Dharani Sugars and Chemicals Limited

Regd. Office : "PGP HOUSE", 57, Sterling Road, Nungambakkam, Chennai - 600 034.
Tel. : 28311313, 28254176, Fax : 28232074, 28232076
Email : commercial@pgpgroup.in, finance@pgpgroup.in, secretarial@pgpgroup.in
Website : www.dharanisugars.in
CIN No.: L15421TN1987PLC014454 TIN No.: 33061502443 CST No.: 818529/19.11.87

PGP GROUP

DSCL/AGM/Clause31d/2014

October 17, 2014

To
The Deputy General Manager
The Stock Exchange, Mumbai (BSE)
Corporate Relation Dept.,
1st Floor, New Trading Ring
Rotunda Building, P.J.Towers, Dalal Street
Fort, Mumbai – 400 001.

To
The Vice President
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No.C/1, G Block,Bandra, Kurla Complex
Bandra (E), Mumbai – 400 051

Dear Sir,

Sub: Clause 31(d)– Listing Agreement

We enclose herewith the following documents for your records as per Clause –31 (d) of the Listing Agreement.

1. Chairman's Speech.
2. Minutes of the Annual General Meeting held on 24th September 2014.

Thanking you

Yours faithfully
for Dharani Sugars and Chemicals Limited

E P Sakthivel
Company Secretary

DHARANI SUGARS AND CHEMICALS LIMITED
No. 57, Sterling Road, Nungambakkam, Chennai - 34.

Encl.: as above.

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Tirunelveli District - 627 760
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Minutes of the 27th Annual General Meeting of Members of the Dharani Sugars and Chemicals Ltd held on Wednesday 24th September 2014 at 10.30 A.M at Narada Gana Sabha, New No.314 TTK Road, Alwarpet, Chennai – 600 018.

Shareholders Present

Dr. Palani G Periasamy, (Executive Chairman)
Shri M Ramalingam (Managing Director)
Shri.A.Sennimalai (Director)
Dr K C. Reddy (Director & Chairman of the Audit Committee)
Shri K Kandasamy
Shri M P Kaliannan
Shri C Konguvel
Shri R Murugavel
Shri M Chandrasekaran
Shri F J D Henderson
Shri Paramasivam (Representing Ananthi Developers Limited)
Shri N Sivabalan(Representing Dharani Finance Limited)
Shri A R Sundaram (Representing Dharani Developers P Limited)
Shri P. Madan Kumar, (Representing Dharani Credit & Finance P Limited) and
Other Shareholders and Proxy holders

In Attendance

Shri.E.P. Sakthivel	Company Secretary

Invitees

Shri P S Gopalakrishnan	Director
Shri. P.Srinivasan	Partner, M/s. Srinivasan & Shankar Statutory Auditors
Shri. N.Subramanian	President (Corporate Affairs)
Shri.M.Senguttuvel	General Manager, Unit II, Polur
Shri.S.Arumugam	General Manager, Unit III, Sankarapuram
Shri.M.Raju	Asst. General Manager (Cane), Unit II, Polur
Shri Murali, Ms. R.Radha	Executives (Shares) – Cameo Corporate Services Ltd.(Registrar&Transfer Agents)
Shri M Damodaran	Practicing Company Secretary

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Members / Proxies

Members present in person : 203
No. of Proxies present in person : 50

As per Articles 58 of the Articles of the Association of the Company Dr Palani G Periasamy, Chairman of the Board of Directors occupied the chair and commenced the proceedings of the meeting. He welcomed the members and introduced the persons sitting on the dais to the shareholders.

After ascertaining that the requisite quorum for the meeting was present, Chairman called the meeting to order.

Chairman in his speech briefly outlined to the members about the Global Sugar scenario, Indian sugar scenario, economic scenario, financial performance of the Company during the year 2013-14and future outlook for the Sugar Industry.

Thereafter, with the consent of the members present, the notice for the meeting as also the Auditors' report was taken as read.

Members' comments on the Financial Statements:

Chairman invited the members to seek any clarifications if they desire, on the financials of the company for the year ended 31st March 2014. Only one member sought clarifications on some items of the accounts, especially on expenses. Chairman suitably answered the question. Chairman also appreciated the interest taken by the members.

The following business was taken up thereafter viz. passing of resolutions.

