

DHARANI SUGARS AND CHEMICALS LIMITED



PGP GROUP

25th

**ANNUAL REPORT
2011-2012**



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DHARANI SUGARS AND CHEMICALS LIMITED
25TH ANNUAL REPORT

BOARD OF DIRECTORS

Dr Palani G Periasamy	Executive Chairman
Mr M Ramalingam	Managing Director
Dr K N Sivasubramanian	Director
Mr A Sennimalai	Director
Mr P S Gopalakrishnan	Director
Dr K C Reddy	Nominee Director – IREDA
Company Secretary	Mr E P Sakthivel
Auditors	M/s Srinivasan & Shankar Chartered Accountants, Chennai – 600 004.
Bankers	ICICI Bank Limited Indian Bank State Bank of India Bank of India The Federal Bank Limited The South Indian Bank Limited Central Bank of India Union Bank of India IDBI Bank Limited Indian Overseas Bank IREDA
Registered Office	PGP House, New No. 59 (Old No.57) Sterling Road, Nungambakkam, Chennai 600 034 Phone Nos / Fax Nos : 91-44-28311313, 2820 7480 Fax No. 91-44-28232074/76 Email : secretarial@dharanisugars-pgp.com Website : www.dharanisugars.in
Factories	Dharani – I Dharani Nagar, Tirunelveli Dist – 627 760, Tamil Nadu Phone No. 04636 – 241370-72 dharani1@dharanisugars-pgp.com Dharani –II Karaipoondi Village, Chetput, Polur Taluk Tiruvannamalai Dist, Tamil Nadu Phone No. 04181-223161 -162,223170 dharani2@dharanisugars-pgp.com Dharani –III Kalayanallur Village, Sankarapuram Taluk. Villupuram Dist – 606 206, Tamil Nadu Phone No. 04151 -248208,248277 dharani3@dharanisugars-pgp.com



NOTICE TO SHARE HOLDERS

NOTICE is hereby given that the TWENTY FIFTH Annual General Meeting of the Members of the Company will be held at "Sathguru Gnanananda Hall", Narada Gana Sabha, New No.314 TTK Road, Alwarpet, Chennai 600 018 on **Monday, the 17th September 2012** at 10.20 A.M to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2012 and Statement of Profit and Loss for the year ended on that date and consider the reports of the Directors and Auditors.
2. To appoint a Director in place of Shri A Sennimalai, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr K N Sivasubramanian, who retires by rotation and being eligible, offers himself for re-appointment.
4. To declare dividend on Equity shares.
5. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Section 198,269,309,310, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals or consents as may be necessary, Mr M Ramalingam be and is hereby re-appointed as Managing Director for a further period of five years from 01.04.2012 to 31.03.2017 on the following terms and conditions.

1. Salary - Rs. 1,50,000/- per month in the scale of
Rs. 1,50,000- 15,000 – 2,10,000.
2. Perquisites - Perquisites as per Schedule XIII of the Companies Act, 1956 shall be allowed. It shall however be restricted to an amount equal to the annual salary. Perquisites, other than contribution to Provident Fund, Superannuation Fund, gratuity, as admissible according to existing regulations, are presently classified as follows:



Part A

Housing I – The expenditure incurred by the Company on hiring unfurnished accommodation will be subject to the following ceilings:

At Bombay, Calcutta, Delhi and Chennai 60% of salary, over and above, 10% payable by the Managing Director.

At other places 40% of salary, over and above, 10% payable by the Managing Director.

The expenditure incurred by the Company on gas, electricity, water and furnishings will be valued as per the Income Tax Rules, 1962. This will, however, be subject to ceiling of 10% of the salary.

Housing II – In case accommodation is owned by the Company, 10% of the salary of the Managing Director shall be deducted by the Company.

Housing – III – In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing I.

Part B

He will be entitled to Leave Travel Allowance as per Company Policy. He will also be entitled to reimbursement of Medical expenditure as per Company Policy.

However, Leave Travel Allowance and Medical reimbursement will each be restricted to one month's salary.

Part C

Provision of a car with driver and telephone at residence provided that personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.

In the event of absence or inadequacy of profits in any financial year of the Company during the period of appointment, the salary and other allowances aforementioned shall be regulated in accordance with Section II of Part II of Schedule XIII of the Companies Act, 1956.

Mr. M. Ramalingam shall not be liable to retirement by rotation, so long as he continues to be Managing Director.



Notes:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

1. The proxy form, in order to be effective must be duly completed, stamped and lodged with the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
2. As required under Clause 49 (IV)(G) of the Listing Agreement, the relevant details of Directors seeking appointment / re-appointment under item No.2 and 3 are annexed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **10.09.2012 to 17.09.2012** both days inclusive.
4. Members/ Proxy holders must bring the Attendance Slip duly signed to the meeting and hand it over at the entrance. Xerox copy/ torn attendance slips will not be accepted.
5. Members are requested to quote their Registered Folio numbers/ ID Nos. in all correspondence with the Company and notify the Company immediately of change, if any, in the Registered Address and/ or of their mandates.
6. All documents referred to in the above notice are open for inspection at the Registered Office of the Company between 2.00 P.M and 4.00 P.M on any working day.
7. Members who have not encashed their Dividend Warrants of 2008-09 and 2009-10 may send the same to the Registered office or Share Transfer Agent for revalidation.
8. Members are requested to bring their copies of Annual Report to the Meeting.
9. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business set out against item 6 is annexed hereto.
10. The Ministry of Corporate Affairs vide its Circular dated 21st April 2011 allowed the Companies to send notices, annual reports and other documents by means of e-mail to the members of the Company. Hence members, who have not registered their e-mail addresses, are requested to register their e-mail addresses with the Company / Registrar.

By Order of the Board
For **Dharani Sugars and Chemicals Limited**

Place : Chennai – 34

Date : 23.05.2012

E.P. SAKTHIVEL
COMPANY SECRETARY



**Details of the Directors seeking Appointment / Re appointment
at the 25th Annual General Meeting.**

(Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges)

Name	Mr. A. Sennimalai
Age	70 years
Qualification	M.Sc., M.B.A
Date of Appointment	04.06.1987
Experience	More than 45 years
Other Directorships	Appu Hotels Limited Dharani Credit & Finance (Private) Limited
Member of Committees	Management Committee Audit Committee Remuneration Committee
No of Shares held in this Company	15503
% of Shares	0.05%

Name	Dr.K.N Sivasubramanian
Age	67
Qualification	M.B.B.S, F.A.AP.A.B (PED), A.B (NEO) USA
Date of Appointment	30.06.1988
Experience	More than 35 years in Medicine
Other Directorships	Nil
Member of Committees	Nil
No of Shares held in this Company	263341
% of Shares	0.89%



Explanatory Statement under Section 173 (2) of the Companies Act, 1956.

Item No 6

Shri M. Ramalingam was appointed as a whole time Director designated as Managing Director from 01.04.2007. He is an Engineering graduate with specialization in Sugar Technology. He had been directly involved in the setting up the sugar factory at Dharani Nagar, Polur and Sankarapuram. He has an overall experience of 38 years in the sugar industry. The company has increased the crushing capacity of Unit II Polur from 2500 TCD to 4000 TCD. Further the company has recently set up a sugar complex at Sankarapuram consisting of sugar factory 3500 TCD, distillery 100 KLPD, Cogeneration of power 22 MW. These are additional responsibilities to Mr M.Ramalingam.

His appointment comes to a close by 31st March 2012. His reappointment and remuneration has to be approved by the shareholders in this Annual General Meeting.

Considering the services rendered by Shri M.Ramalingam in the company during the last more than 20 years, the Board had decided to re-appoint him as whole time Director designated as Managing Director on the terms and conditions detailed in the notice for a fresh period of 5 years from 01.04.2012.

The Directors recommend the resolution for the approval of the shareholders.

None of the Directors of the company except Shri M Ramalingam is, in any way, concerned or interested in the resolution.

**DIRECTORS' REPORT**

Dear Members,

Your Directors present herein the **Twenty Fifth Annual Report** on the operations of your Company and the Audited Statement of accounts for the year ended 31st March 2012.

(Rs. in Lakhs)

Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
Total Revenue	61671.80	84288.91
Profit before Interest Depreciation and Tax	8558.27	8161.20
Interest and Finance Charges	4874.71	5817.10
Depreciation	2074.88	2146.05
Profit / (Loss) before Tax	1619.93	198.05
Amortization of USAID Grant	11.25	11.25
Tax Expense	(594.60)	149.51
Profit / (Loss) After Tax	1025.33	358.81
Dividend	293.90	-
Dividend Tax	47.68	-
Transfer to General Reserve	200.00	-
Brought forward from last year	4820.01	4461.20
Balance carried forward to Balance Sheet	5303.76	4820.01

Product-wise performance

Sugar: During the year under review, the company has crushed 19.08 lakh tonnes of cane as against 13.29 lakh tonnes of cane in the previous year. The increase in cane crushing is mainly due to increased availability of cane at Polur and Sankarapuram units on account of better monsoon. During the year, the Company has processed 3638 Tonnes of Raw Sugar as against 90685 Tonnes of Raw Sugars in the previous year. The total sugar production was 18.14 lakh qtls as against 20.10 lakh qtls in the previous year. The Company has

sold 18.62 lakh qtls as against 26.14 lakh qtls in the previous year. The sugar recovery from cane was 9.33% as against 8.93% in the previous year. During the year, the Company has exported 8.16 lakh Qtls of sugar as against 8.90 lakh Qtls of sugar in the previous year. The average realization for the year 2011-12 was Rs.2796/Qtl as against Rs.2801/Qtl in the previous year.

Power: During this period, the total power generation was 1728.51 lakh units as against 2146.29 lakh units in the previous year. The export to the TNEB grid was 1181.96 lakh units as against 1535.04 lakh units in the previous year. The reduction in the power generation and export was mainly due to the Polur unit generating at lower capacity on account of vibration in the Turbine. Further, the use of coal was stopped as it was found uneconomical. Accordingly, the total value of the power exported to the grid has decreased to Rs.48.49 lakhs as against Rs 69.92 lakhs in the previous year.

Industrial Alcohol: The production of industrial Alcohol was 147.19 lakh litres as against 125.76 lakh litres in the previous year. The Company was able to sell the entire production of Alcohol and the sale was 155.57 lakh litres as against 119.11 lakh litres in the previous year. Consequent to this, the value of Alcohol sales has increased to Rs.38.06 lakhs as against Rs.34.36 lakhs in the previous year. The average realization was Rs. 24.42/ litre as against Rs.28.81 /litre in the previous year. The price of alcohol has come down on account of reduction in the molasses price and import of alcohol by the IMFL units from the neighboring states.



Financial Performance

The total income for the year was Rs.616.72 crores as against the total income of Rs.842.89 crores in the previous year. The last year sale was higher mainly on account of higher volume of carry over opening stock from import of Raw Sugar. The Gross Operating Profit has increased to Rs.85.69 crores from Rs.81.73 crores in the previous year. The Cash profit has increased to Rs.36.95 crores as against Rs.23.55 crores in the previous year. . The profit after Depreciation has increased to Rs.16.20 crores as compared to Rs.2.10 crores in the previous year. The Net profit after tax works out to Rs.10.25 crores as against the profit of Rs.3.59 crores in the previous year.

Dividend

Your Directors are pleased to recommend a dividend of Re.1.00 per Equity share of Rs.10/- each for the financial year ended 31st March 2012, which will involve a pay out of Rs.293.90 lakhs, besides dividend distribution tax of Rs.47.68 lakhs

Reserves

During the year, your Company has transferred a sum of Rs. 200 lakhs to General Reserves account.

Fixed Deposits

A sum of Rs. 9.81 lakhs was collected as deposits during the year 2011-2012. Your Company has complied with the provisions of Section 58 (A) and 58 (AA) of the Companies Act, 1956 and the rules prescribed there under. Your Company has no unpaid deposits which were due or repayable as on 31st March 2012. Your Company has not defaulted in repayment

of the deposits on the due dates. As on the date of this report, there are unclaimed deposits of Rs. 6.99 Lakhs.

Auditors

The Auditors of the Company M/s Srinivasan and Shankar, Chartered Accountants, Chennai retire at the close of the ensuing Annual General Meeting and are eligible for reappointment. They have conveyed their consent for reappointment and have furnished the required declaration under Sec 224 of the Companies Act.

Cost Audit

The Company has received the approval of the Central Government for re-appointment of Mr. V Srinivasan, as Cost Auditor to carry out the Cost Audit for the Financial Year 2011-12.

Compliance

The Company has devised proper systems to ensure compliance of all laws applicable to the Company.

Directors

Board reports, with regret the sudden death of Shri T Ramabhadran, Director on 25th June 2011.

Shri A Sennimalai and Dr K N Sivasubramanian are retiring by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

Shri M Ramalingam, Managing Director whose appointment as Managing Director had come to a close by 31st March 2012 has been reappointed as Managing Director for a further term of 5 years from 01.04.2012, subject to approval by shareholders in the ensuing Annual General Meeting.



Directors' Responsibility Statement

In terms of Section 217 (2AA) of the Companies Act, 1956 your Directors confirm as follows.

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the

company and for preventing and detecting fraud and other irregularities.

- (iv) that the directors have prepared the annual accounts on a going concern basis.

Corporate Governance

A report on Corporate Governance and a management discussion and analysis report, in line with SEBI prescribed format incorporated in the Listing Agreement, are attached herewith. A certificate from the Statutory Auditors on compliance of conditions of Corporate Governance has been obtained and copy enclosed to this report.

Particulars of Employees.

