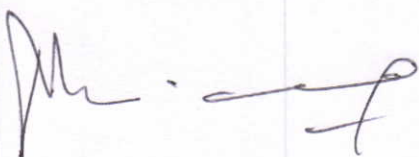


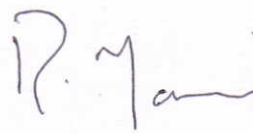
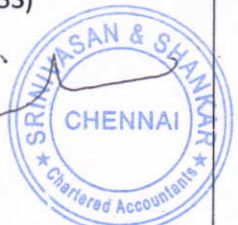
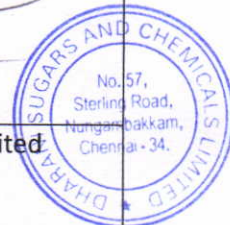


**FORM A**

**Format covering letter of the annual report to be filed with the stock exchanges  
(In pursuance of Clause 31 of the Listing Agreement)**

1	Name of the Company	Dharani Sugars and Chemicals Limited
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March 2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	Executive Chairman	For Dharani Sugars and Chemicals Limited  Dr Palani G Periasamy
6	CFO	For Dharani Sugars and Chemicals Limited  M P Kaliannan
7	Audit Committee Chairman	For Dharani Sugars and Chemicals Limited  P S Gopalakrishnan
8	Auditor of the Company	For Srinivasan & Shankar Chartered Accountants (Firm Regn.No. 005093S)  R Manikandan Partner Membership No.216063



**DHARANI SUGARS  
AND  
CHEMICALS LIMITED**



**28th  
ANNUAL REPORT  
2014-2015**



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## 28<sup>TH</sup> ANNUAL REPORT

### BOARD OF DIRECTORS

Dr Palani G Periasamy	Chairman
Mr M Ramalingam	Managing Director
Dr K N Sivasubramanian	Director
Mr A Sennimalai	Director
Mr P S Gopalakrishnan	Director
Mr T Pitchandi	Director
Mrs Visalakshi Periasamy	Director
Mr P Selvam	Director
Dr S Muthu	Director
Dr K C Reddy	Nominee Director – IREDA
Company Secretary	Mr E P Sakhivel
President & Chief Financial Officer	Mr M P Kaliannan
Auditors	M/s Srinivasan & Shankar, Chartered Accountants, Chennai – 600 004
Banks and Public Financial Institution	ICICI Bank Limited Indian Bank State Bank of India Bank of India Central Bank of India IDBI Bank Limited The South Indian Bank Limited The Federal Bank Limited Union Bank of India Indian Overseas Bank IREDA
Corporate Identification No.(CIN) Registered Office Phone Nos/ Fax Nos Email & Website	L15421TN1987PLC014454 PGP House, New No. 59 (Old No.57) Sterling Road, Nungambakkam, Chennai 600 034 91-44-28311313, 2820 7480 Fax No. 91-44- 28232074/76 secretarial@dharanisugars-pgp.com 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, Chetpet, Polur Taluk, Tiruvannamalai Dist – Tamil Nadu Phone No. 04181-223161 -162,223170 dharani2@dharanisugars-pgp.com Dharani –III, Kalayanallur Village, Sankarapuram Taluk. Villupura Dist – 606206, Tamil Nadu Phone No. 04151 -248208,248277 dharani3@dharanisugars-pgp.com



## NOTICE TO SHAREHOLDERS

**NOTICE** is hereby given that the **TWENTY EIGHTH** 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 28<sup>th</sup> September 2015 at 10.20 A.M** to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements including Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit and Loss and Cash Flow Statements for the year ended on that date and consider the reports of the Directors and Auditors.
2. To appoint a Director in place of Mr A Sennimalai, (holding DIN 00062791) who retires by rotation and being eligible offers himself for re-appointment.
3. **RESOLVED THAT** pursuant to the provisions of section 139, 142 and Audit and Auditors Rules, 2014, (the rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Srinivasan & Shankar, Chartered Accountants, Chennai (Registration number 005093S with the Institute of Chartered Accountants of India), who have offered themselves for re appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of section 141 of the Act, and rule 4 of the rules, be and are hereby re-appointed as Statutory Auditors of the Company to hold office for a period of 2 years from the conclusion of this meeting until the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company on such remuneration as may be agreed upon by the Audit committee/ Board of Directors in consultation with the Auditors

### SPECIAL BUSINESS

4. To consider, and if thought fit to pass with or without modification, the following resolution as a **Special Resolution**.

Remuneration to Dr Palani G Periasamy, Whole Time Director designated as Executive Chairman and Mr M Ramalingam, Managing Director.

**"RESOLVED THAT** pursuant to the procedure indicated in Part II Section II of Schedule V read with Section 196, 197 & 203, subject to such sanctions as may be necessary, approval and sanction of the company be and is hereby accorded to the payment of the remuneration as indicated against each to the following Managerial

Personnel of the Company having inadequate profits during the year 2014-15.

Rs. In Lakhs

Particulars	Dr Palani G Periasamy, Executive Chairman	Mr M Ramalingam, Managing Director
	Amount Rs.	
Salary (fixed)	24.00	21.60
Perquisites		
HRA	-	2.40
LTA (One month Salary)	-	1.80
Medical (One Month Salary)	-	1.80
Gratuity	-	-
Commission	-	-
PF (Mgmt contribution)	-	-
Superannuation	-	-
<b>Total</b>	<b>24.00</b>	<b>27.60</b>

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.

**"RESOLVED THAT** pursuant to Section 42, 62(1)(c) and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, SEBI Issue of Capital Disclosure Requirements Regulations 2009 and Substantial Acquisition of Shares and Takeovers Regulations 2011 (including any statutory modification thereto or re-enactment thereof for the time being in force)(the "Act"), the Articles of Association of the Company and applicable subsisting rules/regulations/guidelines prescribed by Government of India / Security Exchange Board of India (SEBI) and any other regulatory authority subject to any approval, consent, permission and / or sanction of the appropriate authorities (hereinafter collectively referred to as "the appropriate authorities"), and the Listing agreements entered into by the Company with the Stock Exchanges where the Shares of the Company are listed and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and / or sanction (hereinafter referred to as "the requisite approvals"), and which may be agreed to by the Board of Directors of the Company (hereinafter called 'the Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constituted to exercise its powers including the powers conferred by this resolution), the Board be and is



hereby authorised to create, offer, issue and allot, from time to time in one or more tranches, Equity Shares and/or warrants entitling to apply for Equity Shares or other securities convertible into or exchangeable with Equity Shares (hereinafter referred to as the "Securities") to be subscribed by the existing Promoter Group and / or their associates / nominees / groups / persons acting in concert and Domestic/ Foreign Institutions, whether or not such investors are Members of the Company, under a preferential issue, in such a manner and on such terms and conditions as may be determined by the Board in its absolute discretion, provided that the aggregate number of equity shares to be issued including those to be allotted against such warrants shall not exceed 37,64,154 (Thirty Seven Lakhs Sixty four thousand one hundred and fifty four only) fully paid Equity Shares of the face value of Rs.10/- (Rupees Ten only) each at a price not lower than the higher of the following:

- a) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty six weeks preceding the relevant date; **or**
- b) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

**RESOLVED FURTHER THAT** the equity Shares allotted in terms of this resolution shall rank pari passu in all respects with the then existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorised on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Securities and listing thereof with the Stock Exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the said Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to any Committee of Directors or the Chairman or any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution.**

#### **Increase in borrowing powers**

**"RESOLVED THAT** in supersession of earlier resolution passed in Annual General Meeting of the Company held on 23<sup>rd</sup> September, 2013 for increase in borrowing powers of the Board, and pursuant to provisions of the section 180(1)(c) and all other applicable provisions of the Companies Act, 2013 and Rules thereunder, and as per other applicable laws (including any amendment thereto or re-enactment thereof) the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (which term be deemed to include any Committee of the Board) to borrow such sums of money (apart from temporary loans obtained or to be obtained from the Bankers of the Company in the ordinary course of the business i.e. loans repayable on demand, such as short-term, cash credit arrangements, the discounting of bills, and the issue of other short term loan of seasonal character, but does not include loans raised for the purpose of financial expenditure of a capital nature) as they may deem fit and necessary from time to time, for the purpose of the business of the Company and on such terms and conditions as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit and proper, notwithstanding that the monies to be borrowed together with monies already borrowed by the Company, remaining outstanding at any time will exceed the aggregate of the paid-up capital of the Company and its free reserves, provided that the total amount so borrowed by the Board of Directors and remaining outstanding at any time, shall not at any time exceed the limit of **Rs.1000 Crores (Rupees One Thousand Crores.)**

**RESOLVED FURTHER THAT** pursuant to provisions of the section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 and Rules thereunder and as per other applicable laws (including any amendment thereto or re-enactment thereof), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to create mortgage, hypothecation and /or create charge on all or any of the movable or immovable properties or



such other assets of the Company, wherever situated, both present and future, and on the whole or part of the one or more undertakings of the Company of any nature and kind whatsoever in favour of banks, financial institutions or any other lender whether Indian or International (hereinafter referred as "Lenders") to secure the amount borrowed, to be borrowed by the Company from such "Lenders" from time to time for the due repayment of the principal monies together with the interest thereon at the respective agreed rate(s) or any other charges in respect of such borrowings and such security to rank in such manner as may be agreed to between the concerned lender(s) and Board of Directors of the Company.

**RESOLVED FURTHER THAT** the Board of Directors or any person authorised by the Board of Directors, be and is hereby authorised to negotiate and settle the terms and conditions with the concerned Bank(s) / Financial Institution(s) / Lender(s), finalize the applicable instruments / agreements, deeds or any other document for borrowing the monies for the purpose of business of the Company and creating the mortgage, hypothecation or charge on the assets of the Company in relation to borrowings of monies and to do all such other acts, deeds and things necessary and incidental to give effect to this resolution.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Ordinary Resolution**

**RESOLVED** that pursuant to the provisions of Sections 149, 152 & 160 and all other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mrs Visalakshi Periasamy (DIN 00064517), who was appointed as an Additional Director by the Board with effect from 12<sup>th</sup> November 2014 and whose term of office comes to a close at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member of the Company along with the deposit of requisite amount proposing the candidature of Mrs Visalakshi Periasamy for the office of Director, be and is hereby appointed as a Director of the Company, whose office shall be liable to determination by retirement of directors by rotation.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Ordinary Resolution**

**RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. P Selvam IAS (Retd) (DIN 01351493), a Director of the Company whose period of office as Additional Director comes to a close at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from 28.09.2015 to 27.09.2020.

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Ordinary Resolution**

**RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr S Muthu (DIN 03331664), a Director of the Company whose period of office as Additional Director comes to a close at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from 28.09.2015 to 27.09.2020.

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Ordinary Resolution**

**"RESOLVED** that the Company do hereby confirm and ratify in terms of Section 148 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the payment of a sum not exceeding Rs 1,50,000/- only as remuneration to Mr V Srinivasan, Cost Accountant (FRN No.102019) (Membership No.1248), for purpose of such audit, as approved by the Board of Directors on the recommendations of the Audit Committee for conducting the audit of cost records of the Company, including its Sugar, Electricity, Organic and Inorganic Chemicals and Fertilizer segments as applicable for the financial year 2015-16 plus reimbursement of travel and out of pocket expenses incurred for the purpose of such audit".



## 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.

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.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- 1 As required under Clause 49 (VIII)(E) of the Listing Agreement, the relevant details of Director seeking appointment / re-appointment under item No.2 is annexed.
- 2 The Register of Members and Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> September 2015 to 28<sup>th</sup> September 2015 both days inclusive.
- 3 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.

- 4 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.
- 5 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.
- 6 Members who have not encashed their Dividend Warrants of 2008-09, 2009-10, 2011-12 and 2012-13 may send the same to the registered office or Share Transfer Agent for revalidation.
- 7 Unpaid dividend for over 7 years will be transferred to Investor Education and Protection Fund Members may refer to page No. 48 of the Annual Report and lodge their claim, if any, immediately.
- 8 Members are requested to bring their copies of Annual Report to the Meeting.
- 9 Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business set out against item Nos.4, 5, 6, 7, 8, 9, and 10 are annexed herewith.

Pursuant to section 108 of the Companies Act, 2013 and in compliance with SEBI directives through the Listing Agreement, the Company has made the necessary arrangements to enable the members to exercise their right to vote on the resolutions through Electronic Voting. The detailed procedure for availing this facility is explained in the annexure.

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

Place: Chennai – 34  
Date : 13.08.2015

**E P Sakthivel**  
Company Secretary





## Explanatory Statement under Section 102 of the Companies Act, 2013.

### Item No.4

#### A. Remuneration to Dr Palani G Periasamy, Whole Time Director designated as Executive Chairman.

Dr Palani G Periasamy, the promoter of the Company was reappointed as a Whole time Director at the 22<sup>nd</sup> Annual General Meeting held on 24.08.2009 for a period of five years from 25.06.2009 to 24.06.2014. His term of office came to a close by 24.06.2014. He was reappointed as Whole time director designated as Executive Chairman for a fresh period of 5 years from 25.06.2014 with the following remuneration and approval of shareholders was obtained through a Special Resolution in the Annual General Meeting held on 25.09.2014.

Rs in Lakhs	
Particulars	Total for the year
Salary (fixed@ Rs.4.00 lakhs p.m.)	48.00
Perquisites	-
LTA (One month Salary)	4.00
Medical (One Month Salary)	4.00
Total	56.00

Plus Commission @ 3% on the Net Profits

It was also provided therein that in case there are no profits or if the profits are insufficient, payment of remuneration will be regulated within the limits, i.e., not exceeding Rs.60 lakhs per year prescribed in Section II Part II of the Schedule V to the Companies Act, 2013 and after following the prescribed procedure detailed therein. As the profits for the year 2014-15 are insufficient, the above procedure is being followed. The following remuneration which is within the prescribed limits is proposed for a period not exceeding 3 years.

Rs in Lakhs	
Particulars	Total for the year
Salary (fixed)	24.00
<b>Perquisites</b>	
LTA (One month Salary)	-
Medical (One Month Salary)	-
Total	24.00
Commission	NIL

The Nomination & Remuneration Committee and Board have recommended this remuneration.

b) Interest of Directors, Key Managerial personnel and their relatives:

- None of
- (i) Directors, except Mrs Visalakshi Periasamy, Director
  - (ii) Key Managerial Personnel (CFO & CS), and
  - (iii) Relatives of the persons mentioned in (i) and (ii) are interested in the above said resolution.

c) Relevance of Resolution in any other Company.- The above resolution does not affect any other Company.

d) Inspection of Documents - No document is required to be kept for inspection



<b>I. General Information</b>		
1	Nature of industry	Manufacture of Sugar, Power and Alcohol
2	Date or expected date of commencement of commercial production	04.06.1987
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA
4	Financial performance based on given indicators	Given in the Board's Report
5	Foreign investments or collaborations, if any	NA
<b>II. Information about the appointee</b>		
1	Background details	Dr Palani G Periasamy obtained his Masters in Economics from University of Madras in 1962, Masters in Economic from University of Pittsburgh, USA in 1969 and Doctorate in Advanced Micro / Macro Economics from the University of Pittsburgh, USA in 1972. He has over the years held various positions including Member, American Economic Association, Member, Eastern Economic Association, Member, Atlantic Economic Society and Member, Society of Government Economists. He was also Director of Graduate Studies, Graduate School of Business and Administration, University of Baltimore from 1975-79. He was also the first Non-US President of the Association. He had been conferred with various awards, principal among them being "Outstanding Educator of America" award for two consecutive years in 1975 and 1976 and the "National Unity Award 1993" from the All India National Unity Conference, New Delhi. Since 1987, Dr Palani G Periasamy has been managing the activities of the PGP Group in India.
2	Past Remuneration	Rs.4.00 lakhs p.m. + Perquisites. But paid only Rs.24 lakhs being the minimum as per Schedule XIII of the Companies Act 1956
3	Recognition or awards	As above
4	Job Profile and his suitability	He has more than 35 years experience in General administration in the group promoted by him.
5	Remuneration proposed	24.00 Lakhs p.a
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Rs. 1 to 2 Crores per annum
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	He holds 3602775 equity shares constituting 12.26% in Dharani Sugars and Chemicals Limited. He is the spouse of Mrs Visalakshi Periasamy, a Director.
<b>III. Other information</b>		
1	Reasons of loss or inadequate profits	Glut in sugar world over coupled with the decontrol of sugar in India have resulted in drastic reduction in the Sugar Price, whereas the Cane Price has been increased by the Governments.
2	Steps taken or proposed to be taken for improvement	
3	Expected increase in productivity and profits in measurable terms	Explained in the Board's Report

Accordingly the Directors commend the resolution for approval of the Shareholders as a **Special Resolution**.



## Dharani Sugars and Chemicals Limited

### **B. Remuneration to Mr M Ramalingam, Managing Director**

Mr. M Ramalingam, (DIN: 00278025) was reappointed as Managing Director for a period of 5 years from 01.04.2012 with the following remuneration and approval of Shareholders was obtained through a Special Resolution in the Annual General Meeting held on 17<sup>th</sup> September 2012.

Salary	Rs.1,50,000-15000-2,10,000/-
Perquisites	HRA at Company Rates Medical Reimbursement (@ 1 month salary) LTA (@ 1 month Salary)

It was also provided therein that in case there are no profits or if the profits are insufficient, payment of remuneration will be regulated within the limits, as per Schedule XIII of the Companies Act, 1956. After the notification of the new Companies Act, 2013, remuneration in such cases will be regulated in accordance with Section II Part II of the Schedule V to the Companies Act, 2013 and after following the prescribed procedure. As the profits for the year 2014-15 are insufficient, the above procedure is being followed. The following remuneration which is within the prescribed limits is proposed, as recommended by the Nomination & Remuneration Committee and Board for a period not exceeding 3 years.

In Lakhs	
Particulars	Mr M Ramalingam, Managing Director Per annum
Salary (fixed) @ Rs.1,80,000/- p.m.	21.60
<b>Perquisites</b>	
HRA	2.40
LTA	1.80
Medical	1.80
<b>Total</b>	<b>27.60</b>

b) Interest of Directors, Key Managerial personnel and their relatives:

None of (i) Directors,

(ii) Key Managerial Personnel (CFO & CS), and

(iii) Relatives of the persons mentioned in (i) and (ii) are interested in the above said resolution.

c) Relevance of Resolution in any other Company.- The above resolution does not affect any other Company.

d) Inspection of Documents - No document is required to be kept for inspection



<b>I. General Information</b>		
1	Nature of industry	Manufacture of Sugar, Power and Alcohol
2	Date or expected date of commencement of commercial production	04.06.1987
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA
4	Financial performance based on given indicators	Given in the Board Report
5	Foreign investments or collaborations, if any	Nil
<b>II. Information about the appointee</b>		
1	Background details	Shri M Ramalingam joined the group during 1988 as Technical Head and is also a Member of Board. He is having about 31 years experience in sugar industry. He is a well renowned technocrat and has won many awards for achieving technical excellence in sugar industry operations. He has also been appointed a member of many technical committees / associations both at Regional and all India level.
2	Past Remuneration	Rs.1,65,000/- + perquisites p.m
3	Recognition or awards	As above
4	Job Profile and his suitability	He has more than 30 years experience in General administration in the group.
5	Remuneration proposed	Rs.1,80,000/- + perquisites p.m
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Rs. 4 to 5 lakhs per month + perquisites
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Holds 2200 equity shares constituting 0.01% in Dharani Sugars and Chemicals Limited
<b>III. Other information</b>		
1	Reasons of loss or inadequate profits	Supply demand mismatch. Government regulations on price of raw materials, Higher production and worldwide supply glut (given in detail in board's Report)
2	Steps taken or proposed to be taken for improvement	Explained in Board's Report
3	Expected increase in productivity and profits in measurable terms	

Accordingly the Directors commend the resolution for approval of the Shareholders as a **Special Resolution**.



## Item No. 5

The sugar industry has been facing glut in sugar during the last few years due to continuous excess production of sugar both in domestic and international level. The sugar realisation has fallen below the cost of production. On account of this, all the sugar mills in the country have incurred loss and find it difficult to service its debts on time. In view of this situation, the Company has got its debts restructured under CDR Scheme. The promoters are to infuse additional funds to improve the long term working capital needs.

Sections 62 of the Companies Act 2013 provides inter alia that such further shares may be offered to any persons whether or not such persons are existing holders of equity shares of the company as on date of offer by way of special resolution passed to that effect by the company in general meeting.

The listing agreement executed by the Company with the Bombay Stock Exchange and National Stock Exchange provide that the company shall issue or offer in the first instance all securities to the existing equity share holders of the Company unless the shareholders decide otherwise.

Accordingly, the consent of the shareholders are being sought, pursuant to the provisions of section 62 and other applicable provisions of the Companies Act 2013, Regulations 74(1) of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements), Regulations 2009 and amendment thereof According to Regulations No.3(2) of SEBI, (Substantial Acquisition of Shares and Takeovers) Regulations 2011 an acquirer who together with persons acting in concert with him has acquired and holds in accordance with these regulations, shares in the target Company entitling them to exercise 25% or more of the voting rights in the target Company but less than the maximum permissible non public shareholding shall acquire within any financial year additional shares or voting rights in such Company entitling them to exercise not more than 5% of the voting rights without making an open offer.

