

DHARANI SUGARS AND CHEMICALS LIMITED



**26th
ANNUAL REPORT
2012-2013**

CONTENTS	Page No.
Board of Directors	2
Notice to Shareholders	3
Directors' Report	5
Annexure to the Directors' Report	11
Report on Corporate Governance	13
Auditors' Report	22
Balance Sheet	26
Statement of Profit and Loss	27
Notes to financial statements	31
Notes on Accounts	43
Cash Flow Statement	51

DHARANI SUGARS AND CHEMICALS LIMITED 26TH ANNUAL REPORT BOARD OF DIRECTORS

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

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the TWENTY SIXTH 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 23rd September 2013 at 10.20 A.M to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2013 and Statement of Profit and Loss for the year ended on that date and consider the reports of the Directors and Auditors.
2. To appoint a Director in place of Mr P S Gopalakrishnan, who retires by rotation and being eligible offers himself for re-appointment
3. To declare dividend on Equity shares.
4. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT in supersession of the resolution passed at the 22nd Annual General Meeting held on 24th August 2009 and pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 and Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing such sum or sums of money, from time to time, for the purpose of the Company, as they may deem fit, notwithstanding that the amount so borrowed together with the moneys already borrowed and remaining outstanding may exceed the aggregate of the paid-up capital of the Company and its free reserves which have not been set apart for any specific purpose, but subject to the following maximum limit, viz. that the total amount of loan so borrowed by the Company and outstanding at any one time (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed **Rs 700 Crores** (Rupees Seven Hundred Crores) and the Board of Directors in exercise of the aforesaid borrowing powers may borrow

such sums as they may deem fit and on such terms and conditions as to repayment, interest and with or without security as the Board may deem fit.

AND RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to create any mortgage, hypothecation or other charge or encumbrance over the assets of the Company as security for the due repayment of the moneys so borrowed, the interest thereon and all others costs, charges and expenses in that behalf.

AND RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things and to take such steps as may be necessary or desirable to give effect to this resolution"

Notes:

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

1. The proxy form, in order to be effective must be duly completed, stamped and lodged with the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
2. As required under Clause 49 (IV)(G) of the Listing Agreement, the relevant details of Director seeking appointment /re-appointment under item No.2 is annexed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **16.09.2013 to 23.09.2013** both days inclusive.
4. Members/ Proxy holders must bring the Attendance Slip duly signed to the meeting and hand it over at the entrance. Xerox copy/ torn attendance slips will not be accepted.
5. Members are requested to quote their Registered Folio numbers/ ID Nos. in all correspondence with the Company and notify the Company immediately of change, if any, in the Registered Address and/ or of their mandates.
6. All documents referred to in the above notice are open for inspection at the Registered Office of the Company between 2.00 P.M and 4.00 P.M on any working day.



Dharani Sugars and Chemicals Limited

7. Members who have not encashed their Dividend Warrants of 2008-09, 2009-10 and 2011-12 may send the same to the registered office or Share Transfer Agent for revalidation.
8. Unpaid dividend for over 7 years will be transferred to Central Government and **no claim will lie thereafter**. Members may refer to page No. 19 of the Annual Report and lodge their claim, if any, immediately.
9. Members are requested to bring their copies of Annual Report to the Meeting.
10. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business set out against item No.5 is annexed herewith.

By Order of the Board
For Dharani Sugars and Chemicals Limited

Place: Chennai – 34
Date : 30.05.2013

E.P. SAKTHIVEL
COMPANY SECRETARY

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

Item No.5

In the AGM held on 24th August 2009, the Company was permitted under Section 293 (1) (d) to borrow money for the business of the Company upto a maximum limit of Rs.500 crores excluding the temporary loans obtained in the ordinary course of business.

The total outstanding term loans as on 31st March 2013 are Rs.329 crores.

The existing borrowing powers of Rs. 500 crores is just sufficient to meet the present requirements. As a matter of abundant caution, the Board feels that the limit of borrowing be increased from Rs. 500 crores to Rs 700 crores in order to comply with the financial parameters of the term lending institutions

and banks and also to meet future needs. The Board has in its meeting recommended increasing the said limit to Rs. 700 crores, subject to approval of shareholders in the Annual General Meeting.

In addition, in order to secure such borrowing, it may be necessary to mortgage/hypothecate or otherwise charge immovable and movable properties of the Company, both present and future, as and when necessary. Section 293(1) (a) of the Companies Act, 1956 requires approval of the Members of the Company in the General Meeting for creation of such mortgage/Charge.

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

None of the Directors of the Company is in anyway concerned or interested in the resolution.

Details of the Director seeking Appointment /Re appointment at the 26th Annual General Meeting

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

Re-appointment of Mr P S Gopalakrishnan

Name	Mr P.S Gopalakrishnan
Age	77
Qualification	B.COM, LLB, AIB (Associate of Institute of Bankers) (London), Fellow of Economic Development Institute of World Bank, Washington.
Date of Appointment	30.08.2005
Experience	More than 38 years in Banking and Developmental Financial Institutions
Other Directorships	a. Kothari Sugars & Chemicals Ltd b. Sakthi Finance Ltd c. Shriram General Insurance Co. Ltd.
Member of Committees	Management Committee, Audit Committee & Remuneration Committee
No of Shares held in this Company	Nil
% of Shares	Nil

DIRECTORS' REPORT

Dear Members,

Your Directors present herein the **Twenty-Sixth Annual Report** on the operations of your Company and the Audited Statement of accounts for the year ended 31st March 2013.

Financial Results

(Rs. in Crores)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Total Revenue	580.37	615.97
Profit before Interest, Depreciation and Tax	94.54	85.58
Interest and Finance Charges	53.63	48.75
Depreciation	24.01	20.75
Profit/(Loss) before Tax	16.90	16.08
Tax Expense	(4.80)	(5.94)
Amortization of USAID Grant	0.11	0.11
Profit/(Loss) After Tax	12.21	10.25
Dividend	2.94	2.94
Dividend Tax	0.50	0.47
Transfer to General Reserve	2.00	2.00
Brought forward from last year	53.04	48.20
Balance carried forward to Balance Sheet	59.81	53.04

Product-wise performance:

Sugar: During the year under review, the Company has achieved a record high crushing of 22.69 lakh tonnes of cane as against 19.08 lakh tonnes of cane in the previous year. The increase in cane crushing is mainly due to increased availability of cane at Polur and Sankarapuram units on account of better monsoon in the previous year. The total sugar production was 20.52 Lakh Qtls as against 18.14 Lakh Qtls in the previous year. The total sugar sold was 16.15 lakh qtls as against 18.62 Lakh qtls in the previous year. The reduction in the sales was mainly on account of the reduced free sugar allotment and lower volume of exports. During the year, the Company has exported 7.81 lakh Qtls of sugar as against 8.16 lakh Qtls of sugar in the previous year. The average realization for the year 2012-13 was higher at Rs.2950/Qtl as against Rs.2796/Qtl in the previous year.

Power: During the year, the total power generation was 1761.67 lakh units as against 1728.51 lakh units in the previous year. The export to the TNEB grid was 1123.12 lakh units as against 1181.96 lakh units in the previous year. The total value of the power exported to the grid has decreased to Rs.45.55 crores from Rs 48.49 crores in the previous year mainly on account of reduced tariff and marginal reduction in units exported.

Industrial Alcohol: The production of industrial Alcohol was 220.07 lakh litres as against 147.19 lakh litres in the previous year. The increase in the production was mainly on account of the distillery plant at Kalayanallur Unit III. The Company was able to sell the entire production of Alcohol and the sale was 208.52 lakh litre as against 155.57 lakh litres in the previous year. Consequent to this, the Alcohol sales value has increased to Rs.50.41 crores as against Rs.38.06 crores in the previous year. The average realization was Rs. 24.09/ litre as against Rs.24.42 /litre in the previous year. The price of alcohol has come down on account of import of alcohol by the IMFL units from the neighbouring states.

Financial Performance:

The total income for the year was Rs.580.37 crores as against Rs.615.97 crores in the previous year. The reduction in the income as compared to the previous year was mainly on account of the reduced free sugar allotment and lower volume of exports. The Gross Operating Profit has however increased to Rs.94.54 crores from Rs.85.58 crores. The Cash profit has also increased to Rs.40.91 crores as against Rs.36.83 crores in the previous year. The profit after Depreciation has increased to Rs.16.90 crores from Rs.16.08 crores in the previous year. The Net profit after tax works out to Rs.12.21 crores as against Rs.10.25 crores in the previous year.

Dividend

Your Directors are pleased to recommend a dividend of Re.1.00 per Equity share of Rs.10/- each for the financial year ended 31st March 2013, which will involve a pay out of Rs.293.90 lakhs, besides dividend distribution tax of Rs.49.95 lakhs

Reserves

During the year, your Company has transferred a sum of Rs. 200.00 lakhs to General Reserves account.

Fixed Deposits

A sum of Rs. 14.34 lakhs was collected as deposits during the year 2012-2013. 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 2013. 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.

Auditors

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

Cost Audit

The Company has received the approval of the Central Government for re-appointment of Mr.V Srinivasan, as Cost Auditor to carry out the Cost Audit for the Financial Year 2012-13.

Compliance

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

Directors

Mr P S Gopalakrishnan is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Directors' Responsibility Statement

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

A. Employed throughout the year ended 31st March, 2013 and was in receipt of remuneration aggregating not less than Rs. 60,00,000/-

Name / (Age)	Designation of the Employee / Nature of Duties	Remuneration (Rs.)	Qualification / Experience (Years)	Date of commencement of Employment	Previous Employment
(1)	(2)	(3)	(4)	(5)	(6)
Dr. Palani G. Periasamy (75 years)	Executive Chairman	111.13 lakhs	M.A.,M.A.,Ph.D (USA)(25years)	04/06/1987	Professor of Economics, USA. Financial Consultant & Industrialist

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

Corporate Governance

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

Particulars of Employees.