Under the provisions of Section 217 2(A)(a) of the Company's Act 1956 read with Companies (particulars of employees) Rules, 1975 as amended, the names and other particulars of employees are set out below:

(A) Employed throughout the year ended 31st March, 2012 and was in receipt of remuneration aggregating not less than Rs.60,00,000

Name / (Age)	Designation of the Employee / Nature of Duties	Remuneration (Rs.)	Qualification / Experience (Years)	Date of commencement of Employment	Previous Employment
(1)	(2)	(3)	(4)	(5)	(6)
Dr. Palani G. Periasamy (74 years)	Executive Chairman	108.82 lakhs	M.A.,M.A.,Ph.D (USA)(25years)	04/06/1987	Professor of Economics, USA. Financial Consultant & Industrialist



B) Employed for part of the year ended 31st March 2012 and was in receipt of remuneration aggregating not less than Rs 5,00,000 per month. – NIL-

1. The nature of employment is contractual. The appointment is for a period of 5 years from 25.06.2009 to 24.06.2014 and approval has been obtained from Government of India.
2. Remuneration as shown above includes salary, allowances, leave travel assistance, plus commission @3% of the net profit.
3. Remuneration as shown above does not include amount attributable to compensated absences as actuarial valuation is done for the company as a whole only.
4. He is not related to any Director of the Company.

Energy, Technology and Foreign Exchange

Information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be furnished under the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is given as Annexure I to this report.

Acknowledgments

The Board of Directors places on record its appreciation of the support, assistance and co-operation received from the Central Government, Government of Tamil Nadu, various governmental agencies, ICICI Bank Limited, IREDA, the Company's bankers, Indian Bank, State Bank of India, The South Indian Bank Limited, Bank of India, Central Bank of India, The Federal Bank Limited, Union Bank of India, IDBI Bank Ltd and Indian Overseas Bank.

The Board of Directors also wishes to place on record its appreciation for the cane growers, without whose help and support it could not have achieved the progress that has been made so far. With our encouragement and their initiative, we hope for improved cane availability for the ensuing years.

Your Directors are thankful to the employees of the Company for their wholehearted co-operation and unstinted dedication to duty leading to cordial industrial relations during the year under review.

The Board is thankful and grateful for the continuing co-operation to the management from the shareholders' family since inception and is confident that this partnership will sustain forever.

for and on behalf of the Board of Directors

Dr. PALANI G PERIASAMY
Executive Chairman

Place: Chennai - 34
Date: 23rd May 2012



Management Discussion and Analysis Report

Your Company is engaged in the business of manufacture of Sugar, Co-generation of power and Alcohol including Ethanol. The operations are spread over three locations in Tamil Nadu namely, at Dharani Nagar in Tirunelveli District, at Karaipoondi Village, Polur in Thiruvannamalai District and at Kalayanallur Village, Sankarapuram Taluk in Villupuram District.

Cautionary Statement

Statements made in this report describing industry outlook as well as Company's plans, projections and expectations may constitute 'forwarding looking statements'. Actual results may differ materially from those either expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

World Sugar Scenario

The scenario in the world Sugar industry is facing fluctuations but with period of exhilaration. As developing nations account for more than 70% of total sugar production, these nations are the key players in global trade of sugar and its allied products as well. Production of Alcohol, Ethanol and Energy are also flourishing in these nations as they are being an integral part of Sugar industry. These industries are as vulnerable as Sugar industry, because of the fluctuations in international production, price and trade.

International sugar production around the world responds to recent high prices and the global balance moves into a large

surplus that allows the start of stock rebuilding. World sugar consumption is expected to grow at a lower rate over the longer term in response to higher prices. Stocks should rebuild in the near term, but the stocks-to-use ratio is expected to average lower over the coming decade than in the previous ten years, providing support for higher prices.

Buoyed by rise in sugar output in India, Pakistan, Russia and the EU, global production of the sweetener is expected to rise by almost 5% to 173 million tonne in 2011-12 marketing season, United Nation's Body FAO has said. World Sugar production stood at 165.1 Million tonne in 2010-11.

Given a close to 8 million tonnes surplus in 2011-12 and the possibility of a repeat of surplus situation in 2012-13, world sugar prices are likely to stay under pressure.

Indian Sugar scenario

Indian Sugar Industry, being one of the largest agro based industry in India, is critical for India's rural development and in turn for overall economic progress. Sugar production in 2011-12 sugar season is expected to increase to 26 million tonnes registering 6.6% increase over the previous year production of 24.4 million tonnes. With the comfortable opening stock of 6.0 million tonnes, Government has permitted exports under OGL. Considering our internal consumption of 22 million tonnes and an export of 3.5 million tonnes, the closing stock is expected to be about 6.5 million tonnes representing 30% of consumption.

But for the timely support given by the Government in allowing the exports under OGL, the domestic price would have crashed putting pressure on the cane payments. During this sugar season, the



Government had allowed 2 million tonnes of exports in two tranches of 1 million each under mill wise quota system and subsequently brought the sugar exports under OGL. The total export for the season is likely to be about 3.5 million tonnes. This has helped the industry to reduce the Inventory carrying cost.

For 2012-13 season also, the stock situation is expected to be very comfortable and the carry over stock is likely to be same as that of 2011-12 season. Increased cane price during the previous seasons have helped the farmers to increase the cane availability.

Summary Indian Sugar Balance

Particulars	Sugar Season - Quantity in lakh tons			
	2009-10	2010-11	2011-12 Estimate	2012-13 Projection
Opening Stock	43.64	49.80	60.05	65.05
Production	189.12	243.94	260.00	250.00
Import	40.80	0.00	0.00	0.00
Total Availability	273.56	293.74	320.05	315.00
Internal Consumptions	213.28	207.69	220.00	230.00
Exports	2.35	26.00	35.00	20.00
Total off take	215.63	233.69	255.00	250.00
Closing Stock	57.93	60.05	65.05	65.05
Stock as percentage of consumption	27%	29%	30%	28%

Note: As per the Govt, the opening stock for 2010-11 was only 49.80 Lakh Tons

Government Policies

Sugar is one of the highly controlled and regulated commodities in India. The sugar industry is under Government control right from the level of production to distribution. Levy obligation is 10% and is to be given to the public distribution system at fixed price which is much below the cost of production. Though the balance 90% is called as free sugar, it is also regulated through monthly release mechanism. The Central Government continuously monitors the free

sale sugar price in the market and depending upon the price, the Government, now and then varies the release quantity to control abnormal increase in the price.

Fair and Remunerative Price (FRP) for 2011-12 sugar season cane was fixed at Rs.145/ Qtl by the Central Government linked to 9.5% recovery with a premium of Rs.1.53 for every 0.1 % increase in the recovery. CACP has recommended an FRP of Rs.170 / Qtl for 2012-13 season.



The Central Government has constituted an expert committee under the Chairmanship of Dr. C Rangarajan to study and recommend measures for sugar sector reforms. ISMA and regional associations have submitted memorandum seeking partial decontrol of the sugar sector including removal of the monthly release system and doing away with the Levy obligation for Public Distribution System.

Opportunities and Threats

India, the world's biggest consumer of sugar is the second largest producer of sugar in world after Brazil. Still the average per capita consumption of sugar in India is less as compared to the developed countries. While sustainability has been a cause for concern in cane agriculture, the demand for sugar in the country by 2030 has been estimated at 36 Million Tonnes for which the cane production should be 500 Million Tonnes. This is 40% higher than the current production. Besides this, sugar cane itself is emerging as an important energy crop contributing to Co-generation of power and Ethanol production. The current level of Ethanol production is barely adequate to meet 10% blending and the demand is expected to grow in the coming years. The Co-generation potential in the sugar industry has been estimated at 5500 MW, while the present installed capacity is just about 2500 MW. While the land availability is likely to shrink for cane cultivation, the cane production needs to be increased to meet the ever increasing demand for sugar, power and ethanol.

Sugar and Ethanol are subject to various government controls, starting from production to distribution. Frequent policy changes disrupts the functioning and the operational viability of the sugar units.

Competitive crops and the cyclical nature of monsoon also affect the cane availability on sustainable basis.

Government of India has constituted an expert committee under the chairmanship of Dr C Rangarajan to study and suggest various measures for sugar industry reforms.

Risks and Concerns

Risks and Concerns given by the management below are not exhaustive and only highlight some of the salient among them. The investors are advised to exercise their due diligence in assessing the various risk factors associated with industry and your Company. The sugar industry is highly regulated with the Government exercising control over pricing of sugar cane, allocation of area for sugar units, sugar release and off take and pricing of by-products such as Molasses, Alcohol and Power. Some of the inherent business risks and the mitigation measures initiated by your Company are given as under:

a) Material Risk

Cane is the basic raw material for sugar industry and the efficient operation of the Sugar as well as Distillery depends upon the availability of adequate cane. Sugar industry being cyclical in nature is affected by the vagaries of the monsoon. Substantial increase in the price of alternate crops as compared to sugarcane has resulted in the farmers switching to other crops which are more profitable, like wheat, soya, paddy and maize. This trend is likely to affect the cane availability in the coming years. Recently, another major factor affecting the cane cultivation is the availability and cost of harvest labour.



To mitigate the above raw material related risks, your Company has announced a reasonable remunerative cane price in line with the market trend and also arranging necessary fertilizers and other inputs required for cane cultivation. Also various extension services are provided to educate the farmers about the best practices in cane cultivation for improvements in the yield. Your Company has also in co-ordination with the Government encouraged drip irrigation for better water management. Your Company has also imported harvesting machines to cope up with the labour shortage to some extent. In times of acute shortage of cane, the Company imports Raw Sugar for effective utilization of the capacity and to improve the bottom line.

b) Product Risks

Sugar and Alcohol are highly regulated and the prices of the same are directly / indirectly controlled by the Government through various methods. The price of sugar has not increased in line with the input cost which is forcing the farmers, the option of alternative remunerative crops. Sugar is subject to 10% Levy and the free sugar sale is controlled by Government through release mechanism.

To mitigate the product related risks, the Company has been taking efforts to make its operation as an integrated one comprising of Sugar, Power and Alcohol including fuel Ethanol.

c) Forex Risk

Import and Export of Raw Sugar/White sugar involves foreign exchange inflow. Any wide fluctuation in the value of Rupee against US Dollar may impact the profitability of the

Company. The Company is closely monitoring the movement to take appropriate action.

d) Financing Risk

Sugar Industry being seasonal in nature, what is produced during 7-8 months are sold over 14-15 months as per the monthly release given by the Government of India. This results in the Company holding substantial inventory incurring very high interest cost. The interest rates are also very high.

The Company enjoys good reputation with banks and is able to get the required credit facilities. To reduce the Inventory carrying cost, substantial portion of the production are being exported taking into account the saving in interest cost.

e) Regulatory Risks

Sugar and Alcohol are subject to various controls by both Central and State Governments. Starting from the earmarking of the cane area, fixation of cane price, levy obligation, compulsory packing of sugar in jute bags, monthly release mechanism to regulate the sugar sale and frequent changes in export policies are some of the major controls under which the sugar units have to function.

Outlook for 2012-13

The sugar production for 2011-12 season is estimated at 260 lakh tonnes as against 244 lakh tonnes in the previous season. Considering an internal consumption of 220 lakh tonnes, and an export of 35 lakh tonnes the closing stock at the end of the season would be still about 65 lakh tonnes representing about 30% of the consumption. Next season 2012-13 also



is expected to witness a production of 250 lakh tonnes and is likely to end with similar stock level of 65 million tonnes. Further the world surplus also is at a high level of 8 million tonnes and may not substantially get reduced in the coming season. Ending stocks are forecast at 33 MMT, up 4% from the previous year. India remains the largest holder, followed by China and the EU. This situation will continue to have pressure on the international price and may not improve substantially. Over the last few months, world sugar prices have eased to between 19 and 21 cents per pound.

The cane availability for your units has also increased in line with the improvement in the All India production.

Financial Performance

Please refer disclosures in the Director's Report and the financial statements. As the Company's products viz., Sugar, Alcohol and Power are subject to various government controls, the profitability is affected. The raw material cost is subject to price announced by Central and State Government and the sugar realisation also was affected on account of Government control on sugar price. The realisation from power sales were delayed resulting in higher interest burden.

Human Resources

The Industrial relations at your Company continue to be cordial. There are 1105 employees in your Company. The Company is consistently improving the various facilities extended to the employees. During the year the Company has completed the construction of residential housing units for the employees at Polur and Sankarapuram units.

Internal Control

An Internal Audit system is in position, which carries out continuous check on an on-going basis. The company has proper and effective internal control systems commensurate with the nature of its business and size of operation to ensure that all controls and procedures function satisfactorily and to monitor compliance of all policies and procedures.

Transactions

During this period there were no transactions by Executive/ Non-Executive Directors of the Company.

Listing with Stock Exchanges

The Company's securities are at present listed at the following stock Exchanges.

1. Bombay Stock Exchange Ltd. Floor 25, P.J. Towers, Dalal street, Mumbai - 400 001.
2. National Stock Exchange of India Ltd, Exchange Plaza, Bandra Kurla Complex Bandra (East) Mumbai - 400 051.

The Listing Fees for the Bombay Stock Exchange and National Stock Exchange have been paid up to date.