In pursuance of this, the Company proposes to allot 3764154 equity shares which will be within the 5% limit. and in terms of listing agreements, and other approvals as may be necessary to issue and allot securities as stated in the special resolution.

As per regulation 76(1) of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements), Regulations 2009, an issue of equity shares on a preferential basis can be made only at a price which is not less than the higher of the following:

- a) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty six weeks preceding the relevant date; or
- b) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

The **Relevant Date** in accordance with the provisions of regulation 71(a) of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements), Regulations 2009 for the preferential offer means the date as 30 days prior to the date on which this Annual General Meeting of the company is held to consider, the proposed preferential offer under Section 62 of the Act. Accordingly, the Relevant Date for this preferential offer is 27-08-2015. For this purpose, stock exchange means National Stock Exchange of India Limited in which the highest trading volume and the companies share has been recorded during the two weeks immediately preceding the relevant date. Equity shares of the Company to be allotted shall be subject to the Memorandum and the Articles Of Association of the Company and the terms of the issue. The proposed subscription of equity shares by Dharani Developers Pvt. Ltd., and Promoter family will be subject to approval from any governmental or regulatory authorities if required/applicable. The Board believes that the preferential offer to **Dharani Developers Pvt. Ltd.** and to the promoter family will be in the interest of the Company.

As required under Companies Act, 2013 and Regulation 73 (1) & (2) of Chapter VII of the SEBI (ICDR) Regulations 2009 as amended from time to time other required details are furnished as under:

### (a) Object of the Preferential Issue

The Company is in need of funds to finance cash loss, to augment its working capital and for general corporate purpose of the company. It is therefore, proposed to raise further capital by way of preferential issue of equity shares as per chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 and as per Section 62 and other applicable provisions of the Companies Act 2013.

(b) The Promoter and his family and an associate Company have agreed to subscribe to the allotment of equity shares on preferential basis. None of the other Directors or key management personnel of this Company are subscribing to this preferential offer.



(c) Shareholding Pattern of the Issuer before and after the issue.

Particulars	Pre - offer shareholding	%	Preferential offer	Post offer shareholding	%
1. Promoter and Promoters Group	16625505	56.57	3764154	20389659	61.50
II. Non Promoters					
a. Mutual funds	14600	0.05		14600	0.04
b. Banks	3350	0.01		3350	0.01
c. Corporate Bodies	973029	3.31		973029	2.94
d. Non Residents					
Indian	4711944	16.03		4711944	14.21
e. FIs	-	-		-	-
f. Foreign Companies	-	-		-	-
g. Public including Clearing Members, Limited Liability Partnership and Trust	7061418	24.03		7061418	21.30
Total (II)	12764341	43.43		12764341	38.50
Total (I+II)	29389846	100.00	3764154	33154000	100.00

**The voting right will change in tandem with the change in shareholding pattern.**

**(d) Proposed time within which the allotment shall be completed**

The allotment of the Equity Shares are proposed to be completed within 15 days of the date of passing of the above resolutions at the general meeting, provided where the allotments pending on account of pendency of any regulatory authority or Central Government approval(s), the allotment shall be completed within 15 days from the date of receipt of such approvals(s).

**Name of the proposed allottees**

Name of the proposed allottees	Pre issue shareholding		Post issue shareholding	
	No. of Shares	%	No. of Shares	%
Dr Palani G Periasamy	2739012	9.32	3215452	9.70
Mrs Visalakshi Periasamy	1200101	4.08	2819267	8.50
Dharani Developers Private Ltd	2774088	9.44	4442636	13.40
<b>Total</b>	<b>6713201</b>	<b>22.84</b>	<b>10477355</b>	<b>31.60</b>

(e) Natural persons behind the Dharani Developers Private Limited.

Dharani Credit and Finance (P) Limited holding 99.76% of Equity shares in the Dharani Developers Private Limited as on 31st March 2015.

Dr Palani G Periasamy, Mrs Visalakshi Periasamy and family members holding 98.55% of Equity shares in the Dharani Credit and Finance P Ltd as on 31st March 2015.

(f) Undertaking: The Board of Directors of the Company Undertake that

The Company shall re-compute the price of the specified securities in terms of the provisions of SEBI (ICDR) Regulations 2009 when it is required to do so.

(g) The amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continued to be locked-in till the time such amount is paid by the allottee.

The proposed allotment of the Equity shares on a Preferential basis if made, will not result in change management control of the Company as per provision of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011.

The Company is taking necessary steps to obtain requisite approvals from the regulatory authorities as may be applicable for the proposed allotment.

The Company has not made any other preferential allotment of shares during the year.

The proposed issue of securities is in the interest of the Company and your directors recommend the passing of the resolution under this item as a special resolution.

**Auditor's Certificate**

A Certificate from M/s. Srinivasan & Shankar, Chartered Accountants, (Firm Registration No.005093S) Statutory Auditors of the Company, certifying that the issue of shares by way of the proposed preferential allotment is being made in accordance with the requirement of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 shall be placed before the shareholders at the Annual General Meeting.

**None of the Directors except Dr. Palani G. Periasamy, Executive Chairman and Mrs. Visalakshi Periasamy, Director are interested in the Resolution.**

**Lock-in period**

The Shares to be allotted on preferential basis to the investors shall be subject to the Lock-in periods as applicable in accordance with Regulation 78(1) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

**Item No.6:**

The Members had, in the Annual General Meeting held on 23<sup>RD</sup> September, 2013 passed a Special Resolution and accorded their approval to the Board of Directors for borrowings upto Rs. 700 Crores (Rupees Seven hundred Crores). The existing borrowing powers of Rs 700 crores may not be sufficient to meet the above requirements. As a matter of abundant caution, the Board feels that the limit of borrowing be increased from Rs 700 crores to Rs.1000 crores in order to comply with the financial parameters of the term lending institutions and banks and also to meet any contingencies. The Board has in its meeting held on 13.08.2015 recommended increasing the said limit to Rs 1000 crores, subject to approval of shareholders in the ensuing AGM. As such, it has become necessary to



obtain fresh approval of the Members by means of Special Resolution as envisaged under Section 180(1)(c) and Section 180(1)(a) of the Companies Act 2013, to enable the Board of Directors of the Company to continue to exercise the borrowing powers i.e. a) borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company; and b) create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the Banks/Financial Institutions or other lending agencies

b) Interest of Directors, Key Managerial personnel and their relatives:

None of

- (i) Directors,
- (ii) Key Managerial Personnel (CFO & CS), and
- (iii) Relatives of the persons mentioned in (i) and (ii) are interested in the above said resolution.

c) Relevance of Resolution in any other Company.- The above resolution does not affect any other Company.

d) Inspection of Documents - No document is required to be kept for inspection

Accordingly the Directors commend the resolution for approval of the Shareholders as a **Special Resolution**.

### Item No.7

Mrs. Visalakshi Periasamy was appointed as additional Director with effect from 12.11.2014. Her term of office comes to a close at this Annual general Meeting, in terms of Section 161. She is now being proposed to be appointed as a regular Director in terms of Section 152 of the Companies Act, 2013.

She has been associated with the Group since its formation, being a promoter by herself and also spouse of Dr. Palani G. Periasamy, the Chief Promoter.

Also Mrs Visalakshi Periasamy eminently fits in with the requirement to comply with Section 149 regarding appointment of atleast one Woman Director.

Your directors recommend the above resolution as an ordinary resolution.

b) Interest of Director, Key Managerial personnel and their relatives:

None of

- (i) The Directors except Dr Palani G Periasamy (DIN: 00081002) &
- (ii) Key Managerial Personnel (CEO & CS), and Relatives of the persons mentioned in (i) and (ii) are interested in the above said resolution.

c) Relevance of Resolution in any other Company.- The above resolution does not affect any other Company.

d) Inspection of Documents - No document is required to be kept for inspection

### Item No.8

Mr P Selvam a retired IAS officer was appointed as an additional independent director under Section 161 of the Companies Act, 1956 with effect from 12.11.2014 to hold office till the next Annual General Meeting. It is now proposed to appoint Mr P Selvam as an Independent Director on a regular basis as per Section 149(10) and Section 152 of the Companies Act, 2013, for a period of 5 years, not subject to retirement.

Mr P Selvam, was an IAS Officer of the Tamil Nadu Cadre. Mr. Selvam has given his consent for the appointment.

Mr. P Selvam, IAS, who has served for more than 35 years in the Government of Tamil Nadu, has wide ranging experience in Administration, Finance, etc., He had served as Finance Director in many public sector undertakings of the State Government.

In the opinion of the Board, P Selvam fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

Your directors recommend the above resolution as an ordinary resolution.

b) Interest of Director, Key Managerial personnel and their relatives:

None of

- (i) The Directors
- (ii) Key Managerial Personnel (CEO & CS), and Relatives of the persons mentioned in (i) and (ii) are interested in the above said resolution.

c) Relevance of Resolution in any other Company.- The above resolution does not affect any other Company.

d) Inspection of Documents - No document is required to be kept for inspection

### Item No.9

Dr S Muthu was appointed as Additional Independent Director with effect from 12.11.2014 in terms of Section 161 of the Act. His term of office comes to a close at this Annual General Meeting and it is now proposed to appoint him as an Independent Director, not subject to retirement for a period of 5 years from 28.09.2015 to 27.09.2020. In the opinion of the Board, Dr. S. Muthu fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. He has the qualification of B.E., M.Sc., PhD., He has given his consent for the appointment.



Your directors recommend the above resolution as on ordinary resolution.

b) Interest of Director, Key Managerial personnel and their relatives:

None of (i) The Directors  
(ii) Key Managerial Personnel (CEO & CS), and

Relatives of the persons mentioned in (i) and (ii) are interested in the above said resolution.

c) Relevance of Resolution in any other Company.- The above resolution does not affect any other Company.

d) Inspection of Documents - No document is required to be kept for inspection

### Item No.10

The Company is engaged in business segments, namely, Sugar, Organic and Inorganic Chemicals, Fertilizer and Electricity. It has been maintaining cost accounting records and getting them audited under the provisions of the Companies Act, 1956. Cost Auditor for this purpose was appointed with the approval of Central Government. Section 148 of the Companies Act, 2013 has similar prescription for cost records and audit thereof. While the remuneration for the audit of cost records is determined by the Board of Directors on the recommendations of Audit Committee, it will have to be ratified by the shareholders at the following General

meeting. The approval of Central Government is no longer required under the new Law. Pursuant to the above, the Board of Directors have appointed Mr V Srinivasan, Cost Accountant (Membership No.1248) for the audit of cost records of the Company for the financial year 2015-16 pertaining to Sugar, Electricity, Organic and Inorganic Chemicals and Fertilizer segments and determined the remuneration at Rs. 1,50,000/- based on the recommendations of the Audit Committee. It is now placed for the approval of shareholders in accordance with Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

b) Interest of Director, Key Managerial personnel and their relatives:

None of (i) The Directors  
(ii) Key Managerial Personnel (CEO & CS), and

Relatives of the persons mentioned in (i) and (ii) are interested in the above said resolution.

c) Relevance of Resolution in any other Company.- The above resolution does not affect any other Company.

d) Inspection of Documents - No document is required to be kept for inspection

THE INFORMATION IN RESPECT OF ITEM NO.2, 7, 8 & 9 IN ACCORDANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT FOR CORPORATE GOVERNANCE ABOUT THE DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT IN THIS ANNUAL GENERAL MEETING ARE FURNISHED HEREUNDER

### Item No.2 – Re-appointment of Mr A Sennimalai

Particulars	Item No.2
Name of the Director	Mr. A. Sennimalai
Date of Birth	06/02/1942
Date of Appointment	04/06/1987
Qualification	M.Sc., M.B.A.
Experience in specific functional areas	48 Years
List of other Public Companies in which Directorship held	1.Appu Hotels Ltd., 2. Dharani Credit & Finance P Ltd., 3. Dharani Sugars & Chemicals Limited
Chairman/Member of the Committee of the Board of Director of the Company	1. Director, Dharani Sugars & Chemicals Ltd. 2. Member of Management Committee, 3. Member of Audit Committee, 4. Member of Nomination & Remuneration 5. Member of Stakeholders Relationship
Chairman / Member of the Committee of the other Companies in which he/she is a Director	1. Managing Director Appu Hotels Ltd. 3. Director, Dharani Credit & Finance P Ltd.,
Number of Shares held in the Company (both own or held by / for other persons on a beneficial basis) as on March 31, 2015	21682





## Item No. 7, 8 & 9 – Appointment of Directors

Particulars	Item No.7	Item No. 8	Item No. 9
Name of the Director	Mrs. Visalakshi Periasamy	P. Selvam IAS (Retd)	Dr S Muthu
Date of Birth	12/08/1946	27/12/1950	05/04/1940
Date of Appointment	12/11/2014	12/11/2014	12/11/2014
Qualification	BBA	MSc(Maths) & MBA (USA)	B.E. M.Sc.,Ph.D
Experience in specific functional areas	27 years	40 years	40 years
List of other Public Companies in which Directorship held	1.Appu Hotels Ltd., 2.Dharani Finance Ltd., 3. Dharani Credit & Finance P Ltd., 4. PGP Hotels & Resorts India Pvt. Ltd.	Nil	Dharani Finance Ltd.
Chairman/Member of the Committee of the Board of Director of the Company	1.Director,Dharani Sugars & Chemicals Ltd.	1. Director, Dharani Sugars & Chemicals Ltd.	1. Director, Dharani Sugars & Chemicals Ltd.
Chairman / Member of the Committee of the other Companies in which he/she is a Director	1.Vice Chairman, Appu Hotels Ltd. 2. Director Dharani Finance Ltd.,3. Director, Dharani Credit & Finance P Ltd., 4. Director, PGP Hotels & Resorts India Pvt.Ltd.	Nil	Director, Dharani Finance Ltd.
Number of Shares held in the Company (both own or held by / for other persons on a beneficial basis) as on March 31, 2015	1200101	Nil	Nil

### e- Voting Process

The Company is pleased to provide members facility to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means as required by Clause 35 of the Listing Agreement and Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended. This business would be transacted through e-Voting services provided by Central Depository Services (India) Limited (CDSL).

2. E-Voting commences on the **25th September 2015 (10.00 AM)** and ends on the **27th September 2015 (5.00 PM)** e-Voting through electronic mode shall not be allowed beyond **5.00 p.m. on 28th September 2015**. During this period, shareholders of the company, holding shares as on the Cutoff date of **21st September 2015** are entitled to cast their vote electronically.

3. Instructions for e-Voting for members receiving an email from CDSL pursuant to their email IDs having been registered with the company/ Depository Participants:

(i) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

(iii) Click on Shareholders.

(iv) Now Enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.



## Dharani Sugars and Chemicals Limited

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. ÿ Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Dharani Sugars and Chemicals Ltd., on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.



- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.  
In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
4. The voting rights of shareholders shall be in proportion to their shareholding as on the Cutoff date of 21st September 2015.
  5. Mr M Damodaran, Practicing Company Secretary (Membership No. 005837) has been appointed as the Scrutinizer.
  6. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witness not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutiniser’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same;
  7. The results will be declared on or after the AGM of the company. The results declared along with the Scrutinizer’s report will be placed on the company’s website [www.dharanisugars.in](http://www.dharanisugars.in) and on the website of CDSL [www.evotingindia.co.in](http://www.evotingindia.co.in) within 2 days of passing of the resolutions at the AGM of the company and communicated to NSE and BSE.
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# Dharani Sugars and Chemicals Limited

## DIRECTORS' REPORT

Dear Members,

Your Directors present herein the Twenty-Eighth Annual Report on the operations of your Company and the Audited Statement of accounts for the year ended 31st March 2015.

## FINANCIAL SUMMARY

Rs. In Crores

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
Total Revenue	381.25	525.97
Profit before Interest, Depreciation and Tax	7.15	51.20
Interest and Finance Charges	66.50	65.47
Depreciation	21.20	28.69
Profit/(Loss) before Tax	(80.55)	(42.96)
Deferred Tax-Asset/(Liability)	6.39	9.17
Profit/(Loss) After Tax	(74.16)	(33.79)
Dividend proposed	-	-
Dividend Tax	-	-
Transfer to General Reserve	-	-
Profits Brought forward from last year	26.02	59.81
Profit/(Loss) carried forward to Balance Sheet	(48.14)	26.02

## PERFORMANCE

The total income for the year was Rs. 381.25 crores as against Rs.525.97 crores in the previous year. The reduction in the income as compared to the previous year was mainly on account of reduced free sugar sales. The Gross Operating Profit has come down to Rs. 7.15 crores from Rs.51.20 crores in the previous year. The reduction in the Gross Operating Profit was mainly on account of increase in the cane cost by Rs.190 per MT and reduction in the average sugar selling price and reduction in the Inventory valuation. Consequently the operation has resulted in to a Cash loss of Rs 59.35 crores as against the profit of Rs 14.27 crores in the previous year. The loss after Depreciation & Interest was Rs.80.55 crores as against the loss of Rs.42.96 crores in the previous year. The Net loss after taking credit for deferred tax asset amount of Rs.6.39 crores works out Rs.74.16 crores as against the Loss of Rs.33.79 crores in the previous year.

**Sugar:** During the year under review, the Company has crushed 10.58 lakh tonnes of cane as against 16.14 lakh tonnes of cane in the previous year. The decrease in cane crushing is mainly due to decreased availability of cane at our cane command area on account of drought. The total sugar production was 9.67 Lakh Qtls as against

14.00 lakh Qtls in the previous year. The total sugar sale was 9.59 lakh qtls as against 14.00 Lakh qtls in the previous year. The reduction in the sales was mainly on account of the reduced free sugar sales consequent to imposition of VAT in Tamil Nadu . The Average realization for the year 2014-15 was lower at Rs.2914/Qtl as against Rs.2970/Qtls in the previous year.

**Power:** During this period, the total power generation was 946.92 lakh units as against 1345.90 lakh units in the previous year. The export to the TNEB grid was 604.38 lakh units as against 828.54 lakh units in the previous year . The reduction in the power generation and export was due to lower volume of cane crushing at 10.58 Lakh tonnes as against 16.14 lakh tonnes crushed in the previous year. The average realization per unit is Rs.3.95 /unit as against Rs.3.89/unit in the previous year. On account of this, total value of the power exported to the grid has decreased to Rs.23.85 crores from Rs 32.19 crores in the previous year.

**Industrial Alcohol:** The production of industrial Alcohol was 129.15 lakh liters as against 218.87 lakh liters in the previous year. The Company was able to sell the entire production of Alcohol and the sale was 139.87 lakh liters as against 210.86 lakh liters in the previous year. Consequent to this, The Alcohol sales value has decreased to Rs.59.22 crores from Rs.75.75 crores in the previous year. The average realization was Rs. 42.03 liters as against Rs.35.45 /liters in the previous year.

## DIVIDEND

Due to absence of profits in the current year, the Board of Directors is unable to recommend any dividend for the year 2014-15.

## RESERVES

During the year, your Company has not transferred any amount to General Reserves account due to loss for the year 2014-15.

## SHARE CAPITAL

There is no change in the Share Capital of the Company either in the Authorised Capital or in the Issued Capital. The paid up equity capital as on March 31, 2015 was Rs.29,38,98,460. The Company has not issued any shares during the period

## EXTRACT OF ANNUAL RETURN

Extract of the Annual Return in form MGT-9 is attached herewith. (Annexure - I)

## BOARD MEETING

During the year 2014-15 five Board Meetings were held on 29.05.2014, 13.08.2014, 12.11.2014, 19.01.2015 and 11.02.2015.



## **LOANS, GUARANTEES OR INVESTMENTS**

Your Company has not given any loans or provided any guarantees or acquired securities exceeding 60% of its paid up Share Capital, free reserves and security premium account covered under the provisions of Section 186 of the Companies Act, 2013.

## **CONTRACTS, ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1)**

All transactions entered into by the Company with Related Parties were in the Ordinary Course of Business and at arm's Length pricing basis. The Audit Committee granted omnibus approval for the transactions (which are repetitive in nature) and the same was reviewed by the Audit Committee and the Board of Directors. There were no materially significant transactions with Related Parties during the financial year 2014-15 which were in conflict with the interest of the Company. Suitable disclosures as required under AS-18 have been made in Note 25.4.11 of the Notes to the financial statements. Details of the transaction are provided in Form AOC-2 which is attached as Annexure-II to this Report.

## **AUDITOR'S REPORT**

The observations made in the Auditors' Report read together with relevant notes thereon are self-explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013. There are no qualifications, reservations, or adverse remarks.

## **MATERIAL CHANGES AND COMMITMENTS**

There were no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of the report

## **FOREIGN EXCHANGE EARNINGS AND OUT-GO, CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are given in the Annexure - III

## **SUBSIDIARY COMPANIES**

The Company does not have any subsidiary or any associate Company. Hence no report on subsidiary, associate, joint venture Company is included.

## **RISK MANAGEMENT POLICY**

The Company has developed a risk management policy. Pursuant to Section 134 (3) (n) of the Companies Act, 2013 details of the Policy are disclosed in the Company's Website.

At present the Company has not identified any element of risk which may threaten the existence of the Company.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Mr A Sennimalai, (DIN 00062791) retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Dr Palani G Periasamy, (DIN 00081002) was re-appointed as Whole time Director for a further term of 5 years from 25.06.2014 and approval of the Shareholders obtained in the last Annual General Meeting held on 25th September 2014.

