services			
a) Dalmia Cement (Bharat) Limited	-	4.38	4.38
	-	(3.62)	(3.62)
b) OCL India Limited	-	0.31	0.31
	-	(0.78)	(0.78)
c) Dalmia Bharat Limited	-	2.44	2.44
	-	(1.96)	(1.96)
d) Adhunik Cement Limited	-	0.28	0.28
	-	(0.44)	(0.44)
e) Dalmia Refractories Limited	-	0.53	0.53
	-	(0.28)	(0.28)
f) Calcom Cement India Limited	-	0.04	0.04
	-	(0.32)	(0.32)
g) Dalmia Cement East Limited	-	0.21	0.21
	-	(0.21)	(0.21)
h) Dalmia Institute of Scientific & Industrial Research	-	0.01	0.01
	-	-	-
B. Reimbursement of expenses – receivable			
a) Dalmia Bharat Limited	-	0.08	0.08
	-	(0.14)	(0.14)
C. Reimbursement of expenses – payable			
a) Dalmia Bharat Limited	-	0.08	0.08
	-	(0.31)	(0.31)
b) Dalmia Cement (Bharat) Limited	-	-	-
	-	(0.08)	(0.08)
c) Dalmia Institute of Scientific & Industrial Research	-	0.12	0.12
	-	-	-
d) Dalmia Bharat Foundation	-	1.40	1.40
(For CSR Expenditure)	-	(0.45)	(0.45)

Notes to Consolidated Financial Statements for the year ended March 31, 2018

39. Related party transaction: (Contd.)

b) The following transactions were carried out with related parties in the ordinary course of business:

(₹ in Crores)

Nature of transaction	Key management personnel	Key management personnel controlled enterprise	Total
D. Purchase of goods and services			
a) Dalmia Bharat Limited	-	21.31	21.31
	-	(14.79)	(14.79)
b) Dalmia Cement (Bharat) Limited	-	0.49	0.49
	-	(1.47)	(1.47)
c) Dalmia Refractories Limited	-	0.15	0.15
	-	(0.02)	(0.02)
d) Adhunik Cement Limited	-	0.85	0.85
	-	-	-
E. Salary and Perquisites			
a) Shri J.H. Dalmia*	1.80	-	1.80
	(8.56)	-	(8.56)
b) Shri Gautam Dalmia**	4.48	-	4.48
	(9.69)	-	(9.69)
c) Shri Anil Kataria	0.79	-	0.79
	(0.76)	-	(0.76)
d) Smt. Isha Kalra***	0.09	-	0.09
	(0.04)	-	(0.04)
e) Shri. K V Mohan	-	-	-
	(0.87)	-	(0.87)
F. Director Sitting Fees			
a) Shri M.Raghupathy	0.05	-	0.05
	-		-
G. Other Consultancy Charges			
a) Shri M.Raghupathy	0.02	-	0.02
	-	-	-
H. Dividend Received			
a) Dalmia Bharat Limited	-	0.21	0.21
	-	-	-
b) Himshikhar Investment Limited	-	0.14	0.14
	-	-	-
I. Dividend Paid			
a) Dalmia Bharat Limited	-	2.97	2.97
	-	-	-

* Includes director commission approved by the board of directors amounting ₹ 0.70 cr (₹ 8.00 cr).

** Includes director commission approved by the board of directors amounting NIL (₹ 9.00 cr).

*** Last year remuneration is for part of the year.

c) Balances Outstanding at Year End:

(₹ in Crores)

Nature of transaction	Key management personnel	Key management personnel controlled enterprise	Total
A. Amounts payable			
a) Dalmia Bharat Limited	-	1.86	1.86
	-	(0.72)	(0.72)
b) Dalmia Cement (Bharat) Limited	-	0.01	0.01
	-	-	-
c) Dalmia Institute of Scientific & Industrial Research	-	0.03	0.03
	-	-	-

39. Related party transaction: (Contd.)

c) Balances Outstanding at Year End:

(₹ in Crores)

Nature of transaction	Key management personnel	Key management personnel controlled enterprise	Total
B. Amounts Receivable			
a) Dalmia Bharat Limited	-	0.11	0.11
	-	-	-
b) Dalmia Cement (Bharat) Limited	-	0.08	0.08
	-	-	-
c) Dalmia Refractories Limited	-	0.06	0.06
	-	-	-
d) Adhunik Cement Limited	-	0.01	0.01
	-	-	-
e) Dalmia Cement East Limited	-	0.01	0.01
	-	-	-

40. Government Grant:

a) Government grants recognised in the financial statements

The Company is eligible to receive various government grants by way of reimbursement of cane price, production subsidy, society commission and interest subvention on certain term loans. Accordingly, the Company has recognised these government grants in the following manner:-

