

DHARANI SUGARS AND CHEMICALS LIMITED



**29th
ANNUAL REPORT
2015-2016**



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29TH 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
Mr E P Sakthivel	Company Secretary
Mr M P Kaliannan	Chief Financial Officer
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. Villupuram Dist – 606206, Tamil Nadu Phone No. 04151 -248208,248277 dharani3@dharanisugars-pgp.com



NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **TWENTY NINTH** Annual General Meeting of the Members of the Company will be held at "Sathguru Gnanananda Mini Hall", Narada Gana Sabha, New No.314 TTK Road, Alwarpet, Chennai 600 018 on **Wednesday, the 28th September 2016 at 10.30 A.M** to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the audited Financial Statements including Balance Sheet as at 31st March 2016, 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.
- To appoint a Director in place of Mrs Visalakshi Periasamy (DIN 00064517) who retires by rotation and being eligible offers herself for re-appointment.
- To consider and if thought fit, to pass, the following resolution as ordinary resolution:

RESOLVED THAT pursuant to the provisions of section 139, 142 of the Act and Audit and Auditors Rules, 2014, (the rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) consent of the Company is hereby accorded for the ratification of the appointment as Statutory Auditors M/s Srinivasan & Shankar, Chartered Accountants, Chennai (Registration number 005093S with the Institute of Chartered Accountants of India), who were reappointed as Statutory Auditors, in the AGM held on 28.9.2015 in terms of provisions of section 141 of the Act, and rule 4 of the rules, to continue to hold office as Statutory Auditors for the remaining period of 1 year Viz. for the year 2016-17 till the conclusion of the 30th Annual General Meeting, on such remuneration as may be agreed upon by the Audit committee/ Board of Directors in consultation with the Auditors.

SPECIAL BUSINESS

- 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

RESOLVED THAT pursuant to the procedure indicated in part II section II of Schedule V read with section 196, 197 & 203 of the Companies Act 2013 and on the recommendation of the Nomination and Remuneration Committee and subject to such other

approvals or consents as may be necessary, approval of the shareholders of the company be and is hereby accorded to the payment of the remuneration as indicated below to Dr Palani G Periasamy, Whole time Director designated as Executive Chairman of the company for a period not exceeding 3 years from the year 2015 - 16.

Rs. In Lakhs	
Particulars	per annum
Salary	24.00
Perquisites	-
LTA	-
Medical	-
Total	24.00

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

Remuneration to Mr M Ramalingam, whole time director designated as Managing Director.

RESOLVED THAT pursuant to the procedure indicated in part II section II of Schedule V read with section 196, 197 & 203 of the Companies Act 2013 and on the recommendation of the Nomination and Remuneration Committee and subject to such other approvals or consents as may be necessary, approval of the shareholders of the company be and is hereby accorded to the payment of the remuneration as indicated below to Mr M Ramalingam, whole time director designated as Managing Director of the company for the year 2015 - 16

Rs. In Lakhs	
Particulars	per annum
Salary	21.60
Perquisites	2.40
LTA	1.80
Medical	1.80
Total	27.60

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 Regulation 36(3) of SEBI Listing Obligation and Disclosure Requirement regulations 2015, the relevant details of Director seeking / 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 2016 to 28th September 2016 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. Only members/proxy will be admitted to the auditorium for the meeting.
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.39 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. 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 : 26.05.2016

E P Sakthivel
Company Secretary

INFORMATION ABOUT THE DIRECTOR SEEKING RE-APPOINTMENT IN THIS ANNUAL GENERAL MEETING IS FURNISHED HEREUNDER

Item No.2 – Re-appointment of Mrs Visalakshi Periasamy

Particulars	
Name of the Director	Mrs. Visalakshi Periasamy
Date of Birth	12/08/1946
Date of Appointment	12/11/2014
Qualification	BBA
Experience in specific functional areas	28 years
List of other Listed Companies in which Directorship held	Dharani Finance Ltd.,
Chairman/Member of the Committee of the Board of Director of the Company	-
Number of Shares held in the Company (both own or held by / for other persons on a beneficial basis) as on March 31, 2016	1200101
Relationship between directors inter - se	She is the spouse of Dr. Palani G Periasamy, Executive Chairman



Dharani Sugars and Chemicals Limited

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

Item No.4 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 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% of 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 2015-16 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 from the year 2015 - 16.

Rs in Lakhs	
Particulars	Total for the year
Salary	24.00
Perquisites	
LTA	-
Medical	-
Total	24.00

The Nomination & Remuneration Committee has recommended this remuneration and the Board has approved this.

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 other than the Order of Appointment.



I. General Information		
1	Nature of industry	Manufacture of Sugar, Power
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	<p>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.</p> <p>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.</p> <p>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.</p>
2	Past Remuneration	Rs.4.00 lakhs p.m. But paid only Rs.24 lakhs being the minimum as per Schedule V of the Companies Act 2013.
3	Recognition or awards	As above
4	Job Profile and his suitability	He has more than 36 years experience in General administration in the group promoted by him.
5	Remuneration proposed	Rs. 24.00 Lakhs
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 decentralization 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	Explained in the 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**.



Dharani Sugars and Chemicals Limited

Item 5. 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 2015 - 16 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 the year 2015 - 16.

In Lakhs	
Particulars	Per annum
Salary	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 other than the Appointment Order



I. General Information		
1	Nature of industry	Manufacture of Sugar, Power
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
II. Information about the appointee		
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 32 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.1,80,000/- + perquisites per month
3	Recognition or awards	As above
4	Job Profile and his suitability	He has more than 32 years experience in General administration in the group.
5	Remuneration proposed	Rs.1,80,000/- + perquisites. per month
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
III. Other information		
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**.



Procedure for 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 Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of LODR 2015 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 2016 (10.00 AM)** and ends on **27th September 2016 (5.00 PM)** e-Voting through electronic mode shall not be allowed beyond 5.00 p.m. on **27th September 2016**. During this period, shareholders of the company, holding shares as on the Cutoff date of **21st September 2016** 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) User ID and password are required for e-Voting. If you are holding shares in Demat form and logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used. Else, follow clause (v) to (vii) for login.

(ii) Launch the internet browser during the voting period. Type the URL in the address bar www.evotingindia.com. Home screen opens.

(iii) Click on "Shareholders" tab to cast your vote.

(iv) Now, select the Electronic Voting Sequence Number - "EVSN" along with "COMPANY NAME" from the drop down menu and click on "SUBMIT"

(v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN (case sensitive) issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
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.	

* Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name in block letters and the sequence number (8 digits) printed in the address slip in the PAN field.

Please enter any one of the details in order to login.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Members holding shares in physical form will then reach directly to the voting screen. However, members holding shares in demat form will now reach 'Password Change' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@ # \$ % & *). 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.

(viii) Select EVSN (Electronic Voting Sequence number) of Dharani Sugars and Chemicals Limited.