Mrs Visalakshi Periasamy, (DIN 00064517) was appointed as additional director with effect from 14.11.2014 and is being proposed for appointment as Regular Director.

Mr P Selvam IAS Retd (DIN 01351493) and Dr S Muthu (DIN 03331664) were appointed as additional Independent Directors on 12.11.2014 and are being proposed for appointment as Regular Independent Directors.

Mr M P Kaliannan, President (Corporate Finance) was appointed as the Chief Financial Officer with effect from 01.09.2014.

B. The Independent Directors have given their declarations as per Section 149 (6) that they meet the criteria of Independence. The 3 Independent Directors viz, Dr K N Sivasubramanian, Mr T Pitchandi and Mr P S Gopalakrishnan who were appointed as Independent Directors in the Annual General Meeting held on 25th September 2014 will hold office for 5 years from 25.09.2014 to 24.09.2019.

## **SIGNIFICANT AND MATERIAL ORDERS**

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined by this Audit Committee. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the



Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations, if any, and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

## **FIXED DEPOSITS**

During the year 2014-15 no amount was collected as deposits as defined in Section 73 and 74 of chapter V of the new Companies Act 2013. 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 2015. Your Company has not defaulted in repayment of the deposits on the due dates. As on the date of this report, there are no unclaimed deposits.

## **CODE OF CONDUCT**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company.

The Code has been posted on the Company's website [www.dharanisugars.in](http://www.dharanisugars.in)

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

## **PROHIBITION OF INSIDER TRADING**

The Company has adopted a Code of disclosures & a Code of Conduct for Prohibition of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

## **SECRETARIAL AUDIT**

Pursuant to provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company had appointed Mr M Damodaran and Associates Company Secretaries in practice to undertake the Secretarial Audit of the Company. Their Audit report is annexed herewith as "Annexure as on 31st March 2015. There were no qualifications or observations requiring Board comments. (Annexure IV)

## **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

Your Company falls within the parameters as per section 135 of the Companies Act. A Corporate Social Responsibility (CSR) Committee has been formed. However, as the average of the net profits for the last 3 years is negative, no expenditure has been earmarked on this account. CSR policy has been framed and is available on the Website. Members of the Committee are:

(1) Mr. P. S. Gopalakrishnan (2) Mr. A. Sennimalai (3) Mr. M. Ramalingam

## **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees as also the Independent Directors. The manner in which the evaluation has been carried out is attached (Annexure -V)

## **REMUNERATION POLICY**

The Remuneration policy of the Company comprising the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters has been provided in the Corporate Governance Report which is attached as Annexure-VI to this Report.

## **VIGIL MECHANISM FOR DIRECTORS & EMPLOYEES**

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement, the Board of Directors had approved the Policy on Vigil Mechanism/ Whistle Blower and the same is hosted on the website of the Company. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee. (Annexure - VII)



Your Company hereby affirms that no Director/ employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

## **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.

## **MANAGERIAL REMUNERATION**

A	Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. (Applicable to listed Company)	Annexure in the Board' Report (Annexure VIII)	
B	Details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	There are no employees falling within the requirements of Section 197 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	
C	Any director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report.	NIL	
D	The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statements as per Schedule V, Part II, Section II of the Companies Act, 2013.	Dr Palani G Periasamy Executive Chairman	Mr M Ramalingam, Managing Director
	(I) all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;	(Rs. Lakhs) * Salary           Rs.48.00	(Rs. Lakhs) * Salary           Rs.21.60 Perquisites HRA             Rs.2.40 LTA             Rs.1.80 Medical         Rs.1.80
	(ii) details of fixed component and performance linked incentives along with the performance criteria;	3% Commission on Net Profits	Nil
	(iii) service contracts, notice period, severance fees;	5 years, 3 months, Nil	5 years, 3 months, Nil
	(iv) stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	Nil	Nil

\* However, as the profits of the Company for the year are inadequate minimum remuneration has been proposed to be paid to the Managerial Personnel with the approval of the Shareholders in accordance with Schedule V Part II Section II of the Companies Act, 2013.



## PREVENTION OF SEXUAL HARASSMENT

The Company has in place an Anti Sexual harassment policy in line with the requirements of the Section 4 of the Sexual harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received about sexual harassment. All employees are covered under this policy. Details have been displayed prominently in the work place and also in the Company's Website.

The following is a summary of such complaints received & disposed during the year 2014-15. No. of Complaints received – Nil, No of complaints disposed off – Nil.

## STATUTORY AUDITORS

M/s Srinivasan & Shankar, Chartered Accountants, Chennai (FRN 005093S) retire as Statutory Auditors on the conclusion of this Annual General Meeting. They can be continued for a further period of 2 years, though they have completed the two terms of 5 years each on 31.03.2014. They have conveyed their consent for re-appointment and have also furnished the required declaration as required in Section 139 of the Act. Accordingly, they are being proposed for re-appointment for a period of 2 years from 01.04.2015 to 31.03.2017, subject to approval in the Annual General Meeting.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Annexure attached in the Board's Report

## DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review.

- iii) 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) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## ACKNOWLEDGEMENTS

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  
Chairman

Place: Chennai  
Dated: 27th May 2015





## 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 viz., 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 'forward-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 world sugar producers undaunted by surplus inventory and declining prices have continued to add to global sugar supply pushing the market into a surplus of 3.39 million tonnes against the earlier estimated small deficit for the year 2014-15. The noticeable shift came from the addition of 3.9 million tonnes from India and Thailand. The market has been ripe with expectations of a return to deficit after 4 consequent years of surplus. But these numbers show that getting rid of a stubborn surplus will be harder than anticipated and a 5th year of oversupply now is likely.

Similar situation is likely for 2015-16 sugar year also. The world sugar output may see little change and while consumption will grow, it may only result in a small output deficit of 3.4 million tonnes. India is once again proving that it can play a pivotal role influencing the global market. Cane is still more lucrative than other crops despite the accumulating cane arrears. Preliminary data even show an increase in the acreage planted. Unless there are any major weather events, the long awaited bull run in sugar may remain elusive.

**Indian Sugar Scenario:** The sugar production for the current sugar season 2014-15 is expected to exceed 28 million tonnes showing a growth of 16.6% over the previous year production of 24 million tonnes. This is the fifth consecutive year of surplus production thanks to the substantial increase in the cane price during the last 5 years. The consumption is estimated at 248 lakh tonnes. Despite the export subsidy of Rs.4000/tonne for raw sugar export, the total exports are estimated at 7 lakh tonnes only. The closing stock at the end of this season is expected to be a whopping 10 million tonnes. Further, the production for the next sugar season 2015-16 is

again expected to be around 28 million tonnes. Despite delay in cane payments, the sugar production has increased showing clearly the competitiveness of the cane as compared to the other crops. The continuous excess production over the last 5 years coupled with the uncontrolled supply in the market has resulted in substantial fall in the sugar price far below the cost of production. Govt. of India is considering various options to help the industry and the millions of farmers to tide over the present difficult situation. Summary of sugar production and stock details are given below:

Seasons-Qty in lakh tonnes				
Particulars	2012-13	2013-14	2014-15 Estimate	2015-16 Projection
Opening Stock	66.01	92.98	74.50	99.50
Production	251.40	243.82	280.00	280.00
Imports	6.76	0.98	-	-
Total Availability	324.17	337.78	354.50	379.50
Internal Consumptions	227.71	242.11	248.00	250.00
Exports	3.48	21.17	7.00	20.00
Total Off take	231.19	263.28	255.00	270.00
Closing Stock	92.98	74.50	99.50	109.50
Stock as percentage of Off take	41%	31%	40%	44%

### Government Policies:

- The Central Govt. has announced a subsidy of Rs.4000 per tonne for export of raw sugar up to 14 lakh tonnes for the current season up to September 2015.
- To encourage and for simplification of the ethanol blending scheme, the Central Govt. has approved a fixed price for Ethanol ranging from Rs.48.5 to Rs.49.00 per litre for delivery at oil company depots relating with distance. Further, the Central Govt. has exempted excise duty on ethanol from the starting of the next sugar season 2015-16.
- The Central Govt. has announced a hike in the FRP for sugarcane to Rs.230/qtl. for the coming season 2015-16, against Rs.220/qtl. in the previous year. The Govt. of Tamil Nadu has announced a state advised price for cane at Rs.2650/tonne for 2014-15 seasons same as the last year.
- The Govt. of Tamil Nadu has imposed a VAT of 5% on sugar making it uncompetitive in the already depressed market.
- Import Duty on sugar has been increased to 40% from 25% from April 2015. Import of sugar under duty-free



authorisation scheme has been withdrawn. Also, the time limit for fulfilling the export obligations under advanced authorisation scheme has been reduced to 6 months from 18 months.

**Ethanol:** In order to encourage the renewable energy and to promote green energy, the Government of India has mandated the Oil Companies to mix a minimum of 5% ethanol in the petrol from June 2013. However, the success and continuation of the ethanol scheme depends upon the priority of the State Governments in allotting the available molasses between potable alcohol and ethanol. The effective supply of Ethanol under this scheme was only about 1.4% against the mandate of 5%. Now, the Govt. is planning to increase the blending to 10% from the present 5%. This, if implemented fully, will help the sugar industry to balance the production of sugar and ethanol.

**Opportunities and Threats:** India, the world's largest 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, by 2030 the demand 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 and Ethanol production. The current level of Ethanol production is much less than the mandated 5% blending and the actual lifting by the Oil Companies during the previous year was only around 1.37%. The demand is expected to grow in the coming years. The Govt. has already announced its plan to increase it to 10%. The Co – generation potential in the sugar industry has been estimated at 5500 MW, while the present installed capacity is just 50% of the potential. 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.

**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 still highly regulated with the Government exercising control over pricing of sugar cane, allocation of area for sugar units, movement of molasses, Alcohol and pricing of Power. Some of the

inherent business risks and the mitigation measures initiated by your Company are given as under:

### a) Raw 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. In addition to this, the sugar units in Tamil Nadu are facing a severe reduction in the volume of cane due to drought in the last three years. This has affected the capacity utilization and the availability of cane has come down by almost 40% to 50% of our capacity.

To mitigate the above raw material related risks, your Company has taken extensive field work in co-ordination with the farmers to sustain the yield under the drought conditions. Your Company has also in co-ordination with the Government, encouraged drip irrigation for better water management and improved yield. However, the drought during the last 3 years has its own limitation on our ability to improve the cane availability.

### b) Product Risks

The sugar industry has been decontrolled, the mills are free to sell any quantity any time. This uncontrolled supply along with excess production during the last 5 years has resulted in sharp drop in the market price of sugar. Alcohol is highly regulated and the price of the same is directly/indirectly controlled by the Government through import from neighbouring states.

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 and funding of project for manufacture of sugar involves foreign exchange component. 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

The Sugar Industry being capital intensive in nature requires huge capital investment, having high debt



component. Further, the interest rates are also very high. The Sugar Industry being seasonal in nature, what is produced during 7-8 months are sold over 12-14 months. This results in the Company holding substantial inventory incurring very high interest cost on working capital borrowing, besides other carrying costs.

## e) Regulatory Risks

Though sugar has been decontrolled recently, still the cane area allocation and cane price is controlled by Governments. Sugar cane prices fixed by Central and State Governments are very high and are independent of sugar realisation. Alcohol and molasses are subject to inter-state movement control.

**Outlook for 2015-16:** The global production continues to be in surplus for the fifth consecutive year leading to uneconomic price for Sugar. The global price is much lower as compared to domestic price. Even with the export subsidy announced recently by the Govt. of India, the exports from India are not remunerative/viable.

The Indian production for the season 2014-15 is likely to be about 28 million tonnes, and the production for the next season 2015-16 is also projected at 28 million tonnes. This high volume of production with high carry over stock would continue to keep the sugar price at below the cost of production. In addition to this, the availability of cane in Tamil Nadu is severely affected due to poor monsoon, while the rest of India is having normal production.

Consequently, the availability of cane for your units would also be less as compared to our capacity.

**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 is affected on account of uncontrolled excess supply in the market.

**Human Resources:** The Industrial relations at your Company continue to be cordial. There are 993 employees in your Company. The Company is consistently improving the various facilities extended to the employees.

**Internal Control – Systems and their adequacy:** 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. Controls are established to safeguard the assets of the Company. The functions of internal audit are carried out by an independent chartered accountant firm and the reports are reviewed by the Audit Committee.

**Audit Committee:** The Audit Committee formed in due compliance with Section 177 of the Companies Act, 2013 and clause 49 of the Listing Agreement with Stock Exchanges, consists of members Dr K C Reddy, (N o m i n e e D i r e c t o r f r o m I R E D A), Mr. P. S. Gopalakrishnan, Independent Director Mr. A Sennimalai, Director. Mr. T. Pitchandi, and Dr. S.Muthu. Mr. P.S. Gopalakrishnan is the Chairman of the Committee.

**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 - 400 012.
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.



<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
<b>as on the financial year ended on 31.03.2015</b>
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration ) Rules, 2014.</b>

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L15421TN1987PLC014454
ii	Registration Date	04/06/1987
iii	Name of the Company	Dharani Sugars and Chemicals Limited
iv	Category/Sub-category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	No.57, Sterling Road, Nungambakkam, Chennai-600 034 Tel.No.91-44-28131313, Fax No. 91-44 -28232074
vi	Whether listed Company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Cameo Corporate Service Limited, 'Subramanian Building, 5th Floor, No.1, Club House Road, Chennai-600002. Tel.No.91-44 - 28460718. Fax No.91-44-282460129

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
1	White Crystal Sugar	1072	77%
2	Industrial Alcohol	1101	16%

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Nil				



# Dharani Sugars and Chemicals Limited

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

	Category of Shareholders	No. of shares held at the beginning of the year- 01.04.2014				No. of shares held at the end of the year - 31.03.2015				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
(a)	Individual/HUF	8828795	-	8828795	30.04	8828795	-	8828795	30.04	0.00
(b)	Central Govt	-	-	-	-	-	-	-	-	-
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corp.	7776567	-	7776567	26.46	7796710	-	7796710	26.53	0.07
(e)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other ....	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	<b>16605362</b>	<b>-</b>	<b>16605362</b>	<b>56.50</b>	<b>16625505</b>	<b>0</b>	<b>16625505</b>	<b>56.57</b>	<b>0.07</b>
(2)	Foreign									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other ....	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>16605362</b>	<b>0</b>	<b>16605362</b>	<b>56.50</b>	<b>16625505</b>	<b>0</b>	<b>16625505</b>	<b>56.57</b>	<b>0.07</b>
B.	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	-	14600	14600	0.05	-	14,600	14,600	0.05	0.00
(b)	Banks / FI	300	3050	3350	0.01	300	3050	3350	0.01	0.00
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIs	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other - Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
	Corporate category -I	-	-	-	-	-	-	-	-	-
	Corporate category -II	-	-	-	-	-	-	-	-	-
	Corporate category -III	-	-	-	-	-	-	-	-	-
	<b>Sub- Total (B)(1)</b>	<b>300</b>	<b>17,650</b>	<b>17,950</b>	<b>0.06</b>	<b>300</b>	<b>17,650</b>	<b>17,950</b>	<b>0.06</b>	<b>0.00</b>
2.	Non- Institutions									
(a)	Bodies Corporate									
(i)	Indian	1038838	22550	1061388	3.61	924119	22550	946669	3.22	-0.39
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
i	Individual shareholders holding nominal shares capital up to Rs.1 lakh	2199055	1066276	3265331	11.11	2090441	1044976	3135417	10.67	-0.44
ii	Individual shareholders holding nominal shares capital in excess of Rs.1 lakh	3214806	0	3214806	10.94	3449298	-	3449298	11.74	0.80
(c)	Others (specify)									
	Clearing Members	5138	0	5138	0.02	6556	-	6556	0.02	0.00
	Hindu Undivided Families	466700	1	466701	1.59	482389	1	482390	1.64	0.05
	Non Resident Indians	3335517	1417153	4752670	16.17	3464961	1260600	4725561	16.08	-0.09
	Trust	500	0	500	0.00	500	-	500	0.00	0.00
	<b>Sub- Total (B)(2)</b>	<b>10260554</b>	<b>2505980</b>	<b>12766534</b>	<b>43.44</b>	<b>10418264</b>	<b>2328127</b>	<b>12746391</b>	<b>43.37</b>	<b>-0.07</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>10260854</b>	<b>2523630</b>	<b>12784484</b>	<b>43.50</b>	<b>10418564</b>	<b>2345777</b>	<b>12764341</b>	<b>43.43</b>	<b>-0.07</b>
(C)	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>26866216</b>	<b>2523630</b>	<b>29389846</b>	<b>100.00</b>	<b>27044069</b>	<b>2345777</b>	<b>29389846</b>	<b>100.00</b>	<b>0.00</b>



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

### (ii) Shareholding of promoters

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2014			Shareholding at the end of the year 31.03.2015			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	M/S. DHARANI CREDIT AND FINANCE (P) LTD	3754440	12.77	100.00	3754440	12.77	100.00	0.00
2	DHARANI DEVELOPERS PRIVATE LIMITED	2774088	9.44	0	2774088	9.44	9.91	0.00
3	PALANI G PERIASAMY DR	2739012	9.32	0.00	2739012	9.32	100.00	0.00
4	VISALAKSHI PERIASAMY	1200101	4.08	0.00	1200101	4.08	100.00	0.00
5	ANANTHI DEVELOPERS LIMITED	1000000	3.40	100.00	1000000	3.40	100.00	0.00
6	JAYANTHI PERIASAMY	886016	3.02	84.45	886016	3.02	84.45	0.00
7	PALANI GOUNDER PERIASAMY JT1 : VISALAKSHI PERIASAMY	863763	2.95	0	863763	2.95	0	0.00
8	SANTHI PERIASAMY	885142	3.01	0	885142	3.01	0	0.00
9	NALINI PERIASAMY	882492	3.01	0	882492	3.01	0	0.00
10	ANANTHI PERIASAMY	885293	3.01	0	885293	3.01	0	0.00
11	KANDASAMY K	479621	1.63	100.00	479621	1.63	100.00	0.00
12	DHARANI FINANCE LIMITED	248039	0.84	0	268182	0.91	0	0.07
13	K VIJAYALAKSHMI	7205	0.02	0	7205	0.02	0	0.00
14	MURUGAVEL R	150	0.00	0	150	0.00	0	0.00
		16605362	56.50		16625505	56.57		0.07

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

Sl. No.	Particulars	Shareholding at the beginning of the year-01.04.2014		Cumulative Shareholding during the year-31.03.2015		REASON
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1	<b>DHARANI FINANCE LIMITED</b>					Purchase
	At the beginning of the year 1-April-2014	248039	0.84			
	Purchase 05-Dec-2014	3546	0.01			
	Purchase 19-Dec-2014	459	0.00			
	Purchase 31-Dec-2014	16138	0.06			
	At the end of the Year 31-Mar-2015			268182	0.91	

**There is no change in shareholding during the year in the cass of other Promoters**



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

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

Sl.No.	Particulars	Shareholding at the beginning of the year- 01.04.2014		Cumulative Shareholding during the year- 31.03.2015		REASON
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
<b>1</b>	<b>P T SWAMY</b>					No Change
	At the beginning of the year 1-April-2014	628781	2.14			
	At the end of the Year 31-Mar-2015			628781	2.14	
<b>2</b>	<b>SANJAY DATTA</b>					No Change
	At the beginning of the year 1-April-2014	580000	1.97			
	At the end of the Year 31-Mar-2015			580000	1.97	
<b>3</b>	<b>MADHURI RAJKUMAR SEKSARIA JT1 : RAJKUMAR KUDILAL SEKSARIA</b>					No Change
	At the beginning of the year 1-April-2014	464000	1.58			
	At the end of the Year 31-Mar-2015			464000	1.58	
<b>4</b>	<b>PINETREE PROPERTIES PVT LTD</b>					No Change
	At the beginning of the year 1-April-2014	446000	1.52			
	At the end of the Year 31-Mar-2015			446000	1.52	
<b>5</b>	<b>RAJKUMAR KUDILAL SEKSARIA</b>					No Change
	At the beginning of the year 1-April-2014	422000	1.44			
	At the end of the Year 31-Mar-2015			422000	1.44	
<b>6</b>	<b>C K RAMACHANDRAN JT1 : SARASWATHI RAMACHANDRAN</b>					No Change
	At the beginning of the year 1-April-2014	399007	1.36			
	At the end of the Year 31-Mar-2015			399007	1.36	
<b>7</b>	<b>P V MOHAN JT1 : PRABHA MOHAN</b>					No Change
	At the beginning of the year 1-April-2014	353142	1.20			
	At the end of the Year 31-Mar-2015			353142	1.20	
<b>8</b>	<b>ASHA L SWAIN</b>					No Change
	At the beginning of the year 1-April-2014	291605	0.99			
	At the end of the Year 31-Mar-2015			291605	0.99	
<b>9</b>	<b>SIVASUBRAMANIAN K N</b>					No Change
	At the beginning of the year 1-April-2014	263240	0.90			
	At the end of the Year 31-Mar-2015			263240	0.90	
<b>10</b>	<b>UNIVERSAL CINE TRADES PVT LTD</b>					No Change
	At the beginning of the year 1-April-2014	259000	0.88			
	At the end of the Year 31-Mar-2015			259000	0.88	



