

**DHARANI SUGARS
AND
CHEMICALS LIMITED**



**28th
ANNUAL REPORT
2014-2015**



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28TH 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 Sakthivel
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)	L15421TN1987PLC014454
Registered Office	PGP House, New No. 59 (Old No.57) Sterling Road, Nungambakkam, Chennai 600 034
Phone Nos/ Fax Nos	91-44-28311313, 2820 7480 Fax No. 91-44- 28232074/76
Email & Website	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 28th 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 31st 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 30th 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	-	-
Total	24.00	27.60

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 23rd 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 12th 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 22nd September 2015 to 28th 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



Dharani Sugars and Chemicals Limited

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 22nd 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
Perquisites	
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



I. General Information		
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
II. Information about the appointee		
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.
III. Other information		
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 17th 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
Perquisites	
HRA	2.40
LTA	1.80
Medical	1.80
Total	27.60

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