(₹ in Crores)

Particulars	Treatment in accounts	2017-18	2016-17
Revenue related government grant	Shown as a part of other Operating Income	-	12.52
Production subsidy			
Deffered government grant	Shown under Government Grant under Other Income	6.52	5.96
Deferred income relating to interest on term loans			

b) Movement of deferred government grants is provided here below:

(₹ in Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	**18.24**	**21.13**
Add: Received during the year	-	3.07
Less: Released to the Statement of Profit & Loss	6.52	5.96
Closing balance	**11.72**	**18.24**
Current	6.35	6.52
Non-current	5.37	11.72

41. Leases:

(i) Operating lease arrangements

Office premises are taken on operating lease. There is no escalation clause in the lease agreement.

Payments recognised as expense

(₹ in Crores)

Particulars	2017-18	2016-17
Minimum lease payment	0.57	0.46

42. Disclosures as required by Indian Accounting Standard (Ind AS) 37:- Provisions, Contingent liabilities and Contingent assets:

There are no present obligations requiring provisions in accordance with the guiding principles as enunciated in Ind As 'Provisions, Contingent Liabilities & Contingent Assets.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

43. Pre operative expenditure included in capital work in progress:

The Company had incurred some expenditure related to acquisition/construction of fixed assets and therefore accounted for the same under Capital work in progress. Details of the expenses capitalised and carried forward as capital work in progress are given below:

(₹ in Crores)

Particulars	2017-18	2016-17	2015-16
Carried forward as part of Capital Work in Progress (A)	**0.39**	**-**	**7.55**
Expenditure incurred during the year			
Personnel Expenses			
Salary and Wages			1.46
Operating and Other Expenses	**0.09**	**2.40**	**6.05**
Cost of material including change in Produced goods stock			0.33
Power & Fuel			0.74
Packing			
Stores & Spares			
Repair and Maintenance			0.38
Depreciation and amortisation			
Finance Cost		0.55	1.12
Consultancy Charges	0.03	1.78	0.41
Miscellaneous Expenses	0.06	0.08	3.06
Expenditure incurred during Trial Run			
Total Expenditure incurred during the year (B)	**0.09**	**2.40**	**7.51**
Total Pre-operative Expenditure (A + B)	**0.48**	**2.40**	**15.06**
Less : Revenue during Trial Run			0.55
Less : Capitalised as Fixed Assets	0.42	2.01	14.51
Carried forward as part of Capital Work in Progress	**0.06**	**0.39**	**-**

Susbidiaries

(₹ in Crores)

Particulars	2017-18	2016-17
Carried forward as part of Capital Work in Progress	**0.00**	**0.09**
Expenditure incurrred during the year	0.00	0.00
Other Expenses		
Miscellaneous Expenses	-	-
Grand Total		
Less: Changed in Profit/ Loss Account	0.00	0.09
Carried forward as part of Capital Work in Progress	0.00	0.00

44. The Company has debited direct expenses relating to magnesite division to Cost of Raw Materials Consumed as follows:

(₹ in Crores)

Particulars	For the year ending March 31, 2018	For the year ending March 31, 2017
Cost of raw materials consumed	5.54	6.03
Total	**5.54**	**6.03**

The expenses if reclassified on 'nature of expenses' basis will be as follows :

(₹ in Crores)

Particulars	For the year ending March 31, 2018	For the year ending March 31, 2017
Employee benefits expense	3.82	4.29
Depreciation and amortization expense	0.10	0.10
Other expenses	1.62	1.64
Total	**5.54**	**6.03**

45. Discosure Required by Companies Act 2013:

(a) Particulars of Loans given (under Section 186 (4) of the Companies Act 2013) : NIL

(b) Particulars of Guarantee given: NIL

(c) Particulars of Investments made:

(₹ in Crores)

S.N.	Name of the Loanee	Opening Balance	Investment made	Investment redeemed	Outstanding Balance	Purpose
1	Dalmia Solar Power Limited	9.90	-	-	9.90	Long term Investment

(d) Particulars of Security Deposit : NIL

(e) Expenditure incurred on Corporate Social Responsibilities

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act , 2013 read with schedule III are as below

1) Detail of CSR Expenditure

(₹ in Crores)

Particulars	2017-18	2016-17
a) Gross amount required to be spent by the company during the year	1.89	0.36
b) Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	1.98	0.45
Total	**1.98**	**0.45**

2) Various heads under which CSR Expenditure is incurred

(₹ in Crores)