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

### (v) Shareholding of Directors and Key Managerial Personnel:

Sl.No.	Particulars	Shareholding at the beginning of the year- 01.04.2014		Cumulative Shareholding during the year-31.03.2015	
		No. of shares	% of total shares	No. of shares	% of total shares
<b>Directors</b>					
1	Dr Palani G Periasamy	2739012	9.32	2739012	9.32
2	Dr Palani G Periasamy Jt Mrs Visalakshi Periasamy	863763	2.94	863763	2.94
3	Mrs Visalakshi Periasamy	1200101	4.08	1200101	4.08
4	Dr K N Sivasubramanian	263341	0.90	263341	0.90
5	Mr A Sennimalai	21682	0.07	21682	0.07
6	Mr M Ramalingam	2200	0.01	2200	0.01
7	Dr K C Reddy	500	0.00	500	0.00
8	Mr P S Gopalakrishnan	0	0.00	0	0.00
9	Mr P Selvam	0	0.00	0	0.00
10	Mr T Pitchandi	0	0.00	0	0.00
11	Dr S Muthu	0	0.00	0	0.00
	<b>Total A</b>	<b>5090599</b>	<b>17.32</b>	<b>5090599</b>	<b>17.32</b>
<b>Key Managerial Personnel</b>					
1	Mr M P Kaliannan	87806	0.30	87806	0.30
2	Mr E P Sakthivel	0	0.00	0	0.00
	<b>Total B</b>	<b>87806</b>	<b>0.30</b>	<b>87806</b>	<b>0.30</b>
	<b>Total A +B</b>	<b>5178405</b>	<b>17.62</b>	<b>5178405</b>	<b>17.62</b>

## V INDEBTEDNESS

In lakhs

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year 01.04.2014</b>				
(i) Principal Amount	36549.87	-	77.67	36627.54
ii) Interest due but not paid	319.94	-	-	319.94
iii) Interest accrued but not due	555.92	-	7.78	563.70
<b>Total</b>	<b>37425.73</b>	<b>-</b>	<b>85.45</b>	<b>37511.18</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	9416.38	944.15	-	10360.53
Reduction	6272.84	-	49.96	6322.80
Net Change	<b>3143.54</b>	<b>944.15</b>	<b>49.96</b>	<b>4037.73</b>
<b>Indebtness at the end of the financial year 31.03.2015.</b>				
(i) Principal Amount	<b>39931.85</b>	<b>921.00</b>	<b>29.68</b>	40882.53
ii) Interest due but not paid	<b>226.58</b>	<b>0.00</b>	<b>0.00</b>	226.58
iii) Interest accrued but not due	<b>410.84</b>	<b>23.15</b>	<b>5.81</b>	439.80
<b>Total</b>	<b>40569.27</b>	<b>944.15</b>	<b>35.49</b>	<b>41548.91</b>





## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole time director and/or Manager:

In lakhs

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
1	Gross salary	Dr Palani G Periasamy	M.Ramalingam	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	-	21.60	21.60
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	6.00	6.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of Profit	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	-	27.60	27.60
	<b>Ceiling as per the Act</b>	60.00	60.00	120.00

**Note: In the absence of Profit, No Remuneration was paid to Executive Chairman Dr Palani G Periasamy during the year.**

### B. Remuneration to Other Directors

In lakhs

Sl.No	Particulars of Remuneration						Total Amount
1	Independent Directors	T.Pichandi	P Selvam	P.S.Gopala krishnan	Muthu	K.N.Siva Subramanian	
	(a) Fee for attending board committee meetings	0.45	0.05	0.70	0.05	0.05	1.30
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	0.45	0.05	0.70	0.05	0.05	1.30
2	Other Non Executive Directors	K.C.Reddy	A.Sennimalai	Mrs.Visalakshi Periasamy			Total Amount
	(a) Fee for attending board committee meetings	0.55	0.60	0.10	-	-	1.25
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-	-
	<b>Total (2)</b>	0.55	0.60	0.10	-	-	1.25
	Overall Ceiling as per the Act.	In terms of the provisions of the Companies Act, 2013 the remuneration payable to Directors other than Executive Directors shall not exceed 1% of the net profit of the Company. The Company may pay sitting fees to the Directors for attending Board/ Committee meetings as may be decided by the Board of Directors. The Board has fixed Rs.5000/- as sitting fees for each meeting.					



## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

In lakhs

Sl.No	Particulars of Remuneration	Name of the Key Managerial Personnel		
		Company Secretary	CFO	Total
		E.P.Sakthivel	M.P.Kaliannan	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	5.05	20.43	25.48
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.56	3.74	4.30
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>5.61</b>	<b>24.17</b>	<b>29.78</b>

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
Penalty					
Punishment					
Compounding					



**Boards Report  
Form No. AOC-2**

Annexure - II

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies  
(Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1	Details of contracts or arrangements or transactions not at arm's length basis	
a	Name(s) of the related party and nature of relationship	Nil
b	Nature of contracts/ arrangements/ transactions.	NA
c	Duration of the contracts / arrangements/transactions	NA
d	Salient terms of the contracts or arrangements or transactions including the value, if any	NA
e	Justification for entering into such contracts or arrangements or transactions	NA
f	date(s) of approval by the Board	NA
g	Amount paid as advances, if any	NA
h	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NA

**2. Details of material contracts or arrangement or transactions at arm's length basis**

Name(s) of the related party	Dharani Finance Limited	PGP Educational & Welfare Society	Appu Hotels Ltd	Dharani Developers Private Ltd	Ananthi Developers Ltd
Nature of relationship	Associates	Associates	Associates	Associates	Key Managerial Personnel
Nature of contracts/ arrangements / transactions	Travel Services	Leasing of Land	inter Corporate Deposits	Promoter Contribution as per CDR	Professional Consultancy Services
Duration of the contracts / arrangements/transactions	1 year	33 years	1 year	1 year	1 year
Salient terms of the contracts or arrangements or transactions including the value, if any	Rs.2.12 lakhs	Rs.0.72 lakhs	Rs.1649.45 lakhs	Rs. 881.13 lakhs	Rs. 4.74 lakhs
Date(s) of approval by the Board, if any:	29.05.2014	29.05.2014	12.02.2014	19.01.2015	29.05.2014
Amount paid as advances, if any	Nil	Nil	Nil	Nil	Nil

Name(s) of the related party	Dr Palani G Periasamy	Mrs Visalakshi Periasamy	M Ramalingam	A Sennimalai
Nature of relationship	Executive Chairman	Director	Managing Director	Director
Nature of contracts/ arrangements / transactions	Rent	Sitting Fees	Salary	Sitting Fees
Duration of the contracts / arrangements/transactions	5 years	-	5 years	-
Salient terms of the contracts or arrangements or transactions including the value, if any	Rs.67.50 lakhs	Rs.0.10 lakhs	Rs.27.60 lakhs	Rs. 0.60 lakhs
Date(s) of approval by the Board, if any:	24.05.2011	-	-	-
Amount paid as advances, if any	41.53 Lakhs	Nil	Nil	Nil



**Information as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014.**

**a. Energy Conservation Measures:**

1. 4 No's of cane unloading motor connection changed from delta to star connection; due to which kick load is reduced 3 times and energy saving is about 200 KV / day
2. VFD installed for SRT clarifier filter and the energy saving is around 7.3 KV /day.
3. VFD installed for mono vertical crystallizer and the energy saving is around 48 KV / day.
4. 25 No's of 250W MH fittings replaced by 85W CFL. Per day saving is around 50 KV / day.
5. 15 No's of 36W wall glass fitting removed in refinery plant and the saving in energy is around 7.2 KV /day.

**b. Technology absorption, Adaptation and Innovation: - NIL**

**c. Foreign Exchange Earnings and Outgo:**

Details of Foreign exchange earnings and outgo are given below:

(Rs lakhs)

Earnings & Outgo	2014-15	2013-14
Foreign Exchange Earned	Nil	Nil
Outgo	214.40	323.17

**Boards Report  
Form No. MR-3**

Annexure - IV

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2015

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
**DHARANI SUGARS AND CHEMICALS LIMITED**  
(CIN: L15421TN1987PLC014454)  
PGP HOUSE 57, STERLING RD, NUNGAMBAKKAM,  
CHENNAI - 600034

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DHARANI SUGARS AND CHEMICALS LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion there on.

Based on my verification of the **DHARANI SUGARS AND CHEMICALS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31.03.2015** complied with the



## Dharani Sugars and Chemicals Limited

statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made here in after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **DHARANI SUGARS AND CHEMICALS LIMITED** ("the Company") for the financial year ended on 31.03.2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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

I have also examined compliance with the applicable clauses of the following:

- (i) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations except in relation to Inter corporate Deposit made to Appu Hotels Limited.

### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period the company did not have specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

M. DAMODARAN  
ACS/FCS No. 5837  
C P No. 5081



## Boards Report Board Evaluation

Annexure - V

As required by the New Companies Act, the Board initiated a formal evaluation of its own performance and that of the individual directors.

In this process the evaluation criteria has been arrived at separately for Managing / Executive / Whole Time Directors and separately for non-executive and non-whole time Directors.

(A) Criteria for evaluation of the Board and its own performance.

**Board:**

- ❖ Setting up of annual goals (including financials) and comparing with year-end achievement
- ❖ Periodically reviewing corporate strategy
- ❖ Reviewing risk management system
- ❖ Evaluating whether composition of the board has a right mix of knowledge and skills sufficient to maximize performance in the light of the future strategy.
- ❖ Whether interaction between independent directors and key managerial personnel and senior management is adequate or needs improvement
- ❖ Is appropriate, timely and un biased information, of the right length and quality, provided to the Board
- ❖ Whether Board and Committee Meetings of appropriate length, are being held to enable proper consideration of issues.
- ❖ Is the Chairman demonstrating effective leadership of the Board.
- ❖ Whether relationships and communications with shareholders are well managed.
- ❖ Whether Directors are well prepared and informed regarding Board Meetings and their attendance thereat is satisfactory.
- ❖ Whether Directors demonstrate a willingness to devote time and effort to understand the company and its business and a readiness to participate in events outside the Boardroom, such as plant visits.
- ❖ What has been the contribution of Directors in the development of strategy and risk management and how successfully have they brought their knowledge and experience to bear in the consideration of strategy
- ❖ Whether directors effectively probe the information and assumption presented by the management
- ❖ Whether directors have effective and successful relationships with fellow Board Members, the Company Secretary and Senior Management
- ❖ Whether directors actively and successfully refresh their knowledge and skills and are they up to date with.
- The latest developments in areas such as Corporate Governance Framework and Financial Reporting
- The industry and market condition

**Committee**

- Discharge of its functions and duties as per its terms of reference.
- Process and procedures followed for discharging its functions;
- Effectiveness of suggestions and recommendations received;
- Size, Structure and Expertise of the Committee; and
- Conduct of its meetings and procedures followed in this regard.

(B) Criteria for evaluation of the performance of Managing /Executive/Whole Time Directors

- Achievement of financial/business targets prescribed by the Board;
- Developing and managing/executing business plans, operational plans, risk management, and financial affairs of the organization;
- Display of leadership qualities i.e. correctly anticipating business trends, opportunities, and priorities affecting the Company's prosperity and operations;
- Development of policies, and strategic plans aligned with the vision and mission of Company and which harmoniously balance the needs of shareholders, clients, employees, and other stakeholders;



- Establishment of an effective organization structure to ensure that there is management focus on key functions necessary for the organization to align with its mission; and
- Managing relationships with the Board, management team, regulators, bankers, industry representatives and other stakeholders

(C) Criteria for evaluation of the performance of Non-Executive Directors including Independent Directors.

- Participation at the Board/Committee meetings;
- Commitment (including guidance provided to senior management outsider of Board/Committee meetings);
- Effective deployment of knowledge and expertise;
- Effective management of relationship with stakeholders;
- Integrity and maintaining of confidentiality;
- Independence of behaviour and judgment; and
- Impact and influence.

It was satisfied that the Board as constituted at present has the right mix of skills, varied experience. The Directors are quite senior people widely travelled and having knowledge of the industry, Indian economy, and administrative know-how and the Board has functioned according to expectations.

The evaluation has been started to consider a suitable mechanism to improve Board effectiveness, maximize strengths and tackle weaknesses if any. It will start with assessment and reviews.

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## Boards Report Remuneration Policy

Annexure - VI

The Company's policy is to maintain optimum combination of executive and non-executive directors.

Remuneration to Directors, Key Management Personnel and Senior Management involves a balance between fixed and incentive pay reflecting long term and short term performance objectives, appropriate to the working of the Company and its goals.

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination & Remuneration Committee. This Committee considers qualifications, positive attributes, area of expertise, number of directorship held in other companies and recommends suitable persons taking into account the Company's special needs.

This Committee has arrived at a set of criteria for appointment and remuneration, as per annexure.

Board considers their recommendations in the context of the company's needs and takes appropriate decision.

No remuneration is paid to Non- Executive Directors including Independent Directors. They are paid sitting fees for attending the Board and Committee Meetings at the rates not exceeding the maximum prescribed by the Government of India. They are also reimbursed Travelling and Accommodation Expenses as per approved scales. No other benefits like ESOPS/Stock options are extended to them.



### Vigil Mechanism for Directors & Employees

The Company believes in the conduct of all its affairs in a fair and transparent manner by adopting the highest standards of professionalism, integrity and ethical behavior. This policy has been included in the Code of Conduct for the Management and all its employees. Any actual or potential violation of the Code will be a matter of serious concern. The role of Directors/employees in pointing out any violations of the Code cannot be under estimated. Section 177(9) of the Companies Act 2013 has mandated establishing a vigil mechanism for directors and employees of all listed companies and such other class of Companies to report genuine concerns. The Rules and also clause 49 of the Listing Agreement with stock Exchanges also require that the Company discloses the details of the vigil mechanism in the Company's website and also in the Board's Report to the Shareholders. Establishing this whistle blower policy, will help employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

1 **Policy:** This policy has been designed to provide a frame work to promote responsible and secure whistle blowing i.e. by the directors and employees of the PGP Group raise a concern about serious irregularities within the Company. This is not a route for taking up any personal grievance.

#### 2 Guiding Principle

- (i) To ensure that this policy is adhered to and to ensure that the concerns reported are acted upon seriously and confidentially
- (ii) that the whistle blower is not victimized for reporting this concern
- (iii) to treat victimization as a serious matter
- (iv) the matter will be kept confidential
- (v) provide an opportunity of being heard to the persons involved including the subject

3 **Coverage:** This policy covers malpractices and events, which have taken place/or is suspected to take place, involving

- a) abuse of activity
- b) breach of contract
- c) Negligence causing substantial danger to public health and safety
- d) Manipulation of Company data/records
- e) Financial irregularities including fraud or suspected fraud
- f) Criminal Offence
- g) Pilferation of confidential/proprietary information
- h) Deliberate violation of Law/Regulation
- i) Wastage / misappropriation/pilferage of Company funds/assets
- j) Breach of employee code of conduct or rules
- j) Any other unethical biased, favoured imprudent event.

The policy is not to be misused for raising unfounded malicious allegations against colleagues.

4 It will be ensured that genuine whistle blowers are accorded complete protection from any kind of unfavourable treatment. Any abuse of this protection will, however, invite disciplinary action.

Protection will not mean protection from disciplinary action arising out of false or bogus allegation made by a whistle blower knowing it to be false or bogus or with a malafide intention.

5 (a) Employees can make protected disclosure to the nominated ombudsperson as soon as possible but not later than 30 consecutive days after becoming aware of the incident. Whistle Blower must reveal their names while making the allegations. Anonymous complaints will not be considered

- (b) i) If initial enquiries by the ombudsperson indicate that the concern has no basis or it is not a matter to be investigated under this policy, it may be dismissed at this stage and decision recorded.
- ii) If such inquiries indicate that further investigation is warranted or necessary this will be carried through the ombudsperson or by a whistle blower/committee nominated by the ombudsperson for this purpose. The investigation will be conducted in a fair manner without bias and without presumption of guilt. A written report of the findings will be made.

iii) Name of the whistle blower shall not be disclosed to the whistle officer or committee





## Vigil Mechanism for Directors & Employees

- 6) The ombudsperson/whistle blower/Committee shall make a detailed written record of the protected disclosure. This record will contain the following:
  - a) Fact of the matter
  - b) Whether the same protected disclosure was raised previously by any one and if so the outcome thereof.
  - c) Financial or otherwise loss incurred or likely to be incurred by the Company
  - d) Findings of the ombudsperson/whistle officer/committee
  - e) Recommendations by the ombudsperson/whistle officer/committee on disciplinary or other action.
- 7) The whistle officer/committee shall finalize and submit the report to the ombudsperson within 15 days of being nominated or appointed. After submission of the report, the whistle officer/committee shall discuss the matter with the ombudsperson, who shall –
  - i) in case the protected disclosure is proved, accept the findings of the whistle officer/committee and take such disciplinary action as he may think fit and also take preventive measures to avoid any recurrence.
  - ii) in case the protected disclosure is not proved, close the matter or if the matter is serious, refer to the committee of whole time directors. The committee of directors may refer the matter to the Audit Committee, who can further place the matter before the Board
  - iii) In very exceptional cases, if the whistle blower is not satisfied with the outcome of the investigation and the decision, he can make a direct appeal to the Chairman of the Audit Committee.
- 8) **Protection:** No unfair treatment will be meted out to a whistle blower nor shall he be victimized. The Company, as a policy, will not tolerate any kind of discrimination, harassment or any other unfair employment practice being adopted against the whistle blower. Complete protection will be given to the whistle blower against any such unfair practice. The identity of the whistle blower and any other employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the whistle blower.
- 9) **Secrecy:** The whistle blower, the subject, the whistle blower officer and every one involved in the process
  - a) shall maintain complete confidentiality of the matter
  - b) shall not discuss the matter in any informal/social gatherings/meetings
  - c) shall discuss only to the extent or with the persons required for the purpose of completing the process and investigations
  - d) shall not keep the concerned papers unattended anywhere at any time.
  - e) shall keep the electronic mails/files under password and shall not reveal the passwords.

If anyone is found not complying with the above he shall be liable for disciplinary action as considered it. 100

- 10) A quarterly report about the number of complaints received under this policy and their outcome shall be placed before the Audit Committee and the Board.
- 11) If the investigation leads to the conclusion of improper/unethical act, suitable disciplinary action shall be taken against the concerned person.

### 12) Retention of the Documents:

Protected disclosures in writing or documents along with the results of investigation shall be retained by the company for a minimum period of 10 years.

### 13) Modifications

The Managing Director of the Company has to right to amend or modify this policy in whole or in part at any time without assigning any reasons. The Managing Director will, however, place the modified policy to the Board for its information.



**Disclosure pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

**Particulars pursuant to section 197(12) and the relevant rules:**

- a) The ratio of the remuneration of each director to the median employee's remuneration for the Financial year and such other details: No directors are in receipt of remuneration except sitting fees. For this purpose, Sitting fees paid to the Directors have not been considered as Remuneration.
- b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial year:

SI.No	Name	Designation	Percentage of Increase
1	Dr Palani G Periasamy	Executive Chairman	In the absence of profit, No Salary was paid during the year
2	Mr M Ramalingam	Managing Director	15.00 %
3	Mr M P Kaliannan	Chief Financial Officer	5.59 %
4	Mr E P Sakthivel	Company Secretary	4.48 %

- c) The percentage increase in the median remuneration of employees in the Financial year : **21.96%**

- d) The number of permanent employees on the rolls of company as on 31st Mar 2015: **993**

- e) The explanation on the relationship between average increase in remuneration and Company Performance:

Increase in remuneration to sugar wage board employees were given as per terms of the settlement and variable dearness allowance as notified by the Government linked to cost of inflation index. For other employees, nominal increase in remuneration was given as per the remuneration policy. An average of 12% remuneration increase is given to employees based on the Remuneration Policy of the Company.