Chairman informed the members that as per Government of India and SEBI's mandate all listed Companies should make available voting through electronic means to all shareholders. Accordingly, facility of voting through electronic means had been provided to the shareholders from **17th September 2014 to 19th September 2014**. Shareholders were also informed of this arrangement through the Notice and Annual Reports as also by publishing in the newspaper. Chairman mentioned that the results of the electronic voting are expected to be received from the appointed Scrutinizers Viz. M/s. M. Damodaran & Associates and will be taken into account while declaring the results. He, therefore, suggested that in the meantime such of those Shareholders who have not availed this facility and who were present at the meeting may exercise their voting through ballot paper, which has been provided to them.

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The shareholders present then proceeded to cast their votes through the ballot in the ballot box kept near the dais. The scrutinizers report both on electronic voting and physical polling was received later and the results declared and uploaded in the Company's website as follows.

All the eight resolutions were passed with the following voting details

Resolution 1

'RESOLVED THAT the Audited Accounts for the year ended 31st March 2014 and the reports of the Directors and Auditors thereon as placed before the Meeting be and are hereby adopted and approved".

No. of votes polled in favour of the resolution : 18503280 Nos.
No. of votes polled against the resolution : 755 Nos.

Resolution 2

"**RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with Article 118 of the Articles of Association of the Company, **Mr. A. Sennimalai (holding DIN 00062791)** who retires by rotation, be and is hereby re-appointed as a Director of the Company whose office is liable to retire by rotation"

No. of votes polled in favour of the resolution : 18503280 Nos.
No. of votes polled against the resolution : 955 Nos.

Resolution 3

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s Srinivasan & Shankar, Chartered Accountants (Firm Regn. No. 005093S) be and are hereby appointed as Auditors of Dharani Sugars and Chemicals Limited to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors."

No. of votes polled in favour of the resolution : 18503430 Nos.
No. of votes polled against the resolution : 605 Nos.

:4:

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SPECIAL BUSINESS

Resolution 4 as a Special Resolution

"RESOLVED THAT pursuant to Sections 196,197,198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to such other approvals or consents as may be necessary, approval of the shareholders is hereby accorded for the reappointment of Dr Palani G Periasamy (holding DIN -00081002) who has attained the age of 70 years as a Whole time Director for a period of 5 years from 25.06.2014 to 24.06.2019, not subject to retirement by rotation.

ALSO RESOLVED THAT Dr Palani G Periasamy, be paid the following remuneration.

Salary	Rs.4,00,000/- (Rupees Four lakhs only) per month.
Commission	In addition to salary, Commission at 3% on the net profits of the Company subject to the maximum ceiling specified in Section 197(1) of the Companies Act, 2013.
Perquisites	Perquisites detailed below shall be allowed. It shall however, be restricted to an amount equal to the annual salary.

In case there are no profits in any financial year during the tenure of Dr Palani G Periasamy as Whole time Director or if the profits are insufficient, he may be paid only the minimum remuneration within the limits prescribed in Sec II, Part II of Schedule V to the Companies Act, 2013 as applicable to a Company of this size and after following the procedure detailed therein.

In addition to the salary he may be allowed the following perquisites.

Part A

Housing I – The expenditure incurred by the Company on hiring unfurnished accommodation for the use of the Whole time Director will be subject to the following ceilings:

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

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

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

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

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Part B

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

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

Part C

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

No. of votes polled in favour of the resolution : 18503230 Nos.
No. of votes polled against the resolution : 805 Nos.

Resolution 5

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. T Pitchandi IAS (Retd) (holding DIN 02187591), a Director of the Company whose period of office as additional director comes to a close at the Annual General Meeting, as per section 260 of the Companies 1956, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from 24.09.2014 to 23.09.2019.

No. of votes polled in favour of the resolution : 18503080 Nos.
No. of votes polled against the resolution : 955 Nos.

Resolution 6

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. K N Sivasubramanian (holding DIN 01087219), a Director of the Company whose period of office is liable to determination by retirement of directors by rotation as per Section 255 and 256 of the earlier Companies Act, 1956, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from 24.09.2014 to 23.09.2019.

No. of votes polled in favour of the resolution : 18503080 Nos.
No. of votes polled against the resolution : 955 Nos.



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Resolution 7

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr P S Gopalakrishnan (holding DIN 00001446), a Director of the Company whose period of office is liable to determination by retirement of directors by rotation as per Section 255 and 256 of the earlier Companies Act, 1956, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from 24.09.2014 to 23.09.2019.

No. of votes polled in favour of the resolution : 18503080 Nos.
No. of votes polled against the resolution :. 955 Nos.