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

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

B) Employed for part of the year ended 31st March 2013 and was in receipt of remuneration aggregating not less than Rs 5, 00,000/- per month. – **NIL-**

Energy, Technology and Foreign Exchange

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

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
Executive Chairman

Place : Chennai - 34

Date : 30.05.2013

Management Discussion and Analysis Report

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

Cautionary statement

Statements made in this report describing industry outlook as well as Company's plans, projections and expectations may constitute '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 global sugar production continues to be in surplus and is heading for surplus in the fourth consecutive year. The global production is likely to reach 181.030 million tonnes in 2012-13 as against the estimated consumption of 169.938 million tonnes and the surplus is likely to increase to 8 to 9 million tonnes. However, the global production for 2013-14 is expected to drop to 177.015 million tonnes from a prior estimate of 178.656 million tonnes. The global surplus is also likely to come down to 4.591 million tonnes in 2013-14, about 27% less than previous forecast due to higher demand and lower output as some key producers are switching over to making ethanol.

The surplus scenario had its impact on the international sugar price and has already corrected to less than 17 cents from the earlier highest level of 26 cents in March 2012. This trend is likely to

continue for some more time, which has brought down the sugar price globally.

China, the second highest sugar consumer after India, was earlier expected to import 1 million tonnes. However, China is expected to import more than 2 million tonnes on account of the lower volume of production and increase in the consumption. China's consumption is increasing by about 13% per year as against the world average consumption increase of 2%. The above scenario is likely to arrest the further drop in the Global Price.

Indian Sugar Scenario:

Production for the season 2012-13 is likely to be only around 246 lakh tonnes as against 263.42 lakh tonnes in the previous season. The reduction is mainly on account of fall in production in Maharashtra, Karnataka and Tamil Nadu due to lower quantum of rainfall. However, looking at the carry over stock and the production, there would be still sufficient stock available for next season and the estimated stock at the end of next season would be around 74 lakh tonnes as given below:

Statement showing Supply and Demand Position of Sugar

Sugar Season - Quantity in lakh tonnes					
Particulars	2009-10	2010-11	2011-12	2012-13 Estimate	2013-14 Projection
Opening Stock	43.64	49.80	55.00	64.52	83.52
Production	189.12	243.94	263.42	246.00	220.00
Import	40.80	0.00	0.00	5.00	5.00
Total Availability	273.56	293.74	318.42	315.52	308.52
Internal Consumptions	213.28	207.69	220.00	230.00	235.00
Exports	2.35	26.00	33.90	2.00	0.00
Total off take	215.63	233.69	253.90	232.00	235.00
Closing Stock	57.93	60.05	64.52	83.52	73.52
Stock as percentage of consumption	27%	26%	25%	36%	31%

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

Government Policies

Sugar : Sugar is one of the highly controlled and regulated commodities in India. The Sugar Industry was under Government control right from the level of production to distribution. Recently based on the recommendations of the high level committee headed by Dr Rangarajan, the Government of India has taken steps to realise the potential of the Sugar Industry.

The Government has decontrolled the Sugar Industry partially effective Sugar Season 2012-13. The following are the major controls removed by the Government of India.

- (1) Removed the 10% levy sugar obligation on sugar units and the State Governments are to buy sugar from the market for PDS supply.
- (2) Removed the control on the release mechanism and the Mills are free to sell any quantity at any time, based on cash flow requirement and market perception.

However Cane area demarcation and cane price fixation continues to remain with Central and State Governments..

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. Based on this, the Oil Companies have already invited tenders and the same is in the process. Your Company has already received orders for Ethanol and we expect to start the supply from July 2013. 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.

Opportunities and Threats

India, the world's biggest consumer of sugar is the second largest producer of sugar in world after Brazil. Still the average per capita consumption of sugar in India is less as compared to the developed countries. While sustainability has been a cause for concern in cane agriculture, the demand for

sugar in the country by 2030 has been estimated at 36 Million Tonnes for which the cane production should be 500 Million Tonnes. This is 40% higher than the current production. Besides this, sugar cane itself is emerging as an important energy crop contributing to Co-generation and Ethanol production. The current level of Ethanol production is barely adequate to meet 5% blending and the demand is expected to grow in the coming years. The Co – generation potential in the sugar industry has been estimated at 5500 MW, while the present installed capacity is just above 2500 MW. While the land availability is likely to shrink for cane cultivation, the cane production needs to be increased to meet the ever increasing demand for sugar, power and ethanol.

Sugar and Ethanol is subject to various government controls, starting from production to distribution. Frequent policy changes, disrupts the functioning and the operational viability of the sugar units. Competitive crops and the cyclical nature of monsoon also affect the cane availability on sustainable basis.

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, pricing of by-products such as Molasses, Alcohol and Power. Some of the inherent business risks and the mitigation measures initiated by your Company are given as under:

a) Material Risk

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

another major factor affecting the cane cultivation is the availability and the high cost of harvest labour.

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

b) Product Risks

The sugar industry has been decontrolled, the mills are free to sell any quantity any time. This might result in increased supply in market and the price may come down. The price of sugar has not increased in line with the input cost which is forcing the farmers, the option of alternative remunerative crops. Alcohol is highly regulated and the price of the same is directly / indirectly controlled by the Government through various methods. .

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 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

Sugar Industry being seasonal in nature, what is produced during 7-8 months are sold over 14-15 months. This results in the Company holding substantial inventory incurring very high interest

cost. Further, the sugar Industry is capital intensive in nature requiring huge capital investment, having high debt component. The interest rates are also very high.

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

e) Regulatory Risks

Though sugar has been decontrolled recently, still the cane area allocation and cane price is controlled by Governments. Alcohol and molasses are subject to inter-state movement control.

Outlook for 2013-14

The global production continues to be in surplus for the fourth consecutive year leading to uneconomic price for Sugar. The global price is much lower as compared to domestic price and hence exports from India is not possible.

The Indian production for the season 2013-14 is likely to be about 22 million tonnes, about 10% less than the previous season production of 24.60 million tonnes. However, the very high carry over stock from the previous season will deprive the opportunity to realise a better sugar price in time of lower volume of production. Further, Tamil Nadu is badly affected by poor monsoon, affecting the availability of sufficient cane for the coming season 2013-14. Consequently, the availability of cane for your units would also be less as compared to the previous season.

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 excess supply in the market. The realisation from power sales are delayed resulting in higher interest burden.

Human Resources

The Industrial relations at your Company continue to be cordial. There are 1076 employees in your Company. The Company is consistently improving the various facilities extended to the employees. During the year the Company has completed the construction of additional residential housing units for the employees at Sankarapuram unit.

Internal Control

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

Transactions

During the year there were no transactions by Executive Directors of the Company.

During the year Mr. A. Sennimalai, Non Executive Director has purchased 5779 Equity Shares of the Company.

Audit Committee

The Audit Committee formed in due compliance with Section 292 A of the Companies Act, 1956 and clause 49 of the Listing Agreement with Stock Exchanges, consists of members Dr K C Reddy, (Nominee Director from IREDA), Mr. P. S. Gopalakrishnan, Independent Director and Mr. A Sennimalai, Director. Dr K C Reddy 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.

Annexure – I

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

a. Energy Conservation Measures:

Provided VFD panel for treated juice pump - 55 KW motor. Energy Saving is 200 Units per day and 40,000 Units per season.

Provided VFD panel for Syrup Extraction pump - 22 KW motors. Energy Saving is 80 units per day and 18000 units per season.

Provided VFD for Belt conveyor - 2 , Belt Conveyors - 3 , Belt Conveyor - 4 and slot conveyor to reduce the power consumption as well as wear and tear.

In Belt Conveyors, the Power consumption is reduced from 22 KW/Hr to 14 KW/Hr. The slot conveyor was taking 22 KW/Hr power. After installation of VFD, the speed is reduced from 100% to 70% which is sufficient for handling the bagasse and the power consumption is reduced from 22 KW/Hr to 14KW/Hr.

Total power saving from the above for a season of 220 days is 92400 units.

b. Technology absorption, Adaptation and Innovation:

Efforts made in Technology absorption are given below in Form B

Form B (Rule 2)

Form for disclosure of particulars with respect of Technology absorption:

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

c. Foreign Exchange Earnings and Outgo:

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

(Rs. in Lakhs)

Earnings & Outgo	2012-13	2011-12
Foreign Exchange Earned	7963.94	24977.10
Outgo	4701.66	186.74

Form "A"

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

Energy Conservation Measures:

		2012-13		2011-12	
		Sugar	Distillery	Sugar	Distillery
A. POWER AND FUEL CONSUMPTION					
1	ELECTRICITY				
a.	Purchased				
	Units	Kwh	982842	533280	1773995
	Total amount	Rs.	12163937	5159445	13623271
	Rate /Unit	Rs.	12.38	9.67	7.68
b.	Own Generation				
	(i) Through Diesel Generator				
	Unit	Kwh	204789	102917	202892
	Unit / Litre of Diesel		2.91	3.26	2.80
	Cost / Units	Rs.	16.77	15.21	16.04
	(ii) Through Steam Turbine/Generator	Kwh	54205455	7016036	43744857
	Cost / Units				
2	COAL				
	Quantity	Mts.	1801	15395	13610
	Total amount	Rs.	7177226	51283118	47867867
	Average rate per MT	Rs.	3985	3331	3517
3	FURNACE OIL				
	Quantity	Its		40755	78170
	Total amount	Rs.		1649688	2847271
	Average rate per Litre	Rs.		40.48	36.42
4	FIRE WOOD				
	Fire wood quantity	Mts.	Nil		3839
	Total cost	Rs.	Nil		11331200
	Average rate per MT.	Rs.	Nil		2952
B. CONSUMPTION PER UNIT OF PRODUCTION					
	Sugar Produced	Qtls	2051545		1813750
	Industrial alcohol produced	Its		22006597	14719405
	Electricity consumed	Kwh	26.94	0.35	24.93

For and on behalf of the Board

Date : 30th May 2013
Place : Chennai-34

Dr. PALANI G. PERIASAMY
Executive Chairman

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

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

1. Board of Directors

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

2. Board Meetings, and AGM and Attendance thereat

The Board met five times during the financial year, on 23.05.2012, 10.08.2012, 17.09.2012, 10.11.2012 and 02.02.2013. Details of attendance of each Director at the Board meetings, the last AGM held on 17th September 2012, 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	Rem	S.G.
Dr Palani G Periasamy - Executive Chairman	5	Yes	2	2	Chm	-	-	-
Mr A Sennimalai - Non Executive	5	Yes	1	1	Mem	Mem	Mem	-
Dr K N Sivasubramanian - Non Executive (Independent)	Nil	No	Nil	Nil	-	-	-	-
Mr M Ramalingam - Managing Director	5	Yes	Nil	Nil	Mem	-	-	Mem
Dr K C Reddy - Non Executive (Independent) Nominee of IREDA	5	Yes	Nil	Nil	-	Chm	Chm	Chm
Mr P S Gopalakrishnan Non Executive (Independent)	5	Yes	3	Nil	Mem	Mem	Mem	-

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

3. Management Committee

The Board has constituted a Management Committee to facilitate the operational needs of the company. It meets as and when the need to consider any matter assigned to it arises. Four meetings were held on 10.09.2012, 27.12.2012, 28.12.2012 and 01.03.2013 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 292 A of the Companies Act, 1956 and clause 49 of the Listing Agreement comprises of four non-executive directors out of whom three were Independent Directors. The Chairman of the Audit Committee is Dr K C Reddy an independent Director. All the members satisfy the requirements stipulated in Clause 49. The Chairman of the Audit Committee was present at the Annual General Meeting held on 17th September 2012.