- f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Name	Designation	CTC	% Increase in CTC	PAT	% increase in PAT
Dr Palani G Periasamy	Executive Chairman	No salary was paid during the year	NA	Rs.8054.39 lakhs ( Loss)	-
Mr M Ramalingam	Managing Director	Rs.27.60 lakhs	15.00 %		
Mr M P Kaliannan	Chief Financial Officer	Rs.24.16 lakhs	5.59 %		
Mr E P Sakthivel	Company Secretary	Rs.5.16 lakhs	4.48 %		

- g) Variation in the market capitalization of the Company, Price Earnings ratio as at the closing date of the current Financial year and previous Financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer:

Date	Issued Capital (Rs. In Crores)	Closing Market price Rs.per share	EPS In Rs.	PE Ratio	Market Capitalisation (Rs. In Crores)
31.03.2014	29.38	23.00	(11.50)	(2.00)	67.60
31.03.2015	29.38	14.15	(25.23)	(0.56)	41.59
Increase/(Decrease)	-	(8.85)	(13.73)	(1.44)	26.01
% Increase/(Decrease)	-	(38.47% )	(120%)	(72%)	(38.47%)
Issue price of the Share at the last Public Offer (IPO)	-	-	-	-	-
Increase in market price as on 31.03.2015 as compared to Issue Price of IPO	-	-	-	-	-
Increase in %	-	-	-	-	-



- h) Average percentile increase already made in the salaries of employees' other than the managerial personnel in the last Financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:  
Long-term wage settlement for a period of 4 years from 01.10.2014 to 30.09.2018 was entered into with Recognised Trade Unions by South Indian Sugar Mills Association representing all the private sugar factories in Tamil Nadu and the same was implemented during the financial year. The average increase in remuneration to sugar wage board employees were given as per terms of the settlement above and variable dearness allowance as notified by the Government linked to cost of inflation index. For other employees, nominal increase in remuneration was given as per the remuneration policy. Increase in the remuneration was in the range of 10 to 12 % for employees covered under wage settlement and for KMP the increase was 5.38%.
- i) The Key parameters for any variable component of remuneration availed by the Directors:  
(a) No salary was paid to Executive Chairman during this year.  
(b) Except Mr M Ramalingam, Managing Director, No Directors were paid any remuneration and only sitting fees are paid to them.
- j) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable
- k) if remuneration is as per the remuneration policy of the Company: Yes

Notes:

1. All other directors were paid only sitting fees for attending the meetings of the Board and Committees thereof.
  2. Managing Director's remuneration is revised once in a year.
  3. The Company has incurred loss on account of sharp drop in the Sugar Price. This loss is entirely due to the Macro Economic conditions which is beyond the control of the Management. Hence, the increase in the remuneration may not have direct relationship to the Company performance.
-



## 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 shareholder, 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 10 members out of whom 4 belong to the promoter group. The Board has a judicious mix of Executive and Non-Executive Directors. There are now 2 Executive Directors and 8 Non Executive Directors. Out of the Non-Executive Directors, one Director represents the lending Financial Institution IREDA as their nominee. There are 5 Independent Directors. One Woman Director has also been appointed. Constitution of Board of Directors of the Company is in full compliance with Clause 49 of the Listing Agreement and the Company has taken effective steps to comply with the applicable provisions of the new Companies Act, 2013.

### 2. Board Meetings, and AGM and Attendance thereat

The Board met five times during the financial year, on 29.05.2014, 13.08.2014, 12.11.2014, 19.01.2015 and 11.02.2015. Details of attendance of each Director at the Board meetings, the last AGM held on 24<sup>th</sup> September 2014, 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 or Chairman of Committees			
			Pub	Pvt.	Mgt.	Audit	NRC	SRC
Dr Palani G Periasamy – Chairman	5	Yes	2	2	Chm	-	-	-
Mr.A Sennimalai – Non Executive	5	Yes	1	1	Mem	Mem	Mem	Mem
Dr K N Sivasubramanian – Non Executive (Independent)	1	No	Nil	Nil	-	-	-	-
Mr. M Ramalingam– Managing Director	4	Yes	Nil	Nil	Mem	-	-	Mem
Dr K C Reddy – Non Executive Nominee Director - IREDA	5	Yes	Nil	Nil	-	Mem	Chm	Chm
Mr.P.S Gopalakrishnan Non Executive (Independent)	5	Yes	3	Nil	Mem	Chm	Mem	-
Mr T Pitchandi (Non-Executive Independent)	5	No	Nil	Nil	-	Mem	Mem	-
Mrs Visalakshi Periasamy (Non-Executive Director) Appt w.e.f 12.11.2014	2	-	4	Nil	-	-	-	-
Mr P Selvam (Non-Executive Independent Director) Appt w.e.f 12.11.2014	1	-	-	Nil	-	-	-	-
Dr S Muthu (Non-Executive Independent Director) Appt w.e.f 12.11.2014	1	-	1	Nil	-	Mem	-	-

**Mgt - Management Committee SR – Stakeholders Relationship Committee , N&RC – Nomination & 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. Four meetings were held on 31.12.2014, 30.01.2015, 28.02.2015 and 16.03.2015 during the year.

The Names of Directors of the Management Committee are given below

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

### 4. Audit Committee

The qualified and independent audit committee constituted in accordance with Sec 177 of the Companies Act, 2013 and clause 49 of the Listing Agreement comprises of 4 non-executive directors out of whom 2 are Independent Directors. The Chairman of the Audit Committee is Mr P S Gopalakrishnan 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 24<sup>th</sup> September 2014. The Committee has since been reconstituted.

The following are the present members of the Audit Committee.

- ◆ Mr. P S Gopalakrishnan - Chairman (Independent)
- ◆ Mr. A Sennimalai
- ◆ Dr K C Reddy
- ◆ Mr T Pitchandi
- ◆ Dr S Muthu

A whistle blower policy and Vigil Mechanism has been set up and disclosed in the Website. No personnel have been denied access to the Audit Committee.

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 the 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 controls 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 29.05.2014, 13.08.2014, 12.11.2014 and 11.02.2015.

Name of the Directors	No of Meetings attended
Mr P S Gopalakrishnan	4
Dr K C Reddy	4
Mr A Sennimalai	1
Mr T Pitchandi	3
Dr S Muthu (w.e.f 27.5.15)	-

### 5. Nomination & Remuneration Committee

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

- Mr P S Gopalakrishnan : Chairman (Independent Director)
- Dr K C Reddy : Nominee Director (IREDA)
- Mr. A Sennimalai : Director
- Mr T Pitchandi : Independent Director



## Dharani Sugars and Chemicals Limited

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.

- Remuneration proposed to be paid to Dr Palani G Periasamy for the year 2014 – 2015 is regulated in terms of Schedule V, Part-II, Section-II and is given below:
- Remuneration proposed to be paid to Shri M Ramalingam, Managing Director is in accordance with Schedule II part II of Schedule V of the Companies Act, 2013.

As the Company has not earned any profits for the year 2014-15, the remuneration proposed to be paid to management personnel for the year 2014-15 has been kept at the minimum amount i.e., not exceeding Rs. 60 lakhs p.a. payable as fixed in Section II part II of Schedule V of the Companies Act, 2013 for a Company whose effective capital is Rs. 100 crores or more. Comparative figures for the current year and last year are given below:

Particulars	In Lakhs	
	Year ended 31.03.2015	Year ended 31.03.2014
a. Dr Palani G Periasamy		
i. Salary	24.00	24.00
ii. Allowances	-	-
iii. Commission	-	-
Total	24.00	24.00
b. Mr M Ramalingam		
i. Salary	21.60	19.80
ii. Allowances	6.00	4.20
iii. P.F & Superannuation	0.00	0.00
Total	27.60	24.00

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

### 6. Independent Directors Meeting

The Independent Directors held one meeting during 2014-15 without the attendance of Non Independent directors and reviewed the performance of Directors, Chairperson, etc. as prescribed.

### 7. Stakeholders Relationship Committee

The Stakeholders Relationship Committee consists of Dr K C Reddy, Chairman who is a Non-Executive Director, Shri M Ramalingam, Managing Director and Mr A Sennimalai 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	2
No of Complaints settled	2
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 secretarial@pgpgroup.in
Company Website	www.dharanisugars.in
Corporate Identification No	L15421TN1987PLC014454

## 8. General Body Meeting.

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

AGM for the year	Location	Date	Time
2013-2014	Narada Gana Sabha No.314 TTK Road, Alwarpet, Chennai 600 018	24.09.2014	10.20 A.M
2012-2013	Narada Gana Sabha No.314 TTK Road, Alwarpet, Chennai 600 018	23.09.2013	10.20 A.M
2011-2012	Narada Gana Sabha No.314 TTK Road, Alwarpet, Chennai 600 018	17.09.2012	10.20 A.M

- One Special Resolution was passed in the previous AGM held on 24.09.2014.
- One Special Resolution was passed in the previous AGM held on 23.09.2013.
- One Special Resolution was passed in the AGM held on 17.09.2012.
- Electronic voting facility was provided to the shareholders for the Annual General Meeting held on 24.09.2014 and will be provided in the Annual General Meeting to be held on 28.09.2015.

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

## 9. 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, Sugar plant and Distillery plants.

## 10. Disclosures

Related party transactions are contracts or arrangements made by the Company from time to time with companies which are considered related parties. All these contracts or arrangements were approved in the Board, entered wherever applicable, in the Register of contracts maintained under section 189 of the Companies Act, 2013 and the register placed in the subsequent Board Meeting.

All such material transactions with related parties during the year 2014 – 2015 are given against note 25.4.11 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) & Chief Financial Officer have furnished the required certificate as provided in Clause 49 (IX) of the Listing Agreement.

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



## 11. Non-mandatory requirements.

Board felt that the other non-mandatory requirements like separate posts of Chairman and Chief Executive Officer, shareholders' rights, etc., can be considered at the appropriate time.

## 12. 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 as required by the Listing Agreement with Stock Exchanges.

Quarter	Date of Publication	English News Paper	Tamil News Paper
June –2014	15.08.2014	Financial Express	Makkal Kural
September 2014	14.11.2014	Financial Express	Makkal Kural
December –2014	13.02.2015	Financial Express	Makkal Kural
March - 2015	29.05.2015	Financial Express	Makkal Kural

## b. News, Release etc.

The Company has its own website [www.dharanisugars.in](http://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.

- a) 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.
- b) As a responsible corporate citizen, the Company shall endeavour 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](mailto: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:

- The Company would henceforth send all Notices, Annual Report and other communication to these shareholders through Email.
- Copies of same would be available under the 'investor section' of our websites [www.dharanisugars.in](http://www.dharanisugars.in)
- 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.
- Shareholders always have the liberty to modify their instructions any 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, including Notices and Annual Reports.

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

## 13. Insider Trading

SEBI has on 15<sup>th</sup> January 2015 notified a new set of regulations called the SEBI (Prohibition of Insider Trading) Regulations 2015 to come into force by the 15<sup>th</sup> May 2015. The earlier regulations called SEBI (Prohibition of Insider Trading) Regulations, 1992 are repealed from this date. The revised regulations have been approved to put in place a frame work for prohibition of insider trading in securities and to strengthen the legal frame work, on the basis of the recommendations of the High Level Committee led by Justice Sodhi about a year back.





In accordance with the new regulations, the Board of Directors has formulated and published on its website a code of practices and procedures for fair disclosure of unpublished price sensitive information and informed to the Stock Exchanges also. Similarly a Code of conduct to govern trading by its employees has been drawn up. The Company Secretary has also been designated as the compliance officer to monitor and ensure compliance with these regulations.

The Board monitors the adherence to the various requirements as set out in the code every quarter. No violation of the erstwhile regulations has taken place.

## 14. General Shareholder Information

i. Time, Date and Venue of Annual General Meeting	28 <sup>th</sup> September 2015 at 10.20 A.M. Narada Gana Sabha, New No. 314 TTK Road Alwarpet, Chennai 600 018
ii. Financial Year	April 2014 – March 2015
iii. Date of Book Closure	22 <sup>nd</sup> September 2015 to 28 <sup>th</sup> September 2015 (both days inclusive)
iv. Listing on Stock Exchanges	1. Bombay Stock Exchange, Mumbai 2. The National Stock Exchange of India Ltd, Mumbai

## 15. 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 2014 to March 2015 are furnished below. Bombay Stock Exchange -script code 507442 & National Stock Exchange of India Limited- DHARSUGAR EQ.

MONTH	NSE		BSE	
	HIGH (Rs.P.)	LOW (Rs.P.)	HIGH (Rs.P.)	LOW (Rs.P.)
April - 2014	25.20	22.05	25.45	22.05
May - 2014	29.05	21.45	28.70	21.40
June - 2014	36.45	25.25	36.00	24.60
July - 2014	39.25	27.60	39.60	27.75
August - 2014	29.10	24.35	29.15	24.70
September - 2014	27.10	19.55	27.25	20.20
October - 2014	23.75	19.00	23.60	18.65
November - 2014	24.35	18.15	23.20	18.50
December - 2014	21.00	15.25	21.00	15.60
January - 2015	19.00	16.10	18.40	16.40
February - 2015	19.50	15.60	18.70	15.10
March - 2015	17.80	13.45	17.00	14.00



## 16. Distribution of Shareholding :

### a. Shareholding Pattern as on 31<sup>st</sup> March 2015.

Sl.No	Category	No of Shares	%
1	Promoter & Promoter Group	16625505	56.57
2	Mutual Funds and UTI	14600	0.05
3	Banks, Financial Institutions, Insurance Companies (Central/ State Government Institutions/ Non Government Institutions)	3350	0.01
4	Bodies Corporate	946669	3.22
5	Indian Public	7067105	24.05
6	NRIs/OCBs	4725561	16.08
7	Others (Clearing Member/ HUF/Trust/)	7056	0.02
	Total	29389846	100.00

### b. Distribution of Shareholding as on 31<sup>st</sup> March 2015.

Shareholding of Nominal value of Rs.	Shareholders		Share Amount	
	Number	% to Total	In Rs.	% to Total
Upto 5000	12919	91.33	17163440	5.84
5001 – 10000	634	4.48	5014180	1.71
10001 – 20000	247	1.75	3765300	1.28
20001 – 30000	95	0.67	2431410	0.83
30001 – 40000	37	0.26	1327030	0.45
40001 – 50000	29	0.21	1357800	0.46
50001 – 100000	54	0.38	4098160	1.39
100001 and above	131	0.93	258741140	88.04
Total	14146	100.00	293898460	100.00

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

17. Pursuant to Section 124 & 125 of the Companies Act, 2013, dividend remaining unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Reminders are sent to the shareholders as per records every year, for the unpaid dividends.

Year	% of Dividend	Date	Unclaimed		Due date for transfer to IEPF
			No of Warrants	Amt in Rupees	
2008-09	10	18.09.2009	4414	693858.00	27.09.2016
2009-10	15	01.10.2010	4663	1313394.00	10.10.2017
2011-12	10	12.10.2012	5564	1068229.00	21.10.2019
2012-13	10	10.10.2013	4056	637253.00	20.10.2020



MCA by notification GSR 352 (E) dated 10.05.2012 has stipulated publication of details of unclaimed/ unpaid dividend in the Company website and MCA website. This is will enable investors track unclaimed dividend by checking the status online and real time. Our Company has already uploaded the requisite details that will get updated every year within 90 days of Annual General Meeting.

## 18. 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.

## 19. No of Shares Held by Non –Executive Directors

Sl.No	Name of the Director	No of Shares	%
1	Mr. A Sennimalai	21682	0.07
2	Dr K.N Sivasubramanian	263341	0.89
3	Mr. P.S Gopalakrishnan	Nil	Nil
4	Dr K.C Reddy	500	0.00
5	Mr T Pitchandi	Nil	Nil
6	Mr P Selvam	Nil	Nil
7	Dr S Muthu	Nil	Nil
8	Mrs Visalakshi Periasamy	1200101	4.08

## 20. 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 31.03.2015, 27044069 Shares constituting 92.02% have been dematerialised.

Particulars	No of Shares	% of Shares
National Securities Depository Ltd (NSDL)	24978646	84.99
Central Depository Services (I) Ltd (NSDL)	2065423	7.03
Total	27044069	92.02

## 21. Plant Location

Sugar Unit – I	2500 TCD	Dharani Nagar, Vasudevannallur – 627 760 Tirunelveli Dist , Tamil Nadu
Sugar Unit – II	4000 TCD	Karaipoondi Village, Polur – 606 803 Thiruvannamalai Dist, Tamil Nadu
Sugar Unit – III	3500 TCD	Kalayanallur Village, Sankarapuram Taluk , Villupuram Dist. – 606 206 Tamil Nadu
Distillery (in Unit I)	160 KLPD	Dharani Nagar, Vasudevannallur – 627 760 Tirunelveli Dist , Tamil Nadu
Distillery (in Unit III)	100 KLPD	Kalayanallur Village, Sankarapuram Taluk, Villupuram Dist. – 606 206 Tamil Nadu
Co- Generation of Power (In Unit II)	15 MW	Karaipoondi Village, Polur - 606 803 Thiruvannamalai Dist. Tamil Nadu
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.**



## 22. 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.

## 23. 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.

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

### Certificate under Para IX of Clause 49 of the Listing Agreement.

We have reviewed financial statements and the cash flow statement for the year 2014-15 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.

**M P Kaliannan**  
President (Corporate Finance) & CFO

**M Ramalingam**  
Managing Director



## 25. Affirmation of Compliance with the Company's code of conduct-Clause 49 II (E)

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

**Dr Palani G Periasamy**  
**Executive Chairman**

## 26. 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@dharaanisugars-ggp.com](mailto:secretarial@dharanisugars-ggp.com)

## 27. Addresses for Communication

M/s Dharani Sugars and Chemicals Limited  
"PGP House" No.59, Sterling Road  
Nungambakkam, Chennai – 600 034.  
Telephone: 044 – 2820 7480, 2831 1313, Fax No: 044 – 2823 2074  
CIN – L15421TN1987PLC014454  
Email: [secretarial@dharaanisugars-ggp.com](mailto:secretarial@dharaanisugars-ggp.com), [secretarial@pgpgroup.in](mailto:secretarial@pgpgroup.in)  
Website : [www.dharaanisugars.in](http://www.dharaanisugars.in)

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## INDEPENDENT AUDITORS' REPORT

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

#### Report on the Financial Statement

We have audited the accompanying standalone financial statements of **DHARANI SUGARS AND CHEMICALS LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Managements Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rules 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls; that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility:

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls systems over financial reporting and the operative effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2015;
- b) in the case of the statement of profit and loss, of the loss 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.

#### Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2015, ("the Order") issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent as applicable.
- 2) As required by Section 143(3) of the Act, 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 appears from our examination of those books;
- c) the balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rules 7 of the Companies (Accounts) Rules, 2014.
- e) on the basis of the written representations received from the directors as on 31st March 2015, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2015 from being appointed as a director in terms of sub section 1(g) of Section 164(2) of the Act; and
- f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors)

Rules, 2014, in our opinion and to the best of our information and explanations given to us:

- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements; and
- ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**SRINIVASAN & SHANKAR**  
Chartered Accountants  
(Firm Registration No.: 005093S)

**per R MANIKANDAN**

Place: Chennai  
Dated: 27th May 2015

Partner  
Membership No.216063



### ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2015, we report that;

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of fixed assets by which fixed assets are verified in a phased manner every year. In accordance with this programme, fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (ii) (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.
- (iii) The Company has granted loans to a body corporate covered in the register maintained under section 189 of the Companies Act, 2013.
  - (a) In the case of loans granted to a body corporate listed in the register maintained under Section 189 of the Act, the borrower has been regular in payment of interest as stipulated. In terms of the arrangement, the loan granted is repayable on demand.
  - (b) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the body corporate listed in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) (b) of the Order is not applicable to the Company in respect of repayment of the principal amount.

- (iv) 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. The activities of the Company do not involve sale of services. During the course of our audit, no major weaknesses has been noticed in the internal control system.
- (v) 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 73 to 76 of the Act or any other relevant provisions of the Act, 2013 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.
- (vi) 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 148(1) of the Act 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 determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues have been regularly deposited during the year by the Company.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues were in arrears as at 31st March 2015 for a period of more than six months from the date they became payable.