Description	Relevent Clause of SCH VII of Companies Act 2013	2017-18	2016-17
Expenditure done through Dalmia Bharat Foundation			
Social Development	Clause No. I & X	0.40	0.24
Skill Training & Livelihood	Clause No. II & III	0.26	0.07
Soil, Water & Energy Conservation	Clause No. IV	0.61	0.14
Programme Execution		0.13	
		1.40	**0.45**
Expenditure done directly by the company			
Soil, Water & Energy Conservation	Clause No. IV	0.58	-
Total Expenditure by the Company		**1.98**	**0.45**

46. Transition to Ind As

First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first financial statements, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

This note explains the principal adjustments made by the Company and an explanation on how the transition from the previous GAAP to Ind AS has affected its financial statements, including the Balance Sheet as at April 1, 2016 and the financial statements for the year ended March 31, 2017.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from the previous GAAP to Ind AS:

46. Transition to Ind As (Contd.)

a. Deemed cost

The Company has opted to continue with the carrying value for all of its property, plant and equipment as recognized in the previous GAAP financial statements as their deemed cost at the transition date to IND AS (i.e. April 1, 2016) except land for which the company has elected to use fair value at the date of transition to Ind AS i.e. April 1, 2016 as deemed cost on the date of transition to Ind AS.

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for a class of its property, plant and equipment as recognised in the financial statements as on the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost on the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

b. Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing on the date of transition to Ind AS, except where the effect is expected to be not material.

c. Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances on the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

d De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

e. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

f Impairment of financial assets

As permitted by Ind AS 101, the company has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

g. Government Grant

Ind As 101 requires a first time adopter to recognise the Government grant as per the requirements of Ind AS 109, Financial Instruments, and Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance. Consequentially the comapny has recognised and measured government grant on a government loan at a below-market rate of interest.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

46.1 Reconciliation of equity as previously reported under IGAAP to IND AS as at April 01, 2016

(₹ in Crores)

	As at April 1, 2016 IGAAP	As at April 1, 2016 Adjustment	As at April 1, 2016 As Per IND AS
ASSETS			
A) Non-current assets			
a) Property, plant and equipment	749.16	507.20	1,256.36
b) Capital work - in - progress	6.54	-	6.54
c) Intangible assets	3.30	-	3.30
d) Financial assets			
i) Investments	23.42	70.98	94.40
ii) Loans	27.57	-	27.58
iii) Others	0.87	-	0.86
e) Other non-current assets	1.48	-	1.48
f) Current tax assets (net)	10.34	-	10.34
	822.68	**578.18**	**1,400.86**
B) Current assets			
a) Inventories	915.47	-	915.47
b) Financial Assets			
i) Investments	70.13	3.24	73.37
ii) Trade receivables	106.40	-	106.40
iii) Cash and cash equivalents	45.23	-	45.23
iv) Bank Balances other than (iii) above	1.02	-	1.02
v) Loans	0.23	-	0.23
vi) Others	32.25	-	32.25
c) Other current assets	21.37	-	21.37
	1,192.10	**3.24**	**1,195.34**
Total Assets	**2,014.78**	**581.42**	**2,596.20**
EQUITY & LIABILITIES			
A) Equity			
a) Equity share capital	16.19		16.19
b) Other equity	496.42	448.94	945.36
	512.61	**448.94**	**961.55**
B) Liabilities			
Non- current liabilities			
a) Financial liabilities			
i) Borrowings	571.00	(13.05)	557.95
ii) Others	4.59	-	4.59
b) Provisions	5.93	-	5.93
c) Deferred tax liabilities (Net)	5.05	133.09	138.14
d) Other non current liabilities	-	15.29	15.29
	586.57	**135.33**	**721.90**
Current liabilities			
a) Financial liabilities			
i) Borrowings	390.65	-	390.65
ii) Trade payables	259.84	-	259.84
iii) Other financial liabilities	195.11	(8.69)	186.42
b) Other current liabilities	66.20	5.84	72.04
c) Provisions	3.80	-	3.80
	915.60	**(2.85)**	**912.75**
Total equity & liabilities	**2,014.78**	**581.42**	**2,596.20**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

46.2 Reconciliation of equity as previously reported under IGAAP to IND AS as at March 31, 2017

(₹ in Crores)