The following are the present members of the Audit Committee.

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

Mr 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 23.05.2012, 10.08.2012, 10.11.2012 and 02.02.2013.

Name of the Director	No. of Audit Committee Meetings attended
Dr K C Reddy	4
Mr P S Gopalakrishnan	4
Mr A Sennimalai	4

5. Remuneration Committee

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

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

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

- a. Remuneration paid to Executive Chairman Dr Palani G Periasamy for the year 2012 – 2013 is in accordance with the approval accorded by the Central Government under Sec 269 of the Companies Act, 1956, approval of share holders in the AGM dated 24.08..2009 and within the limits prescribed in Schedule XIII of the Companies Act 1956.
- b. Remuneration paid to Mr M Ramalingam, Managing Director is in accordance with Schedule XIII of the Companies Act, 1956 and the approval of the Shareholders at the Annual General Meeting held on 17th September 2012 and as recommended by the Remuneration Committee.

(Rs. in Lakhs)

Particulars	Year ended 31st March' 13	Year ended 31st March' 12
a. Executive Chairman		
i. Salary	48.00	48.00
ii. Allowances	8.00	8.00
iii. P.F & Superannuation	-	-
iv. Commission	55.13	52.42
b. Managing Director		
i. Salary	18.00	10.80
ii. Allowances	3.90	3.60
iii. P.F & Superannuation	1.50	2.91

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

- c. Sitting Fees Paid to Non- Executive Directors

Sl.No	Name of the Director	Board Meeting	Committee Meeting
1	Mr A Sennimalai	25000.00	50000.00
2	Dr K C Reddy	25000.00	35000.00
3	Mr P S Gopalakrishnan	25000.00	50000.00
4	Dr K N Sivasubramanian	Nil	Nil

6. Shareholders' Grievance Committee

The Shareholder's Grievance Committee consists of Dr K C Reddy, Chairman who is a Non-Executive Director, and Mr M Ramalingam, Managing Director with Mr 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	16
No of Complaints settled	16
No of Complaints pending	Nil
No of Pending Share Transfers	Nil

The Board has designated the Company Secretary as the compliance officer

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

7. General Body Meeting

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

AGM for the year	Location	Date	Time
2011-2012	Narada Gana Sabha No.314 TTK Road, Alwarpet, Chennai - 600 018	17.09.2012	10.20 A.M
2010-2011	Narada Gana Sabha No.314 TTK Road, Alwarpet, Chennai - 600 018	23.09.2011	10.20 A.M
2009-2010	Narada Gana Sabha No.314 TTK Road, Alwarpet, Chennai - 600 018	06.09.2010	10.20 A.M

1. One Special Resolution was passed in the previous AGM held on 17.09.2012.
2. No Special Resolution was passed in the previous AGM on 23.09.2011 and 06.09.2010

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

8. Cost Accounting Records (Electricity Industry) Rules 2001.

The Company has maintained all records, books, registers, accounts and the reports as required by the Cost Accounting Records Rules 2001 in regard to the Co-generation Power Plant at Unit II, Polur and Unit III, Sankarapuram.

9. Disclosures

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

All such material transactions with related parties during the year 2012 – 2013 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) have furnished the required certificate as provided in Clause 49 (V) of the Listing Agreement.

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

10. Non-mandatory requirements.

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

11. Means of Communication

A. Publication of Results: The quarterly financial results of the company were announced within the stipulated period and were published in the following English and Tamil newspapers from Chennai City as required by Stock Exchanges.

June - 2012	Business Line	Makkal Kural
September - 2012	Business Line	Makkal Kural
December - 2012	Business Line	Makkal Kural
March - 2013	Business Line	Makkal Kural

B. News, Release etc.

The Company has its own website **www.dharanisugars.in** and all vital information relating to the Company and its performance including financial results, press releases pertaining to important developments, performance updates and corporate presentations etc., are regularly posted on the website.

- 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 mentioning the name, DP/Customer ID or Folio No. and the Email ID of the Shareholder for communication. On this confirmation:

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

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

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

12. Insider Trading

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

13. General Shareholder Information

i. Time, Date and Venue of Annual General Meeting	23 rd September 2013 at 10.20 a.m. Narada Gana Sabha, New No. 314 TTK Road, Alwarpet, Chennai - 600 018
ii. Financial Year	April 2012 - March 2013
iii. Date of Book Closure	16 th September 2013 to 23 rd September 2013 (both days inclusive)
iv. Dividend Payment Date	Within 30 days from the date of declaration.
iv. Listing on Stock Exchange	1. Bombay Stock Exchange, Mumbai 2. The National Stock Exchange of India Ltd, Mumbai
v. Announcement of Quarterly Results	Tentatively during the 2 nd Week of August 2013, November 2013, February 2014 and June 2014.

14. Market Price Data

The high and low quotations of the Company's shares on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) from April 2012 to March 2013 are furnished below. Bombay Stock Exchange - script code 507442 & National Stock Exchange of India Limited- DHARSUGAR EQ.

	NSE		BSE	
	HIGH (Rs.P.)	LOW (Rs.P.)	HIGH (Rs.P.)	LOW (Rs.P.)
April - 2012	27.75	24.05	28.50	22.30
May - 2012	27.70	24.20	29.75	24.05
June - 2012	28.50	23.00	28.80	22.25
July - 2012	37.95	27.50	37.90	27.50
August - 2012	45.00	35.00	45.00	35.25
September - 2012	47.00	35.15	47.70	35.25
October - 2012	50.30	41.45	50.75	41.35
November - 2012	48.75	37.00	48.40	37.25
December - 2012	48.90	39.00	48.10	39.25
January - 2013	44.55	35.90	44.80	35.75
February - 2013	42.00	29.20	38.00	28.60
March - 2013	37.85	26.80	37.00	24.15

15. Distribution of Shareholding details as on 31.03.2013.

Shareholding of Nominal value of Rs.	Shareholders		Share Amount	
	Number	% to Total	In Rs.	% to Total
Upto 5000	13548	91.52	18329350	6.24
5001 – 10000	653	4.41	5132620	1.75
10001 – 20000	254	1.72	3792100	1.29
20001 – 30000	80	0.54	2087260	0.71
30001 – 40000	33	0.22	1223110	0.42
40001 – 50000	26	0.18	1227550	0.42
50001 – 100000	66	0.45	4872620	1.66
100001 and above	144	0.96	257233850	87.51
Total	14804	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.

16. Pursuant to Section 205 A of the Companies Act, 1956, 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 and **no claim shall lie on same thereafter**. Reminders for unpaid dividend are sent to the shareholders as per records every year.

Year	% of Dividend	Date	Unclaimed		Due date for transfer to IEPF
			No of Warrants	Amt in lakhs	
2008-09	10	18.09.2009	4476	703108.00	27.09.2016
2009-10	15	01.10.2010	4717	1327878.00	10.10.2017
2011-12	10	12.10.2012	5750	1127782.00	21.10.2019

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 understandably to facilitate 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.

17. 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.

18. No of Shares Held by Non-Executive Directors

Sl.No.	Name of the Director	No of Shares
1	Mr A Sennimalai	21682
2	Dr K.N Sivasubramanian	263341
3	Mr P.S Gopalakrishnan	Nil
4	Dr K.C Reddy	500

19. 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 31.03.2013, 26845796 Shares constituting 91.34% have been dematerialised.

	No. of Shares	% of Shares
National Securities Depository Ltd	24665242	83.92
Central Depository Services (I) Ltd	2180554	7.42
Total	26845796	91.34

20. PAN Requirement

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

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)	60 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 V of Clause 49.**Certificate under Para V of the Clause 49 of the Listing Agreement.**

We have reviewed financial statements and the cash flow statement for the year 2012-13 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)

M Ramalingam

Managing Director

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

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

Dr Palani G Periasamy

Executive Chairman

26. Compliance Officer

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

27. Addresses for Communication

M/s Dharani Sugars and Chemicals Limited
"PGP House" New No.59, (Old No. 57) Sterling Road
Nungambakkam, Chennai – 600 034.
Telephone: 044 – 2820 7480, 2831 1313, Fax No: 044 – 2823 2074
Email: secretarial@dharanisugars-pgp.com, secretarial@pgpgroup.in
Website : www.dharanisugars.in



AUDITORS' CERTIFICATE

To,

The Members of Dharani Sugars and Chemicals Limited

We have examined the compliance of conditions of corporate governance by **Dharani Sugars and Chemicals Limited**, for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s).

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

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

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

SRINIVASAN & SHANKAR

Chartered Accountants

(Firm Registration No. 005093S)

Per P SRINIVASAN

Partner

Place: Chennai

Dated: 30.05.2013

Membership No.025416

AUDITORS' REPORT TO THE MEMBERS OF DHARANI SUGARS AND CHEMICALS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of DHARANI SUGARS AND CHEMICALS LIMITED, which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss account and Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation of these Financial Statements that give a true & fair view of the Financial position, Financial performance of the Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act 1956 ("The Act"). This responsibility includes the design,

implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statement that gives the true and fair view and is free from material statement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the 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 the disclosures in the financial statements. The procedures selected depend on the auditors' judgments, 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 the internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimate made by the management, 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.