- (b) There are no material dues of Sales Tax, Wealth Tax, Customs Duty and Cess which have not been deposited with the appropriate authorities on account of any dispute. However according to the information and explanations given to us, the following dues of Income Tax, Excise Duty and Service Tax have not been deposited by the Company on account of dispute :

Name of the Statute	Nature of dues	Period to which the amount relates	Status	Amount (Rs. in lakhs)
Income Tax Act, 1961	Income Tax Dues	AY 12-13	The matter is pending with the CIT (A)	11.08
Income Tax Act, 1961	Income Tax Dues	AY 11-12	The matter is pending with the CIT (A)	-
Central Excise Act, 1944	Cenvat credit reversal on Power sales	April 2008 to April 2013	The matter is pending with CESTAT, Chennai.	47.91
Finance Act, 1994	Service Tax on Goods Transport Agency	April 2008 to April 2013	The matter is pending in CESTAT, Chennai.	23.84
Tamilnadu Tax on Consumption of Sale of Electricity Act 2003	Power Generation Tax	June 2003 to Sep 2008 and April 2011 to March 2015	This matter is pending with Supreme Court	281.20
Tamilnadu Tax on Consumption or Sale of Electricity Act 2003	Power Tariff revision	August'12 to September 2013	This matter is pending with Supreme Court	# 67.42
Central Excise Act, 1944	Cenvat credit on Capital goods	Sep 2008 to Feb 2010	The matter is pending in CESTAT, Chennai.	51.73

# net of amount paid under protest.

- (c) According to the information and explanations given to us there are no amounts which were required to be transferred to the Investor education and protection fund in accordance with the relevant provision of the Companies Act, 1956 and rules there under.
- (viii) The accumulated losses of the company have exceeded fifty per cent of its net worth at the end of the financial year. The Company has incurred cash losses during the current year and also in the immediately preceding financial year.
- (ix) According to information and explanation given to us and as per the books and records examined by us, the Company has defaulted in repayment of dues to financial institution and banks which are as follows:

Bank/ Financial Institution	Nature of dues	Rs. in lacs	Due date	Date of Payment
Bank of India	Repayment of Loan	214.29	30-Apr-14	25-Jun-14
Indian Bank	Repayment of Loan	60.00	31-May-14	30-Jul-14
Sugar Development Fund	Payment of Interest	31.33	03-Apr-14	31-May-14
Union Bank of India	Payment of Interest	26.28	25-Apr-14	23-Jun-14
Indian Overseas Bank	Payment of Interest	18.40	31-May-14	24-Jun-14
Bank of India	Payment of Interest	32.43	30-Apr-14	25-Jun-14
Indian Bank	Payment of Interest	2.88	31-May-14	03-Jul-14
Indian Bank	Payment of Interest	2.65	30-Jun-14	03-Jul-14
Indian Bank	Payment of Interest	65.53	30-Jun-14	15-Jul-14
Union Bank of India	Payment of Interest	24.96	25-May-14	23-Jul-14
Bank of India	Payment of Interest	32.04	31-May-14	23-Jul-14



## Dharani Sugars and Chemicals Limited

Bank/ Financial Institution	Nature of dues	Rs. in lakhs	Due date	Date of Payment
Indian Bank	Payment of Interest	25.15	31-May-14	11-Jun-14
Sugar Development Fund	Repayment of Loan	236.58	06-Jun-14	12-Sep-14
Indian Renewable Energy Development Agency	Repayment of Loan	187.30	30-Jun-14	22-Aug-14
Union Bank of India	Repayment of Loan	142.85	25-Jun-14	05-Sep-14
Indian Bank	Repayment of Loan	60.00	30-Jun-14	14-Oct-14
Indian Overseas Bank	Repayment of Loan	90.00	30-Jun-14	23-Sep-14
State Bank of India	Repayment of Loan	65.19	30-Jun-14	02-Sep-14
Union Bank of India	Payment of Interest	26.07	25-Jun-14	05-Sep-14
Bank of India	Payment of Interest	33.13	30-Jun-14	12-Sep-14
Indian Bank	Payment of Interest	24.12	30-Jun-14	31-Jul-14
Indian Bank	Payment of Interest	63.72	30-Jun-14	31-Aug-14
Sugar Development Fund	Payment of Interest	42.47	06-Jun-14	12-Sep-14
Indian Renewable Energy Development Agency	Payment of Interest	138.41	30-Jun-14	22-Aug-14
Indian Overseas Bank	Payment of Interest	25.25	30-Jun-14	20-Sep-14
Indian Overseas Bank	Payment of Interest	18.32	30-Jun-14	12-Sep-14
Sugar Development Fund	Repayment of Loan	194.03	01-Mar-15	-
Sugar Development Fund	Repayment of Loan	236.58	05-Dec-14	-
Sugar Development Fund	Repayment of Loan	139.63	03-Oct-14	-
Sugar Development Fund	Repayment of Loan	142.54	19-Jan-15	-
Sugar Development Fund	Payment of Interest	77.65	01-Mar-15	-
Sugar Development Fund	Payment of Interest	37.96	05-Dec-14	-
Sugar Development Fund	Payment of Interest	11.50	19-Jan-15	-
Sugar Development Fund	Payment of Interest	29.09	03-Oct-14	-
Indian Renewable Energy Development Agency	Payment of Interest	70.37	31-Mar-15	-
Sugar Development Fund	Repayment of Loan	236.58	06-Jun-14	12-Sep-14
Sugar Development Fund	Repayment of Loan	139.63	03-Apr-14	30-May-14
Sugar Development Fund	Repayment of Loan	142.54	19-Jul-14	18-Sep-14
Sugar Development Fund	Payment of Interest	42.47	06-Jun-14	12-Sep-14
Sugar Development Fund	Payment of Interest	31.33	03-Apr-14	30-May-14
Sugar Development Fund	Payment of Interest	14.14	19-Jul-14	18-Sep-14
Indian Renewable Energy Development Agency	Payment of Interest	69.11	31-Dec-14	25-Feb-15
Sugar Development Fund	Repayment of Loan	139.63	03-Apr-14	31-May-14

The Company has not issued Debentures till 31st March, 2015. Hence, the question of reporting on default in repayment of dues to Debenture holders does not arise.

- (x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) 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 during the period for the purposes for which the loans were obtained.
- (xii) 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)

Place : Chennai  
Dated : 27th May 2015

per **R MANIKANDAN**  
Partner  
Membership No.216063



# Dharani Sugars and Chemicals Limited

## Balance Sheet as at March 31, 2015

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

Particulars	Note Ref	As at 31 March 2015	As at 31 March 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	<b>2,938.98</b>	2,938.98
Reserves and surplus	3	<b>(1,136.32)</b>	6,290.68
		<b>1,802.66</b>	9,229.66
<b>Non-current liabilities</b>			
Long-term borrowings	4	<b>38,011.52</b>	29,217.36
Deferred tax liabilities (Net)	5	<b>1,632.98</b>	2,271.63
Other long-term liabilities	8.1	<b>546.72</b>	775.38
Long-term provisions	6	<b>426.81</b>	372.70
		<b>40,618.03</b>	32,637.07
<b>Current liabilities</b>			
Short-term borrowings	7	<b>17,933.38</b>	18,972.24
Trade payables	8.1	<b>12,985.22</b>	10,805.58
Other current liabilities	8.2	<b>5,523.60</b>	11,389.28
Short-term provisions	6	<b>168.13</b>	166.52
		<b>36,610.33</b>	41,333.62
<b>TOTAL</b>		<b>79,031.02</b>	83,200.35
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
(i) Tangible assets	9	<b>46,210.91</b>	47,697.76
(ii) Intangible assets	9	<b>0.76</b>	1.46
(ii) Capital work-in-progress	9	<b>1,348.79</b>	1,029.24
		<b>47,560.46</b>	48,728.46
Non-current investments	10	<b>517.60</b>	518.41
Long-term loans and advances	11	<b>2,272.07</b>	2,344.09
Other non-current assets	12	<b>417.93</b>	598.35
<b>Current assets</b>			
Inventories	13	<b>20,721.37</b>	25,124.38
Trade receivables	14	<b>4,242.79</b>	2,218.28
Cash and cash equivalents	15	<b>1,303.84</b>	576.07
Short-term loans and advances	16	<b>1,994.96</b>	3,092.31
		<b>28,262.96</b>	31,011.04
<b>TOTAL</b>		<b>79,031.02</b>	83,200.35

### Significant Accounting Policies and Notes to financial statement 1 to 25

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 **R. MANIKANDAN**  
Partner  
Membership No: 216063

**E.P. SAKTHIVEL**  
Company Secretary

**M.RAMALINGAM**  
Managing Director

**DR. PALANI G. PERIASAMY**  
Executive Chairman

Place : Chennai  
Date : 27.05.2015

**M.P. KALIANNAN**  
Chief Financial Officer



## Statement of Profit & Loss for the year ended 31 st March 2015

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

Particulars	Note Ref	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>I. REVENUE FROM OPERATIONS</b>			
Sale of Products	17	<b>36,357.30</b>	52,411.39
Other Income	18	<b>1,767.28</b>	185.41
<b>Total</b>		<b>38,124.58</b>	52,596.80
<b>II. EXPENSES</b>			
Cost of materials consumed	19	<b>26,399.66</b>	41,216.91
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	<b>4,360.39</b>	(2,209.80)
Employee benefits expenses	21	<b>2,277.46</b>	2,140.57
Other expenses	22	<b>4,382.89</b>	6,339.84
<b>Total</b>		<b>37,420.40</b>	47,487.52
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)</b>			
		<b>704.18</b>	5,109.28
Finance costs	23	<b>6,650.26</b>	6,547.38
Depreciation and amortization expense	9	<b>2,119.56</b>	2,868.88
<b>Profit / (Loss) before exceptional items and tax</b>		<b>(8,065.64)</b>	(4,306.98)
Exceptional items	24	<b>11.25</b>	11.25
Profit/(Loss) before tax		<b>(8,054.39)</b>	(4,295.73)
<b>TAX EXPENSE:</b>			
(Current tax)/Excess provision reversal		-	3.59
MAT Entitlement credit		-	-
Deferred Tax Asset / (Liability )		<b>638.65</b>	913.00
<b>Profit (Loss) for the period from continuing operations</b>		<b>(7,415.74)</b>	(3,379.14)
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
<b>Profit(Loss) from Discontinuing operations (after tax)</b>		-	-
<b>Profit (Loss) for the period</b>		<b>(7,415.74)</b>	(3,379.14)
<b>Earnings per equity share:</b>			
Basic		<b>(25.23)</b>	(11.50)
Diluted		<b>(25.23)</b>	(11.50)

Significant Accounting Policies and Notes to financial statement 1 to 25

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

### SRINIVASAN & SHANKAR

Chartered Accountants  
Firm No.005093S

For and on behalf of the Board

per **R. MANIKANDAN**  
Partner  
Membership No: 216063

**E.P. SAKTHIVEL**  
Company Secretary

**M.RAMALINGAM**  
Managing Director

**DR. PALANI G. PERIASAMY**  
Executive Chairman

Place : Chennai  
Date : 27.05.2015

**M.P. KALIANNAN**  
Chief Financial Officer



## Notes to the financial for the year ended 31<sup>st</sup> March 2015

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### 1. 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 of the Company have been prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in accounting policy hitherto in use.

#### b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosures of an item or information in the financial statements are made relying on these estimates. Any revision to accounting estimates is recognized prospectively.

#### c. 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 dates of shipping bill. .
- ii Export incentives are accounted on accrual basis.
- iii Power generation income is recognized based on electrical units generated and sold, net of wheeling and transmission loss, as applicable, as disclosed in the power generation reports issued by the concerned authorities.
- iv Interests on deposits are accounted on time proportion basis taking into account the amount outstanding and the rates applicable.
- v Dividend income is recognized only when a right to receive payment is established.
- vi Claims are accounted for when there is a reasonable certainty with regard to their ultimate collection.
- vii Other incomes are recognized on accrual basis.

#### d. 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 recognized in the Profit & Loss account.



## Notes to the financial for the year ended 31<sup>st</sup> March 2015

### e. Depreciation

#### Tangible:

Schedule XIV to the Companies Act, 1956 prescribed requirements concerning depreciation on fixed assets till the year ended March 31, 2014. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013.

Depreciation is provided on Fixed Assets as per the rates prescribed under Schedule XIV of the Act and the notification issued there under as per the straight line method till the year ended March 31, 2014. Schedule II to the Companies Act, 2013 prescribed depreciation rates as per the useful lives for fixed assets, which in many cases are different from depreciation rates as per the useful lives prescribed under the erstwhile Schedule XIV.

Considering the applicability of Schedule II, the management had provided for depreciation on fixed assets as specified in Part C of Schedule II of the Companies Act, 2013 under the straight line method. Certain fixed assets required reassessment of their remaining useful lives from the previous estimate. Accordingly, necessary revision has been made with effect from the date of Schedule II becoming effective i.e April 1 2014. The carrying amount of assets as at April 1, 2014 has been depreciated over their remaining useful life of and charged to the statement of profit and loss.

Depreciation is charged on addition / deletion on pro-rata monthly basis including the month of addition/deletion.

#### Intangible:

Purchased software meant for in-house consumption is capitalized at the acquisition price.

#### Capital work –in- progress:

Capital work-in –progress is carried at cost, comprising direct cost, related incidental expenses and attributable interest. Preoperative expenditure is allocated to fixed assets at the time of completion of the project.

### f. Impairment of Assets

In accordance with AS 28 on “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.

### g. Investments

Long-term Investments are stated at acquisition cost individually, less provision for diminution. Provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

Gains or losses on disposal of investments are recognized in the Statement of Profit and Loss.

### h. Inventories

The inventory has been valued as under:

- i Raw materials, Stores and spares are valued at the lower of cost and net realizable 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 realizable value proportionate to the stage of progress. The cost includes direct material, labour and appropriate portion of overheads.



## Notes to the financial for the year ended 31<sup>st</sup> March 2015

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iii Finished goods are valued at lower of cost and net realizable 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.

### i. 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 and Leave encashment are 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.

### j. 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 Lakh is being apportioned out of the grant to the Profit and Loss Account.

### k. 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 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 recognized 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 amortized 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.

Derivative contracts not covered under Accounting Standard 11 "The Effects of Changes in Foreign Exchange Rates", entered for hedging foreign currency fluctuations and interest rate risk are marked to market at each reporting date. Loss, if any, on such valuation is recognized in the Statement of Profit & Loss in that period and gains, if any, are not recognized as per the principal of prudence enunciated in Accounting Standard 1, "Disclosure of Accounting Policies" notified under the Companies (Accounting Standard) Rules, 2006 "as amended".

### l. 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 up to the date of capitalization. A qualifying asset is one that necessarily takes substantial time to get ready for its intended use. All other borrowing costs are expensed in the period they occur. Borrowing costs includes interest and ancillary costs incurred in connection with the arrangement of borrowings.



## Notes to the financial for the year ended 31<sup>st</sup> March 2015

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### **m. 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 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 assets are neither recognized nor disclosed in the financial statements

### **n. Lease**

Where the Company has substantially acquired all risks and rewards of ownership of the assets, leases are classified as financial lease. Such assets are capitalized at the inception of the lease, at the lower of fair value or present value of minimum lease payment and liability is created for an equivalent amount. Each lease rental paid is allocated between liability and interest cost so as to obtain constant periodic rate of interest on the outstanding liability for each year.

Where significant portion of risks and reward of ownership of assets acquired under lease are retained by lessor, leases are classified as Operating lease. Equalized lease rentals for such leases are charged to Profit & Loss account. Lease payments under operating leases are recognized as an expense on a straight line basis in the Statement of profit and loss over the lease term.

### **o. 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 recognized 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 recognized 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 realized. If the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

Minimum Alternative Tax ('MAT') credit is recognized, as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which 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.

### **p. 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.





# Dharani Sugars and Chemicals Limited

## Notes Forming Part Of The Financial Statement For The Year Ended 31st March 2015

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

### Note 2. Share Capital

	As at 31.03.2015	As at 31.03.2014
<b>Authorised Shares</b>		
5,00,00,000 Equity shares of Rs. 10 each (as at March 31, 2014 - 5,00,00,000 Equity Shares of Rs. 10 each)	<b>5,000.00</b>	5,000.00
1,00,00,000 Preference Shares of Rs.10 each (as at March 31, 2014 - 1,00,00,000 Equity Shares of Rs. 10 each)	<b>1,000.00</b>	1,000.00
<b>Issued, Subscribed and fully paid up shares</b>		
2,93,89,846 Equity shares of Rs. 10 each (as at March 31, 2014 - 2,93,89,846 Equity Shares of Rs. 10 each)	<b>2,938.98</b>	2,938.98
<b>Total</b>	<b>2,938.98</b>	2,938.98

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

	31.03.2015		31.03.2014	
	No. of Shares	Value Rs. In lakhs	No. of Shares	Value Rs. In lakhs
<b>Equity Shares</b>				
At the beginning of the Period	<b>2,93,89,846</b>	<b>2,938.98</b>	2,93,89,846	2,938.98
Issued during the period	-	-	-	-
Outstanding at the end of the period	<b>2,93,89,846</b>	<b>2,938.98</b>	2,93,89,846	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. During the period ended 31st March 2015, the Company has not declared dividend to equity shareholders (31 March 2014: Rs.Nil per share)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."

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

Name of the Shareholders	31.03.2015		31.03.2014	
	No of Shares	% of share holding	No of Shares	% of share holding
Dharani Credit & Finance (P) Limited	<b>37,54,440</b>	<b>12.77%</b>	37,54,440	12.77%
Dharani Developers (P) Limited	<b>27,74,088</b>	<b>9.44%</b>	27,74,088	9.44%
Dr. Palani G Periasamy	<b>36,02,775</b>	<b>12.26%</b>	36,02,775	12.26%

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



## Notes Forming Part Of The Financial Statement For The Year Ended 31st March 2015

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

### Note 3. Reserves and Surplus

	As at 31.03.2015	As at 31.03.2014
<b>a. Capital Reserves</b>	<b>0.86</b>	0.86
<b>b. Capital Grant (USAID)</b>		
Balance as per last Balance Sheet	30.20	41.45
Less:- Transferred to Profit & Loss account	11.25	11.25
<b>Closing Balance</b>	<b>18.95</b>	30.20
<b>c. Securities Premium Account</b>		
Balance as per last Balance Sheet	2,657.50	2657.50
Add : Received on preferential allotment of equity shares	-	-
<b>Closing Balance</b>	<b>2,657.50</b>	2657.50
<b>d. General Reserve</b>		
Balance as per last Balance Sheet	1,000.00	1000.00
Add: Transfer from Statement of Profit and Loss Account	-	-
Closing Balance	1,000.00	1000.00
<b>e. Surplus in the statement of profit and loss</b>		
Balance as per last Balance Sheet	2,602.11	5,981.26
Add:- Balance of profit/(loss) carried from Statement of Profit and Loss	(7,415.74)	(3,379.14)
<b>Less:- Appropriations</b>		
Transfer to General Reserve	-	-
<b>Closing Balance</b>	<b>(4,813.63)</b>	2,602.12
<b>Total (a+b+c+d+e)</b>	<b>(1,136.32)</b>	6,290.68

### Note 4. Long-term Borrowings

	Non-current		Current	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Term Loans				
Indian rupee loan from banks (Secured)	25,005.78	14,405.75	153.88	3,703.16
Foreign currency loan from banks (Secured)	3,022.40	5,062.42	755.60	1,296.97
From financial institutions (IREDA) (Secured)	7,057.10	6,495.20	-	936.50
From Sugar Development Fund (SDF) (Secured)	1,992.79	3,224.31	1,944.30	1,425.56
Other loans and advances				
Deposits from Public (Unsecured)	12.45	29.68	17.23	47.99
Promoter contribution (Unsecured)	921.00			
<b>Total Loans</b>	<b>38,011.52</b>	29,217.36	<b>2,871.01</b>	7,410.18
<b>The above amount includes</b>				
Secured borrowings	37,078.07	29,187.68	2,853.78	7,362.19
Unsecured borrowings - Public Deposits	12.45	29.68	17.23	47.99
Unsecured borrowings - Shareholders/Promoters	921.00			
Amount disclosed under the head" other current liabilities" 8.2	-	-	(2871.01)	(7410.18)
<b>Total</b>	<b>38,011.52</b>	29,217.36	-	-

The Company have got its debts restructured Under corporate Debt Restructure Scheme. The same has been approved by the CDR EG vide letter No.718/2014 - 15 dt. 16th January 2015.



## Notes Forming Part Of The Financial Statement For The Year Ended 31st March 2015

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

### Security Details

The Company in terms of the Board approval dt had restructured its Term Loans and Interest due on these term loans under Corporate Debt Restructure scheme. The same has been approved under CDR system vide letter No 718/2014-15 dated 16th January 2015 by Corporate Debt Restructuring Cell, Mumbai, w.e.f 1st July 2014. Based on the CDR approval, the revised Security and repayment details are given below:

Name of the Bank	Security Details
Term Loan/WCTL/FITL from Indian Bank, State Bank of India, Bank of India, Union Bank of India, Indian Overseas Bank, The South Indian bank Ltd, Central bank of India, The Federal Bank Ltd, IDBI bank and Indian Renewable Energy and Development Agency (IREDA) Rs.32119.46 lakhs	Paripassu 1st charge on the fixed assets of the Company excluding refinery assets and harvester machines of Unit-III and Paripassu 2nd charge on the current assets of the company
ICICI BANK Ltd - Rs.3875.30 lakhs	Exclusive charge on the Refinery assets including the harvester machines of Unit III, Paripassu 1 st charge on Unit I & Unit II Fixed assets and 2nd charge on the current assets of the Company
Working capital facilities from Indian Bank, State Bank of India, The South Indian bank Ltd, Central bank of India, The Federal Bank Ltd, IDBI bank and ICICI bank Ltd	Paripassu 1 st charge on current assets of the company and Paripassu 2nd charge on fixed assets of the company excluding refinery assets and harvester machines of Unit-III
SDF Loan for Unit-III - Rs.3160.97 lakhs	Paripassu 1st charge on fixed assets of Unit -III excluding refinery assets and harvester machines
BG of Rs. 1350 lakhs from Indian Bank for SDF Loan Unit- II Rs. 776.12 lakhs	Paripassu 1st charge on fixed assets of Unit -III excluding refinery assets and harvester machines.
<p>Personal Guarantee of Dr Palani G Periasamy and Mrs. Visalakshi Periasamy</p> <p>The Promoters and group companies have pledged 9380794 equity shares of the Company to the Banks / Financial Institutions on paripassu basis for the facilities availed by the Company including working capital facilities. In addition, the Company has pledged 1651374 shares of the associates with the ICICI Bank on exclusive basis for the ECB loan and Rupee Term Loan. Further pledge of 51,21,500 Equity Shares of Rs 10/- each held by the Company in M/s Appu Hotels Limited to the Banks/ Financial Institutions for the Working Capital facilities &amp; Term Loans.</p>	
<p><b>REPAYMENT DETAILS:</b></p> <p>(1) The outstanding Term Loan of Rs.15544.49 lakhs is repayable in 32 structured quarterly installments from the financial year(FY) 2016-17 to (FY) 2024-25 and it carries an average interest rate of 12% p.a.</p> <p>(2) The outstanding Foreign Currency Loan of Rs.3778.00 lakhs from ICICI Bank in respect of Sankarapuram refinery project is repayable in half yearly instalment from financial year 2015-16 to 2019-20 and it carries an average interest rate of 8.52% p.a.</p>	



## Notes Forming Part Of The Financial Statement For The Year Ended 31st March 2015

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

(3) The outstanding Rupee Term Loan (Excise) of Rs.5539.60 lakhs from Indian Bank is repayable in monthly installments from financial year 2015-16 to 2018-19 and it carries an interest rate of 13.70% p.a.