	As at March 31, 2017 IGAAP	As at March 31, 2017 Adjustment	As at March 31, 2017 As Per IND AS
ASSETS			
A) Non-current assets			
a) Property, plant and equipment	769.72	507.20	1,276.93
b) Capital work - in - progress	2.44	-	2.44
c) Intangible assets	2.90	-	2.90
d) Financial assets			
i) Investments	23.43	184.44	207.87
ii) Loans	27.47	-	27.47
iii) Others	1.57	-	1.57
e) Other non-current assets	8.22	-	8.22
f) Current tax assets (net)	5.49	-	5.49
	841.25	**691.64**	**1,532.89**
B) Current assets			
a) Inventories	1,020.68	-	1,020.68
b) Financial Assets			
i) Investments	146.45	11.62	158.07
ii) Trade receivables	110.52	-	110.52
iii) Cash and cash equivalents	58.34	-	58.34
iv) Bank Balances other than (iii) above	0.40	-	0.40
v) Loans	0.90	-	0.90
vi) Others	28.52	-	28.52
c) Other current assets	24.64	-	24.64
	1,390.45	**11.62**	**1,402.07**
Total Assets	**2,231.70**	**703.26**	**2,934.96**
EQUITY & LIABILITIES			
A) Equity			
a) Equity share capital	16.19	-	16.19
b) Other equity	678.59	566.66	1,245.25
	694.78	**566.66**	**1,261.44**
B) Liabilities			
Non- current liabilities			
a) Financial liabilities			
i) Borrowings	404.93	(8.88)	396.05
ii) Others	3.93	-	3.93
b) Provisions	10.05	-	10.05
c) Deferred tax liabilities (Net)	8.90	134.99	143.89
d) Other non current liabilities	-	11.72	11.72
	427.81	**137.83**	**565.64**
Current liabilities			
a) Financial liabilities			
i) Borrowings	725.34	-	725.34
ii) Trade payables	173.41	-	173.41
iii) Other financial liabilities	138.71	(7.75)	130.96
b) Other current liabilities	67.87	6.52	74.39
c) Provisions	3.78	-	3.78
	1,109.11	**(1.23)**	**1,107.88**
Total equity & liabilities	**2,231.70**	**703.26**	**2,934.96**

46. Transition to Ind As (Contd.)

46.3 Reconciliation of statement of profit and loss for the year ended March 31, 2017

(₹ in Crores)

	For the year ended March 31, 2017 IGAAP	For the year ended March 31, 2017 Adjustment	For the year ended March 31, 2017 As Per IND AS
Income			
Revenue from operations	1,764.10	-	1,764.10
Other income	10.99	12.84	23.83
Total	**1,775.10**	**12.84**	**1,787.93**
Expenses			
Cost of raw materials consumed	1,112.88	-	1,112.88
Excise duty on sales	78.10	-	78.10
Change in inventories of finished goods, work in progress and traded goods.	(97.88)	(1.07)	(98.95)
Employee benefit expense	110.58	(2.57)	108.02
Finance costs	93.78	8.70	102.49
Depreciation and amortization expense	55.59	-	55.59
Other expenses	185.14	1.07	186.22
Total	**1,538.19**	**6.13**	**1,544.35**
Profit before tax	236.91	6.71	243.58
Tax expense:			
Current tax	50.85	-	50.85
Deferred tax	3.88	2.59	6.47
Total of tax expense	**54.73**	**2.59**	**57.32**
Net profit after tax	**182.18**	**4.12**	**186.26**
Other comprehensive income			
i) Items that will not be classified to profit & Loss	-	112.92	112.92
ii) Income tax relating to items that will not be reclassified to profit or loss	-	0.71	0.71
Total other comprehensive income	**-**	**113.63**	**113.63**
Total comprehensive income	**182.18**	**117.75**	**299.89**

Profit reconciliation for the year ended March 31, 2017.

	(₹ in Crores)
Profit As per IGAAP	**182.18**
Fair Value measurement of Debt based financial investments (FVTPL)	6.84
Amortization of Government grant	5.96
Actuarial losses transfered to Other comprehensive Income	2.06
Upfront charges derecognised as per IND AS during the FY 2016-17	0.67
Notional interest charged off to P&L account on account of derecognition of loans	(8.86)
Tax Impact of above items	(2.59)
Profit As Per IND AS	**186.26**

Footnotes to the reconciliation of equity as at April 1, 2016 and March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017 :

Equity

Equity as at the transition date has been adjusted consequent to the above Ind AS transitional adjustments.

Detailed reconciliation of Equity as per I GAAP & Equity as per IND AS is as per the below table.