Report on other Legal and Regulatory Requirements

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

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

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law, have been kept by the Company so far as it appears from our examination of the said books and records;
- c) The Balance Sheet, Profit & Loss account and Cash Flow Statement referred to in this report are in agreement with the said books of account;

- d) In our opinion, the Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of the written representations received from the Directors as on 31st March 2013, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2013 from being appointed as a director in terms of sub section 1(g) of Section 274 of the Companies Act, 1956

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of the Statement of Profit & Loss Account, of the Profit of the Company for the year ended on that date and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

SRINIVASAN & SHANKAR

Chartered Accountants
(Firm Registration No.: 005093S)

per P SRINIVASAN

Place: Chennai
Dated: 30th May 2013

Partner
Membership No.025416

ANNEXURE TO THE AUDIT REPORT

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

1. In terms of its fixed assets
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The fixed assets of the Company have been physically verified during the period by the management in accordance with a

programme of verification, the frequency whereof is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

- c) During the year, the Company has not disposed off any substantial part of the fixed assets.
2. In respect of its inventories
 - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. The Company has not taken/granted any loans, secured or unsecured during the year from/to companies, firms or parties covered in the Register maintained under Section 301. In respect of loans, secured or unsecured taken by the Company from companies, firms, or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, we state the following:
 - a) During the period, the Company has repaid loans taken from a party during the previous years covered in the register maintained under Section 301 of the Companies Act, 1956. The outstanding amount in respect of such loans is Rs. Nil as at the end of the year.
 - b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which the loans have been taken from the Company, are not prima facie prejudicial to the interest of the Company. The amounts are repayable on demand.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal system.
5. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act 1956.
 - a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that need to be entered into the register maintained under Section 301 have been so entered.
 - b) According to the information and explanations given to us, there are no transactions of purchase of inventory and fixed assets exceeding Rs.5 lakhs in respect of each party. In respect of other transactions exceeding Rs. 5 lakhs in respect of each party, the transactions have been made at prices, which are prima facie, reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
9. According to the information and explanations given to us, in respect of statutory dues and other dues.
 - a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the period.
 - b) As confirmed by the Management, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess on account of any dispute other than the following:

Name of the Statute	Nature of dues	Amount (Rs. in lakhs)	Forum where dispute is pending
Central Excise Act 1994	Bagasse, Bio compost sales reversal against Cenvat Credit rule 6(3) and Central Excise Act Section 2(d)	168.26	Commissioner of Central Excise – Tirunelveli
Central Excise Act 1994	Bagasse, Bio compost sales reversal against Cenvat Credit rule 6(3) and Central Excise Act Section 2(d)	19.56	Commissioner of Central Excise – Tirunelveli
Central Excise Act 1994	Bagasse, Bio compost sales reversal against Cenvat Credit rule 6(3) and Central Excise Act Section 2(d)	83.14	Commissioner of Central Excise – Tirunelveli
Finance Act, 1994	Service Tax on Goods Transport Agency	6.30	Central Excise and Service Tax Appeal Commissioner
Tamil Nadu Tax on consumption or sale of electricity act 2003	Electricity Consumption Tax	209.00	Supreme Court

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. According to information and explanation given to us and as per the books and records examined by us, the Company has not defaulted in repayment of dues to financial institution or bank. The Company has not issued any debentures.
12. Based on our examination of documents and records, we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
15. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie applied by the Company during the period for the purposes for which the loans were obtained.
17. To the best of our knowledge and according to the information given to us, funds raised on short-term basis have, prima facie not been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties or to a company covered in the register maintained under Section 301 of the Companies Act, 1956
19. According to the information and explanations given to us, the Company has not issued any debentures.
20. The Company has not raised any monies by way of public issues during the year.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

per P SRINIVASAN

Partner

Place: Chennai
Date: 30th May 2013

Membership No.025416



Dharani Sugars and Chemicals Limited

Balance Sheet as at March 31, 2013

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

Particulars	Note Ref.	As at 31 March 2013	As at 31 March 2012
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	2,938.98	2,938.98
Reserves and surplus	3	9,681.06	8,814.82
Money Received against share warrants		-	-
		<u>12,620.04</u>	<u>11,753.80</u>
Share application money pending allotment		-	-
Non-current liabilities			
Long-term borrowings	4	27,892.40	31,558.26
Deferred tax liabilities (Net)	5	3,184.63	2,704.81
Other Long term liabilities		-	-
Long-term provisions	6	427.62	390.85
Trade payables	8.1	686.66	756.59
		<u>32,191.31</u>	<u>35,410.51</u>
Current liabilities			
Short-term borrowings	7	20,020.60	14,422.13
Trade payables	8.1	4,505.67	3,436.87
Other current liabilities	8.2	12,816.69	4,421.92
Short-term provisions	6	568.72	599.44
		<u>37,911.68</u>	<u>22,880.36</u>
TOTAL OF EQUITY AND LIABILITIES		<u>82,723.03</u>	<u>70,044.67</u>
II. ASSETS			
Non-current assets			
Fixed assets			
(i) Tangible assets	9	48,715.30	34,210.78
(ii) Intangible assets	9	2.29	3.11
(iii) Capital work-in-progress	9	809.38	11,802.97
(iv) Intangible assets under development	-	-	-
		<u>49,526.97</u>	<u>46,016.86</u>
Non-current investments	10	519.79	518.40
Long-term loans and advances	11	148.02	943.83
Other non-current assets	12	237.92	445.08
Current assets			
Current investments		-	-
Inventories	13	23,071.37	8,933.51
Trade receivables	14	4,028.85	7,639.44
Cash and cash equivalents	15	798.90	1,187.37
Short-term loans and advances	16	4,391.21	4,360.18
		<u>32,290.33</u>	<u>22,120.50</u>
TOTAL OF ASSETS		<u>82,723.03</u>	<u>70,044.67</u>
Significant Accounting Policies			
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 Regn. No.005093S

for and on behalf of the Board

per P. SRINIVASAN

Partner

Membership No: 025416

Place : Chennai

Date : 30/05/2013

E.P. SAKTHIVEL
Company Secretary

M. RAMALINGAM
Managing Director

DR. PALANI G. PERIASAMY
Executive Chairman

Statement of Profit and Loss for the year ended 31st March 2013

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

Particulars	Note Ref.	For the year ended 31 March 2013	For the year ended 31 March 2012
I. Revenue from operations			
Sale of Products	17	57,834.44	61,469.94
Other Income	18	202.53	127.04
Total Revenue		<u>58,036.97</u>	<u>61,596.98</u>
II. Expenses			
Cost of raw materials consumed	19	53,664.82	42,936.69
Changes in inventories of Work-in-progress and finished goods	20	(13,999.14)	2,779.75
Employee benefits expense	21	1,907.62	1,753.45
Other expenses	23	7,009.45	5,568.82
Total Expenses		<u>48,582.75</u>	<u>53,038.71</u>
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		9,454.22	8,558.27
Finance costs	22	5,362.74	4,874.71
Depreciation and amortization expense	9	2,401.57	2,074.88
Profit before exceptional items and tax		<u>1,689.91</u>	<u>1,608.68</u>
Exceptional items	24	11.25	11.25
Profit/(Loss) before tax		<u>1,701.16</u>	<u>1,619.93</u>
Tax expense			
Current tax		(349.65)	(334.75)
MAT Entitlement credit		349.65	258.99
Deferred Tax Asset / (Liability)		(479.82)	(518.84)
Profit/(Loss) for the period from continuing operations		<u>1,221.34</u>	<u>1,025.33</u>
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(Loss) from Discontinuing operations (after tax)		<u>-</u>	<u>-</u>
Profit/(Loss) for the period		<u>1,221.34</u>	<u>1,025.33</u>
Earnings per equity share			
Basic (Rs.)		4.16	3.49
Diluted (Rs.)		4.16	3.49
Significant Accounting Policies			
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 and loss referred to in our report of even date.

SRINIVASAN & SHANKAR

Chartered Accountants
Firm Regn. No.005093S

for and on behalf of the Board

per P. SRINIVASAN

Partner

Membership No: 025416

Place : Chennai

Date : 30/05/2013

E.P. SAKTHIVEL
Company Secretary

M. RAMALINGAM
Managing Director

DR. PALANI G. PERIASAMY
Executive Chairman

Notes to the Financials for the year ended 31st March 2013.

Background

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

Note 1 : Statement of Significant Accounting Policies:

a. Basis of Preparation

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

b. Revenue Recognition

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

c. Fixed Assets

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

d. Depreciation

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

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

e. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed, if there is a change in the estimate of recoverable amount. During the year the Company tested

Notes to the Financials for the year ended 31st March 2013.

impairment of fixed assets as per the Accounting Standard 28 "Impairment of Assets" to identify impairment loss, if any. The realizable amount calculated as per net selling price for all the cash generating units was higher than the carrying values of such units. Accordingly, no impairment was required to be recognized during the year.

f. Investments

Long Term Investments are stated at cost of acquisition and income from investments not carrying fixed return is accounted at the time of receipt. Gains or losses on disposal of investments are recognized in the Profit & Loss Account. The decline in value of Long term investments other than temporary, wherever applicable, is given effect to as per Accounting Standard 13 (AS 13).

g. Inventories

The inventory has been valued as under:

- i Raw materials, Stores and spares are valued at the lower of cost and net 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.
- 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.

h. Retirement benefits to employees

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

i. Accounting for Grants

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

j. Foreign Currency Transactions

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

Notes to the Financials for the year ended 31st March 2013.

corresponding foreign currency amount translated at the latter 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.

k. Borrowing Costs

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

l. Provisions, Contingent Liabilities and Contingent Assets

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

Provisions are not discounted to its present value and are determined based on Management estimate of amounts required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current Management estimates.