(4) The outstanding Rupee Term Loan of Rs. 3160.97 lakhs from Sugar Development Fund, Government of India in respect of Sankarapuram Project is repayable in half yearly installments from financial year 2015-16 to 2018-19 and it carries an interest rate of 4.77% p.a.

(5) The outstanding Rupee Term Loan of Rs. 776.12 lakhs from Sugar Development Fund, Government of India in respect of Polur Expansion Project is secured by bank guarantee and is repayable in annual instalment from financial year 2015-16 to 2017-18 and it carries an interest rate of 4% p.a.

(6) The outstanding Working Capital Term Loan (WCTL) of Rs.7378 Lakhs from Working Capital Bankers is repayable in 32 quarterly installments from financial year 2016-17 to 2024-25 and it carries an average interest rate of 12% p.a.

(7) The outstanding Funded Interest Term Loan of Rs.1754.67 Lakhs from Bank/ Financial Institutions is repayable in 24 structured quarterly installments from financial year 2016-17 to 2022-23 and it carries an average interest rate of 12% p.a.

(8) The outstanding Rupee Term Loan of Rs. 2000 lakhs from IREDA in respect of Polur power project is repayable in 40 quarterly instalment from financial year(FY) 2018-19 to 2028-29 and carries an average interest rate of 13.71% p.a.

### Note 5. Deferred Tax Liability (Net)

	As at 31.03.2015	As at 31.03.2014
Deferred tax Liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	<b>4,334.50</b>	3,751.50
Others	-	-
Gross Deferred tax liability	<b>4,334.50</b>	3,751.50
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	<b>697.07</b>	216.55
Impact of eligible carry forward of unabsorbed depreciation	<b>2,004.45</b>	1,263.32
Gross Deferred tax asset	<b>2,701.52</b>	1,479.87
<b>Total</b>	<b>1,632.98</b>	2,271.63



# Dharani Sugars and Chemicals Limited

## Notes Forming Part Of The Financial Statement For The Year Ended 31st March 2015

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

### Note 6. Provisions

	Long-term		Short-term	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
<b>Provision for employee benefits</b>				
Provision for bonus & superannuation	-	-	77.36	85.48
Provision for gratuity	377.28	323.62	83.56	74.75
Provision for leave encashment	49.53	49.08	7.21	6.29
Provision for income tax (net of Advance tax & TDS)	-	-	-	-
Proposed dividend	-	-	-	-
Provision for dividend distribution tax	-	-	-	-
<b>Total</b>	<b>426.81</b>	<b>372.70</b>	<b>168.13</b>	<b>166.52</b>

### Note 7. Short-term Borrowings

	As at 31.03.2015	As at 31.03.2014
Loans repayable on Demand		
- From Bank ( Secured)	17,933.38	18,972.24
- From Others	-	-
<b>Total</b>	<b>17,933.38</b>	<b>18,972.24</b>

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 above Short term loans from banks.

### Note 8. Current liabilities

	Non - Current		Current	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
<b>8.1 Trade Payables (Sundry Creditors)</b>				
Due to MSME creditors	-	-	20.14	45.38
Due to creditors other than MSME creditors #	546.72	775.38	12,965.08	10,760.20
	<b>546.72</b>	<b>775.38</b>	<b>12,985.22</b>	<b>10,805.58</b>
<b>8.2 Other liabilities</b>				
Current maturities of long-term borrowings			2,871.01	7,410.18
Expenses payable			215.28	228.26
Interest accrued but not due on borrowings #			439.80	563.70
Interest accrued and due on borrowings			226.58	319.94
Security and other Deposits			31.71	43.78
Investor Education and Protection Fund will be credited by following amounts (as and when due)				
- Unpaid dividends			37.13	37.36
-Unpaid/matured deposits and interest accrued thereon			33.26	2.68
Others				
- Interest free advances received from customers *			242.38	1,532.85
- Other Payables - Statutory payments to Government authorities			593.09	433.40
- Excise Duty and cess payable on closing stock			833.36	817.12
	-	-	5,523.60	11,389.28
<b>Total</b>	<b>546.72</b>	<b>- 775.38</b>	<b>18,508.82</b>	<b>22,194.86</b>

# Includes dues to Companies in which the directors are interested.

\*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 2015**  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Note 9. Tangible assets & Intangible assets**

Particulars	Tangible Assets						Intangible Assets		Total
	Land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Total	Software's	
<b>Cost or valuation</b>									
At 1st April 2013	932.68	15,787.10	47,614.19	103.61	236.47	82.62	64,756.67	5.13	64,761.80
Additions	-	232.15	797.85	0.99	9.19	8.79	1,048.97	-	1,048.97
Disposals	-	-	(2.39)	-	(3.92)	(0.45)	(6.76)	-	(6.76)
Other adjustments	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	774.54	-	-	-	774.54	-	774.54
Borrowing cost	-	-	27.90	-	-	-	27.90	-	27.90
<b>At 31 March 2014</b>	<b>932.68</b>	<b>16,019.25</b>	<b>49,212.09</b>	<b>104.60</b>	<b>241.74</b>	<b>90.96</b>	<b>66,601.32</b>	<b>5.13</b>	<b>66,606.45</b>
Additions	-	321.75	24.45	-	-	2.10	348.30	-	348.30
Disposals	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	283.71	-	-	-	283.71	-	283.71
Borrowing cost	-	-	-	-	-	-	-	-	-
<b>At 31st March 2015</b>	<b>932.68</b>	<b>16,341.00</b>	<b>49,520.25</b>	<b>104.60</b>	<b>241.74</b>	<b>93.06</b>	<b>67,233.33</b>	<b>5.13</b>	<b>67,238.46</b>
<b>Depreciation/Amortisation</b>									
At 1st April 2013	-	2,389.64	13,427.66	79.05	105.02	40.00	16,041.37	2.84	16,044.21
Charge for the year 2013-14	-	416.56	2,423.43	3.23	17.69	7.14	2,868.05	0.83	2,868.88
Other adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	(2.27)	-	(3.15)	(0.44)	(5.86)	-	(5.86)
<b>At 31 March 2014</b>	<b>-</b>	<b>2,806.20</b>	<b>15,848.82</b>	<b>82.28</b>	<b>119.56</b>	<b>46.70</b>	<b>18,903.56</b>	<b>3.67</b>	<b>18,907.23</b>
Charge for the year 2014-15	-	418.69	1,648.20	7.39	26.59	17.99	2,118.86	0.70	2,119.56
Other adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
<b>At 31st March 2015</b>	<b>-</b>	<b>3,224.89</b>	<b>17,497.02</b>	<b>89.67</b>	<b>146.15</b>	<b>64.69</b>	<b>21,022.42</b>	<b>4.37</b>	<b>21,026.79</b>
<b>Net Block</b>									
At 31 March 2014	932.68	13,213.05	33,363.27	22.32	122.18	44.26	47,697.76	1.46	47,699.22
At 31st March 2015	932.68	13,116.11	32,023.23	14.93	95.59	28.37	46,210.91	0.76	46,211.67
<b>Capital work-in-progress</b>									
At 31 March 2014	-	195.51	833.73	-	-	-	1,029.24	-	1,029.24
At 31st March 2015	-	224.74	1,124.05	-	-	-	1,348.79	-	1,348.79



## Notes Forming Part Of The Financial Statement For The Year Ended 31st March 2015

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

### Note 10. Non current investments

	As at 31.03.2015	As at 31.03.2014
<b>Trade Investments</b>		
<b>Investment in Equities (other than Subsidiaries) * - Quoted</b>		
1,39,000 shares of Rs.10 each(Fully Paid up) in Dharani Finance Ltd Market value Rs.5.45 Lakhs ( previous year Rs.6.26 Lakhs)	13.90	13.90
<b>In Equity Shares of Associate Companies, Unquoted #</b>		
51,21,500 shares of Rs.10 each (Fully paid up) in Appu Hotels Ltd	512.15	512.15
<b>Total</b>	<b>526.05</b>	<b>526.05</b>
(a)Aggregate amount of <b>Quoted</b> investments	13.90	13.90
(b) Aggregate amount of Market value	5.45	6.26
(c)Aggregate amount of <b>Unquoted</b> investments;	512.15	512.15
(d)Aggregate provision for <b>diminution</b> in value of investments	(8.45)	(7.64)
The Company had pledged 51,21,500 Equity Shares of Rs 10/- each held by them in M/s Appu Hotels Limited in favour of certain Banks as additional securities for availment of Term Loans.		
<b>Total</b>	<b>517.60</b>	<b>518.41</b>

### Note 11. Long-term Loans and advances

	As at 31.03.2015	As at 31.03.2014
<b>Capital advances</b>		
Secured, considered good	-	-
Unsecured, considered good	34.39	106.30
Doubtful	-	-
Advance Income-tax and Tax Deducted at Source	30.17	30.28
MAT credit entitlement - Unsecured, considered good	2,207.51	2,207.51
<b>Total</b>	<b>2272.07</b>	<b>2344.09</b>

### Note 12. Other assets

	Non - Current		Current	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Non-current bank balances <b>(Note 15)</b>	335.84	544.07	-	-
Interest accrued on fixed deposits	82.09	54.28	-	-
<b>Total</b>	<b>417.93</b>	<b>598.35</b>	<b>-</b>	<b>-</b>

### Note 13. Inventories (valued at lower of cost or net realizable value)

	As at 31.03.2015	As at 31.03.2014
Work-in-progress	267.70	350.82
Finished goods	19,643.32	23,920.59
Stores and spares	810.35	852.97
<b>Total</b>	<b>20,721.37</b>	<b>25,124.38</b>



# Dharani Sugars and Chemicals Limited

## Notes Forming Part Of The Financial Statement For The Year Ended 31st March 2015

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

### Note 14. Trade receivables

	Non-current		Current	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
<b>Outstanding for a period exceeding six months from the date they become due for payment</b>				
Secured, considered good	-	-	-	-
Unsecured - considered good	-	-	<b>906.76</b>	782.68
- considered doubtful	<b>490.71</b>	471.18	-	-
	<b>490.71</b>	471.18	<b>906.76</b>	782.68
Less: Provision for bad and doubtful receivables	<b>490.71</b>	471.18	-	-
<b>(A)</b>	-	-	<b>906.76</b>	782.68
<b>Other receivables</b>				
Secured, considered good	-	-	-	-
Unsecured - considered good	-	-	<b>3,336.03</b>	1,435.60
- considered doubtful	-	-	-	-
	-	-	<b>3,336.03</b>	1,435.60
Less: Provision for bad and doubtful receivables	-	-	-	-
<b>(B)</b>	-	-	<b>3,336.03</b>	1,435.60
<b>Total</b> <span style="float: right;"><b>(A+B)</b></span>	-	-	<b>4,242.79</b>	2,218.28

### Note 15. Cash and cash equivalents

	Non-current		Current	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
<b>Cash on hand</b>	-	-	<b>8.26</b>	7.25
<b>Balances with Banks</b>				
(a) Balances with scheduled banks:				
in current accounts	-	-	<b>815.63</b>	359.39
in unpaid dividend accounts	-	-	<b>37.13</b>	37.36
Cheques on Hand	-	-	<b>224.90</b>	-
	-	-	<b>1,077.66</b>	396.75
(b) Balances with Non-scheduled banks:				
-in current accounts	-	-	<b>17.58</b>	38.34
	-	-	<b>17.58</b>	38.34
<b>Deposits with Banks</b>				
Deposits with original maturity for more than 12 months	<b>141.08</b>	237.08	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	7.41
<b>Margin money deposit</b>				
Deposits with original maturity for more than 12 months	<b>194.76</b>	306.99	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	<b>200.34</b>	126.32
	<b>335.84</b>	544.07	<b>200.34</b>	133.73
Amount disclosed under Other non-current assets <span style="float: right;"><b>(Note 12)</b></span>	<b>(335.84)</b>	(544.07)	-	-
<b>Total</b>	-	-	<b>1,303.84</b>	576.07





## Notes Forming Part Of The Financial Statement For The Year Ended 31st March 2015

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

### Note 16. Short-term Loans and advances (Unsecured, considered good)

	As at 31.03.2015	As at 31.03.2014
<b>Loans and advances (Inter-corporate Deposits) to related parties</b>		
Secured, considered good	-	-
Unsecured - considered good	-	1,255.24
- considered doubtful	-	-
	-	1,255.24
Provision for doubtful loans and advances	-	-
<b>(A)</b>	-	1,255.24
Security Deposits <b>(B)</b>	<b>320.57</b>	257.95
Loans and advances to employees <b>(C)</b>	<b>16.77</b>	16.69
Other Loans and advances - Unsecured, considered good <b>(D)</b>		
- Advances to suppliers	<b>299.07</b>	227.91
- Less Provision for doubtful advances	<b>6.23</b>	4.89
	<b>292.84</b>	223.02
- Prepaid expenses	<b>75.48</b>	83.61
- Balances with government authorities	<b>528.71</b>	1,068.17
- Other advances	<b>760.59</b>	187.63
<b>Total (A+B+C+D)</b>	<b>1,994.96</b>	3,092.31

### Note 17. Sales of Products

	For the year ended 31.03.2015	For the year ended 31.03.2014
a) Sugar		
- Domestic sales	<b>28,884.60</b>	41,997.83
- Deemed Export sales	-	924.36
- Export sales	-	-
b) Industrial Alcohol	<b>5,922.31</b>	7,574.68
c) Power	<b>2,385.59</b>	3,219.41
d) Bio Compost	<b>36.26</b>	45.14
e) Carbon Dioxide	<b>110.00</b>	94.19
f) Fly Ash	<b>1.78</b>	-
<b>Other operating revenues</b>		
a) Scrap sales	<b>4.02</b>	8.78
<b>Revenue from Operations (gross)</b>	<b>37,344.56</b>	53,864.39
Less: Excise Duty#	<b>987.26</b>	1,453.00
<b>Revenue from Operations (net)</b>	<b>36,357.30</b>	52,411.39

# Excise duty on sales amounting to Rs.987.26 lakhs (31 March 2014: Rs.1453.00 lakhs) has been reduced from sales in statement of profit & loss and excise duty on increase in stock amounting to Rs.16.24 lakhs (31 March 2014: Rs.116.90 lakhs) has been considered as expense in Note 22 of financial statements.



## Notes Forming Part Of The Financial Statement For The Year Ended 31st March 2015

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

### Note 18. Other Income

	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Interest income on</b>		
- Bank deposits ( Tax deducted at source Rs.3.42 Lakhs, Previous Year Rs.5.73 Lakhs )	50.24	57.59
- Others ( Tax deducted at source Rs.8.38 Lakhs, Previous Year Rs.3.08 Lakhs )	1,628.97	31.94
Other income (Tax deducted at source is NIL Previous Year Rs.0.05 Lakhs)	8.85	5.65
Foreign Exchange Gain (Net)	19.53	
Profit on Sale of asset	-	0.68
Other non-operating income	59.69	89.55
<b>Total</b>	<b>1,767.28</b>	<b>185.41</b>

### Note 19. Cost of Materials Consumed

	For the year ended 31 March 2015	For the year ended 31 March 2014
Inventory at the beginning of the year	-	-
Add: Purchases	26,399.66	41,216.91
	<b>26,399.66</b>	<b>41,216.91</b>
Less: Inventory at the end of the year	-	-
<b>Cost of material and components consumed</b>	<b>26,399.66</b>	<b>41,216.91</b>
<b>Details of material and components consumed</b>		
Sugar cane	26,099.98	39,537.91
Molasses	299.68	1,679.00
<b>Total</b>	<b>26,399.66</b>	<b>41,216.91</b>



## Notes Forming Part Of The Financial Statement For The Year Ended 31st March 2015

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

### Note 20. Changes in inventories of work-in-progress and finished goods.

	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Inventories at the end of the year</b>		
Work in progress	267.70	350.82
Finished goods	19,643.32	23,920.59
<b>Total (A)</b>	<b>19,911.02</b>	<b>24,271.41</b>
<b>Inventories at the beginning of the year</b>		
Work in progress	350.82	301.06
Finished goods	23,920.59	21,760.55
<b>Total (B)</b>	<b>24,271.41</b>	<b>22,061.61</b>
<b>Total (B-A) - Change in inventory of WIP and Finished Goods</b>	<b>4,360.39</b>	<b>(2,209.80)</b>
<b>Details of Inventory</b>		
<b>Work-in-progress</b>		
Sugar	235.97	306.87
Molasses	31.73	43.95
<b>Total</b>	<b>267.70</b>	<b>350.82</b>
<b>Finished goods</b>		
Sugar	18,124.01	21,729.59
Molasses	1,046.78	1,239.07
Bagasse	4.71	48.97
Rectified Spirit & IS	264.28	546.16
Bio compost	0.04	0.24
AA (Ethanol)	0.92	1.01
ENA	202.58	355.55
<b>Total</b>	<b>19,643.32</b>	<b>23,920.59</b>

### Note 21. Employee benefit expenses

	For the year ended 31 March 2015	For the year ended 31 March 2014
Salaries, wages, bonus etc.,	1,863.83	1,862.13
Contribution to provident fund and other funds	145.55	99.92
Gratuity expense	71.28	25.23
Staff welfare expenses	196.80	153.29
<b>Total</b>	<b>2,277.46</b>	<b>2,140.57</b>



## Notes Forming Part Of The Financial Statement For The Year Ended 31st March 2015

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

<b>Note 22. Other expenses</b>	<b>For the year ended 31 March 2015</b>	For the year ended 31 March 2014
<b>Manufacturing expenses</b>		
Stores and Spares Consumed	833.32	1,498.78
Increase/(Decrease) of excise duty on inventory	16.24	(116.90)
Power and Fuel	406.11	412.92
Fuel for Co-generation	586.15	865.14
Rent	77.49	70.75
Rates & Taxes	106.81	131.34
Insurance	108.54	110.49
Repairs and Maintenance		
- Plant and Machinery	334.87	441.72
- Building	195.18	191.61
- Vehicle	73.23	100.48
- Others	34.78	35.87
<b>Selling and Distribution expenses</b>		
Freight, Packing and Forwarding charges	1,248.81	1,714.94
<b>Other Administrative expenses</b>		
Director's Sitting Fees	2.55	1.85
Executive Chairman & Managing Director Remuneration	27.60	48.00
Auditors' Remuneration (Refer detail below)	8.12	7.44
Travelling & Conveyance	45.45	46.60
Postage, Telegram & Telephones	21.48	19.94
Printing & Stationery	22.81	37.02
Provision for Doubtful debts and Advances	21.53	47.09
Foreign Exchange loss(Net)	-	582.32
Professional and Consultancy charges	181.50	65.71
Miscellaneous expenses	29.51	25.34
Provision for Diminution in value of Investments	0.81	1.39
<b>Total</b>	<b>4,382.89</b>	<b>6,339.84</b>
<b>Payment to auditor</b>		
<b>As auditor</b>		
Statutory Audit fees	4.00	4.00
Tax audit fees	1.93	1.60
Certification Fees	2.19	1.84
<b>Total</b>	<b>8.12</b>	<b>7.44</b>
<b>Note 23. Finance cost</b>	<b>For the year ended 31 March 2015</b>	For the year ended 31 March 2014
<b>Interest</b>		
Interest on Term Loan	3,308.78	3,383.47
Interest on Working Capital	3,091.76	2,712.02
Other Interest and Financial Charges	51.29	181.23
<b>Bank Charges</b>	<b>198.43</b>	<b>270.66</b>
<b>Total</b>	<b>6,650.26</b>	<b>6,547.38</b>
<b>Note 24. Exceptional items</b>	<b>For the year ended 31 March 2015</b>	For the year ended 31 March 2014
Amortization of USAID Grant	11.25	11.25
<b>Total</b>	<b>11.25</b>	<b>11.25</b>



## Notes to the financial for the year ended 31st March 2015

### 25. Notes on Accounts:

#### 25.1 Note on Corporate Debt Restructuring (CDR)

The Corporate Debt Restructuring proposal was referred by the Company to Corporate Debt Restructuring Cell ("CDR Cell") and the said proposal was recommended by the consortium of lenders by the Indian Bank (Chennai). The CDR proposal was approved by the CDR Cell on January 16, 2015 and communicated vide final letter of Approval dated February 2, 2015. The cut-off date for the CDR proposal was 1st July 2014.

The Company has been sanctioned Working Capital Term Loan (WCTL) and Funded Interest Term Loan (FITL) and reschedulement of the existing term loans. The promoters are to arrange Rs. 8.59 Crores by way of unsecured loan / equity as their contribution to the said CDR package.