Resolution 8

"RESOLVED THAT the Company do hereby confirm and ratify in terms of Section 148 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the payment of a sum not exceeding Rs 1,50,000/- only as remuneration to Mr V Srinivasan, Cost Accountant (Membership No.1248), for purpose of such audit, as approved by the Board of Directors on the recommendations of the Audit Committee for conducting the audit of cost records of the Company, including its Sugar, Electricity, Organic and Inorganic Chemicals and Fertilizer segments as applicable, for the financial year 2014-15 plus reimbursement of travel and out of pocket expenses incurred for purpose of such audit" .

No. of votes polled in favour of the resolution: 18503380 Nos.
No. of votes polled against the resolution : 655 Nos.

All the resolutions are therefore declared as passed with the requisite majority.

Shri M. Ramalingam Managing Director proposed the vote of thanks.

Thereafter, Chairman declared the meeting as CLOSED.

Sd/-
Dr Palani G Periasamy
Chairman

Date:24.09.2014
Place: Chennai -18

//Certified True Copy//

For Dharani Sugars and Chemicals Limited

DHARANI SUGARS AND CHEMICALS LIMITED No. 57, Sterling Road, Nungambakkam, Chennai - 34.

E. P. Sakthivel
Company Secretary

PGP GROUP

DHARANI SUGARS AND CHEMICALS LIMITED

CHAIRMAN'S SPEECH

24.09.2014

27th ANNUAL GENERAL MEETING

Venue: Narada Gana Sabha

314 T.T.K. Road, Alwarpet, Chennai – 600 018

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DHARANI SUGARS AND CHEMICALS LIMITED

CHAIRMAN'S SPEECH

Dear Shareholders,

It is with great pleasure, I welcome you all to this 27th Annual General Meeting of your Company. The Annual statement of Accounts sent to you earlier has been with you for some time and I seek your permission to take it as read.

I shall commence the proceedings of the Annual General Meeting with a brief summary of the present status of the world economy and its impact on the Indian economy.

GLOBAL ECONOMY

The global economy though sluggish during the year 2014 due to excessive risk taking and geo-political hazards, now slowly expected to pick-up during 2015 because long term interest rates were low, Central Banks were supporting activity and share prices were rising. However, other reasons stemmed from low inflation, permanent slow down in the growth rates in the west, lower growth in emerging economies and the possible disruption in financial markets that might be caused when the US Federal Reserves starts to raise interest rates. Despite setbacks, this year global recovery is proceeding in right direction.

The Global growth projection for 2014 has been marked down by 0.3 per cent to 3.4 per cent, reflecting both the legacy of the weak first quarter particularly in the U.S. and a less optimistic outlook for several emerging markets. With somewhat stronger growth expected in some advanced economics next year, the global growth projection for 2015 remains at 4%. In many advanced and emerging market economies, structural reforms are urgently needed to close infrastructure gaps, strengthen productivity and lift potential growth.

The global economy has to proceed further to help the human society. The economy must change in such a way that ***thinking, producing, funding, selling, consuming, rewarding, sharing*** and it all can change to better the economy from ***linear to circular, from old to new, and from me to us.***

Though year 2014 is not bright so far and we hope that the coming year will be better year for us.

INDIAN ECONOMY

The Indian economy under our Hon'ble Prime Minister Mr. Narendra Modi is likely to improve substantially in the coming years. The economic, social, political fronts are going to be more effective, strong and the people of India can expect a better economic growth. More funds are going to flow under FDI and the Indian Standards in the global market is going to be a prosperous one. The Indian economy is poised to grow 5.7% in 2014 and the growth rate is expected to be around 7.5% in 2015. The Indian economy is going to pick up gradually and the GDP growth is likely to be supported by good monsoon, recovery in investment, stronger export growth on the back of improved global condition. The global economy itself is projected to grow at a pace of 3% in 2014 and 3.3% in 2015.

The Government is also focusing on easing agricultural supply constraints which naturally increase the productivity of the agriculture and going to be a boon for agriculture market. The new government embarking on administrative reforms to provide better Governance besides, investor friendly policy initiatives and right beginning has been made both domestic and foreign investor which will definitely increase the Indian economy growth rate in the coming years.

A higher economic growth envisaged by our Finance Minister invariably acts as a catalyst for the stock market. Innovative steps have been proposed in the budget to reduce supply bottlenecks by increasing warehousing infrastructure and restructuring the distribution system which are the steps taken in the right direction to control food inflation. The Government has also listed a few progressive steps to develop the Corporate Bond and currency market. Therefore, we expect a clear road map for the economic growth in the coming months.