Annexure – I

Information as required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board Directors) Rules, 1988.

a. Energy Conservation Measures:

1. The Steam fuel ratio has been increased from 2.2 to 2.4 by improving the milling efficiency and boiler efficiency. Therefore the Power generation per tonne of cane is increased from 125 units to 133 units.
2. Co gen auxiliary consumption reduced from 9.75 units to 8.75 units by optimising the working of equipments.
3. 2 Nos 75 KW VFD panel provided for treated juice pump motors. Energy saving is 480 Units per day.
4. 4 Nos of 3.7 KW coal spreader motors are provided with VFD and the Energy saving is 188 units per day.
5. SCADA system installed for mill drive automation. Due to this, the power consumption per tonne of cane crushing is reduced around 2 units. Thereby Power consumption including co-gen, per ton of cane crushing is 20.19 units as against previous year of 22.18 units
6. In Unit II 10 Nos of Planetary gear Box with variable frequency drive motors are installed for the 64 ata/80 Tph Boiler and screw feeders and there is a saving of 125 kwh power per day.



b. Technology absorption, Adaptation and Innovation:

Efforts made in Technology absorption are given below in Form B

Form B (Rule 2)

Form for disclosure of particulars with respect to Technology absorption:

1. Sustainable Sugarcane Initiative [SSI] technology is being adopted for improving cane quality and yield .
2. Introduction of Mechanical Harvesting to overcome harvesting labour shortage problem.
3. Introduction of higher organic fertilizer recommendation to save the soil health

c. Foreign Exchange Earnings and Outgo:

During the year your Company earned Foreign exchange through export of Sugar and the details of earnings and outgo due to import of Raw sugar are given below:

(Rs. In Lakhs)

Earnings & Outgo	2011-12	2010-11
Foreign Exchange earned during the year	24977.10	28848.57
Outgo during the year	177.85	12.90



Form "A"

Information as required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies(Disclosure of particulars in the Report of Board of Directors) Rules, 1988

A. Energy Conservation Measures:

		2011-12		2010-11		
		Sugar	Distillery	Sugar	Distillery	
A. POWER AND FUEL CONSUMPTION						
1	ELECTRICITY					
a.	Purchased					
	Units	Kwh	1773995	848847	2036129	582937
	Total amount	Rs.	13623271	4803453	13248014	3024134
	Rate /Unit	Rs.	7.68	5.66	6.51	5.19
b.	Own Generation					
	(i) Through Diesel Generator					
	Unit	Kwh	202892	105787	245983	87397
	Unit / Litre of Diesel		2.80	3.26	2.82	3.12
	Cost / Units	Rs.	16.04	14.12	14.38	13.72
	(ii) Through Steam Turbine/Generator	Kwh	43744857	2572198	46647905	2582601
	Cost / Units					
2	COAL					
	Quantity	Mts.	13610		108108	
	Total amount	Rs	47867867		344925258	
	Average rate per MT	Rs.	3517		3191	
3	FURNACE OIL					
	Quantity	Lts		78170		276664
	Total amount	Rs.		2847271		7544035
	Average rate per Litre	Rs.		36.42		27.27
4	FIRE WOOD					
	Fire wood quantity	Mts.	3839		18473	
	Total cost	Rs.	11331200		48753074	
	Average rate per MT.	Rs.	2952		2639	
B. CONSUMPTION PER UNIT OF PRODUCTION						
	Sugar Produced	Qtls	1813750		2010300	
	Industrial alcohol produced	Lts		14719405		12576175
	Electricity consumed	Kwh	24.93	0.24	24.34	0.26
	Coal	Mts				
	Furnace Oil	Lts				
	Fire wood	Mts.				

For and on behalf of the Board

Dr. PALANI G. PERIASAMY
Executive Chairman

Date : 23th May 2012
Place : Chennai-34



REPORT ON CORPORATE GOVERNANCE

(As required by Clause 49 of the Listing Agreement with the Stock Exchanges)

Company's philosophy is to achieve excellence in its entire activities, serve the interest of the shareholders, stakeholders and the society in general, thereby contributing to the welfare of the nation. The Company continues to be transparent in all its dealings and present a complete picture of the operations of the Company to the public at large and the shareholders and & stakeholders in particular. The Company has always believed in fair business and corporate practices while dealing with the shareholders, employees, customers, farmers, creditors, lenders and others. The Company is prompt in discharging its statutory obligations and duties. All the mandatory requirements of this clause have been complied with.

The Company has laid down a Code of Conduct for observance by Directors and senior management. Affirmation of Compliance to this code has been obtained from all of them and the Executive Chairman has furnished a declaration to this effect.

1. Board of Directors

The Board of Directors comprises of six members, out of whom three members belong to the promoter group. The Board has a judicious mix of Executive and Non-Executive Directors. There are now two Executive Directors and four Non Executive Directors. Out of the Non-Executive Directors, one Director represents the lending Financial Institution IREDA as their nominee. There are three Independent Directors. Constitution of Board of Directors of the Company is in full compliance with Clause 49 of the Listing Agreement.

2. Board Meetings and AGM and Attendance thereat

The Board met five times during the financial year, on 24.05.2011, 05.08.2011, 30.09.2011, 09.11.2011 and 10.02.2012. Details of attendance of each Director at the Board meetings, the last AGM held on 23rd September 2011, and details of number of outside directorships held by each of the Directors are given below.



Name of the Director	No. of Board Meetings attended	Last AGM attended Yes / No	No. of Directorship held in other Companies		Member of Chairman of Committees			
			Pub	Pvt	Mgt	Audit	Rem	S.G.
Dr Palani G Periasamy - Executive Chairman	5	Yes	2	2	Chm	-	-	-
Shri A Sennimalai - Non Executive	5	Yes	1	1	Mem	Mem	Mem	-
Dr K N Sivasubramanian - Non Executive (Independent)	Nil	No	Nil	Nil	-	-	-	-
Shri M Ramalingam - Managing Director	5	Yes	Nil	Nil	Mem	-	-	Mem
Dr K C Reddy - Non Executive (Independent) Nominee of IREDA	4	Yes	Nil	Nil	-	Chm	Chm	Chm
Shri P.S. Gopalakrishnan Non Executive (Independent)	5	Yes	3	Nil	Mem	Mem	-	-
Shri T Ramabhadran Non Executive (Independent) (Expired 25th June 2011)	1	No	3	Nil	-	Mem	Mem	-

Mgt - Management Committee SG - Shareholders Grievance Committee Rem - Remuneration Committee

3. Management Committee

The Board has constituted a Management Committee to facilitate the operational needs of the company. It meets as and when the need to consider any matter assigned to it arises. Two meetings were held on 19.12.2011 and 03.03.2012 during the year.

The Names of Directors of the Management Committee are given below :

- Dr Palani G.Periasamy
- Shri M.Ramalingam
- Shri A.Sennimalai
- Shri P.S Gopalakrishnan

4. Audit Committee

The qualified and independent audit committee constituted in accordance with Sec 292 A of the Companies Act, 1956 and clause 49 of the Listing Agreement comprised of four non-executive directors out of whom three were Independent Directors. Mr. T. Ramabhadran, one of the members of the Committee expired on 25/06/2011. The Chairman of the Audit Committee is Dr K C Reddy an independent Director. All the members satisfy the requirements stipulated in Clause 49. The Chairman of the Audit Committee was present at the Annual General Meeting held on 23rd September 2011.



The following are the present members of the Audit Committee.

- Dr K C Reddy, Chairman (Representing IREDA)
- Shri P S Gopalakrishnan (Independent)
- Shri A Sennimalai

Shri E P Sakthivel, Company Secretary is the Secretary to this Committee.

The Audit committee has to consider all matters connected with accounting standards issued by Institute of Chartered Accountants of India and to see whether Cost Accounting Records are maintained as per the requirements. The committee shall also discuss the accounting systems, accounting policies, internal control adopted by the Company. In addition, the Committee is expected to review the financial statements before recommending to the Board of Directors. Further the Committee will examine the financial and operational performance of the Company and take note of the major developments of the Industry.

Audit Committee Meetings and Attendance: The Committee met 4 times on 24.05.2011, 05.08.2011, 09.11.2011 and 10.02.2012.

Name of the Director	No. of Audit Committee Meetings attended
Dr K C Reddy	4
Shri P S Gopalakrishnan	4
Shri A Sennimalai	4
Shri T Ramabhadran (Expired on 25 th June 2011)	1

5. Remuneration Committee

Remuneration Committee constituted in the year 2002 has the following non-executive Directors as Members to determine the specific remuneration packages for executive directors including pension rights etc. The Chairman is an independent Director, representing IREDA. The committee will examine the performance, experience and qualification and accordingly recommend suitable packages.

- Dr K C Reddy : Chairman
- Shri P S Gopalakrishnan : Director
- Shri A Sennimalai : Director



No remuneration is paid to Non executive Directors, except sitting fees for attending the Board/ Committee meetings. Sitting fees are paid within the limits prescribed by Government of India and the Articles of Association of the Company.

- a. Remuneration paid to Executive Chairman Dr Palani G Periasamy for the year 2011 – 2012 is in accordance with the approval accorded by the Central Government under Sec 269 of the Companies Act, 1956, approval of share holders in the AGM dated 24.08.2009 and within the limits prescribed in Schedule XIII of the Companies Act 1956.
- b. Remuneration paid to Shri M Ramalingam, Managing Director is in accordance with Schedule XIII of the Companies Act, 1956 and the approval of the Shareholders at the Annual General Meeting held on 17th September 2007 and as recommended by the Remuneration Committee.

(Rs. in Lakhs)

Particulars	Year ended 31st March' 12	Year ended 31st March' 11
a. Executive Chairman		
i. Salary	48.00	48.00
ii. Allowances	8.00	8.00
iii. P.F & Superannuation	-	-
iv. Commission	52.42	9.15
b. Managing Director		
i. Salary	10.80	10.20
ii. Allowances	3.60	3.50
iii. P.F & Superannuation	2.91	2.75

Note: The above does not include liability for Gratuity and Leave encashment as per actuarial valuation.

c. Sitting fees

(in Rupees)

Sl.No	Name of the Director	Board Meeting	Committee Meeting
1	Shri A Sennimalai	25000.00	35000.00
2	Dr K C Reddy	20000.00	30000.00
3	Shri P S Gopalakrishnan	25000.00	30000.00
4	Shri T Ramabhadran	5000.00	10000.00
5	Dr K N Sivasubramanian	Nil	Nil



6. Shareholders' Grievance Committee

The Shareholders' Grievance Committee consists of Dr K C Reddy, Chairman who is a Non-Executive Director, and Shri M Ramalingam, Managing Director with Shri E P Sakthivel, Company Secretary as compliance officer. The committee gives utmost importance to redress the investor's complaints promptly. The complaints are settled within 15 days from the date of receipt of the complaints. The nature of complaints normally relate to transfer of shares, non-receipt of Annual Reports, non- receipt of declared dividends etc., The committee reviewed the action taken by the Company on those matters.

No of Complaints received	15
No of Complaints settled	15
No of Complaints pending	Nil
No of Pending Share Transfers	Nil

Investors Grievance complaints e-mail	investor@cameoindia.com
Company e-mail	secretarial@dharanisugars-pgp.com
Company Website	www.dharanisugars.in

7. General Body Meeting.

Details of Annual General Meetings (locations, and time) held in past three years.

AGM for the year	Location	Date	Time
2010-2011	Narada Gana Sabha No.314 TTK Road, Alwarpet, Chennai 600 018	23.09.2011	10.20 A.M
2009-2010	Narada Gana Sabha No.314 TTK Road, Alwarpet, Chennai 600 018	06.09.2010	10.20 A.M
2008-2009	Narada Gana Sabha No.314 TTK Road, Alwarpet, Chennai 600 018	24.08.2009	10.20 A.M



1. No Special Resolution was passed in the previous AGM held on 23.09.2011.
2. No Special Resolution was passed in the previous AGM on 6th September 2010
3. Two Special Resolutions were passed in the AGM held on 24th August 2009.

The Company has not passed any Special Resolution through postal ballot last year.

8. Cost Accounting Records (Electricity Industry) Rules 2011

The Company has maintained all records, books, registers, accounts and the reports as required by the Cost Accounting Records Rules 2011 in regard to the Co-generation Power Plant at Unit II, Polur and Unit III, Sankarapuram.

9. Disclosures.

Related party transactions are contracts or arrangements made by the Company from time to time with companies in which the directors are interested. All these contracts or arrangements were approved in the Board, entered wherever applicable, in the Register of contracts maintained under section 301 of the Companies Act, 1956 and the register placed in the subsequent Board Meeting.

All such material transactions with related parties during the year 2011 – 2012 are given against Note No 24.4.11 to the Accounts. They were also brought to the notice of the Audit Committee.

There was no instance of non-compliance by the Company of any matter relating to the Capital markets during the last three years.

No penalty or strictures were imposed on the Company by Stock Exchange or SEBI or any statutory authority during the last three years.

The Managing Director and President (Corporate Finance) have furnished the required certificate as provided in Clause 49 (V) of the Listing Agreement.

All the mandatory requirements as per Clause 49 of the Listing Agreement have been followed.

10. Non-mandatory requirements.

While Remuneration Committee has been set up, Board felt that, the other non-mandatory requirements like whistle blower policy, training of Board members, evaluation of Non-executive directors, can be introduced for adoption as and when considered necessary.

11. Means of Communication.

- a. **Publication of Results:** The quarterly financial results of the company were announced within the stipulated period and were published in the following English and Tamil newspapers from Chennai City.



June –2011	Financial Express	Makkal Kural
September 2011	Financial Express	Makkal Kural
December –2011	Financial Express	Makkal Kural
March - 2012	Financial Express	Makkal Kural

- a. News, Release etc., : The Company has its own website www.dharanisugars.in and all vital information relating to the Company and its performance including financial results, press releases pertaining to important developments, performance updates and corporate presentations etc., are regularly posted on the website.
- b. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” to allow paperless compliances by the Corporate sector. After introducing e-filing of various returns through the MCA portal, MCA by its Circular dated 21.04.2011 has now made permissible the service of documents through electronic mode to shareholders.
- c. As a responsible corporate citizen, the Company shall endeavor to support the Green Initiative of the Government. This however would be possible only with the active support and co-operation of shareholders.

The Company has attached a separate format to its shareholders to send an email confirmation to its designated ID secretarial@dharanisugars-pgp.com mentioning the name, DP/Customer ID or Folio No. and the Email ID of the Shareholder for communication. On this confirmation:

- i. The Company would send all Notices, Annual Report and other communication to these shareholders through Email.
- ii. Copies of same would be available under the ‘investor section’ of our website www.dharanisugars.in
- iii. Shareholders will at all times be entitled to receive free of cost, hard copy (paper version) of Annual Report and other communication on specific request.
- iv. Shareholders are further entitled to change the instructions from time to time.