#### 25.2 Contingent Liabilities in respect of

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March' 15	As at 31 <sup>st</sup> March' 14
Guarantee issued by bankers	1315.10	2002.40
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance paid)	236.87	743.44
Disputed Income-tax demand/liabilities not provided for	11.08	Nil
Claims against the Company for Excise Duty not acknowledged as debts	99.64	1823.06
Claims against the Company for Service Tax not acknowledged as debts	23.84	25.84
Claims against the Company for other disputes not acknowledged as debts	108.01	72.34
Right of Recompense to CDR Lenders	257.00	Nil

#### 25.3 Taxation

##### i. Provision for current tax:

The tax Provision for the current year is Rs. NIL (Previous year Rs. NIL)

##### 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 is provided hereunder:

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March' 15	As at 31 <sup>st</sup> March' 14
a) Deferred Tax Liability Related to Fixed Assets	<b>(4,334.50)</b>	3,751.50
b) Deferred Tax Assets Eligible carry forward of loss/unabsorbed depreciation	<b>2,004.45</b>	(1,263.32)
c) Expenses allowable against taxable income in future years	<b>697.07</b>	(216.55)
<b>Net Deferred Tax Liability</b>	<b>1632.98</b>	2,271.63



## Notes to the financial for the year ended 31st March 2015

### 25.4 Employee Benefits as per AS-15 (Revised)

#### 25.4.1 Components of Employer Expenses

(Rs. in lakhs)

Sl. No.	Particulars	As at 31 <sup>st</sup> March' 15	As at 31 <sup>st</sup> March' 14
a)	Present value of obligation	517.56	453.73
b)	Fair Value of plan assets	Nil	Nil
c)	(Asset) / Liability recognized in the Balance sheet	517.56	453.73

#### 25.4.2 Net Assets / (Liability) recognized in the balance sheet as at 31<sup>st</sup> March, 2015

(Rs. in lakhs)

Sl. No.	Particulars	As at 31 <sup>st</sup> March' 15	As at 31 <sup>st</sup> March' 14
a)	Current Service Cost	61.31	63.77
b)	Interest Cost	40.14	32.82
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	(22.19)	(46.08)
h)	Total expenses / (gain) recognized in the Statement of Profit and Loss	79.26	50.51

#### 25.4.3 Change in Defined Benefit Obligations during the year ended as at 31<sup>st</sup> March, 2015

(Rs. in lakhs)

Sl.No.	Particulars	As at 31 <sup>st</sup> March' 15	As at 31 <sup>st</sup> March' 14
a)	Present value of Obligation as at the beginning of the period	453.73	427.61
b)	Current service cost	61.31	63.77
c)	Interest cost	40.14	32.82
d)	Curtailement Cost / (Credit)	Nil	Nil
e)	Settlement Cost / (Credit)	Nil	Nil
f)	Plan Amendments	Nil	Nil
g)	Acquisitions	Nil	Nil
h)	Actuarial (gain) / Loss	(22.19)	(46.08)
i)	Benefits paid	(15.43)	(24.39)
j)	Closing defined benefit obligation	517.56	453.73



## Notes to the financial for the year ended 31st March 2015

### 25.4.4 Changes in the Fair Value of Plan Assets

(Rs. in lakhs)

Sl.No.	Particulars	As at 31 <sup>st</sup> March' 15	As at 31 <sup>st</sup> March' 14
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	15.43	24.39
f)	Benefits Paid	(15.43)	(24.39)
g)	Closing Fair Value of Plan Assets	Nil	Nil

### 25.4.5 Actuarial Assumptions

(Rs. in lakhs)

Sl.No.	Particulars	As at 31 <sup>st</sup> March' 15	As at 31 <sup>st</sup> March' 14
a)	Discount Rate (per annum)	7.80%	9.00%
b)	Expected Rate of Return on Assets(per annum)	Nil	Nil

### 25.4.6 Leases:

#### a. Operating Lease

The Company has entered into operating lease arrangements for its office premises. The leases are non-cancellable for a period of five Years from June'2011 to May'2016 based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 10 % for every two years.

The future lease rental payments that the Company is committed to make are:

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March' 15	As at 31 <sup>st</sup> March' 14
Not Later than One year	65.32	60.29
Later than One year but not later than five years	10.96	76.37
Later than five years	Nil	Nil
<b>Total</b>	<b>76.28</b>	136.66

#### b. Financial Lease

There were no financial leases entered into by the Company.

### 25.4.7. Deposits with Bank

Deposits with bank as of March 31, 2015 and March 31, 2014 include restricted deposits of Rs.536.18 lakhs and Rs.670.38 lakhs respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.



## Notes to the financial for the year ended 31st March 2015

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March' 15	As at 31 <sup>st</sup> March' 14
<b>Deposits with Bank</b>		
- Under lien to commercial tax officer	0.03	0.03
- Under lien to Bank / Other Guarantees	536.16	670.38

### 25.4.8. Capitalization of Borrowing Cost:

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March' 15	As at 31 <sup>st</sup> March' 14
Borrowing costs capitalized	Nil	27.90
Borrowing costs included in Capital Work in Progress	380.65	103.68

### 25.4.9 Particulars of Raw materials, Spares and components consumed:

(Rs. in lakhs)

Particulars	2014-15		2013-14	
	Consumed	% of Total Consumed	Consumed	% of Total Consumed
<b>1. Raw Materials (Qty in M.T)</b>				
a. Sugarcane	1057817		1614414	
b. Raw Sugar	Nil		Nil	
c. Molasses	55834		97247	
<b>2. Value (Rs in Lakhs)</b>				
a. Sugarcane	26099.98	98.87%	39537.91	95.93%
b. Raw Sugar (Imported)	Nil	Nil	Nil	Nil
c. Molasses	299.68	1.13%	1679.00	4.07%
	<b>26399.66</b>	<b>100%</b>	41216.91	100%
<b>3. Spares and Components</b> (Value in Rs Lakhs)				
a. Imported	Nil		Nil	
b. Indigenous	833.32	100.00%	1,498.78	100.00%
<b>4. CIF value of Import</b> (Value in Rs Lakhs)				
a. Raw Sugar	Nil		Nil	
b. Spares	Nil		Nil	

### 25.4.10 Other Information

#### i. Realizable value of Current Assets, Loans and advances

- 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.
- 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)





## Notes to the financial for the year ended 31st March 2015

### ii. Amount due to Micro, Small and Medium Enterprises

(Rs. in lakhs)

Description	Year ended 31 <sup>st</sup> March' 15	Year ended 31 <sup>st</sup> March' 14
Principal	20.14	45.38
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 8.1 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.

### 25.4.11 Related Party

#### i. Names of Related Parties:

(Rs. in lakhs)

Nature of relationship	Name
Associate Enterprises	<ul style="list-style-type: none"> <li>- M/s. Appu Hotels Limited (AHL)</li> <li>- M/s. Dharani Finance Limited (DFL)</li> <li>- M/s. PGP Educational &amp; Welfare Society (PGP&amp;EWS)</li> <li>- M/s. Dharani Developers Private Limited (DDPL)</li> <li>- M/s. Dharani Credit and Finance (P) Ltd</li> </ul>
Key Management Personnel (KMP)	<ul style="list-style-type: none"> <li>- Dr Palani G Periasamy, Executive Chairman</li> <li>- Mr. A. Sennimalai, Director</li> <li>- Mr. M. Ramalingam, Managing Director</li> </ul>
Enterprises Significantly influenced by Key Management Personnel	<ul style="list-style-type: none"> <li>- M/s. Ananthi Developers Limited (ADL)</li> <li>- M/s PGP Hotels and Resorts (I) Pvt. Ltd</li> </ul>

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:

(Rs. in lakhs)

Associate Enterprises		Transaction during the year		Balances at end of the year	
Particulars	Related Party	2014-15	2013-14	31-Mar-15	31-Mar-14
Purchase of Travel Ticket	DFL	1.25	2.26	<b>2.36</b>	2.63
Lease Rent receivable	PGP EWS	0.35	0.35	<b>0.35</b>	0.32
Inter-Corporate Deposit (ICD) granted	AHL	1,583.06	1,255.24	-	1,255.24
Interest on ICD receivable	AHL	65.39	29.86	-	22.47
Sale of Sugar	AHL	0.26	-	<b>0.26</b>	-
Availment of Unsecured Loans	DDPL	860.00	-	<b>860.00</b>	-
Interest on Unsecured Loan payable	DDPL	20.87	-	<b>20.87</b>	-
Reimbursement of Expenses	DDPL	1.09	0.52	<b>1.09</b>	1.08
Reimbursement of Expenses	AHL	0.74	0.80	<b>0.74</b>	-
Reimbursement of Expenses	PGP EWS	0.37	0.40	<b>1.55</b>	1.53
Reimbursement of Expenses	DFL	0.87	0.82	<b>0.87</b>	0.98



## Notes to the financial for the year ended 31st March 2015

(Rs. in lakhs)

Key Management Personnel		Transaction during the year		Balances at end of the year	
Particulars	Related Party	2014-15	2013-14	31-Mar-15	31-Mar-14
Remuneration	Chairman	-	24.00	3.05	5.99
Remuneration	Managing Director	27.60	24.00	3.86	1.68
Availment of Unsecured Loans	Chairman	85.00	-	61.00	-
Interest on Unsecured Loan payable	Chairman	2.54	-	2.29	-
Rent	Chairman	67.50	67.23	7.98	11.86
Sitting Fees	Directors	0.65	0.65	0.10	-

Enterprises significantly influenced by KMP		Transaction during the year		Balances at end of the year	
Particulars	Related Party	2014-15	2013-14	31-Mar-15	31-Mar-14
Professional Fees payable	ADL	4.74	18.95	(1.82)	4.98

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

### 25.4.12 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 organization structure and internal reporting system.

The Company's operations predominantly relate to manufacture of Sugar, Co-Generation of power and production of Industrial Alcohol. 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 financial for the year ended 31st March 2015

	SUGAR		DISTILLERY		POWER		UNALLOCATED		Total	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
External Sales	27958	41592	6013	7600	2386	3219	-	-	36357	52411
Other Income	135	93	7	-	1548	-	77	92	1767	185
Inter - segment Sales	3944	8109	-	-	1464	3802	-	-	5408	11911
Gross Revenue	32037	49794	6021	7600	5398	7021	77	92	43533	64507
Less: Intersegment revenue	3944	8109	-	-	1464	3802	-	-	5408	11911
Total Revenue	28093	41685	6021	7600	3934	3219	77	92	38125	52596
<b>RESULT</b>										
Segment Result	(4448)	1685	1427	711	1882	143	(277)	(299)	(1416)	2240
Less: Unallocated Corporate Expenses										
Operating profit									(1415)	2240
Less: Interest expense									6650	6547
Profit/(Loss) from ordinary activities									(8066)	(4307)
Net profit/(Loss)									(8066)	(4307)
<b>OTHER INFORMATION</b>										
Segment assets	47685	52488	14781	16043	14217	12301	-	-	76683	80832
ADD: Unallocated Corporate Assets							2348	2369	2348	2369
Total Assets									79031	83201
Segment liabilities	32690	36512	1878	2366	2042	3605	-	-	36610	42483
Total Liabilities									36610	42483
Capital expenditure	318	1612	307	190	327	269	-	-	952	2071
Depreciation	1141	1389	712	784	246	686	21	11	2120	2870
Non-cash expenses other than depreciation										

### 25.4.13. Earnings Per Share

Sl No.	Particulars	Year ended 31 <sup>st</sup> March' 15	Year ended 31 <sup>st</sup> March' 14
a.	Net Profit as per Profit & Loss account (Rupees in Lakhs)	<b>(7415.74)</b>	(3379.14)
b.	Number of Equity shares	<b>29,389,846</b>	29,389,846
c.	Weighted Average Number of Equity shares	<b>29,389,846</b>	29,389,846
d.	Basic Earnings Per Share (Rupees)	<b>(25.23)</b>	(11.50)

### 25.4.14 Earnings in Foreign Currency (On Accrual Basis)

(Rs. in lakhs)

Particulars	Year ended 31 <sup>st</sup> March' 15	Year ended 31 <sup>st</sup> March' 14
Export of Sugar (FOB value)	Nil	Nil



## Notes to the financial for the year ended 31st March 2015

### 25.4.15 Value of Imports (CIF basis- On Accrual Basis)

(Rs. in lakhs)

Particulars	Year ended 31 <sup>st</sup> March' 15	Year ended 31 <sup>st</sup> March' 14
Raw materials	Nil	Nil
Components and Spare parts	Nil	Nil
Capital goods	Nil	Nil

### 25.4.16 Expenditure in Foreign Currency (On Accrual Basis)

(Rs. in lakhs)

Particulars	Year ended 31 <sup>st</sup> March' 15	Year ended 31 <sup>st</sup> March' 14
Interest on ECB loan	<b>214.40</b>	253.03
Interest on Export Advance	Nil	70.14

### 25.4.17 Dividend (Net) remitted in Foreign Exchange

Particulars	Year ended 31 <sup>st</sup> March' 15	Year ended 31 <sup>st</sup> March' 14
Number of non-resident shareholders	Nil	22
Number of equity shares held on which dividend was due	Nil	14,17,153
Amount remitted ( Rs. in lakhs)	Nil	14.17
Currency of remittance	Nil	USD
Year to which the dividend related	Nil	2012-2013

### 25.4.18 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 1.k above. There are open forward contracts at the end of current and not for the previous year. The details of Foreign Exchange Exposures as at the end of the year are given below:

Particulars	Currency type	As at Mar 31, 2015		As at Mar 31, 2014	
		Amount (Foreign currency in Lakhs)	Amount (Rs. In Lakhs)	Amount (Foreign currency in Lakhs)	Amount (Rs. In Lakhs)
Secured Loans	USD	60.36	3778.00	104.299	6359.39
Trade Receivables	USD	7.84	490.71	7.84	471.18
Trade payables	GBP	Nil	Nil	Nil	Nil

### 25.4.19 Previous year comparatives

The Company has reclassified the previous year figures in accordance with the requirements applicable in the current year.

SIGNATURE TO NOTES 1 TO 25.

#### SRINIVASAN & SHANKAR

Chartered Accountants  
Firm No.005093S

For and on behalf of the Board

per **R. MANIKANDAN**  
Partner  
Membership No: 216063

**E.P. SAKTHIVEL**  
Company Secretary

**M.RAMALINGAM**  
Managing Director

**DR. PALANI G. PERIASAMY**  
Executive Chairman

Place : Chennai  
Date : 27.05.2015

**M.P. KALIANNAN**  
Chief Financial Officer



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015

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

(Rs. in lakhs)

Particulars	31 March 2015	31 March 2014
<b>A. Cash Flow From Operating Activities:</b>		
Net Profit /(Loss) before Tax	(8,054.39)	(4,295.73)
<b>Adjustment for:</b>		
- Depreciation	2,119.56	2,868.88
- (Profit)/Loss on sale of assets	-	(0.68)
- Reversal of diminution of Investments	0.81	1.39
- Amortization of USAID Grant	(11.25)	(11.25)
- Unrealised Foreign Exchange Loss/(Gain)	(19.53)	(44.77)
- Write off of advances	12.15	-
- Provision for Doubtful debts & Advances	21.53	47.09
- Interest Expense	6,650.26	6,547.38
- Interest Income	(50.24)	(89.53)
- Dividend Income	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>668.90</b>	<b>5,022.78</b>
Adjustment for:		
(Increase)/Decrease in Sundry Debtors	(2,024.51)	1,810.57
(Increase)/Decrease in Loans and Advances	1,099.15	(897.17)
(Increase)/Decrease in Inventories	4,403.01	(2,053.01)
Increase/(Decrease) in Trade Payables	2,179.64	5,586.48
Increase/(Decrease) Other Current Liabilities	(1,121.99)	(3,556.86)
Increase/(Decrease) Other Long Term Liabilities	(228.66)	88.72
Increase/(Decrease) Short Term Provisions	1.61	(348.01)
Increase/(Decrease) Long Term Provisions	54.11	32.54
<b>Cash generated from Operations</b>	<b>5,031.26</b>	<b>5,686.04</b>
- Taxes (paid), <i>net</i>	(12.03)	(223.61)
<b>Net Cash from/ (used in) Operating Activities</b>	<b>5,019.23</b>	<b>5,462.43</b>
<b>B. Cash Flow from Investment Activities:</b>		
- Purchase of fixed assets	(667.85)	(1,296.73)
- Proceeds from sale of fixed assets	-	1.59
- Interest Received	103.28	78.41
- Dividend Received	-	-
<b>Net Cash from/ (used in) Investing Activities</b>	<b>(564.57)</b>	<b>(1,216.73)</b>
<b>C. Cash Flow From Financing Activities:</b>		
- Proceeds from Share Application Money	-	-
- Repayment of Share Application Money	-	-
- Proceeds from Secured Loans	7,661.71	7,984.73
- Proceeds from Unsecured Loans	921.00	-
- Repayment of Secured Loans - Working Capital	(1,038.86)	(5,136.83)
- Repayment of Secured Loans - Term Loan	(6,034.40)	-
- Repayment of Unsecured Loans	(47.99)	(3.19)
Unrealised foreign exchange gain in terms of loan	(283.71)	(774.54)
- Interest paid	(5,112.85)	(6,189.40)
- Dividend & Dividend Tax paid	-	-
<b>Net Cash from/ (used in) Financing Activities</b>	<b>(3,935.10)</b>	<b>(4,119.23)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>519.56</b>	<b>126.47</b>



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015

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

(Rs. in lakhs)

Particulars	31 March 2015	31 March 2014
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,120.13</b>	993.66
<b>Cash and cash equivalents at the end of the year</b>	<b>1,639.69</b>	1,120.13
<b>Components of cash and cash equivalents as at the end of the year</b>		
Cash on hand	<b>8.26</b>	7.25
Cheques on hand	<b>224.90</b>	-
Balances with scheduled banks:		
On current accounts	<b>815.63</b>	359.39
On deposit accounts	<b>536.19</b>	677.79
Balances with non-scheduled banks:		
On current accounts	<b>17.58</b>	38.34
Unpaid Dividend Account	<b>37.13</b>	37.36
<b>Cash and Cash Equivalents - Closing Balance</b>	<b>1,639.69</b>	1,120.13

For and on behalf of the Board

**per R. MANIKANDAN**  
Partner  
Membership No: 216063

**E.P. SAKTHIVEL**  
Company Secretary

**M.RAMALINGAM**  
Managing Director

**DR. PALANI G. PERIASAMY**  
Executive Chairman

Place : Chennai  
Date : 27.05.2015

**M.P. KALIANNAN**  
Chief Financial Officer

### 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 31.03.2015 and 31.03.2014 and found the same to be in agreement therewith.

**For SRINIVASAN & SHANKAR**

Firm Registration No.: 005093S

Chartered Accountants

**Per R MANIKANDAN**

Partner

Membership No.216063

Place : Chennai  
Date : 27.05.2015



**DHARANI SUGARS AND CHEMICALS LIMITED**

Regd. Office : "PGP House" No.59 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.

Place :

Signature of the Shareholder

Date :

Name of the Shareholder



## DHARANI SUGARS AND CHEMICALS LIMITED

Regd. Office : "PGP House" No.59 Sterling Road,  
Nungambakkam, Chennai - 600 034.

CIN No.L15421TN1987PLC014454, Tel No. 91-44-28311313, 2820 7480, Fax No. 91-44-28232074/76

Email ID - secretarial@dharanisugars-pgp.com, Website : www.dharanisugars.in

### ATTENDANCE SLIP

Name & Address of the Shareholder

Folio No : \_\_\_\_\_

\_\_\_\_\_

DP ID : \_\_\_\_\_

\_\_\_\_\_

Client ID : \_\_\_\_\_

I hereby certify that I am a member / proxy appointed by the member\* of the Company and record my presence at the 28th Annual General Meeting of the Company, at "Sathguru Gnanananda Hall", Narada Gana Sabha, New no.314 TTK Road, Alwarpet, Chennai - 60 018 on Monday, the **28th September 2015 at 10.20 A.M.**

Name of the Shareholder / Proxy\*

Signature of the Shareholder / Proxy\*

\_\_\_\_\_

\_\_\_\_\_

\* Strike out whichever is not applicable

Note : Please fill up this attendance slip and hand over at the entrance of the meeting hall.

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

### ROUTE MAP







## DHARANI SUGARS AND CHEMICALS LIMITED

Regd. Office : "PGP House" No.59 Sterling Road,  
Nungambakkam, Chennai - 600 034.

CIN No.L15421TN1987PLC014454, Tel No. 91-44-28311313, 2820 7480, Fax No. 91-44-28232074/76  
Email ID - secretarial@dharanisugars-pgp.com, Website : www.dharanisugars.in

### PROXY FORM

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administrations) Rules, 2014

Name of the Member(s) : .....

Registered address : .....

E-mail ID : ..... Folio No/DP ID - Client ID : .....

I/We, being the Member (s) holding ..... shares of the above named company, hereby appoint

1. Name : ..... Address : .....

E-mail Id : ..... Signature : ....., or failing him

2. Name : ..... Address : .....

E-mail Id : ..... Signature : ....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on the Monday, the 28th September 2015 at 10.20 A.M. at "Sathguru Gnanananda Hall", Narada Gana Sabha, New No.314 TTK Road, Alwarpet, Chennai - 600 018 and at any adjournment thereof in respect of such resolution as are indicated below :

SI.No.	Resolutions	For	Against
	<b>ORDINARY BUSINESS</b>		
1	To adopt Audited Statement of Profit and Loss for the year ended 31st March 2015 and Balance Sheet.		
2	To Appoint a Director - Mr A Sennimalai		
3	To Appoint Statutory Auditors		
	<b>SPECIAL BUSINESS</b>		
4	To approve payment of Remuneration to Dr. Palani G Periasamy Executive Chairman & Mr. M. Ramalingam, Managing Director		
5	To approve the Preferential allotment of Equity Shares		
6	To approve the Increase in Borrowing Powers		
7	To Appoint a Director - Mrs. Visalakshi Periasamy		
8	To Appoint an Independent Director - Mr. P. Selvam		
9	To Appoint an Independent Director - Dr. S. Muthu		
10	To approve the remuneration to Cost Auditor - Mr V Srinivasan		

Note :

A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company. The instrument appointing a Proxy must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