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

m. Taxation

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

The effect of a change in tax rates on deferred tax assets and liabilities is 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.

n. Earnings per Share ("EPS")

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

Notes forming part of the Financial Statement for the year ended 31st March 2013

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

Note 2. Share Capital

	As at 31.03.2013	As at 31.03.2012
Authorised Shares		
5,00,00,000 Equity shares of Rs. 10 each (as at Mar 31, 2012 - 5,00,00,000 Equity Shares of Rs. 10 each)	5,000.00	5,000.00
1,00,00,000 Preference Shares of Rs.10 each (as at Mar 31, 2012 - 1,00,00,000 Equity Shares of Rs. 10 each)	1,000.00	1,000.00
Issued, Subscribed and fully paid up shares		
29389846 Equity shares of Rs. 10 each (as at Mar 31, 2012 - 29389846 Equity Shares of Rs. 10 each)	2,938.98	2,938.98
Total Issued, subscribed and fully paid up share capital	2,938.98	2,938.98

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

	31.03.2013		31.03.2012	
Equity Shares	No. of Shares	Value	No. of Shares	Value
At the beginning of the Period	2,93,89,846	2,938.98	2,93,89,846	2,938.98
Issued during the period	-	-	-	-
Outstanding at the end of the period	2,93,89,846	2,938.98	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. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the Annual General Meeting. During the year ended 31 March 2013, the amount of per share dividend recognized as distributions to equity shareholders was Rs.1.00(31 March 2012: Re.1.00 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

	31.03.2013		31.03.2012	
Name of the Shareholders	No of Shares	% of share holding	No of Shares	% of share holding
Dharani Credit & Finance (P) Limited	37,54,440	12.77	37,54,440	12.77
Dharani Developers (P) Limited	27,74,088	9.44	27,74,088	9.44
Dr Palani G Periasamy	20,69,012	7.04	20,69,012	7.04

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



Dharani Sugars and Chemicals Limited

Notes forming part of the Financial Statement for the year ended 31st March 2013

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

Note 3. Reserves and Surplus	As at 31.03.2013	As at 31.03.2012
a. Capital Reserves	0.86	0.86
b. Capital Grant (USAID)		
Balance as per last Balance Sheet	52.70	63.95
Less:- Transferred to Profit &(Loss) account	11.25	11.25
Closing Balance	41.45	52.70
c. Securities Premium Account		
Balance as per last Balance Sheet	2,657.50	2657.50
Add : Additions during the year	-	-
Closing Balance	2,657.50	2657.50
d. General Reserve		
Balance as per last Balance Sheet	800.00	600.00
Add: Transfer from Profit and Loss Account	200.00	200.00
Closing Balance	1000.00	800.00
e. Profit and Loss Account (including debit balance)		
Balance as per last Balance Sheet	5,303.76	4,820.01
Add : Balance of Profit carried forward from Profit and Loss account	1,221.34	1,025.33
Less: Appropriations		
i. Proposed Dividend	293.90	293.90
ii. Dividend Distribution Tax	49.95	47.68
iii. Transfer to General Reserve	200.00	200.00
Closing Balance	5,981.25	5,303.76
Total Reserves and surplus	9,681.06	8,814.82

Note 4. Long-term Borrowings

	Non-Current		Current	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Term Loans (Secured)				
Indian rupee loan from banks	12,752.64	15,698.85	3,331.18	1,443.39
Foreign currency loan from banks	5,408.04	5,394.72	328.29	-
From financial institutions (IREDA)	5,244.40	5,993.60	749.20	749.20
From Sugar Development Fund	4,455.85	4,436.25	1,097.44	245.04
Other loans and advances				
Deposits from public (Unsecured)	31.47	34.84	49.39	40.30
Total Loans	27,892.40	31,558.26	5,555.50	2,477.93
The above amount includes				
Secured borrowings	27,860.93	31,523.42	5,506.11	2,437.63
Unsecured borrowings	31.47	34.84	49.39	40.30
Amount disclosed under the head "other current liabilities"	-	-	(5555.50)	(2477.93)
Net Amount	27,892.40	31,558.26	-	-

1. Term Loans for Unit III at Kalayanallur, Sankarapuram Taluk, Tamil Nadu from Bank of India, Union Bank of India, Indian Bank, State Bank of India, Indian Overseas Bank, IREDA and Sugar development fund are secured on a pari-passu basis by an equitable mortgage of all the immovable properties of the Kalayanallur Unit III, both present and future, and a charge on Company's movable assets including plant and machinery Kalayanallur Unit III, and also save and except inventory and book debts and subject to prior charge of specified items in favour of the Company's bankers for securing working capital facilities and joint mortgage by deposit of title deed with the Banks. Further pledge of 51,21,500 Equity Shares of Rs 10/- each held by the Company in M/s Appu Hotels Limited in favour of above mentioned Banks as additional securities.
2. Term loans from Indian Bank and State Bank of India for Distillery for Dharani Nagar Unit and Staff Quarters at Polur Unit are secured on a pari-passu basis by an equitable mortgage of all the immovable properties of the Dharani - Vasudevanallur unit and Polur unit, both present and future and a charge on companies movable assets including plant & machinery and also save and except inventory and book debts and subject to prior charge of specified items in favour of the company's bankers for securing working capital facilities and joint mortgage by deposit of title deeds with the banks.
3. Rupee Term Loan from ICICI Bank is secured by exclusive charge (including charge of ECB of USD 9 million sanctioned by ICICI Bank) on all the Borrowers movable assets including harvester machines pertaining to refinery unit at Sankarapuram funded out of this facility. The loan also has the first pari-passu Charge on immovable assets of Vasudevanallur & Polur units.
4. The outstanding Rupee Term Loan of Rs.102.50 lakhs from Sugar Development Fund, Government of India in respect of Polur Raw sugar Machinery and Cane development is secured by bank guarantee and is repayable during the financial year 2013-14 and it carries an interest rate of 4% p.a.
5. The outstanding Rupee Term Loan of Rs.970.14 lakhs from Sugar Development Fund, Government of India in respect of Polur Expansion project is secured by bank guarantee and is repayable in annual installments from financial year (FY) 2013-14 to (FY) 2017-18 and it carries an interest rate of 4% p.a.
6. The outstanding Rupee Term Loan of Rs.1,167.48 lakhs from Banks in respect of Dharani - Vasudevanallur Distillery expansion and Dharani, Polur staff quarters is repayable in monthly installments from financial year (FY) 2013-14 to (FY) 2015-16 and it carries an average interest rate of 14.73% p.a.
7. The outstanding Rupee Term Loan of Rs.29,746.87 lakhs from Banks and Sugar Development Fund, Government of India in respect of Dharani - Sankarapuram projects of Distillery, Power and Sugar is repayable in monthly / annual installments from financial year (FY) 2013-14 to (FY) 2020-21 and it carries an average interest rate of 11.05% p.a.
8. Term Loan from Sugar Development Fund, Government of India, for the Polur unit is secured through a Guarantee from Indian Bank to the extent of Rs.1,350 lakhs, which is secured by an equitable mortgage on Pari Passu basis of all the immovable properties of the Company and by a charge on Company's movable assets including Plant and Machinery.
9. The outstanding Rupee corporate loan of Rs.1,380 lakhs from State Bank of India is secured through second charge on the current asset of the company and is repayable in monthly installments from the financial year (FY) 2013-14 to (FY) 2016-17 and it carries an average interest rate of 14.00% p.a.
10. The Executive Chairman Dr. Palani G. Periasamy has given Personal guarantees for the loans/ working capital facilities availed from Financial Institutions/Banks.



Dharani Sugars and Chemicals Limited

Notes forming part of the Financial Statement for the year ended 31st March 2013

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

Note 5. Deferred Tax Liability (Net)

	As at 31.03.2013	As at 31.03.2012
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	3,621.43	2,939.20
Gross Deferred tax liability	3,621.43	2,939.20
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	436.80	234.39
Gross Deferred tax asset	436.80	234.39
Net deferred tax Asset/(liability)	3,184.63	2,704.81

Note 6. Provisions

	Long-term		Short-term	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Provision for employee benefits				
Provision for gratuity	377.60	346.02	-	-
Provision for leave encashment	50.02	44.83	-	-
Provision for taxation				
Provision for income tax (net of Advance tax & TDS)	-	-	224.87	257.86
Provision for dividend distribution tax	-	-	49.95	47.68
Others				
Proposed dividend	-	-	293.90	293.90
Total Provisions	427.62	390.85	568.72	599.44

Notes forming part of the Financial Statement for the year ended 31st March 2013

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

Note 7. Short-term Borrowings

	As at 31.03.2013	As at 31.03.2012
Short term loan from Banks	913.43	1,355.86
Cash credit from banks (Secured)	19,107.17	12,433.27
Deposits (Unsecured)		
Inter-corporate deposits	-	633.00
Total of Short-term Borrowings	20,020.60	14,422.13
The above amount includes		
Secured borrowings	19,307.17	12,789.13
Unsecured borrowings	713.43	1,633.00
Total of Shot-term Borrowings	20,020.60	14,422.13

1. 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.
2. The Executive Chairman Dr. Palani G.Periasamy has given Personal guarantees for the Short term loans from banks.