The Company earnestly appeals to all its shareholders to support the Green Initiative of the Government by opting for electronic mode of receiving our corporate communications.

Management discussion and Analysis report is a part of the Directors’ Report.

12. Insider Trading

The code of conduct for prevention of Insider Trading as suggested under the SEBI (Prohibition of Insider Trading) Regulations, 1992 has already been introduced. The Company Secretary is the Compliance Officer for this purpose. The Board monitors the adherence to the various requirements as set out in the code every quarter. No violation of the regulations has taken place.



13. General Shareholder Information

i. Time, Date and Venue of Annual General Meeting	17th September 2012 at 10.20 a.m. Narada Gana Sabha, New No. 314 TTK Road, Alwarpet, Chennai - 600 018.
ii. Financial Year	April 2011 – March 2012
iii. Date of Book Closure	10th September 2012 to 17th September 2012 (both days inclusive)
iv. Dividend Payment Date	Within 30 days from the date of declaration.
iv. Listing on Stock Exchange	1. Bombay Stock Exchange, Mumbai 2. The National Stock Exchange of India Ltd, Mumbai
v. Announcement of Quarterly Results	Tentatively during the 2 nd Week of August 2012, November 2012, February 2012 and June 2012.

14. Market Price Data

The high and low quotations of the Company's shares on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) from April 2011 to March 2012 are furnished below. Bombay Stock Exchange script code 507442 & National Stock Exchange of India Limited- DHARSUGAR EQ.

	NSE		BSE	
	HIGH (Rs.P.)	LOW (Rs.P.)	HIGH (Rs.P.)	LOW (Rs.P.)
April - 2011	38.60	33.50	39.85	33.60
May - 2011	36.75	30.60	35.95	30.65
June - 2011	36.70	30.45	36.50	31.00
July - 2011	38.80	30.15	35.35	30.30
August - 2011	33.55	25.75	33.60	26.00
September - 2011	29.95	25.35	31.15	25.25
October - 2011	37.65	25.00	37.70	25.00
November - 2011	36.50	25.00	37.00	25.05
December - 2011	27.40	17.50	27.35	18.10
January - 2012	31.00	19.10	31.50	19.50
February - 2012	34.95	25.00	35.20	25.25
March - 2012	30.75	23.00	30.60	24.05



15. Distribution of Shareholding details as on 31.03.2012.

Shareholding of Nominal value of Rs.	Shareholders		Share Amount	
	Number	% to Total	In Rs.	% to Total
Upto 5000	13960	91.44	19020250	6.47
5001 – 10000	697	4.57	5515980	1.88
10001 – 20000	268	1.76	4128540	1.40
20001 – 30000	70	0.45	1830820	0.62
30001 – 40000	42	0.27	1491330	0.51
40001 – 50000	32	0.21	1513010	0.51
50001 – 100000	51	0.33	3896810	1.33
100001 and above	146	0.97	356501720	87.28
Total	15266	100.00	293898460	100.00

- a. There were no unclaimed shares out of shares issued to the public or any other issues and consequently no demat suspense account has been opened for keeping an account of such unclaimed shares.

16. Registrars and Share Transfer Agents

M/s. Cameo Corporate Services Limited

“Subramanian Building,

5th Floor, No 1, Club House Road,

Chennai - 600 002.

Phone No 91-44-28460390/28460718

Fax No: 91-44-28460129,

E-mail : cameo@cameoindia.com / Investor@cameoindia.com

Transfer/Transmission of shares can be effected through the above by sending the required documents to the General Manager, Cameo Corporate Services Limited, Chennai at the above address.

17. No of Shares held by Non – Executive Directors

Sl.No.	Name of the Director	No of Shares
1	Shri A Sennimalai	15903
2	Dr K.N Sivasubramanian	263341
3	Shri P.S Gopalakrishnan	Nil
4	Dr K.C Reddy	500



18. Dematerialisation of Shares

The Company's Equity Shares already stand dematerialized with ISIN No. INE988C01014. Trading of equity shares in the stock exchanges is done only in dematerialized form.

As on 31.03.2012, 26716072 Shares constituting 90.90% have been dematerialised.

	No. of Shares	% of Shares
National Securities Depository Ltd	25008985	85.09
Central Depository Services (I) Ltd	1707087	5.81
Total	26716072	90.90

19. PAN Requirement

SEBI vide circular dated 27th April 2007 made PAN as the sole identification number for all participants transacting in the securities market irrespective of the amount of such transaction. In continuation of the same, SEBI by its circular dated 20th May 2009 has made it mandatory to furnish a copy of PAN card of the transferee to the Company / RTA for registration of transfer of shares of listed companies in physical form and off market / private transactions. Investors are advised to take note of same.

20. Plant Location

Sugar Unit – I	2500 TCD	Dharani Nagar, Vasudevannallur Tirunelveli Dist – 627 760.
Sugar Unit – II	4000 TCD	Karaipoondi Village, Polur – 606 803 Thiruvannamalai Dist.
Sugar Unit – III	3500 TCD	Kalayanallur Village, Sankarapuram Taluk, Villupuram Dist. – 606 206, Tamil Nadu.
Distillery (in Unit I)	60 KLPD	Dharani Nagar, Vasudevannallur Tirunelveli Dist – 627 760.
Distillery (in Unit III) (Under implementation)	100 KLPD	Kalayanallur Village, Sankarapuram Taluk Villupuram Dist. – 606 206, Tamil Nadu.
Co- Generation of Power (In Unit II)	15 MW	Karaipoondi Village, Polur - 606803 Thiruvannamalai Dist.
Co- Generation of Power (In Unit III)	22 MW	Kalayanallur Village, Sankarapuram Taluk Villupuram Dist. – 606 206, Tamil Nadu.

**TCD – Ton crushed per day, KLPD – Kilo Litre Per Day.



21. Nomination Facility

Individual shareholders can avail of the facility of nomination. The nominee shall be the person in whom all rights of transfer and / or amount payable in respect of the shares shall vest, in the event of the death of the shareholder. A minor also can be a nominee but the name of the guardian has to be given in the nomination form. In case, any assistance is needed, Share Department of the company can be approached.

22. Bank Mandate

i) Physical holding

In order to provide protection against fraudulent encashment of the warrants, shareholders holding shares in physical form are requested to intimate the Company under the signature of the sole/ first joint holder, their Bank account particulars to be incorporated in the dividend warrants. This is a mandatory requirement in terms of SEBI Circular No. D&CC/FITTC/Cir-04/2001 dated 13.11.2001.

ii) Demat holding

Bank account details as furnished by their Depositories to the company in the case of shareholders holding shares in electronic form will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such shareholders for deletion of / Change in such bank details. Instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic mode. Shareholders who wish to change such bank account details are advised to inform their Depository Participants about such change, with complete details of bank account.

iii. ECS mandate

Shareholders holding shares in physical form who wish to avail Electronic Clearing Facility (ECS) may authorise the Company with their ECS mandate in the prescribed form and requests for payment of dividend through ECS.

23. The CEO and CFO have furnished the required Certificate to the Board of Directors, as provided in Para V of Clause 49.

Certificate under Para V of the Clause 49 of the Listing Agreement.

We have reviewed financial statements and the cash flow statement for the year 2011-12 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;

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



- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) 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 and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee
Significant changes in internal control over financial reporting during the year:
Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting

Sd/-

M P Kaliannan
President (CF)

Sd/-

M Ramalingam
Managing Director

24. Affirmation of Compliance with the Company's code of conduct-Clause 49 D (ii)

I hereby declare that all the Board Members and Senior Management have affirmed compliance with the code of conduct laid down by the Board.

Sd/-

Dr. Palani G Periasamy
Executive Chairman

25. Compliance Officer

Shri E.P Sakthivel, Company Secretary is the Compliance Officer under SEBI (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 and under clause 47 of the Listing Agreement with stock Exchanges. His email ID is secretarial@dharanisugars-pgp.com

26. Addresses for Communication

M/s. Dharani Sugars and Chemicals Limited

"PGP House" New No. 59, (Old No. 57), Sterling Road,
Nungambakkam, Chennai – 600 034.

Telephone: 044 – 2820 7480, 2831 1313, Fax No: 044 – 2823 2074

Email: secretarial@dharanisugars-pgp.com

Website : www.dharanisugars.in



AUDITORS' CERTIFICATE

To

The Members of Dharani Sugars and Chemicals Limited

We have examined the compliance of conditions of corporate governance by **DHARANI SUGARS AND CHEMICALS LIMITED**, for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange (s).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

SRINIVASAN & SHANKAR

Chartered Accountants

(Firm Registration No.: 005093S)

per P SRINIVASAN

Partner

Membership No.025416

Place : Chennai

Dated : 23rd May 2012



**TO THE MEMBERS OF
DHARANI SUGARS AND CHEMICALS LIMITED**

We have audited the attached Balance Sheet of **DHARANI SUGARS AND CHEMICALS LIMITED** as at 31st March 2012, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we have annexed hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

In terms of and further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law, have been kept by the Company so far as it appears from our examination of the said books and records;

- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement referred to in this report are in agreement with the said books of account;
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of the written representations received from the Directors as on 31st March 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012 from being appointed as a director in terms of sub section 1(g) of Section 274 of the Companies Act, 1956

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read in conjunction with Notes attached thereto, give the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
- b) in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date and;
- c) in the case of the Cash Flow Statement of the cash flows for the year ended on that date.

SRINIVASAN & SHANKAR

Chartered Accountants

(Firm Registration No.: 005093S)

per P SRINIVASAN

Partner

Membership No.025416

Place: Chennai

Dated: 23rd May 2012



ANNEXURE TO THE AUDIT REPORT

With reference to our Auditor's Report to the Shareholders of Dharani Sugars and Chemicals Limited, we report that, in our opinion and to the best of our knowledge and belief and as per the information and explanations furnished to us and the books and records examined by us in the normal course of audit;

1. In terms of its fixed assets

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets of the Company have been physically verified during the period by the management in accordance with a programme of verification, the frequency whereof is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) During the year, the Company has not disposed off any substantial part of the fixed assets.

2. In respect of its inventories

- a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the

Company and the nature of its business.

- c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3. The Company has not granted any loans, secured or unsecured during the year to companies, firms or parties covered in the Register maintained under Section 301. In respect of loans, secured or unsecured taken by the Company from companies, firms, or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, we state the following:

- a) During the period, the Company has taken loan of Rs.283 lakhs, from a party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding at any time during the year is Rs. 633 lakhs and the year-end balance is Rs.633 lakhs.
- b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which the loans have been taken by the Company, are not prima facie prejudicial to the interest of the Company. The amounts are repayable on demand.



4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal system.
5. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act 1956.
 - a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that need to be entered into the register maintained under Section 301 have been so entered.
 - b) According to the information and explanations given to us, there are no transactions of purchase of inventory and fixed assets and sale of goods exceeding Rs.5 lakhs in respect of each party. In respect of other transactions exceeding Rs. 5 lakhs in respect of each party, the transactions have been made at prices, which are prima facie, reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
9. According to the information and explanations given to us, in respect of statutory dues and other dues.
 - a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the period.



b) As confirmed by the Management, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess, on account of any dispute other than the following:

Name of the Statute	Nature of dues	Amount (Rs. in lakhs)	Forum where dispute is pending
Central Excise Act 1944	Bagasse, bio compost sales reversal against Cenvat Credit rule 6(3) and Central Excise Act Section 2(d)	168.26	Commissioner of Central Excise - Thirunelveli
Central Excise Act 1944	Bagasse, bio compost sales reversal against Cenvat Credit rule 6(3) and Central Excise Act Section 2(d)	19.56	Commissioner of Central Excise – Thirunelveli
Central Excise Act 1944	Bagasse, bio compost sales reversal against Cenvat Credit rule 6(3) and Central Excise Act Section 2(d)	83.14	Commissioner of Central Excise – Thirunelveli

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.

11. According to information and explanation given to us and as per the books and records examined by us, the Company has not defaulted in repayment of dues to financial institution or bank. The Company has not issued any debentures.

12. Based on our examination of documents and records, we are of the

opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the Company is not a chit fund or nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the



- provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
15. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
 16. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie applied by the Company during the period for the purposes for which the loans were obtained.
 17. To the best of our knowledge and according to the information given to us, funds raised on short-term basis have, prima facie not been used for long-term investment.
 18. The Company has not made any preferential allotment of shares to parties or to a company covered in the register maintained under Section 301 of the Act.
 19. According to the information and explanations given to us, the Company has not issued any debentures.
 20. The Company has not raised any money by way of public issues during the year.
 21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

SRINIVASAN & SHANKAR

Chartered Accountants
(Firm Registration No.: 005093S)

per P SRINIVASAN

Partner
Membership No.025416

Place: Chennai

Date: 23rd May 2012



Balance Sheet as at March 31, 2012

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note No.	As at 31 March 2012	As at 31 March 2011
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	2,938.98	2,938.98
Reserves and surplus	3	8,814.82	8,142.32
Money Received against share warrants		-	-
		11,753.80	11,081.30
Share application money pending allotment			
		-	-
Non-current liabilities			
Long-term borrowings	4	31,558.26	25,205.40
Deferred tax liabilities (Net)	5	2,704.81	2,185.99
Other Long term liabilities		-	-
Long-term provisions	6	390.85	339.88
Trade payables	8	756.59	1,132.61
		35,410.51	28,863.88
Current liabilities			
Short-term borrowings	7	14,422.13	13,155.01
Trade payables	8	3,436.87	2,775.57
Other current liabilities	8	4,421.92	6,995.24
Short-term provisions	5	599.44	62.55
		22,880.36	22,988.37
TOTAL OF EQUITY AND LIABILITIES		70,044.67	62,933.55
II. ASSETS			
Non-current assets			
Fixed assets			
(i) Tangible assets	9	34,210.78	34,922.74
(ii) Intangible assets		3.11	3.94
(iii) Capital work-in-progress		11,802.97	5,877.19
(iv) Intangible assets under development		-	-
		46,016.86	40,803.87
Non-current investments	10	518.40	520.42
Deferred tax assets (net)		-	-
Long-term loans and advances		-	-
Other non-current assets	11	445.08	297.14
Current assets			
Current investments		-	-
Inventories	12	8,933.51	12,714.10
Trade receivables	13	7,639.44	4,268.49
Cash and cash equivalents	14	1,187.37	616.28
Short-term loans and advances	15	5,304.01	3,713.25
Other current assets		-	-
		23,064.33	21,312.12
TOTAL OF ASSETS		70,044.67	62,933.55

Notes to financial statement

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The notes referred to above and the notes thereon form an integral part of these financial statements. This is the Balance Sheet referred to in our report of even date.