Equity Reconciliation

(₹ in Crores)

	As at April 1, 2016	As at March 31, 2017
As Per IGAAP	**496.42**	**678.59**
Upfront charges derecognised as per IND AS as on transition date.	0.61	0.61
Upfront charges derecognised as per IND AS during the FY 2016-17	-	0.67
Notional interest charged off to P&L account on account of derecognition of loans	-	(8.85)
Government Grant amortised	-	5.96

Notes to Consolidated Financial Statements for the year ended March 31, 2018

46. Transition to Ind As (Contd.)

Equity Reconcilation

(₹ in Crores)

	As at April 1, 2016	As at March 31, 2017
Fair valuation of Non Current Investment in Equity instrument (FVTOCI)	67.51	180.24
Fair valuation of Non Current Investment in Debt based instrument (FVTPL)	3.45	4.20
Fair valuation of Current Investment in Equity instrument (FVTOCI)	-	2.25
Fair valuation of Current Investment in Debt based instrument (FVTPL)	3.24	9.37
Fair Valuation of Land on transition	507.20	507.20
Tax impact on above items.	(115.97)	(117.89)
Tax impact on 80 IA deduction during tax holiday period	(17.10)	(17.10)
As Per IND AS	**945.36**	**1,245.25**

Property, plant and equipment & Intangible Assets

The Company has opted to continue with the carrying value for all of its property, plant and equipment as recognized in the previous GAAP financial statements as their deemed cost at the transition date to IND AS (i.e. April 1, 2016) except land for which the company has elected to use fair value at the date of transition to Ind AS i.e. April 1, 2016 as deemed cost on the date of transition to Ind AS.

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for a class of its property, plant and equipment as recognised in the financial statements as on the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost on the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Property Plant & Equipment reconciliation

(₹ in Crores)

	As at April 1, 2016	As at March 31, 2017
As Per IGAAP	**749.16**	**769.72**
Fair valuation of Land on transition	507.20	507.20
As Per IND AS	**1,256.36**	**1,276.93**

Borrowings

Ind AS requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under the previous GAAP, transaction costs incurred in connection with borrowings were accounted upfront and charged to Statement of Profit and Loss for the period in which such transaction costs was incurred.

Also IND AS requires the loans to be recognised basis EIR method and therefore subsidized & interest free loans have been derecognised to that extent.

Detailed accounting treatment of the above two adjustment has been shown in the table below.

Borrowing reversal reconciliation

(created due to upfront fees derecognition & subsidized or interest free loans)

(₹ in Crores)

	As at April 1, 2016	As at March 31, 2017
Upfront charges derecognised as per IND AS as on transition date.	**(0.61)**	**(0.61)**
Reduction in loan due to government grant recognised on subsidized or interest free loan as on the date of transition	(21.13)	(21.13)
Upfront charges derecognised as per IND AS during the FY 2016-17	-	(0.67)
Reduction in loan due to government grant recognised on subsidized or interest free loan as on the date of transition	-	(3.07)
Notional interest charged off to P&L account on account of derecognition of loans	-	8.85
Total closing balance	**(21.74)**	**(16.63)**
Treatment in books of account		
Reduced from Long Term Loan	(13.05)	(8.88)
Reduced from current maturities of long term debts	(8.69)	(7.75)
Total closing balance	**(21.74)**	**(16.63)**

46. Transition to Ind As (Contd.)

Government Grant

Ind As 101 requires a first time adopter to recognise the Government grant as per the requirements of Ind AS 109, Financial Instruments, and Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance. Consequentially the comapny has recognised and measured government grant on a government loan at a below-market rate of interest. Detailed reconciliation alongwith the accounting treatment is shown in the table below.

Government grant reconciliation
(created on account of subsidized or interest free loans)

(₹ in Crores)

	As at April 1, 2016	As at March 31, 2017
Government grant recognised on subsidized or interest free loan as on the date of transition	21.13	21.13
Government grant recognised on subsidized or interest free loan during the FY 2016-17		3.07
Government grant amortised during the FY 2016-17		(5.96)
Total closing balance	**21.13**	**18.24**
Treatment in books of account		
Shown under the head other non current liabilities	15.29	11.72
Shown under the head other current liabilities	5.84	6.52
Total closing balance	**21.13**	**18.24**

Investments

Under Indian GAAP, the company accounted for long term investments in quoted or unquoted equity shares and perpetual bonds as investment measured at cost less provision for other than temporary diminution in the value of investments.

Under Ind AS, the compay has designated such investments in quoted equity shares as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value with changes in fair value recognised in other comprehensive income. At the date of transition to Ind AS, difference between the instruments' fair value and Indian GAAP carrying amount has been recognised in other comprehensive income, net of related deferred taxes.

For the investments in perpetual Bonds, the compay has designated such investments in bonds at amortised costs using effective interest rate method with difference in carrying value and amortised cost at the date of transition to be recognised in retained earnings.

Further, in case of a subsidiary, the Company has the option to account for investment in shares either at cost/deemed cost or FVTOCI or FVTPL as at the transition date.