Note 8. Current Liabilities

	Non-Current		Current	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
8.1 Trade Payables (Sundry Creditors)				
Due to MSME creditors	-	-	48.82	41.26
Due to creditors other than MSME creditors	686.66	756.59	4,456.85	3,395.61
	686.66	756.59	4505.67	3,436.87
8.2 Other liabilities				
Current maturities of long-term borrowings	-	-	5,555.50	2,477.93
Expenses payable	-	-	351.95	496.09
Interest accrued but not due on borrowings	-	-	525.66	479.90
Interest accrued and due on borrowings	-	-	-	-
Deposits others	-	-	42.39	31.34
Dividend & Dividend tax payable	-	-	-	-
Investor Education and Protection Fund will be credited by following amounts (as and when due)				
Unpaid dividends	-	-	31.59	20.44
Unpaid/matured deposits and interest accrued thereon	-	-	0.95	6.99
Others				
Interest free advances received from customers*	-	-	4,879.97	184.71
Other Payables - Statutory payments to Government authorities	-	-	494.68	285.06
Excise Duty and cess payable on closing stock	-	-	934.00	439.46
	-	-	12,816.69	4,421.92
Total of other current liabilities	686.66	756.59	17,322.36	7,858.79

*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 2013
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 9. Tangible & Intangible assets									
Particulars	Tangible Assets					Intangible Assets			
	Land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Total	Software's	Total
Cost or valuation									
At 1st April 2011	924.15	10,466.40	34,767.78	102.57	165.97	64.23	46,491.10	5.13	46,496.23
Additions	8.53	537.80	362.89	0.66	32.83	13.52	956.23	-	956.23
Disposals	-	-	-	-	(0.72)	-	(0.72)	-	(0.72)
Other adjustments	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	377.40	-	-	-	377.40	-	377.40
Borrowing cost	-	28.59	-	-	-	-	28.59	-	28.59
At 31 March 2012	932.68	11,032.79	35,508.07	103.23	198.08	77.75	47,852.60	5.13	47,857.73
Additions	-	4,078.21	9,428.23	0.39	37.99	4.35	13,549.17	-	13,549.17
Disposals	-	-	-	-	(0.34)	(0.94)	(1.28)	-	(1.28)
Other adjustments	-	(0.03)	(2.16)	(0.01)	0.74	1.46	-	-	-
Exchange Differences	-	-	365.02	-	-	-	365.02	-	365.02
Borrowing cost	-	676.13	2,315.03	-	-	-	2,991.16	-	2,991.16
At 31 March 2013	932.68	15,787.10	47,614.19	103.61	236.47	82.62	64,756.67	5.13	64,761.80
Depreciation									
At 1st April 2011	-	1,789.70	9,602.24	69.43	77.99	29.00	11,568.36	1.18	11,569.54
Charge for the year 2011-12	-	269.28	1779.23	6.76	7.28	11.50	2,074.05	0.83	2,074.88
Disposals	-	-	-	-	(0.59)	-	(0.59)	-	(0.59)
At 31 March 2012	-	2,058.98	11,381.47	76.19	84.68	40.50	13,641.82	2.01	13,643.83
Charge for the year 2012-13	-	330.66	2,044.16	2.86	16.47	6.59	2,400.74	0.83	2,401.57
Other adjustments	-	-	2.03	-	4.20	(6.23)	-	-	-
Disposals	-	-	-	-	(0.33)	(0.86)	(1.19)	-	(1.19)
At 31 March 2013	-	2,389.64	13,427.66	79.05	105.02	40.00	16,041.37	2.84	16,044.21
Net Block									
At 31 March 2012	932.68	8,973.81	24,126.60	27.04	113.40	37.25	34,210.78	3.12	34,213.90
At 31 March 2013	932.68	13,397.46	34,186.53	24.56	131.45	42.62	48,715.30	2.29	48,717.59
Capital work-in-progress									
At 31 March 2012	-	3,809.55	7,993.42	-	-	-	11,802.97	-	11,802.97
At 31 March 2013	-	155.30	654.08	-	-	-	809.38	-	809.38

Notes forming part of the Financial Statement for the year ended 31st March 2013

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

Note 10. Non current investments		As at 31.03.2013	As at 31.03.2012
Trade Investments			
In Equity Shares - Quoted, Fully Paid up			
Investment in Equities (other than Subsidiaries)			
1,39,000 shares of Rs.10/- each in Dharani Finance Ltd.			
Market value Rs.7.64 Lakhs (Previous Year Rs.6.25 Lakhs)		13.90	13.90
In Equity Shares of Associate Companies			
Unquoted, Fully Paid up (At cost)			
51,21,500 shares of Rs.10 each in Appu Hotels Ltd		512.15	512.15
Total Trade Investment		526.05	526.05
(a) Aggregate amount of Quoted investments		13.90	13.90
(b) Aggregate amount of Market value		7.64	6.25
(c) Aggregate amount of Unquoted investments		512.15	512.15
(d) Aggregate provision for diminution in value of investments		(6.26)	(7.65)
Total non current investments		519.79	518.40
Note 11. Long-term Loans and advances		As at 31.03.2013	As at 31.03.2012
Capital advances			
Secured, considered good		-	-
Unsecured, considered good		148.02	943.83
Doubtful		-	-
Total of Long-Term Loans and advances		148.02	943.83
Note 12. Other assets			
	Non Current	Current	
	31.03.2013	31.03.2012	31.03.2013
Non - current bank balances (Note 15)	194.76	378.13	-
Interest accrued on fixed deposits	43.16	66.95	-
Total of other assets	237.92	445.08	-
Note 13. Inventories (valued at lower of cost or net realizable value)		As at 31.03.2013	As at 31.03.2012
Raw materials			
Work-in-progress		301.05	452.84
Finished goods		21,760.55	7,609.63
Stores and spares		1,009.77	871.04
Total of Inventories		23,071.37	8,933.51



Dharani Sugars and Chemicals Limited

Notes forming part of the Financial Statement for the year ended 31st March 2013

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

Note 14. Trade receivables	Non-Current		Current	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Unsecured, considered good unless stated otherwise outstanding for a period more than six months from the date they become due for payment				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	2,107.20	2,205.72
Doubtful	426.41	401.02	-	-
	426.41	401.02	2,107.20	2,205.72
Less: Provision for bad and doubtful receivables	426.41	401.02	-	-
(A)	-	-	2,107.20	2,205.72
Other receivables (Current)				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	1,921.65	5,433.72
Doubtful	-	-	-	-
	-	-	1,921.65	5,433.72
Less: Provision for bad and doubtful debts	-	-	-	-
(B)	-	-	1,921.65	5,433.72
Total Trade Receivables	(A+B)	-	4,028.85	7,639.44

There are no Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member, except Rs. 2.63 Lakhs due from a Company in which one of the Director is interested.

Note 15. Cash and cash equivalents	Non-Current		Current	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Cash on hand	-	-	3.32	2.54
Balances with Banks				
(a) Balances with scheduled banks : in current accounts	-	-	483.32	1,079.87
in Dividend account unpaid	-	-	31.59	20.44
in deposit accounts	-	-	-	-
	-	-	514.91	1,100.31
(b) Balances with Non-scheduled banks:				
- in current accounts	-	-	23.02	31.56
	-	-	23.02	31.56
Deposits with Banks				
Deposits with original maturity for more than 12 months	-	127.00	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	133.10	6.00
Margin money deposit				
Deposits with original maturity for more than 12 months	194.76	251.13	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	124.55	46.96
	194.76	378.13	257.65	52.96
Amount disclosed under non-current assets (Note.12)	(194.76)	(378.13)	-	-
Total of cash and cash equivalents	-	-	798.90	1,187.37

Notes forming part of the Financial Statement for the year ended 31st March 2013

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

Note 16. Short-term Loans and Advances		As at 31.03.2013	As at 31.03.2012
Security deposit			
Secured, considered good		-	-
Unsecured, considered good		146.10	58.52
Doubtful		-	-
		146.10	58.52
Provision for doubtful security deposit		-	-
	(A)	146.10	58.52
Advances recoverable in cash or kind			
Secured, considered good		-	-
Unsecured, considered good		449.95	777.15
Doubtful		6.93	4.85
		456.88	782.00
Provision for doubtful capital advances		6.93	4.85
	(B)	449.95	777.15
Other Loans and advances			
Prepaid expenses		117.83	94.61
MAT credit receivable		2,207.51	1,857.85
Balances with Central, Customs & Service Tax Authorities		1,459.01	1,562.77
Advances to Staff		10.81	9.28
	(C)	3,795.16	3,524.51
Total of Short - Term Loans and Advances (A+B+C)		4,391.21	4,360.18
Note 17. Sale of Products		For the year Ended 31.03.2013	For the year Ended 31.03.2012
a) Sugar			
- Domestic sales		25,037.63	27,953.32
- Deemed Export sales		15,238.96	-
- Export sales		7,963.94	24,977.10
b) Industrial Alcohol		5,040.73	3,805.82
c) Power		4,555.21	4,848.56
d) Bagasse		408.17	126.16
e) Molasses		199.66	384.80
f) Bio Compost		53.84	42.64
g) Carbon Dioxide		77.34	62.00
Other operating revenues			
a) Scrap sales		10.29	5.36
b) Duty Draw back		150.36	221.88
c) DEPB Licence		-	114.77
Revenue from Operations (gross)		58,736.13	62,542.41
Less : Excise Duty #		901.69	1,072.47
Revenue from Operations (net)		57,834.44	61,469.94

Excise duty on sales amounting to Rs.901.69 lakhs (31 March 2012, 1,072.47 lakhs) has been reduced from sales in statement of profit & loss and excise duty on increase in stock amounting to Rs. 494.54 lakhs (31 March 2012- Rs.81.54 lakhs) has been considered as expenditure in Note 23 of financial statements.