SRINIVASAN & SHANKAR

Chartered Accountants

Firm No.005093S

for and on behalf of the Board

per P. SRINIVASAN

Partner

E.P. SAKTHIVEL

Company Secretary

M. RAMALINGAM

Managing Director

DR. PALANI G. PERIASAMY

Executive Chairman

Membership No: 025416

Place : Chennai

Date : 23/05/2012



Statement of Profit and Loss for the year ended 31st March 2012

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2012	For the year ended 31 March 2011
I. Revenue from operations			
Sale of Products	16	61,469.94	84,078.55
Other Income	17	201.86	210.36
Total Revenue		61,671.80	84,288.91
II. Expenses			
Cost of materials consumed	18	42,936.69	50,509.36
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	19	2,779.75	15,457.41
Employee benefits expense	20	1,753.45	1,585.76
Other expenses	22	5,643.64	8,575.18
Total Expenses		53,113.53	76,127.71
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		8,558.27	8,161.20
Finance costs	21	4,874.71	5,817.10
Depreciation and amortization expense	9	2,074.88	2,146.05
Profit before exceptional items and tax		1,608.68	198.05
Exceptional items	23	11.25	11.25
Profit/(Loss) before tax		1,619.93	209.30
Tax expense			
Current tax		(334.75)	(93.11)
Provision pertaining to earlier years		-	(102.30)
MAT Entitlement credit		258.99	93.11
Deferred Tax Asset / (Liability)		(518.84)	251.81
Profit/(Loss) for the period from continuing operations		1,025.33	358.81
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(Loss) from Discontinuing operations (after tax)		-	-
Profit/(Loss) for the period		1,025.33	358.81
Earnings per equity share			
Basic		3.49	1.22
Diluted		3.49	1.31

Notes to financial statement

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The notes referred to above and the notes thereon form an integral part of these financial statements. This is the statement of profit and loss referred to in our report of even date.

SRINIVASAN & SHANKAR

Chartered Accountants

Firm No.005093S

for and on behalf of the Board

per P. SRINIVASAN
Partner

E.P. SAKTHIVEL
Company Secretary

M. RAMALINGAM
Managing Director

DR. PALANI G. PERIASAMY
Executive Chairman

Membership No: 025416

Place : Chennai

Date : 23/05/2012



Notes to the Financials for the year ended 31st March 2012

Background:

Dharani Sugars and Chemicals Limited (Company') was incorporated on 4th June 1987 as a Limited Company under the Companies Act, 1956. The Company is engaged in the business of manufacture of white sugar , generation of electricity and production of industrial alcohol.

Note 1. Statement of Significant Accounting Policies:

a. Basis of Preparation

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 ('the Act'). The financial statements have been prepared under the historical cost convention on an accrual basis. The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.

b. Revenue Recognition

- i. Revenue from domestic sales is recognized on accrual basis. Sales and Finished Goods are accounted inclusive of excise duty, cess but excluding sales tax and trade discounts. Revenue from export sales is recognized on the basis of the shipping bills for exports.
- ii. Export incentives are accounted on accrual basis.
- iii. Interests on deposits are accounted on time proportion basis taking into account the amount outstanding and the rates applicable.
- iv. Dividend income is recognized only when a right to receive payment is established.
- v. Claims are accounted for when there is a reasonable certainty with regard to their ultimate collection.
- vi. Other incomes are recognized on accrual basis.



Notes to the Financials for the year ended 31st March 2012

c. Fixed Assets

- i. Fixed Assets are stated at cost inclusive of duties (net of CENVAT credit to the extent applicable), taxes, incidental expenses, erection/commissioning expenses and interest and all other costs allocated up to the date of commencement of commercial production.
- ii. Gains or losses arising from retirement or disposal of fixed assets are recognised in the Profit & Loss account.

d. Depreciation

Depreciation is provided on Fixed Assets under the straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 and the notification issued there under, except that depreciation has been provided at 100 % on assets costing individually Rs. 5,000/- or less irrespective of whether or not the aggregate cost of such assets constitutes more than 10 % of the total cost of the assets under the particular grouping. Depreciation on addition to fixed assets during the year is charged on pro rata basis with reference to the month of addition.

Furniture & fixtures includes the cost of Rs.38.05 lakhs towards interior decoration and civil work for leased premises and depreciation rate adopted in respect of these assets are at the rate of 10% under straight line method.

e. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed, if there is a change in the estimate of recoverable amount. During the year the Company tested impairment of fixed assets as per the Accounting Standard 28 "Impairment of Assets" to identify impairment loss, if any. The realizable amount calculated as per net selling price for all the cash generating units was higher than the carrying values of such units. Accordingly, no impairment was required to be recognized during the year.

f. Investments

Long Term Investments are stated at cost of acquisition and income from investments not carrying fixed return is accounted at the time of receipt. Gains or



Notes to the Financials for the year ended 31st March 2012

losses on disposal of investments are recognized in the Profit & Loss Account. The decline in value of Long term investments other than temporary, wherever applicable, is given effect to as per Accounting Standard 13 (AS 13).

g. Inventories

The inventory has been valued as under:

- i. Raw materials, Stores and spares are valued at the lower of cost and net realisable value. Cost includes cost of raw materials, transportation charges, and Store/Warehouse charges. The cost is determined on weighted average basis and excludes claimable levies and taxes.
- ii. Work in progress is valued at the lower of cost and net realisable value proportionate to the stage of progress. The cost includes direct material, labour and appropriate portion of overheads.
- iii. Finished goods are valued at lower of cost and net realisable value. The cost includes direct material; appropriate portion of overheads and includes excise duty and Cess.
- iv. By-products are valued at net realizable value.

h. Retirement benefits to employees

- i Retirement benefit in the form of provident fund is charged to the Profit and Loss account on accrual basis.
- ii Provision for Gratuity and Leave encashment is made on the basis of actuarial valuation at the end of the year in line with AS-15 (Revised). Gratuity is an unfunded liability.
- iii Superannuation for the Executives is contributed by way of subscription to the fund with the LIC of India and the same is charged to profit and loss account on accrual basis.

i. Accounting for Grants

The Company has fulfilled the obligations under the terms of the USAID Grant. In line with the generally accepted accounting principles, a sum of Rs.11.25 Lakhs is being apportioned out of the grant to the Profit and Loss Account.

j. Foreign Currency Transactions

Exchange differences arising on reporting of foreign currency monetary items at rates different from those at which they are initially recorded during the period, or



Notes to the Financials for the year ended 31st March 2012

reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset.

Exchange differences arising on the settlement of the monetary items not covered above, or on reporting such monetary items of Company at rates different from those at which they are initially recorded during the year or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

In relation to the forward contracts entered into to hedge the foreign currency risk of the underlying monetary assets / liabilities, the exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognised in the profit and loss account in the reporting period in which the exchange rates change.

The premium or discount on all such contracts arising at the inception of each contract is amortised as income or expense over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognized as income or as expense for the period.

k. Borrowing Costs

Borrowing costs that are attributable to the acquisition of or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial time to get ready for its intended use. All other borrowing costs are charged to revenue.

l. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are not discounted to its present value and are determined based on Management estimate of amounts required to settle the obligation at the balance



Notes to the Financials for the year ended 31st March 2012

sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current Management estimates.

Contingent liabilities are not recognized in the financial statements. Contingent asset is neither recognized nor disclosed in the financial statements

m. Taxation

Tax expense comprises current and deferred tax. Provision for current income tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred income taxes are recognized for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes.

The effect of a change in tax rates on deferred tax assets and liabilities is recognised in the income statement using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

Minimum Alternative Tax ('MAT') credit is recognised, as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement.

n. Earnings per Share ("EPS")

The earnings considered in ascertaining the company's earnings per share comprise the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares, if any, which would have been issued on the conversion of all dilutive potential equity shares.



Notes forming part of the Financial Statement for the year ended 31st March 2012
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 2. Share Capital

	As at 31.03.2012	As at 31.03.2011
Authorised Shares		
5,00,00,000 Equity shares of Rs. 10 each (as at Mar 31, 2011 - 5,00,00,000 Equity Shares of Rs. 10 each)	5,000.00	5,000.00
1,00,00,000 Preference Shares of Rs.10 each (as at Mar 31, 2011 - 1,00,00,000 Equity Shares of Rs. 10 each)	1,000.00	1,000.00
Issued, Subscribed and fully paid up shares		
29389846 Equity shares of Rs. 10 each (as at Mar 31, 2011 - 29389846 Equity Shares of Rs. 10 each)	2,938.98	2,938.98
Total Issued, subscribed and fully paid up share capital	2,938.98	2,938.98

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31.03.2012		31.03.2011	
	No. of Shares	Value Rs.In lakhs	No. of Shares	Value Rs.In lakhs
Equity Shares				
At the beginning of the Period	29,389,846	2,938.98	25,389,846	2,538.98
Issued during the period	-	-	4,000,000	400.00
Outstanding at the end of the period	29,389,846	2,938.98	29,389,846	2,938.98

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31 March 2012, the amount of per share dividend recognized as distributions to equity shareholders was Rs.1.00(31 March 2011: Nil)In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



Notes forming part of the Financial Statement for the year ended 31st March 2012
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

c. Details of shareholders holding more than 5% of the equity shares of the company

Name of the Shareholders	31.03.2012		31.03.2011	
	No of Shares	% of share holding	No of Shares	% of share holding
Dharani Credit & Finance (P) Limited	3,754,440	12.77%	3,754,440	12.77%
Dharani Developers (P) Limited	2,774,088	9.44%	2,774,088	9.44%
Dr Palani G Periasamy	2,069,012	7.04%	2,069,012	7.04%
Total	8,597,540		8,597,540	

d. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date - NIL

Note 3. Reserves and Surplus

	Asat 31.03.2012	As at 31.03.2011
a. Capital Reserves	0.86	0.86
b. Capital Grant (USAID)		
Balance as per last Balance Sheet	63.95	75.20
Less:- Transferred to Profit &(Loss) account	11.25	11.25
Closing Balance	52.70	63.95
c. Securities Premium Account		
Balance as per last Balance Sheet	2,657.50	1,475.10
Add : Received on preferential allotment of equity shares	-	1,182.40
Closing Balance	2,657.50	2,657.50
d. General Reserve		
Balance as per last Balance Sheet	600.00	100.00
Add: Transfer from Profit and Loss Account	200.00	500.00
Closing Balance	800.00	600.00
e. Profit and Loss Account (including debit balance)		
Balance as per last Balance Sheet	4,820.01	4,461.20
Add : Balance of Profit carried forward from Profit and Loss account	1,025.33	358.81
Less: Appropriations		
Proposed Dividend	293.90	-
Dividend Distribution Tax	47.68	-
Transfer to General Reserve	200.00	-
Closing Balance	5,303.76	4,820.01
Total Reserves and surplus	8,814.82	8,142.32

**Notes forming part of the Financial Statement for the year ended 31st March 2012***(All amounts are in lakhs of Indian Rupees, unless otherwise stated)***Note 4. Long-term Borrowings**

	Non-Current		Current	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Term Loans (Secured)				
Indian rupee loan from banks	15,698.85	14,803.91	1,443.39	3,861.48
Foreign currency loan from banks	5,394.72	-	-	241.61
From financial institutions (IREDA)	5,993.60	6,742.80	749.20	749.20
From Sugar Development Fund	4,436.25	3,540.98	245.04	102.50
Other loans and advances				
Deposits from public (Unsecured)	34.84	117.71	40.30	39.54
Total Loans	31,558.26	25,205.40	2,477.93	4,994.33
The above amount includes				
Secured borrowings	31,523.42	25,087.69	2,437.63	4,954.79
Unsecured borrowings	34.84	117.71	40.30	39.54
Amount disclosed under the head "other current liabilities"	-	-	(2,477.93)	(4,994.33)
Net Amount	31,558.26	25,205.40	-	-

1. Term Loans for Sankarapuram project from Bank of India, Union Bank of India, Indian Bank, State Bank of India, Indian Overseas Bank, IREDA and Sugar development fund are secured on a pari-passu basis by an equitable mortgage of all the immovable properties of the Company, both present and future, and a charge on Company's movable assets including plant and machinery and also save and except inventory and book debts and subject to prior charge of specified items in favour of the Company's bankers for securing working capital facilities and joint mortgage by deposit of title deed with the Banks. Further pledge of 5121500 Equity Shares of Rs 10/- each held by the Company in M/s Appu Hotels Limited in favour of above mentioned Banks as additional securities.
2. Term loans from IDBI bank, Indian Bank and State Bank of India are secured on a pari-passu basis by an equitable mortgage of all the immovable properties of the Dharani Nagar unit and Polur unit, both present and future and a charge on companies movable assets including plant & machinery and also save and except inventory and book debts and subject to prior charge of specified items in favour of the companies bankers for securing working capital facilities and joint mortgage by deposit of title deeds with the banks.