As per the aforesaid alternatives, the Company has designated investment in the subsidiary at deemed cost i.e. the previous GAAP carrying amount as at the date of transition

Under Indian GAAP, the company accounted for current investments in debt based mutual funds as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the company has designated such investments as FVTPL investments. Ind AS requires FVTPL to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and carrying value as at the date of transition has been recognised in retained earnings, net of related deferred taxes.

Detailed reconciliation of investment as per IGAAP & as per IND AS is given in the table below.

Non current investment reconciliation

(₹ in Crores)

	As at April 1, 2016	As at March 31, 2017
As Per IGAAP	23.42	23.43
Fair valuation of Non Current Investment in Equity instrument (FVTOCI)	67.52	180.24
Fair valuation of Non Current Investment in Debt based instrument (FVTPL)	3.46	4.21
As Per IND AS	**94.40**	**207.87**

Current investment reconciliation

(₹ in Crores)

	As at April 1, 2016	As at March 31, 2017
As Per IGAAP	70.13	146.45
Fair valuation of Current Investment in Equity instrument (FVTOCI)	-	2.25
Fair valuation of Current Investment in Debt based instrument (FVTPL)	3.24	9.37
As Per IND AS	**73.37**	**158.07**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

46. Transition to Ind As (Contd.)

Defined benefit obligation

Both under Indian GAAP and Ind AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit cost is increased by ₹ 0.25 Cr and re-measurement gain on defined benefit plans has been recognized in the OCI, net of tax as at the transition date and reduced by ₹ 2.06 Cr on account to re-measurement loss for the FY 2016-17 and remeasurement loss on defined benefit plan has been recognized in the OCI, net of tax as at March 31, 2017.

Under Ind AS, an entity is permitted to transfer amounts recognized in Other Comprehensive Income within equity. The Company has taken recourse of the said povision and has transferred as at the date of transition to Ind AS, all re-measurement costs relating to prior period to the transition date to Retained earnings.

Deferred tax Liability (net)

Previous GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the year. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which were not required under the previous GAAP. Moreover, carryforward of unused MAT tax credits are to be treated as deferred tax assets which was earlier considered as Other non-current non-financial assets.

In addition, the various transitional adjustments lead to temporary differences and consequently deferred tax adjustments have been recognized in correlation to the underlying transaction in retained earnings. The impact on deferred tax liabilities is shown in the table below.

Deferred Tax Liability reconciliation (₹ in Crores)

	As at April 1, 2016	As at March 31, 2017
As Per IGAAP	5.05	8.90
Tax impact on Fair valuation of Land	114.75	114.58
Tax impact on other IND AS adjustments	1.25	3.31
Tax impact on 80 IA deduction during tax holiday period	17.09	17.10
As Per IND AS	**138.14**	**143.89**

Revenue

Under the previous GAAP, revenue from sale of goods was presented as net of excise duty on sales. However, under Ind AS, revenue from sale of goods includes excise duty and such excise duty is separately presented as an expense on the face of the Statement of Profit and Loss. Thus, under Ind AS, sale of goods for the year ended March 31, 2017 has increased by ₹ 78.10 Cr.

Financial Assets & Liabilities

Under Indian GAAP, there was no such concept of financial assets or liabilities. Under Ind AS, financial assets and financial liabilities has been classified as per Ind AS 109 read with Ind AS 32. Figures of the Previous Year have been regrouped as per Ind AS, wherever necessary.

Other comprehensive income

Under the previous GAAP, the Company did not present total comprehensive income and other comprehensive income. Hence, it has reconciled the previous GAAP profit to profit as per Ind AS. Further, the previous GAAP profit is reconciled to other comprehensive income and total comprehensive income as per Ind AS.

47. Financial Risk Management

Financial risk management objectives and policies:

Sugar industry being an industry which is cyclical in nature, the company's operational activities are exposed to various financial & operational risks, such as economical & political risk, market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks and devise approrpiate risk management framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives.

47. Financial Risk Management (Contd.)

A. Market Risk:-

Major market risk which the company has is the selling prices of it's mainstream product i.e. sugar. Market demand supply plays a very much dominating role with strong outcomes in both the situations i.e. over production & under production.

Sugar industry being cyclical in nature, the company is exposed to sugar market price risk in respect of the inventories held at the year-end as any decline in prices below the carrying cost inflicts losses to the Company. However, the Company has mitigated this risk by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products.

B. Credit Risk:-

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. The Company is exposed to credit risks from its operating activities, primarily trade receivables. Since there is a blend of instituitional & non instituitional buyers with the company and also considering the fact that major sales gets effected after receipt of advance from the customers, the credit risks in respect of trade receivables is minimized.

Table hereunder provides the data with regard to trade receivables and it's ageing.