WORLD SUGAR SCENARIO

As per International Sugar Organisation (ISO), the Global Sugar supply and demand may come into balance next sugar year 2014-15 after four years of consecutive over supply. Lower Production in some key countries and increasing consumption will result in a near balance of sugar output and demand. For the current year 2013-14, the Global surplus is almost 4.4 million tonnes. The raw sugar price slumped more than 50 percent from a 30 year high in 2011 as production exceeded demand. Now, the price is hovering around 15-16 cents a pound and may continue around the same level for the rest of the year as the global surplus weighs on the market even as demand is set to

outstrip supply in the next 12 months starting from October. The sugar market will swing to a deficit as sustained low prices curb supply of second year and forecasting an end to surplus. The production for 2013-14 is expected to be near 181.1 million tonnes and the consumption about 176.7 million tonnes. Both the production and consumption are expected to be near 181 million tonnes in 2014-15 as production eases slightly, but consumption continues a steady 2% growth rate. This will bode well for sugar.

INDIAN SUGAR SCENARIO

It was estimated that the total sugarcane acreage of the country in the 2014/15 sugar season would be around 5.230 million hectares, which is about 2% less than last year. The sugarcane crop acreage in Maharashtra and Karnataka is higher, even though the acreage in Uttar Pradesh and Tamil Nadu is lower. While Maharashtra and Karnataka, which show higher cane acreage, give better cane yields and sugar recoveries, they are lower in Uttar Pradesh and Tamil Nadu, and overall, it is estimated that even though the area for the 2014/15 sugar season across the country is 2% lower than that in 2013/14 sugar season, the sugarcane availability and the estimated sugar production would be more than the current sugar season. It is estimated that the sugarcane acreage in Uttar Pradesh in 2014/15, would be around 9% less than the 2013/14 sugar season. Therefore, as compared to 6.5 million tonnes of sugar produced by the sugar mills in the state in 2013/14, it is estimated that in 2014/15, sugar production could be less than the year 2013/14 sugar season. The higher acreage under sugarcane being seen in Maharashtra is estimated to be about 13% higher over last year. The estimated sugar production from Maharashtra could be higher as compared to 7.7 million tonnes produced in the 2013/14 sugar season. Karnataka, which achieved their highest ever sugar production of about 4.15 million tonnes in current 2013/14 sugar season, is showing about 5% higher sugarcane acreage for 2014/15. With the higher percentage of pre-seasonal crops, mostly in northern Karnataka, the sugar production in Karnataka is estimated to cross the current year's historically highest production.

The acreage in Tamil Nadu is seen to be lower by 7% over last years, and with lower rainfall in the last several months, which might impact the recovery adversely, the sugar production may see a further fall from the current year's production of around 1.4 million tonnes in 2013/14, in the next season i.e. 2014/15. However, the state of Gujarat is estimated to have more acreage under sugarcane by around 4%. The estimated sugar production might go up from current year's 1.17 million tonnes in the next season (i.e.2014/15). The sugar production from the other states is expected to be similar to what has been reported in the current sugar season. Based on the acreages, estimated yields and sugar recovery, as well as drawal of sugarcane by the sugar industry and current rainfall progression and availability of water in the reservoirs, the sugar production in 2014/15 sugar season, works out to around 25.3 million tonnes of sugar. This would be about 4% higher than the estimated sugar production of around 24.3 million tonnes in the June 2013/14 sugar season.

With an estimated opening balance of sugar of around 7.5 million tonnes, as on October 1, 2014, for the next sugar season and sugar production as estimated above, there will more than sufficient sugar to take care of domestic requirement, of around 24.5 million tonnes next year.

OUTLOOK FOR THE COMING YEAR

The domestic sugar price has been on a downward trend after reaching a high in August 2012 and by end of January 2014, domestic price has slipped to around Rs.30.00 per kg on account of excess supply in the domestic market coupled with no exports. This decline in sugar prices and very high sugar cane prices is being reflected in the financials of sugar companies across states in the last two years. Sugar companies in key regions of Uttar Pradesh, Karnataka and Tamil Nadu posted net losses for two consecutive quarters and the situation expected to continue in the coming season also.

The payment ability of millers has been significantly impacted due to disparity between sugar cane and sugar prices and high interest cost resulting in huge arrears to the farmers.

Reeling under financial burden and liquidity crunch, millers across the country are hesitant to begin crushing in the coming sugar season unless the Government takes some measures to lessen the burden.