Notes forming part of the Financial Statement for the year ended 31st March 2012

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

3. Rupee Term Loan from ICICI Bank is secured by exclusive charge (including charge of ECB of USD 9 million sanctioned by ICICI Bank) on all the Borrowers' moveable assets including harvester machines pertaining to refinery unit at Sankarapuram funded out of this facility. The loan also has the first pari-passu Charge on immovable assets of Vasudevanallur & Polur sugar plant.
 - a. The outstanding Rupee Term Loan of Rs. 205 lakhs from Sugar Development Fund, Government of India in respect of Dharani II Raw sugar Project Cane development and Dharani I is repayable a Annual installments from financial year (FY) 2012-13 to FY 2013-14.
 - b. The outstanding Rupee Term Loan of Rs. 1125.97 lakhs from Banks and Sugar Development Fund, Government of India in respect of Dharani II Expansion Project is repayable in monthly / Annual installments from financial year (FY) 2012-13 to FY 2018-19.
 - c. The outstanding Rupee Term Loan of Rs. 1632 lakhs from Banks and Sugar Development Fund, Government of India in respect of Dharani I Distillery Expansion and Dharani II Staff Quarters is repayable in monthly installments from financial year (FY) 2012-13 to FY 2015-16.
 - d. The outstanding Rupee Term Loan of Rs. 30998.08 lakhs from Banks / Financial Institution / Sugar Development Fund in respect of Dharani III Projects of Distillery, Power and Sugar is repayable in monthly / Quarterly and Half yearly installments from financial year (FY) 2012-13 to FY 2018-19.
- 4 Term Loan from Sugar Development Fund, Government of India, for the Polur unit is secured through a Guarantee from Indian Bank to the extent of Rs.1350 lakhs, which is secured by an equitable mortgage on Pari Passu basis of all the immovable properties of the Company and by a charge on Company's movable assets including Plant and Machinery.
- 5 The company has received Rs. 410 Lakhs from Sugar Development Fund, Government of India for cane development and raw sugar machinery which is secured against bank guarantee to the extent of Rs.410 lakhs.
- 6 The Executive Chairman Dr. Palani G. Periasamy has given Personal guarantees for the loans/working capital facilities availed from Financial Institutions/Banks.



Notes forming part of the Financial Statement for the year ended 31st March 2012
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 5. Deferred Tax Liability (Net)

	As at 31.03.2012	As at 31.03.2011
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting others	2,939.20	2,844.93
	-	-
Gross Deferred tax liability	2,939.20	2,844.93
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	234.39	12.07
Provision for diminution in the value of investments	-	-
Impact of eligible carry forward of loss/unabsorbed depreciation	-	646.87
Gross Deferred tax asset	234.39	658.94
Net deferred tax Asset/(liability)	2,704.81	2,185.99

Note 6. Provisions

	Long-term as at		Short-term as at	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Provision for employee benefits				
Provision for gratuity	346.02	290.58	-	-
Provision for leave encashment	44.83	49.30	-	-
Provision for taxation				
Provision for income tax (net of Advance tax & TDS)	-	-	257.86	62.55
Provision for dividend distribution tax	-	-	47.68	-
Others				
Proposed dividend	-	-	293.90	-
Total Provisions	390.85	339.88	599.44	62.55



Notes forming part of the Financial Statement for the year ended 31st March 2012

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 7. Short-term Borrowings

	As at 31.03.2012	As at 31.03.2011
Short term loan from Banks	1,355.86	3,296.45
Cash credit from banks (Secured)	12,433.27	9,508.56
Deposits (Unsecured)		
Inter-corporate deposits	633.00	350.00
Total	14,422.13	13,155.01
The above amount includes		
Secured borrowings	12,789.13	12,805.01
Unsecured borrowings	1,633.00	350.00
Total	14,422.13	13,155.01

- Cash Credit from Banks availed are secured by Hypothecation of stocks of Sugar, Stores and Spares, Stocks in Process and Book Debts and second charge on the Fixed Assets of the Company.
- The Executive Chairman Dr. Palani G.Periasamy has given Personal guarantees for the Short term loans from banks.

Note 8. Other liabilities

	Non-Current		Current	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
8.1 Trade Payables (Sundry Creditors)				
Due to MSME creditors	-	-	41.26	68.49
Due to creditors other than MSME creditors	756.59	1,132.61	3,395.61	2,707.08
	756.59	1,132.61	3,436.87	2,775.57
8.2 Other liabilities				
Current maturities of long-term borrowings	-	-	2,477.93	4,994.33
Expenses payable	-	-	496.09	400.04
Interest accrued but not due on borrowings	-	-	479.90	255.31
Interest accrued and due on borrowings	-	-	-	-
Deposits others	-	-	31.34	24.50
Investor Education and Protection Fund will be credited by following amounts (as and when due)				
Unpaid dividends	-	-	20.44	21.02
Unpaid/matured deposits and interest accrued thereon	-	-	6.99	6.18
Others				
Interest free advances received from customers*	-	-	184.71	534.62
Other Payables - Statutory payments to Government authorities	-	-	285.06	238.23
Excise Duty and cess payable on closing stock	-	-	439.46	521.01
	-	-	4,421.92	6,995.24
Total other liabilities (8.1+8.2)	756.59	1,132.61	7,858.79	9,770.81

*Customer advances are repayable or adjustable against the supplies or on completion of supply contracts.



Notes forming part of the Financial Statement for the year ended 31st March 2012
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 9. Tangible & Intangible assets

Particulars	Tangible Assets						Intangible Assets		Total
	Land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles equipments	Office equipments	Total	Software's	
Cost or valuation									
At 1st April 2010	899.25	9,823.61	33,994.02	98.23	126.92	57.52	44,999.55	2.20	45,001.75
Additions	24.90	586.50	797.99	4.34	40.04	6.71	1,460.48	2.93	1,463.41
Disposals	-	-	-	-	(0.99)	-	(0.99)	-	(0.99)
Other adjustments	-	56.29	(24.24)	-	-	-	32.05	-	32.05
At 31 March 2011	924.15	10,466.40	34,767.78	102.57	165.97	64.23	46,491.10	5.13	46,496.22
Additions	8.53	537.80	362.89	0.66	32.83	13.52	956.23	-	956.23
Disposals	-	-	-	-	(0.72)	-	(0.72)	-	(0.72)
Other adjustments	-	28.59	377.40	-	-	-	405.99	-	405.99
At 31 March 2012	932.68	11,032.79	35,508.07	103.23	198.08	77.75	47,852.60	5.13	47,857.72
Depreciation									
At 1st April 2010	-	1,525.80	7,743.21	62.41	69.94	22.43	9,423.79	0.39	9,424.18
Charge for the year 2010-11	-	263.90	1,859.03	7.02	8.73	6.57	2,145.26	0.79	2,146.05
Disposals	-	-	-	-	(0.69)	-	(0.69)	-	(0.69)
At 31 March 2011	-	1,789.70	9,602.24	69.43	77.98	29.00	11,568.36	1.18	11,569.54
Charge for the year 2011-12	-	269.28	1,779.23	6.76	7.28	11.50	2,074.05	0.83	2,074.88
Disposals	-	-	-	-	(0.59)	-	(0.59)	-	(0.59)
At 31 March 2012	-	2,058.98	11,381.47	76.19	84.67	40.50	13,641.82	2.01	13,643.83
Impairment loss									
At 1st April 2010	-	-	-	-	-	-	-	-	-
Charge for the year 2010-11	-	-	-	-	-	-	-	-	-
At 31 March 2011	-	-	-	-	-	-	-	-	-
Charge for the year 2011-12	-	-	-	-	-	-	-	-	-
At 31 March 2012	-	-	-	-	-	-	-	-	-
Net Block									
At 31 March 2011	924.15	8,676.70	25,165.52	33.14	87.99	35.23	34,922.74	3.94	34,926.68
At 31 March 2012	932.68	8,973.81	24,126.59	27.04	113.41	37.25	34,210.78	3.11	34,213.89
Capital work-in-progress									
At 31 March 2011	-	2,736.52	3,140.67	-	-	-	5,877.19	-	5,877.19
At 31 March 2012	-	3,809.55	7,993.42	-	-	-	11,802.97	-	11,802.97

Other Adjustments includes Addition/(Deletion) in

Buildings - Rs.28.59 Lakhs on account of Borrowing Cost during the year. (Previous Year - Rs.56.29 lakhs)

Plant & Machinery - Rs.377.40 Lakhs on account of exchange difference during the year. (Previous Year - Rs.24.24 lakhs))



Notes forming part of the Financial Statement for the year ended 31st March 2012

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 10. Non current investments

	As at 31.03.2012	As at 31.03.2011
Trade Investments		
Investment in Equities (other than Subsidiaries)		
139000 shares of Rs.10/- each (Fully paid up) in Dharani Finance Ltd Market value Rs.6.26 Lakhs (Previous Year Rs.7.81 Lakhs)	13.90	13.90
Other investments (specify)		
Trade (Unquoted at Cost)		
5121500 shares of Rs.10/- each in Appu Hotels Ltd (Fully paid up)	512.15	512.15
Total Trade Investment	526.05	526.05
(a) Aggregate amount of Quoted investments	13.90	13.90
(b) Aggregate amount of Unquoted investments;	512.15	512.15
(c) Aggregate provision for diminution in value of investments	(7.65)	(5.63)
Total non current investments	518.40	520.42

Note 11. Other assets

	Non Current		Current	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Non-current bank balances (note 14)	378.13	251.13	-	-
Interest accrued on fixed deposits	66.95	46.01	-	-
Total other assets	445.08	297.14	-	-

Note 12. Inventories
(valued at lower of cost or net realizable value)

	As at 31.03.2012	As at 31.03.2011
Raw materials		
Raw sugar	-	999.14
Work-in-progress	452.84	323.13
Finished goods	7,609.63	10,519.09
Stores and spares	871.05	872.74
Total Inventories	8,933.52	12,714.10



Notes forming part of the Financial Statement for the year ended 31st March 2012

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

13. Trade receivables

	Non Current		Current	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
<i>Unsecured, considered good unless stated otherwise outstanding for a period more than six months from the date they become due for payment</i>				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
Doubtful	401.02	350.06	2205.72	-
	401.02	350.06	-	-
Less: Provision for bad and doubtful receivables	401.02	350.06		
	(A)		2205.72	-
Other receivables (Current)				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	5433.72	4268.49
Doubtful	-	-	-	-
	-	-	5433.72	4268.49
Less: Provision for bad and doubtful debts				
	(B)		5433.72	4268.49
Total Trade Receivables	-	-	7639.44	4268.49

There are no Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Note 14. Cash and cash equivalents

	Non Current		Current	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Cash on hand	-	-	2.54	6.23
Balances with Banks				
(a) Balances with scheduled banks: in current accounts	-	-	1,079.87	486.44
in Dividend account unpaid	-	-	20.44	21.02
in deposit accounts	-	-	-	-
	-	-	1,100.31	507.46
(b) Balances with Non-scheduled banks: in current accounts	-	-	31.56	34.73
	-	-	31.56	34.73
Deposits with Banks				
Deposits with original maturity for more than 12 months	127.00	-	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	6.00	-
Margin money deposit				
Deposits with original maturity for more than 12 months	251.13	251.13	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	46.96	67.86
	378.13	251.13	52.96	67.86
Amount disclosed under non-current assets (note 11)	(378.13)	(251.13)	-	-
Total of cash and cash equivalents	-	-	1,187.37	616.28



Notes forming part of the Financial Statement for the year ended 31st March 2012

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 15. Short-term Loans and advances

	Non Current		Current	
	As at	As at	As at	As at
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
A. Capital Advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	943.83	-
Doubtful	-	-	-	-
	-	-	943.83	-
Provision for doubtful capital advances	-	-	-	-
(A)	-	-	943.83	-
B. Security deposit				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	58.52	58.96
Doubtful	-	-	-	-
	-	-	58.52	58.96
Provision for doubtful Security Deposit	-	-	-	-
(B)	-	-	58.52	58.96
C. Advances recoverable in cash or kind				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	777.15	356.27
Doubtful	-	-	4.85	3.97
	-	-	782.00	360.24
Provision for doubtful Advance	-	-	4.85	3.97
(C)	-	-	777.15	356.27
D. Other Loans and advances				
Prepaid expenses	-	-	94.61	79.57
MAT credit receivable	-	-	1,857.85	1,580.24
Balances with Central Excise, Customs & Service Tax Authorities	-	-	1,562.77	1,638.20
Advances to Staff	-	-	9.28	-
(D)	-	-	3,524.51	3,298.01
Total (A+B+C+D)	-	-	5,304.01	3,713.25

**Notes forming part of the Financial Statement for the year ended 31st March 2012***(All amounts are in lakhs of Indian Rupees, unless otherwise stated)***Note 16. Sales of Products**

	For the year ended 31.03.2012	For the year ended 31.03.2011
a) Sugar		
- Domestic sales	27,953.32	46,014.45
- Export sales	24,977.10	28,848.57
b) Industrial Alcohol	3,805.82	3,435.54
c) Power	4,848.56	6,992.18
d) Bagasse	126.16	-
e) Molasses	384.80	506.87
f) Bio Compost	42.64	28.05
g) Carbon Dioxide	62.00	57.98

Other Operating Revenues

a) Scrap sales	5.36	19.99
b) Duty Draw back	221.88	-
c) DEPB Licence	114.77	-

Revenue from Operations (gross)

	62,542.41	85,903.63
--	------------------	-----------

Less: Excise Duty #

	1,072.47	1,825.08
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Revenue from Operations (net)

	61,469.94	84,078.55
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Excise duty on sales amounting to Rs.1072.47 lakhs (31 March 2011: 1825.08 lakhs) has been reduced from sales in Statement of Profit & Loss and excise duty on increase in stock amounting to Rs.81.54 lakhs (31 March 2011 Rs.708.22 lakhs) has been considered as income in note 22 of financial statement

Note 17. Other Income**Interest income on**Bank deposits (Tax deducted at source Rs.5.21 Lakhs,
previous Year Rs.8.12 Lakhs)**53.32** 76.67Others (Tax deducted at source Rs.0.26 Lakhs,
previous Year Rs.1.02 Lakhs)**2.86** 4.81