(₹ in Crores)

Trade receivables	More than 6 Months	Less than 6 Months	Total
As at March 31, 2018	2.45	73.58	76.03
As at March 31, 2017	0.69	109.83	110.52
As at April 01, 2016	1.49	104.91	106.40

C. Liquidity risk:

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities, short term loans and commercial papers and to reduce debts to be able to meet the cyclicalities of the sugar business. Apart from cyclical sugar business, the Company has alternate revenue streams in the form of cogeneration and distillery, which, to a large extent, offset the impact of sugar cyclicalities.

Table hereunder provides the current ratios of the Company as at the year end

(₹ in Crores)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total current assets	1,268.76	1,402.07	1,195.34
Total current liabilities	882.05	1,107.88	912.75
Current ratio	1.44	1.27	1.31

In view of seasonal nature of sugar business, which is a dominant business of the Company, there is a peak build-up of sugar inventories at the year end, resulting in peak working capital requirement. With the liquidation of such inventories over the year, the working capital requirement is gradually reduced. Thus, the current ratio computed at the year end is not a reflection of average and realistic ratio for the year.

The table below summarises the maturity profile of the Company's financial liabilities :

(₹ in Crores)

	Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
I	As at March 31, 2018				
(i)	Borrowings*	345.17	179.22	196.50	720.89
(ii)	Other Financial Liability #	87.54			87.54
(iii)	Trade and other payble	428.62			428.62
II	As at March 31, 2017				
(i)	Borrowings*	725.34	207.75	188.30	1,121.39
(ii)	Other Financial Liability #	134.89			134.89
(iii)	Trade and other payble	173.41			173.41
III	As at April 1, 2016				
(i)	Borrowings*	390.65	446.59	111.36	948.60
(ii)	Other Financial Liability #	191.01			191.01
(iii)	Trade and other payble	259.84			259.84

* Includes short term borrowings & Long term borrowings payable after 1 year.

includes current maturities of long term debts.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

47. Financial Risk Management (Contd.)

D. Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regard to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Table hereunder provides the sensitivity of interest rate changes:-

(₹ in Crores)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total long term borrowing on fluctuation rates	375.49	408.26	599.35
Increase in profit before tax with each 1% reduction in interest rates	3.75	4.08	5.99
Decrease in profit before tax with each 1% increase in interest rates	(3.75)	(4.08)	(5.99)

48. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian accounting standard.

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Crores)

Sl. No.	Particulars	Fair value hierarchy	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	**Financial assets designated at fair value through profit and loss**							
(i)	In Debt based mutual funds	Level 1	151.37	151.37	87.55	87.55	82.33	82.33
2	**Financial assets designated at fair value through other comprehensive income**							
(i)	Investment In Listed Equity shares	Level 1	466.88	466.88	271.02	271.02	78.08	78.08
3	**Financial assets designated at amortised cost**							
(i)	Investment in Bonds	Carried at amortised cost.	7.37	7.37	7.37	7.37	7.37	7.37
(ii)	Other Bank Balances	Level 2	0.58	0.58	0.40	0.40	1.02	1.02
(iii)	Cash & Cash Equivalents	Level 2	58.98	58.98	58.34	58.34	45.23	45.23
(iv)	Trade receivables	Carried at amortised cost.	76.03	76.03	110.52	110.52	106.40	106.40
(v)	Loans and other receivable (Non- Current)		30.10	30.10	29.04	29.04	28.44	28.44
(vi)	Loans and other receivable (Current)		28.19	28.19	29.42	29.42	32.48	32.48

(₹ in Crores)

S.N.	Particulars	Fair value hierarchy	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	**Financial liability designated at amortised cost**							
	Borrowings - Non Current	Carried at amortised cost.	375.72	375.72	396.05	396.05	557.95	557.95
	Other financial liability - Non Current		3.67	3.67	3.93	3.93	4.59	4.59
	Borrowings - Current		345.17	345.17	725.34	725.34	390.65	390.65
	Other financial liability - Current		83.87	83.87	130.96	130.96	186.42	186.42
	Trade payables		428.62	428.62	173.41	173.41	259.84	259.84
	Total		**1,237.05**	**1,237.05**	**1,429.69**	**1,429.69**	**1,399.45**	**1,399.45**

48. (Contd.)

A - Company has fair valued its debt based mutual fund investment through profit & loss.

B - Company has opted to fair value its quoted investments in equity share through OCI.

C - As per Para D-15 of Appendix D of Ind AS 101, the first time adopter may chose to measure its investment in subsidiaries, JVs and Associates at cost or at fair value. Company has opted to value its investments in subsidiaries, JVs and Associates at cost.

D - Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

49. Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:

(₹ in Crores)

Particulars	As on the balance sheet date	
	Net assets,i.e.,total assets minus total liabilities	
	As % of consolidated net assets	₹ In Crore
Himshikhar Investment Limited (HIL)		
As on March 31, 2018	**4.00**	**60.23**
As on March 31, 2017	1.31	16.55
As on April 1, 2016	1.25	12.05
Dalmia Solar Power Limited (DSPL)		
As on March 31, 2018	**-**	**0.02**
As on March 31, 2017	-0.04	-0.56
As on April 1, 2016	-0.02	-0.17
Dalmia Sugar Ventures Limited (DSVL)		
As on March 31, 2018	**-**	**-**
As on March 31, 2017	-	-0.01
As on April 1, 2016	-	-0.01

(₹ in Crores)

Particulars	As on the balance sheet date	
	Share in profit or loss	
	As % of consolidated net assets	₹ In Crore
Himshikhar Investment Limited (HIL)		
FY 2017-18	**-10.07**	**-12.34**
FY 2016-17	-0.06	-0.12
Dalmia Solar Power Limited (DSPL)		
FY 2017-18	**0.43**	**0.53**
FY 2016-17	-0.21	-0.39
Dalmia Sugar Ventures Limited (DSVL)		
FY 2017-18	**0.02**	**0.02**
FY 2016-17	0.00	0.00

Notes to Consolidated Financial Statements for the year ended March 31, 2018

49. Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013: (Contd.)

(₹ in Crores)

Particulars	As on the balance sheet date	
	Share in profit or loss (After OCI)	
	As % of consolidated net assets	₹ In Crore
Himshikhar Investment Limited (HIL)		
FY 2017-18	**16.62**	**43.68**
FY 2016-17	1.50	4.50
Dalmia Solar Power Limited (DSPL)		
FY 2017-18	**0.20**	**0.53**
FY 2016-17	-0.13	-0.39
Dalmia Sugar Ventures Limited (DSVL)		
FY 2017-18	**0.01**	**0.02**
FY 2016-17	-0.00	-0.00

50. Impairment Review:

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

Key assumptions used in value-in-use calculations are:-

(i) Operating margins (Earnings before interest and taxes), (ii) Discount Rate, (iii) Growth Rates and (iv) Capital Expenditure

51. Events occurring After the Balance Sheet date:

No adjusting or significant non adjusting events have occurred between the reporting date and date of authorization of financial statements.

52. Previous Year Comparatives:

Figures in brackets pertain to previous year. Previous year's figures have been regrouped where necessary to conform to this year's classification.

For **NSBP & Co.**
Chartered Accountants
FRN - 001075N

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Ltd.

Deepak K. Aggarwal
Partner
Membership No.: 095541

Isha Kalra
Company Secretary
Membership No.: A24748

Anil Kataria
Chief Finance Officer
PAN: AALPK4889N

J. S. Baijal
Director
DIN: 00049565

Gautam Dalmia
Managing Director
DIN: 00009758

Place : New Delhi
Date : May 28, 2018

Corporate Information

Board of Directors
J. S. Baijal – *Chairman*

Jai Hari Dalmia – *Vice Chairman*

Gautam Dalmia
Managing Director & Chief Executive Officer

M. Raghupathy

T. Venkatesan

B. B. Mehta

Kannan Panchapakesan

Himmi Gupta

Management Team
Gautam Dalmia

B. B. Mehta

Jayesh Doshi

Pankaj Rastogi

Anil Kataria

Chief Financial Officer
Anil Kataria

Company Secretary
Isha Kalra

Statutory Auditors
NSBP & Co.

Bankers
Allahabad Bank

Canara Bank

Punjab National Bank

RBL Bank Limited

Yes Bank Limited

Axis Bank Limited

HDFC Bank Limited

IDBI Bank Limited

Bank of Baroda

Corporation Bank

Registered Office
Dalmiapuram – 621651,
Dist. Tiruchirapalli, Tamil Nadu.

Corporate Office
Hansalaya Building,
11th & 12th Floor,
15, Barakhamba Road,
New Delhi – 110 001.

Registrar and Share Transfer Agent
Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32
Gachibowli, Financial District,
Nanakramguda, Hyderabad-500032

Notes

Notes

A TRISYS PRODUCT
info@trisyscom.com

Dalmia
Bharat Sugar

Corporate Office
Hansalaya Building 11th & 12th Floor,
15, Barakhamba Road, New Delhi – 110001
Ph: 011 23310121 / 23 / 24 / 25
Fax: 011 23313303
Email: investorrelations@dalmiabharat.com
corpcomm@dalmiabharat.com
Website: www.dalmiasugar.com