Dharani Sugars and Chemicals Limited

Notes forming part of the Financial Statement for the year ended 31st March 2013

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

Note 18. Other Income	For the year Ended 31.03.2013	For the year Ended 31.03.2012
Interest income on Bank deposits & others (Tax deducted at source Rs. 2.59 Lakhs, previous year Rs. 5.21 Lakhs)	43.31	53.32
Other income (Tax deducted at source Rs.0.77 Lakhs, previous Year Rs.0.26 Lakhs)	29.24	2.86
Dividend income on Long-term investments	0.97	0.69
Net gain/ (loss) on sale of asset	0.03	0.01
Other non-operating income	128.98	70.16
Total of Other income	202.53	127.04

Note 19. Cost of Raw Materials Consumed	For the year ended 31.03.2013	For the year ended 31.03.2012
Inventory at the beginning of the year	-	1,000.41
Add: Purchases	53,664.82	41,936.28
	53,664.82	42,936.69
Less: Inventory at the end of the year	-	-
Cost of raw material and components consumed	53,664.82	42,936.69

Details of Raw Material and Components Consumed

Sugar cane	52,671.52	41,339.62
Raw sugar	-	1,024.63
Molasses	993.30	572.44
Total of Raw Material and compenents consumed	53,664.82	42,936.69

Details of Inventory as at the end of the period

Sugar cane	-	-
Raw sugar	-	-
Molasses	-	-
Total	-	-

Notes forming part of the Financial Statement for the year ended 31st March 2013

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

Note 20. Changes in Inventories of work-in-	For the year ended 31.03.2013	For the year ended 31.03.2012
Progress and finished Goods		
Inventories at the end of year		
Work in progress	301.06	452.84
Finished goods	21,760.55	7,609.63
Total	22,061.61	8,062.47
Inventories at the beginning of the year		
Work in progress	452.84	323.13
Finished goods	7,609.63	10,519.09
	8,062.47	10,842.22
Total of (increase) / Decrease in inventory	(13,999.14)	2,779.75
Details of Inventory		
Work-in-progress		
Sugar	280.56	436.21
Molasses	20.50	16.63
Total of Work in Progress	301.06	452.84
Finished goods		
Sugar	20,168.35	6,844.96
Molasses	1176.90	580.18
Bagasse	9.22	50.48
Rectified Spirit & IS	297.12	92.05
Bio compost	3.91	-
AA (Ethanol)	39.15	-
ENA	65.90	41.95
Total of Finished goods	21,760.55	7,609.62
	For the year ended 31.03.2013	For the year ended 31.03.2012
Note 21. Employee benefit expenses		
Salaries and wages	1,622.99	1,486.00
Contribution to provident funds and other funds	89.33	80.22
Gratuity expense	45.86	79.42
Staff welfare expenses	149.44	107.81
Total employee benefit Expenses	1,907.62	1,753.45
Note 22. Finance Cost		
Interest		
Interest on Term Loan	2,743.82	2,621.33
Interest on Working Capital	2,039.21	1,626.69
Other Interest and Financial Charges	395.13	396.44
Bank Charges	184.58	230.25
Total Finance cost	5,362.74	4,874.71



Dharani Sugars and Chemicals Limited

Notes forming part of the Financial Statement for the year ended 31st March 2013

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

Note 23. Other expenses

	For the year ended 31.03.2013	For the year ended 31.03.2012
Stores and Spares Consumed	1,648.14	1,358.51
Increase /(Decrease) of excise duty on inventory	494.54	(81.54)
Power and Fuel	284.11	271.27
Fuel for Co-generation	753.89	685.24
Freight, Packing and Forwarding charges	1,892.37	2,183.29
Rent	76.35	71.08
Rates & Taxes	296.39	65.74
Insurance	121.15	72.98
Repairs and Maintenance		
- Plant and Machinery	543.69	415.94
- Building	183.33	165.02
- Vehicle	99.52	68.03
- Others	51.92	16.09
Directors' Sitting Fees	2.10	1.80
Executive Chairman & Managing Director Remuneration	134.53	125.74
Auditors' Remuneration (Refer detail below)	7.82	7.81
Travelling & Conveyance	37.23	32.66
Postage, Telegram & Telephones	23.64	23.86
Printing & Stationery	34.26	26.92
Provision for Doubtful debts and Advances	27.48	51.85
Provision for Diminution in value of Investment	-	2.02
Net Loss on Foreign Exchange translation	210.85	(74.82)
Miscellaneous expenses	86.14	79.33
Total other expenses	7,009.45	5,568.82

	For the year ended 31.03.2013	For the year ended 31.03.2012
Payment to auditor		
As auditor		
Statutory Audit fees	4.00	4.00
Tax audit fees	1.20	1.00
Certification Fees	1.76	2.00
Service Tax	0.86	0.81
Total	7.82	7.81

	For the year ended 31.03.2013	For the year ended 31.03.2012
Note 24. Exceptional items		
Amortization of USAID Grand	11.25	11.25
Total	11.25	11.25

Notes to the Financials for the year ended 31st March 2013

25. Notes on Accounts

25.1 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs. 1,289.92 lakhs (Previous year – Rs. 2,220.18 lakhs).

25.2 Contingent Liabilities

Claims against the Company not acknowledged as debt Rs.287.08 lakhs (Previous year- Rs. 276.96 lakhs)

25.3 Taxation

i. Provision for current tax:

The tax Provision for the current year is determined under MAT. The MAT liability is Rs.349.65 Lakhs (Previous year- Rs.334.75 lakhs)

ii. Deferred tax:

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

Break up of Deferred Tax Asset / Liability.

(Rs. in lakhs)

Particulars	As at 31 st March' 13	As at 31 st March' 12
a) Deferred Tax Liability Related to Fixed Assets	3,621.43	2,939.20
b) Deferred Tax Assets Eligible carry forward of loss/unabsorbed depreciation	-	-
c) Expenses allowable against taxable income in future years	436.80	234.39
Net Deferred Tax Liability	3,184.63	2,704.81

25.4 Employee Benefits as per AS-15 (Revised)

25.4.1 Components of Employer Expenses

(Rs. in lakhs)

SI No.	Particulars	As at 31 st March' 13	As at 31 st March' 12
a)	Present value of obligation	427.62	390.85
b)	Fair Value of plan assets	Nil	Nil
c)	(Asset) / Liability recognised in the Balance sheet	427.62	390.85

Notes to the Financials for the year ended 31st March 2013
25.4.2 Net Assets / (Liability) recognized in the balance sheet
(Rs. in lakhs)

SI No.	Particulars	As at 31 st March'13	As at 31 st March' 12
a)	Current Service Cost	76.02	69.50
b)	Interest Cost	31.97	25.51
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	(33.12)	(1.93)
h)	Total expenses / (gain) recognized in the Statement of Profit and Loss	74.87	93.08

25.4.3 Change in Defined Benefit Obligations during the year ended
(Rs. in lakhs)

SI No.	Particulars	As at 31 st March'13	As at 31 st March'12
a)	Present value of Obligation as at the beginning of the period	390.85	339.88
b)	Current service cost	76.02	69.50
c)	Interest cost	31.97	25.50
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	(33.12)	(1.93)
i)	Benefits paid	(38.11)	(42.10)
j)	Closing defined benefit obligation	427.61	390.85

Notes to the Financials for the year ended 31st March 2013

25.4.4 Change in Fair Value of Plan Assets

(Rs. in lakhs)

SI No.	Particulars	As at 31 st March'13	As at 31 st March'12
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	38.11	42.10
f)	Benefits Paid	(38.11)	(42.10)
g)	Closing Fair Value of Plan Assets	Nil	Nil

25.4.5 Actuarial Assumptions

SI No.	Particulars	As at 31 st March'13	As at 31 st March'12
a)	Discount Rate (per annum)	7.90 %	8.60 %
b)	Expected Rate of Return on Assets (per annum)	Nil	Nil

25.4.6 Operating Lease

(Rs. in lakhs)

Particulars	As at 31 st March'13	As at 31 st March'12
Not Later than One year	64.15	62.97
Later than One year but not later than five years	212.25	212.25
Later than five years	Nil	Nil
Total	276.40	275.22

25.4.7 Deposits with Bank

- i. Deposits with Banks under lien to commercial tax officers Rs.0.03 lakhs (Previous year Rs.0.03 lakhs)
- ii. Deposit under lien to Bank / others, Guarantees / Performance Rs.452.41 lakhs (Previous year Rs.425.08 lakhs)

25.4.8 Capitalisation of Borrowing Cost

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

Interest capitalized during the Year on capital assets under development amounts to Rs.2,991.34 Lakhs (Current Year Rs.1115.13 Lakhs and carryover from Previous Year Rs. 1876.21 Lakhs) (Previous Year Rs.1,156.67 Lakhs)

Notes to the Financials for the year ended 31st March 2013

25.4.9 Particulars of Raw materials, Spares and components consumed:

Particulars	2012-13		2011-12	
	Consumed	% of Total Consumed	Consumed	% of Total consumed
1. Raw Materials (Qty in M.T)				
a. Sugarcane	22,69,291	-	19,08,177	-
b. Raw Sugar	Nil	-	3,633	-
c. Molasses	98,913	-	66,946	-
2. Value (Rs in Lakhs)				
a. Sugarcane	52,671.52	98.15	41,339.62	96.28
b. Raw Sugar (Imported)	Nil	Nil	1,024.63	2.39
c. Molasses	993.30	1.85	572.44	1.33
	53,664.82	100	42,936.69	100
3. Spares and Components (Value in Rs Lakhs)				
a. Imported	Nil	-	11.84	0.87
b. Indigenous	1,648.14	100.00	1,346.67	99.13
4. CIF value of Import (Value in Rs Lakhs)				
a. Raw Sugar	Nil	-	Nil	-
b. Spares	Nil	-	11.84	-

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)

ii. Amount due to Micro, Small and Medium Enterprises

(Rs in Lakhs)

Description	Year ended 31 st March' 13	Year ended 31 st March' 12
Principal	48.82	41.26
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.

Notes to the Financials for the year ended 31st March 2013

25.4.11 Related Party

i. Names of Related Parties:

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

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

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

Particulars	DFL	AHL	PGP EWS	DDPL	ADL	KMP	Total	DFL	AHL	PGP EWS	DDPL	ADL	KMP	Total
Transactions during the year								Balances at the Year end						
1. Utilization of services														
Remuneration						134.53	134.53						97.23	97.23
						(125.73)	(125.73)						(200.29)	(200.29)
Rent						64.15	64.15						15.65	15.65
						(60.46)	(60.46)						(64.33)	(64.33)
Travel	5.18						5.18							
	(5.40)						(5.40)							
Sitting Fees						0.75	0.75							
						(0.60)	(0.60)							
Professional Fees					29.95		29.95					43.61		43.61
					(44.58)		(44.58)					(181.46)		(181.46)
Inter Corporate Deposits					633.00		633.00					(633.00)		(633.00)
					(283.00)		(283.00)							
Interest					18.35		18.35					0.02		0.02
					(75.73)		(75.73)					(68.15)		(68.15)
Rental Advance													41.53	41.53
													(41.53)	(41.53)
2. Rendering of Services														
Sale of Sugar	170.30						170.30	2.63						2.63
Rent			0.20				0.20			0.20				0.20
			(0.13)				(0.13)			(0.13)				(0.13)

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

Notes to the Financials for the year ended 31st March 2013

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 organisation 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.