Dividend income on

Long-term investments

0.69 0.69

Net gain / (loss) on sale of asset

0.01 0.21

Other non-operating income

70.30 47.14

Net gain / (loss) on Foreign Exchange translation

74.68 80.84**Total of Other income****201.86** 210.36



Notes forming part of the Financial Statement for the year ended 31st March 2012

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 18. Cost of Raw Materials Consumed

	For the year ended 31.03.2012	For the year ended 31.03.2011
Inventory at the beginning of the year	1,201.71	23,415.07
Add: Purchases	41,936.28	28,296.00
	43,137.99	51,711.07
Less: Inventory at the end of the year	201.30	1,201.71
Cost of raw material and components consumed	42,936.69	50,509.36

Details of raw material and components consumed

Sugar cane	41,339.62	27,027.29
Raw sugar	1,024.63	22,990.70
Molasses	572.44	491.37
	42,936.69	50,509.36

Details of Inventory as at 31 March 2012

Sugar cane	-	-
Raw sugar	-	999.14
Molasses	201.30	202.57
	201.30	1,201.71

Note 19. (Increase)/Decrease in Inventory

	As at 31.03.2012	As at 31.03.2011	(Increase)/decrease
Inventories at the end of the year			
Work in progress	452.84	323.13	(129.71)
Finished goods	7,609.63	10,519.09	2,909.46
	8,062.47	10,842.22	2,779.75
Inventories at the beginning of the year			
Work in progress	323.13	382.54	59.41
Finished goods	10,519.09	25,917.09	15,398.00
	10,842.22	26,299.63	15,457.41
	2,779.75	15,457.41	

**Notes forming part of the Financial Statement for the year ended 31st March 2012***(All amounts are in lakhs of Indian Rupees, unless otherwise stated)***Details of Inventory**

	As at 31.03.2012	As at 31.03.2011
Work-in-progress		
Sugar	436.22	305.33
Molasses	16.63	17.80
	452.84	323.13
Finished goods		
Sugar	6,844.96	9,136.16
Molasses (Sugar)	301.13	730.67
Bagasse	50.48	4.34
Rectified Spirit & Impured Spirit	92.05	309.39
Denature	-	26.83
Extra Neutral Alcohol	41.95	30.88
Molasses (Distillery)	279.05	280.82
	7,609.63	10,519.09

For the year ended	For the year ended
31.03.2012	31.03.2011

Note 20. Employee benefit expenses

Salaries and wages	1,486.00	1,323.65
Contribution to provident funds and other funds	80.22	75.32
Gratuity expense	79.42	91.51
Staff welfare expenses	107.81	95.28
Total	1,753.45	1,585.76

Note 21. Finance Cost**Interest**

Interest on Term Loan	2,621.33	3,139.39
Interest on Working Capital	1,626.69	1,993.49
Other Interest and Financial Charges	396.44	378.12
Bank Charges	230.25	306.10
Total	4,874.71	5,817.10

**Notes forming part of the Financial Statement for the year ended 31st March 2012***(All amounts are in lakhs of Indian Rupees, unless otherwise stated)***Note 22. Other expenses**

	For the year ended 31.03.2012	For the year ended 31.03.2011
Stores and Spares Consumed	1,358.51	1,020.17
(Increase)/decrease of excise duty on inventory	(81.54)	(708.22)
Power and Fuel	271.27	251.54
Fuel for Co-generation	685.24	4,429.98
Freight, Packing and Forwarding charges	2,183.29	2,282.04
Rent	71.08	71.68
Rates & Taxes	65.74	38.61
Insurance	72.98	80.60
Repairs and Maintenance		
- Plant and Machinery	415.94	257.02
- Building	165.02	142.30
- Vehicle	68.03	72.41
- Others	16.09	18.50
Directors' Sitting Fees	1.80	2.25
Executive Chairman & Managing Director Remuneration	125.74	94.60
Auditors' Remuneration (Refer detail below)	7.81	5.85
Travelling & Conveyance	32.66	36.63
Postage & Telephones	23.86	24.21
Printing & Stationery	26.92	26.45
Provision for Doubtful debts	51.85	351.31
Provision for Diminution in value of Investment	2.02	-
Loss on Sale of fixed assets	-	0.06
Miscellaneous expenses	79.33	77.19
Total other expenses	5,643.64	8,575.18
Payment to auditor		
As auditor		
Audit fee	4.00	3.25
Tax audit fee	1.00	0.75
Limited review	0.90	0.60
In other capacity		
Certification fees	1.10	0.70
Service Tax	0.81	0.55
	7.81	5.85
Note 23. Exceptional items		
Amortization of USAID Grant	11.25	11.25
Total	11.25	11.25



Notes to the Financials for the year ended 31st March 2012

24. Notes on Accounts

24.1 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs. 2220.18 lakhs (Previous year – Rs. 2654.71 lakhs).

24.2 Contingent Liabilities

- i. Claims against the Company not acknowledged as debt Rs. 276.96 lakhs (Previous year Rs. 604.74 lakhs)
- ii. The Company has so far exported 213295 MT of white sugar (Including 34747 MT in previous year). With this the Company has completely fulfilled all its export obligations.

24.3 Taxation

i. Provision for current tax:

The tax Provision for the current year is determined under MAT. The MAT liability is Rs.334.75 lakhs.

ii. Deferred tax:

The Company had created deferred tax liability (net) in accordance with the requirements of the Accounting Standard 22 "Accounting for Taxes on Income".

Break up of Deferred Tax Asset / Liability as on 31.03.2012 is as follows:

**Notes to the Financials for the year ended 31st March 2012***(Rs. in lakhs)*

Particulars	As at 31st March' 12	As at 31 st March' 11
a) Deferred Tax Liability Related to Fixed Assets	2939.20	2844.93
b) Deferred Tax Assets Eligible carry forward of loss/unabsorbed depreciation	-	646.87
Expenses allowable against taxable income in future years	234.39	12.07
Net Deferred Tax Liability	2704.81	2185.99

24.4 Employee Benefits as per AS-15 (Revised)**24.4.1 Components of Employer Expenses***(Rs. in lakhs)*

Sl No.	Particulars	As at 31st March'12	As at 31 st March'11
a)	Present value of obligation as at 31 st March, 2012	390.85	339.88
b)	Fair Value of plan assets as at 31 st March, 2012	Nil	Nil
c)	(Asset) / Liability recognised in the Balance sheet	390.85	339.88

**Notes to the Financials for the year ended 31st March 2012****24.4.2 Net Assets / (Liability) recognized in the balance sheet***(Rs. in lakhs)*

SI No.	Particulars	As at 31 st March'12	As at 31 st March'11
a)	Current Service Cost	69.50	60.66
b)	Interest Cost	25.51	18.48
c)	Expected Return on Plan Assets	Nil	Nil
d)	Curtailement Cost / (Credit)	Nil	Nil
e)	Settlement Cost / (Credit)	Nil	Nil
f)	Past Service Cost	Nil	Nil
g)	Actuarial (Gain) / Loss	(1.93)	22.87
h)	Total expenses / (gain) recognized in the Statement of Profit and Loss	93.08	102.01

24.4.3 Change in Defined Benefit Obligations*(Rs. in lakhs)*

SI No.	Particulars	As at 31 st March'12	As at 31 st March'11
a)	Present value of Obligation as at the beginning of the period	339.88	243.33
b)	Current service cost	69.50	60.66
c)	Interest cost	25.50	18.48
d)	Curtailement Cost / (Credit)	Nil	Nil
e)	Settlement Cost / (Credit)	Nil	Nil
f)	Plan Amendments	Nil	19.27
g)	Acquisitions	Nil	Nil
h)	Actuarial (gain) / Loss	(1.93)	22.87
i)	Benefits paid	(42.10)	(24.73)
j)	Closing defined benefit obligation	390.85	339.88

**Notes to the Financials for the year ended 31st March 2012****24.4.4 Changes in the Fair Value of Plan Assets***(Rs. in lakhs)*

SI No.	Particulars	As at 31 st March'12	As at 31 st March'11
a)	Present value of Plan Assets as at the beginning of the period	Nil	Nil
b)	Acquisition Adjustments	Nil	Nil
c)	Expected return on Plan Assets	Nil	Nil
d)	Actuarial Gain / (Loss)	Nil	Nil
e)	Actual Company Contribution	42.10	24.73
f)	Benefits Paid	(42.10)	(24.73)
g)	Closing Fair Value of Plan Assets	Nil	Nil

24.4.5 Actuarial Assumptions

SI No.	Particulars	As at 31 st March'12	As at 31 st March'11
a)	Discount Rate (per annum)	8.60%	8%
b)	Expected Rate of Return on Assets (per annum)	Nil	Nil

24.4.6 Operating Lease*(Rs. in lakhs)*

SI No.	Particulars	As at 31 st March'12	As at 31 st March'11
1.	Not Later than One year	62.97	63.12
2.	Later than One year but not later than five years	212.25	208.94
3.	Later than five years	Nil	Nil
	Total	275.22	272.06



Notes to the Financials for the year ended 31st March 2012

24.4.7 Deposits with Bank

- i. Deposits with Banks under lien to commercial tax officers Rs.0.03 lakhs (Previous year Rs.0.03 lakhs)
- ii. Deposit under lien to Bank / others, Guarantees / Performance Rs. 425.08 lakhs (Previous year Rs.271.56 lakhs)

24.4.8 Capitalisation of Borrowing Cost:

In line with Accounting Standard 16 issued by the ICAI, the Company has identified the borrowing cost with respect to specific assets which are under development.

Interest capitalized during the Year on capital assets under development amounts to Rs.1156.67Lakhs (Previous Year Rs.514.40 Lakhs)

24.4.9 Particulars of Raw materials, Spares and components consumed:

Particulars	2011-12		2010-11	
	Consumed	% of Total Consumed	Consumed	% of Total consumed
1. Raw Materials (Qty in M.T)				
a. Sugarcane	19,08,177		13,28,721	
b. Raw Sugar	3,633		90,685	
c. Molasses	66,946		56,172	
2. Value (Rs in Lakhs)				
a. Sugarcane	41,339.62	96.28%	27,027.29	53%
b. Raw Sugar (Imported)	1,024.63	2.39%	22,990.70	46%
c. Molasses	572.44	1.33%	4,91.37	1%
	42936.69	100%	50,509.36	100%
3. Spares and Components (Value in Rs Lakhs)				
a. Imported	11.84	0.87%		
b. Indigenous	1,346.67	99.13%	1,020.17	100%
4. CIF value of Import (Value in Rs Lakhs)				
a. Raw Sugar	Nil	Nil	Nil	
b. Spares	11.84	Nil	Nil	

**Notes to the Financials for the year ended 31st March 2012****24.4.10 Other Information****i. Realisable value of Current Assents, Loans and advances**

- a. In the opinion of the Board, the investments, current assets, loans and advances are realizable at a value, which is at least equal to the amount at which these are stated, in the ordinary course of business and provision for all known and determined liabilities are adequate and not in excess of the amount stated.
- b. Advances include Rent Advance of Rs.41.53 Lakhs paid to Dr. Palani G. Periasamy, Executive Chairman in respect of the property taken on lease for office purpose. Maximum amount outstanding at any one time during the year Rs.41.53 Lakhs (Previous year Rs.41.53 Lakhs)

ii. Amount due to Micro, Small and Medium Enterprises*(Rs in Lakhs)*

Description	Year ended 31st March' 12	Year ended 31st March' 11
Principal	41.26	68.49
Interest	Nil	Nil
Interest Paid U/s 16 of Micro Small and Medium Enterprises Development Act, 2006	Nil	Nil
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year)	Nil	Nil
Interest accrued and remaining unpaid	Nil	Nil

The above information and that given in Note 8 regarding Micro Small and Medium Enterprises have been determined to the extent the Company has received information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act,2006.



Notes to the Financials for the year ended 31st March 2012

24.4.11 Related Party

i. Names of Related Parties:

Nature of relationship	Name
Associate Enterprises	M/s. Dharani Finance Limited (DFL) M/s. Appu Hotels Limited (AHL) M/s. PGP Educational & Welfare Society (PGP&EWS) M/s. Dharani Developers Private Limited (DDPL)
Key Management Personnel	Dr Palani G Periasamy, Executive Chairman Mr. A. Sennimalai, Director Mr. M. Ramalingam, Managing Director
Enterprises Significantly influenced by Key Management Personnel	M/s. Ananthi Developers Limited (ADL) M/s PGP Hotels and Resorts (I) Pvt . Ltd

ii. The above information regarding related parties have been determined to the extent such parties have been identified on the basis of information available with the company

iii. Related party transactions: (Previous year figures are given in brackets) (Rs. In lakhs)

PARTICULARS	DFL	AHL	PGP E&WS	DDPL	ADL	KEY MANAGEMENT PERSONNAL	TOTAL	DFL	AHL	PGP E&WS	DDPL	ADL	KEY MANAGEMENT PERSONNAL	TOTAL
TRANSACTIONS DURING THE YEAR							BALANCES AT YEAR END							
1. Utilisation of Services														
Remuneration						125.73 (72.45)	125.73 (72.45)						200.29 (140.43)	200.29 (140.43)
Rent						60.46 (60.00)	60.46 (60.00)						64.33 (28.94)	64.33 (28.94)
Travel	5.40 (11.87)						5.40 (11.87)	0.00 (9.54)						0.00 (9.54)
Sitting Fees						0.60 (0.60)	0.60 (0.60)						Nil (Nil)	Nil (Nil)
Professional Fees					44.58 (83.47)		44.58 (83.47)					181.46 (141.47)		181.46 (141.47)
Inter Corporate Deposits / Loans					283.00 (350.00)		283.00 (350.00)					633.00 (350.00)		633.00 (350.00)
Interest		0.00 (1.02)		0.00 (54.64)	75.73 (11.52)		75.73 (67.18)	0.00 (0.00)		0.00 (22.25)		68.15 (10.37)		68.15 (32.62)
2. Rendering of Services														
Rent			0.13 (0.13)				0.13 (0.13)			0.13 (0.13)				0.13 (0.13)

Figures within brackets represent previous year's figures



Notes to the Financials for the year ended 31st March 2012

- iv. No balances in respect of the related parties have been provided for/written back / written off except as stated above.