The sugar industry in Tamil Nadu is hoping the government to fix the sugar cane price to the market price of sugar in line with Dr. Rangarajan Committee's recommendation on price decontrol in the industry. Continuing the current practice of fixing the state advised price for sugar cane will handicap the sugar industry.

Major sugar producing states including Karnataka, Maharashtra and Gujarat have adopted the committee's recommendation. However, Dr. Rangarajan Committee's recommendation is yet to be adopted in Tamil Nadu. The sugar industry in our state has become less competitive because of high cost and sugar is pouring into the local market from other centres bringing down the sugar price in the market. Unless the State Government comes to the rescue of sugar industries in Tamil Nadu, the financial burden to the sugar industry will increase drastically and the sugar millers may find it difficult even to pay the FRP price.

Even for the sugar units having integrated operations like co-gen and distillery as a by-product of the sugar cane, better price for co-gen and distillery is not available and the net result is additional financial burden to the sugar industry.

The Govt. of India and the State Government must come forward to help the sugar industry as a whole so that there will be a mutual help to the millers and the farmers.

YOUR COMPANY's PERFORMANCE

The total income for the year 2013-14 was Rs.525.97 crores as against Rs.580.37 crores in the previous year. The reduction in the income as compared to the previous year was mainly on account of reduced free sale sugar and lower volume of exports. The Gross Operating Profit (GOP) has come down to Rs.51.20 crores from Rs.94.65 crores in the previous year. The reduction in the GOP was mainly on account of increase in the cane cost and fall in the sugar prices. Consequently, the operation has resulted in a cash loss of Rs.14.27 crores as against the profit of Rs.41.02 crores in the previous year. The loss after interest and depreciation was Rs.42.96 crores as against the profit of Rs.17.01 crores in the previous year. The net loss after taking credit for deferred tax works out to Rs.33.79 crores as against the profit of Rs.12.21 crores in the previous year.

PERFORMANCE FOR THE FIRST QUARTER ENDED 30TH JUNE 2014

The Company's total income for the 1st quarter of this current financial year 2014-15 was Rs.104.53 crores as against the total income of Rs.169.34 crores in the corresponding period of the previous year. The GOP was Rs.15.54 crores as against Rs.19.69 crores in the previous year. However, after providing for interest, depreciation and tax, the operation has resulted in a net loss of Rs.10.42 crores as against the loss of Rs.2.86 crores in the corresponding period of the last year. The loss was mainly on account of depressed sugar price in both the domestic and international markets due to excess supply over the last 4 consecutive seasons.

The present depressed sugar price is likely to continue till end of this year. It is expected that the world surplus for the next season is likely to be substantially lower and the demand supply is likely to be balanced after 4 years of surplus situation. This is likely to improve the sentiments in the market leading to improvement in the domestic prices.

The New Companies Act, 2013 has been notified. While some sections came into effect from 12.09.2013, the rest of them (except a few) came into effect from 1/4/2014. The corresponding rules have also been notified. The new Act lays higher emphasis on better governance, fixed term for independent directors, more disclosures, rotation of auditors, stricter enforcement of the provisions and greater participation by shareholders. Facility of electronic voting by shareholders wherever situated is one such means. SEBI has also modified its regulations to be in alignment with the new Companies Act and in some requirements, provides for a more stringent code like a fixed percentage of independent directors, increased responsibilities on the members of the Audit Committee, duties of Statutory Auditors, getting approval of shareholders on certain important matters. Your Company has initiated necessary steps in this regard and hopes to be in full compliance with these requirements within the time frame allowed.

With this hope, I conclude my address.

ACKNOWLEDGEMENTS

I take this opportunity to thank all the members of Dharani Family for their dedication and hard work.

I would also like to place on record my thanks for the active support of the Financial Institutions viz. ICICI Bank, Indian Bank, State Bank of India, South Indian Bank Limited, the Federal Bank Limited, Bank of India, Central Bank of India, Union Bank of India, IDBI Bank Limited, Indian Overseas Bank and IREDA.

I also thank the cane farmers in our factory command areas and the Governments of India and Tamil Nadu for their cooperation and support.

Above all, we are deeply grateful for the continuing invaluable support extended by the family of shareholders of the Company

Once again I thank you all.

Chennai-600 034
Date: 24-09-2014

Dr. Palani G. Periasamy
Executive Chairman

Note: This does not purport to be a record of the proceedings of the Annual General Meeting.