(Rs. in lakhs)

PARTICULARS	SUGAR		DISTILLERY		POWER		UNALLOCATED		TOTAL	
	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12
External Sales	48,136	52,727	5,143	3,895	4,555	4,849	-	-	57,834	61,470
Other Income	132	70	-	-	-	-	70	57	203	127
Inter - segment Sales	6,220	5,167	-	-	4,158	2,887	-	-	10,378	8,054
Gross Revenue	54,489	57,964	5,143	3,895	8,713	7,735	70	57	68,415	69,651
Less: Intersegment revenue	6,220	5,167	-	-	4,158	2,887	-	-	10,378	8,054
Total Revenue	48,269	52,797	5,143	3,895	4,555	4,849	70	57	58,037	61,597
RESULT										
Segment Result	4,418	3,898	962	1,181	2,390	1,650	(717)	(245)	7,053	6,483
Less: Unallocated Corporate Expenses									-	-
Operating profit									7,053	6,483
Less: Interest expense									5,363	4,875
Add: Interest income									-	-
Profit/(Loss) from ordinary activities									1,690	1,609
Net profit/(Loss)									1,690	1,609
OTHER INFORMATION										
Segment assets	52,425	39,462	13,716	12,941	14,089	15,489			80,230	67,891
ADD: Unallocated Corporate Assets							2,493	2,153	2,493	2,153
Total Assets									82,723	70,045
Segment liabilities	31,804	23,469	4,826	206	1,752	18	-	-	38,382	23,693
ADD: Unallocated Corporate Liabilities							644	335	644	335
Total Liabilities									39,026	24,028
Capital expenditure	3,992	1,108	874	5,950	1,040	210	6	19	5,912	7,287
Depreciation	1,186	1,167	520	235	685	660	10	14	2,402	2,075
Non-cash expenses other than depreciation										

Notes to the Financials for the year ended 31st March 2013

25.4.13 Earnings Per Share

SI No.	Particulars	Year ended March 31, 2013	Year ended March 31, 2012
a.	Net Profit as per Profit & Loss account (Rupees in Lakhs)	1,221.34	1,025.33
b.	Number of Equity shares	29,389,846	29,389,846
c.	Weighted Average Number of Equity shares	29,389,846	29,389,846
c.	Basic Earnings Per Share (Rupees)	4.16	3.49

25.4.14 Earnings in Foreign Currency (On Accrual Basis)

(Rs. in lakhs)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Export of Sugar (FOB value)	7,963.94	24,977.10

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

(Rs. in lakhs)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Raw materials	Nil	Nil
Components and Spare parts	Nil	11.84
Capital goods	Nil	Nil

25.4.16 Expenditure in Foreign Currency (On Accrual Basis)

(Rs. in lakhs)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Spare Parts	Nil	11.84
Interest on ECB loan	359.86	Nil
Interest on Export Advance	79.30	Nil
Technical fees	69.28	Nil
Professional fees	130.15	123.39
Loan processing fees	Nil	51.51
Repayment of export advance	3,957.12	Nil

25.4.17 Dividend (Net) remitted in Foreign Exchange

(Rs. in lakhs)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Number of non-resident shareholders	79	Nil
Number of equity shares held on which dividend was due	10,594,551	Nil
Amount remitted (Rs. in lakhs)	105.95	Nil
Currency of remittance	USD	Nil
Year to which the dividend related	2011-12	Nil

Notes to the Financials for the year ended 31st March 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 24.2 above. There are no open forward contracts at the end of current and previous years. The details of Foreign Exchange Exposures as at the end of the year are given below:

Particulars	Currency type	As at March 31, 2013		As at March 31, 2012	
		Amount (Foreign currency in Lakhs)	Amount (Rs. In Lakhs)	Amount (Foreign currency in Lakhs)	Amount (Rs. In Lakhs)
Secured Loans	USD	105.468	5736.33	112.43	5750.58
Trade Receivables	USD	7.84	426.41	115.22	5786.79
Trade payables	GBP	Nil	Nil	0.71	48.64

25.4.19 Previous year comparatives

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

SIGNATURE TO NOTES 1 TO 25

Refer Our Report of even date.

SRINIVASAN & SHANKAR

Firm Registration No.:005093S

Chartered Accountants

For and on behalf of the Board

Per P SRINIVASAN

Partner

Membership No. 025416

E P SAKTHIVEL

Company Secretary

M. RAMALINGAM

Managing Director

DR.PALANI G. PERIASAMY

Executive Chairman

Place : Chennai

Date : 30th May 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

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

Particulars	As at 31.03.2013	As at 31.03.2012
A. Cash Flow From Operating Activities:		
Net Profit /(Loss) before Tax	1,701.16	1,619.93
Adjustment for:		
- Depreciation	2,401.57	2,074.88
- (Profit)/Loss on sale of assets	(0.03)	(0.01)
- Provision for diminution in value of Investments	(1.39)	2.02
- Amortization of USAID Grant	(11.25)	(11.25)
- Unrealised Foreign Exchange Loss/(Gain)	(25.39)	(50.96)
- Provision for Doubtful debts	27.48	51.85
- Interest Expense	5,362.74	4,874.71
- Interest Income	(43.31)	(56.18)
- Dividend Income	(0.97)	(0.69)
Operating Profit before Working Capital Changes	9,410.61	8,504.30
Adjustment for:		
(Increase)/Decrease in Sundry Debtors	3,610.77	(3,370.95)
(Increase)/Decrease in Loans and Advances	1,116.65	(1,314.16)
(Increase)/Decrease in Inventories	(14,137.86)	3,780.59
Increase/(Decrease) in Trade Payables	6,263.55	(3.20)
Increase/(Decrease) in Provisions	39.04	50.97
Cash generated from Operations	6,302.76	7,647.55
- Taxes (paid), net	(382.65)	(157.95)
Net Cash from/ (used in) Operating Activities	5,920.11	7,489.60
B. Cash Flow from Investment Activities:		
- Purchase of fixed assets	(5,546.74)	(7,011.13)
- Proceeds from sale of fixed assets	0.12	0.14
- Interest Received	67.10	35.24
- Dividend Received	0.97	0.69
Net Cash from/ (used in) Investing Activities	(5,478.55)	(6,975.06)
C. Cash Flow From Financing Activities:		
- Proceeds from Share Application Money	-	-
- Repayment of Share Application Money	-	-
- Proceeds from Secured Loans	9,686.69	8,739.25
- Proceeds from Unsecured Loans	-	4,207.71
- Repayment of Secured Loans	(3,762.66)	(4,902.79)
- Repayment of Unsecured Loans	(913.85)	(2,940.59)
Unrealised foreign exchange gain in terms of loan	(365.02)	(269.90)
- Interest paid	(5,316.98)	(4,650.12)
- Dividend & Dividend Tax paid	(341.58)	-
Net Cash from/ (used in) Financing Activities	(1,013.40)	183.56
Net increase in cash and cash equivalents (A + B + C)	(571.84)	698.09
Cash and cash equivalents at the beginning of the year	1,565.50	867.41
Cash and cash equivalents at the end of the year	993.66	1,565.50



Dharani Sugars and Chemicals Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013 (Contd)

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

Particulars	As at 31.03.2013	As at 31.03.2012
Components of cash and cash equivalents as at the end of the year		
Cash on hand	3.32	2.54
Cheques on hand	-	-
Balances with scheduled banks:		
On current accounts	483.32	1,079.87
On deposit accounts	452.41	431.09
Balances with non-scheduled banks:		
On current accounts	23.02	31.56
Unpaid Dividend Account	31.59	20.44
Cash and Cash Equivalents - Closing Balance	993.66	1,565.50

for and on behalf of the Board

E.P. SAKTHIVEL
Company Secretary

M.RAMALINGAM
Managing Director

DR.PALANI G. PERIASAMY
Executive Chairman

Place: Chennai

Date : 30th May 2013

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 31.03.2013 and 31.03.2012 and found the same to be in agreement therewith.

For SRINIVASAN & SHANKAR

Firm Registration No.: 005093S

Chartered Accountants

Per P SRINIVASAN

Partner

Place: Chennai

Date : 30th May 2013

Membership No.025416

DHARANI SUGARS AND CHEMICALS LIMITED

ECS MANDATE FORM FOR PAYMENT OF DIVIDEND ON EQUITY SHARES

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

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

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

DECLARATION

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

Place :

Date : Signature of the first shareholder

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

Place :

Date : Authorised Signatory

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



Dharani Sugars and Chemicals Limited

DHARANI SUGARS AND CHEMICALS LIMITED

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

EMAIL ADDRESS REGISTRATION FORM (EARF)

Name & Address of the Member

Folio No. :

DP ID :

Client ID :

Email ID :

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

Place :

Date :

Signature of the Shareholder

Name of the Shareholder

DHARANI SUGARS AND CHEMICALS LIMITED

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

ADMISSION SLIP

To be handed over at entrance of Meeting Hall

Folio/DP No : _____

Shares : _____

Client ID : _____

I hereby record my presence at the

Twentysixth Annual General Meeting

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

Date: 23rd September 2013
Time: 10.20 a.m.

Proxy's name in Block Letters

Member/Proxy's Signature

DHARANI SUGARS AND CHEMICALS LIMITED

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

PROXY FORM

I/We _____
Folio No/D.P ID No/Client ID No : _____ of _____
_____ being a Member / Members of Dharani Sugars and Chemicals Limited
hereby appoint _____ of _____
_____ or failing him _____ of _____ as
my/our proxy to attend and vote for me/us on my/our behalf at the Twentysixth Annual General Meeting of
the Company to be held at 10.20 a.m. on the 23rd September 2013 and at any adjournment thereof.

Signed this _____ 2013

FOR OFFICE USE ONLY

No. of Shares :

Affix

Folio No. :

Revenue

D.P ID No. :

Stamp

Client ID No. :

Signature of Shareholders or Proxy

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



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

Book-Post

To,



If Undelivered, Please return to
DHARANI SUGARS AND CHEMICALS LIMITED
(Secretarial Division)
"PGP HOUSE"

New No.59 (Old No.57), Sterling Road,
Nungambakkam, Chennai - 600 034