24.4.12 Segment Reporting

The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system.

The Company's operations predominantly relate to manufacture of Sugar. Other business segments reported are Distillery and Power. Sugar segment includes molasses and other by-products.

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segment as also amounts allocated on a reasonable basis.

The expenses, which are not directly attributable to the business segment, are shown as unallocated corporate cost.

Assets and Liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively.

Inter Segment Transfer Pricing Policy – (i) The molasses supplied to Distillery segment is based on average market price. (ii) Power used by other segments is based on 90% of the market price.

Notes to the Financials for the year ended 31st March 2012
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



PARTICULARS	SUGAR		DISTILLERY		POWER		UNALLOCATED		TOTAL	
	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11
External Sales	52726.53	73557.14	3894.84	3509.23	4848.56	6992.19	-	-	61469.94	84058.56
Other Income	70.05	25.10	0.36	0.36	-	-	131.45	204.89	201.86	230.35
Inter - segment Sales	5167.49	4350.90	-	-	2886.67	2950.49	-	-	8054.16	7301.39
Gross Revenue	57964.08	77933.14	3895.20	3509.59	7735.23	9942.68	131.45	204.89	69725.96	91590.30
Less: Intersegment revenue	5167.49	4350.90			2886.67	2950.49			8054.16	7301.39
Total Revenue	52796.58	73582.24	3895.20	3509.59	4848.56	6992.19	131.45	204.89	61671.80	84288.91
RESULT										
Segment Result	3898.28	3439.56	1180.80	984.43	1649.67	1791.81	(245.36)	(200.65)	6483.39	6015.15
Less: Unallocated Corporate Expenses									-	-
Operating profit									6483.39	6015.15
Less: Interest expense									4874.71	5817.10
Add: Interest income									-	-
Profit/(Loss) from ordinary activities									1608.68	198.05
Net profit/(Loss)									1608.68	198.05
OTHER INFORMATION										
Segment assets	38943.18	39654.18	12940.87	7378.29	15488.87	13510.14	-	-	67372.92	60542.61
ADD: Unallocated Corporate Assets							2153.34	2421.51	2153.34	2421.51
Total Assets	23413.01	6330.52	206.37	(370.83)	17.57	283.10	-	-	69526.26	62964.12
Segment liabilities									23636.95	6242.79
ADD: Unallocated Corporate Liabilities							334.75	93.11	334.75	93.11
Total Liabilities	1107.80	925.98	5950.41	3414.26	210.20	-	18.90	9.22	23971.70	6335.90
Capital expenditure	1166.53	1249.59	234.58	223.36	660.07	659.91	13.70	13.19	2074.88	2146.05
Depreciation										
Non-cash expenses other than depreciation	-	-							-	-

**Notes to the Financials for the year ended 31st March 2012****24.4.13 Earnings Per Share**

SI No.	Particulars	Year ended March 31, 2012	Year ended March 31, 2011
a.	Net Profit as per Profit & Loss account (Rupees in Lakhs)	1025.33	358.81
b.	Number of Equity shares	29,389,846	29,389,846
c.	Weighted Average Number of Equity shares	29,389,846	27,318,613
c.	Basic Earnings Per Share (Rupees)	3.49	1.31

24.4.14 Earnings in Foreign Currency (On Accrual Basis)*(Rs. in lakhs)*

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Export of Sugar (FOB value)	24977.10	28848.57

24.4.15 Value of Imports (CIF basis- On Accrual Basis)*(Rs. in lakhs)*

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Raw materials	Nil	Nil
Components and Spare parts	11.84	Nil
Capital goods	Nil	Nil

24.4.16 Expenditure in Foreign Currency (On Accrual Basis)*(Rs. in lakhs)*

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Raw sugar	Nil	Nil
Capital goods	Nil	Nil
Travelling	4.16	Nil
Others	173.69	12.90

**Notes to the Financials for the year ended 31st March 2012****24.4.17 Dividend (Net) remitted in Foreign Exchange**

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Number of non-resident shareholders	Nil	87
Number of equity shares held on which dividend was due	Nil	10,135,856
Amount remitted (Rs. in lakhs)	Nil	152.04
Currency of remittance	Nil	USD
Year to which the dividend related	Nil	2009-10

24.4.18 Foreign currency exposures

The Company had used derivative financial instruments in the form of forward exchange contracts to hedge its risks associated with foreign currency fluctuations during the year. Accounting policy for forward exchange contracts is given in note 23.2 above. There are no open forward contracts at the end of current and previous years. The details of Foreign Exchange Exposures as at the end of the year are given below:

Particulars	Currency type	As at Mar 31, 2012		As at Mar 31, 2011	
		Amount (Foreign currency in Lakhs)	Amount (Rs.In Lakhs)	Amount (Foreign currency in Lakhs)	Amount (Rs. In Lakhs)
Secured Loans	USD	112.43	5750.58	5.41	241.61
Trade Receivables	USD	107.38	5385.77	26.47	1182.27
Trade payables	GBP	0.71	48.64	0.71	50.78



Notes to the Financials for the year ended 31st March 2012

24.4.19 Previous year comparatives

Till the year ended 31 March 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

SIGNATURE TO NOTES 1 TO 24

Refer Our Report of even date

SRINIVASAN & SHANKAR

Chartered Accountants

Firm No.005093S

for and on behalf of the Board

per P. SRINIVASAN

Partner

Membership No: 025416

E.P. SAKTHIVEL

Company Secretary

M. RAMALINGAM

Managing Director

DR. PALANI G. PERIASAMY

Executive Chairman

Place : Chennai

Date : 23/05/2012

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012***(All amounts are in lakhs of Indian Rupees, unless otherwise stated)*

Particulars	As at 31.03.2012	As at 31.03.2011
A. Cash Flow From Operating Activities:		
Net Profit /(Loss) before Tax	1,619.93	209.30
Adjustment for:		
- Depreciation	2,074.88	2,146.05
- (Profit)/Loss on sale of assets	(0.01)	(0.15)
- Provision for diminution in value of Investments	2.02	-
- Amortization of USAID Grant	(11.25)	(11.25)
- Unrealised Foreign Exchange Loss/(Gain)	(50.96)	13.96
- Provision for Doubtful debts	51.85	351.31
- Interest Expense	4,874.71	5,817.10
- Interest Income	(56.18)	(81.48)
- Dividend Income	(0.69)	(0.69)
Operating Profit before Working Capital Changes	8,504.29	8,444.15
Adjustment for:		
(Increase)/Decrease in Sundry Debtors	(3,370.95)	(2,022.91)
(Increase)/Decrease in Loans and Advances	(1,314.16)	803.43
(Increase)/Decrease in Inventories	3,780.59	37,549.56
Increase/(Decrease) in Trade Payables	(3.20)	(31,945.79)
Increase/(Decrease) in Provisions	50.97	96.55
Cash generated from Operations	7,647.54	12,924.99
- Taxes (paid), <i>net</i>	(157.95)	(469.44)
Net Cash from/ (used in) Operating Activities	7,489.59	12,455.55
B. Cash Flow from Investment Activities:		
- Purchase of fixed assets including CWIP	(7,011.13)	(4,374.69)
- Proceeds from sale of fixed assets	0.14	0.44
- Interest Received	35.24	79.80
- Dividend Received	0.69	0.69
Net Cash from/ (used in) Investing Activities	(6,975.06)	(4,293.76)
C. Cash Flow From Financing Activities:		
- Repayment of Share Application Money	-	(17.71)
- Proceeds from Long term loans	8,739.25	8,541.28



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As at 31.03.2012	As at 31.03.2011
- Proceeds from Short term loans	4,207.71	200.00
- Repayment of Long term loans	(4,902.79)	(11,345.38)
- Repayment of Short term loans	(2,940.59)	(2,465.73)
- Unrealised Foreign Exchange Gain Term Loans	(269.90)	24.24
- Interest paid	(4,650.12)	(5,738.18)
- Dividend & Dividend Tax paid	-	(444.10)
Net Cash from/ (used in) Financing Activities	183.56	(11,245.58)
Net increase in cash and cash equivalents (A + B + C)	698.09	(3,083.79)
Cash and cash equivalents at the beginning of the year	867.41	3,951.20
Cash and cash equivalents at the end of the year	1,565.50	867.41
Components of cash and cash equivalents as at the end of the year		
Cash on hand	2.54	6.23
Cheques on hand	-	-
Balances with scheduled banks:		
On current accounts	1,079.87	486.44
On deposit accounts	431.08	318.99
Balances with non-scheduled banks:		
On current accounts	31.56	34.73
Unpaid Dividend Account	20.44	21.02
Cash and Cash Equivalents - Closing Balance	1,565.49	867.41

for and on behalf of the Board

E.P. SAKTHIVEL
Company Secretary

M.RAMALINGAM
Managing Director

DR.PALANI G. PERIASAMY
Executive Chairman

Place: Chennai

Date : 23rd May 2012

AUDITORS' CERTIFICATE

We have verified the above cash flow statement of **DHARANI SUGARS AND CHEMICALS LIMITED**, derived from the Audited Financial Statement and the books and records maintained by the Company for the years ended 31.03.2012 and 31.03.2011 and found the same to be in agreement therewith.

For SRINIVASAN & SHANKAR

Firm Registration No.: 005093S
Chartered Accountants

Per P SRINIVASAN

Partner

Place: Chennai



DHARANI SUGARS AND CHEMICALS LIMITED

ECS MANDATE FORM FOR PAYMENT OF DIVIDEND ON EQUITY SHARES

(In case of physical shares - send to our Shares Transfer Agent

In case of demat shares - send to your Depository Participant)

1. First Shareholder's Name (in Block Letters) :
2. Address :
3. Regd. Folio No. (If not Dematerialised)
DPIDNo. :
Client ID No. (If Dematerialised) :
4. Particulars of Bank Account :
 - A. Bank Name :
 - B. Branch Name & City (Pin Code) :
 - C. Account No. :
(as appearing on the Cheque Book)
 - D. Account Type (Please tick) : SB Current Cash Credit
 - E. Ledger Folio No. of the Bank A/c.
 - F. 9 Digit code No. of the Bank & Branch
appearing on the MICR cheque
issued by bank :
5. Please attach a photocopy of a cheque leaf or a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the code numbers.

DECLARATION

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold Dharani Finance Limited, responsible. In case of ECS facility not being available for any reason, the account details provided above may be incorporated in the payment instrument.

Place :

Date : Signature of the first shareholder

Certified that the particulars furnished above are correct as per our records.

Place :

Date : Authorised Signatory

- Note** :
1. Kindly fill all columns. Incomplete forms shall not be entertained.
 2. Please ignore this form if the same is already submitted.
 3. In lieu of the Bank Certificate to be obtained, shareholders can attach a blank 'cancelled' cheque or a photocopy thereof.





DHARANI SUGARS AND CHEMICALS LIMITED

Regd.Office : "PGP House" No.57 Sterling Road, Nungambakkam, Chennai 600 034.

EMAIL ADDRESS REGISTRATION FORM (EARF)

Name & Address of the Member _____

Folio No. : _____

DP ID : _____

Client ID : _____

Email ID : _____

I hereby confirm that I am a member of the Company and the above details furnished by me for registration of my email address to receive the copy of annual report comprising of Notice, Director's Report, Auditor's Report, Balance Sheet, Profit & Loss account etc., through electronic mode from the Company are correct. I further confirm that I will intimate the Company/RTA from time to time if there is any change in my above Email ID.

Signature of the Shareholder

Place :

Date :

Name of the Shareholder





DHARANI SUGARS AND CHEMICALS LIMITED

Regd.Office : "PGP House" No.57 Sterling Road, Nungambakkam, Chennai – 600 034.

ADMISSION SLIP

To be handed over at entrance of Meeting Hall

Folio/DP No : _____
Client ID : _____

Shares : _____

I hereby record my presence at the

Twentyfifth Annual General Meeting

Venue: Narada Gana Sabha
No 314, TTK Road, Alwarpet
Chennai - 600 018.

Date: 17th September 2012
Time: 10.20 a.m.

Proxy's name in Block Letters

Member/Proxy's Signature

DHARANI SUGARS AND CHEMICALS LIMITED

Regd. Office : "PGP House" No.57 Sterling Road, Nungambakkam, Chennai – 600 034.

PROXY FORM

I/We _____
_____ Folio No/D.P ID No/Client ID No : _____ of _____
_____ being a Member / Members of Dharani
Sugars and Chemicals Limited hereby appoint _____
_____ of _____ or failing him _____
_____ of _____ as my/our proxy to attend and vote for me/us
on my/our behalf at the Twenty fifth Annual General Meeting of the Company to be held at
10.20 a.m. on the 17th September 2012 and at any adjournment thereof.

Signed this _____ 2012

FOR OFFICE USE ONLY

No. of Shares : _____ Affix
Folio No. : _____ Revenue
D.P ID No. : _____ Stamp
Client ID No. : _____

Signature of Shareholders or Proxy

- Note:
1. The Proxy need NOT be a Member
 2. The Proxy Form signed across revenue stamp should reach the Company's Registered office atleast 48 hours before the scheduled time of Meeting.
 3. Proxy cannot speak at the Meeting or vote on a show of hands.



**SHAREHOLDERS ARE INFORMED THAT
NO GIFTS WILL BE DISTRIBUTED DURING
OUR ANNUAL GENERAL MEETINGS**



Notes



Notes



PGP GROUP

If Undelivered, Please return to
DHARANI SUGARS AND CHEMICALS LIMITED
(Secretarial Division)
"PGP HOUSE"
No.57, Sterling Road,
Chennai - 600 034.