Dharani Sugars and Chemicals Limited

Regd. Office : "PGP HOUSE", (Old No.57) New No.59, 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
PGP GROUP CIN No.: L15421TN1987PLC014454 TIN No.: 33061502443 CST No.: 818529/19.11.87

August 30, 2017

The Secretary,
The Stock Exchange, Mumbai
Corporate Relationship Department
First Floor, New Trading Ring,
Rotunda Building, P J Towers,
Dalal Street, Fort, Mumbai – 4001

Mr. Hari – Vice President
National Stock Exchange Limited
Exchange Plaza, 5th Floor,
Plot No. C/1 G Block,
Bandra – Kurla Complex,
Bandra East, Mumbai 400 051

Dear Sir/Madam

Sub: Notice of 30th AGM and Intimation to Stock Exchanges as per Regulations 30, 42, 44 of Listing Obligations and Disclosure Requirements).
Ref: BSE : Stock Code : 507442 & NSE : DHARSUGAR-EQ.

1. 30th Annual General Meeting:

This is to inform you, that pursuant to Section 96 of the Companies Act, 2013, Regulation 30 and other relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 30th Annual General Meeting of Dharani Sugars and Chemicals Limited will be held on Monday, 25th September 2017 at 10.20 a.m. at Narada Gana Sabha, Mini Hall, Alwarpet, and Chennai 600 018. Copy of Notice along with Board's Report is attached herewith.

2. Book Closure

We also hereby inform you that pursuant to Section 91 of the Companies Act, 2013 & rules notified thereunder and Regulations 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby notified that, Register of Members and Share Transfer Books of the Company will remain closed from **19th September 2017 to 25th September 2017** (both days inclusive) for the purpose of taking on record date.

In view of the provisions of Section 91 of the Companies Act and the Rules made thereunder, it may be noted that the Company shall publish the notice of Book Closure and shall comply with the requirement given under Regulation 42 of the SEBI (LODR) Regulations, 2015.

3. E Voting

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies(Management and Administration) Rules 2014, as amended from time to time and regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard - 2 issued by Institute of Company Secretaries of India, the Company is pleased to provide e-voting facility to all its Members to enable them to cast their votes electronically for all the resolutions set out in the Notice of Annual General Meeting. The Company has engaged the services of M/s Cameo Corporate Services Limited, Chennai and M/s Central Depository Securities Limited, Mumbai for the purpose of providing e-voting facility to all its Members.

Mr M Damodaran, Practicing Company Secretary (F5837) and partner of M. Damodaran & Associates, Practicing Companies Secretaries, Chennai has been appointed as the Scrutinizer by the Company to scrutinize the entire voting process in a fair and transparent manner.

Dharani Sugars and Chemicals Limited

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PGP GROUP

The cut-off date for determining the eligibility of shareholder to exercise remote e-voting rights and attendance at Annual General Meeting is Monday 18th September 2017. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut-off date, shall be entitled to avail the facility of E-voting or voting at the meeting through ballot paper.

Kindly acknowledge and take the same on your records.

Thanking you,

Yours faithfully,
for Dharani Sugars and Chemicals Limited

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

E P Sakthivel
Company Secretary

Encl .: Annual Report 2016-17

Madras Stock Exchange Ltd,
No.30 (Old No.11)
2nd Line Beach,
Chennai – 600 001

Ahmedabad Stock Exchange Ltd,
Kamdhenu Complex, Opp.Sahajaanand College, Panjarapole, Ambawadi,
Ahmedabadi-380001

Madhya Pradesh Stock Exchange Ltd, Palika Plaza, Phase-II 201, 2nd Floor, MTH Compound,
Indore – 452001

Calcutta Stock Exchange Ltd,
No.7 Lyons Range,
Kolkata – 700001

Delhi Stock Exchange Ltd, DSCE House, No.3/1 Asaf Ali Road, New Delhi – 110002

United Stock Exchange of India Ltd, Office No.3-6, 7th Floor,
Arcadia Building,
No.195 NCP Marg, Nariman Point, Mumbai – 400021

National Stock Exchange of India Ltd, Bandra Kurla Complex,
Bandra (East)
Mumbai – 400051

The Vadodara Stock Exchange Ltd,
Fortune Tower,
Sayajigunj, Vadodara – 390005

DHARANI SUGARS AND CHEMICALS LIMITED

PGP GROUP

30th ANNUAL REPORT 2016-2017

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30TH ANNUAL REPORT

BOARD OF DIRECTORS

Dr Palani G Periasamy	Chairman
Mr M Ramalingam	Managing Director
Mr A Sennimalai	Director
Mr P S Gopalakrishnan	Independent Director
Mrs Visalakshi Periasamy	Director
Mr P Selvam	Independent Director
Dr S Muthu	Independent Director
Dr. V R S Sampath	Independent Director
Mr R K Viswanathan	Independent Director
Dr K C Reddy	Nominee Director – IREDA
Mr E P Sakthivel	Company Secretary
Mr M P Kaliannan	Chief Financial Officer
Auditors	M/s Srinivasan & Shankar Chartered Accountants, Chennai – 600 004
Banks and Public Financial Institution	ICICI Bank Limited
	Indian Bank
	State Bank of India
	Bank of India
	Central Bank of India
	IDBI Bank Limited
	The South Indian Bank Limited
	The Federal Bank Limited
	Union Bank of India
	Indian Overseas Bank
	IREDA
Corporate Identification No.(CIN)	L15421TN1987PLC014454
Registered Office	PGP House, New No. 59 (Old No.57) Sterling Road, Nungambakkam, Chennai 600 034
Phone Nos/ Fax Nos	91-44-28311313, 28311414 Fax No. 91-44- 28232074/76
Email & Website	secretarial@dharanisugars-pgp.com www.dharanisugars.in
Factories	Dharani –I , Dharani Nagar, Tirunelveli Dist – 627 760 , Tamil Nadu, Phone No. 04636 – 241370-72 dharani1@dharanisugars-pgp.com
	Dharani –II, Karaipoondi Village, Chetpet, Polur Taluk Tiruvannamalai Dist – Tamil Nadu Phone No. 04181-223161 -162,223170 dharani2@dharanisugars-pgp.com
	Dharani –III, Kalayanallur Village, Sankarapuram Taluk. Villupuram Dist – 606206,Tamil Nadu Phone No. 04151 -248208,248277 dharani3@dharanisugars-pgp.com

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 30th Annual General Meeting of the Members of the Company will be held at "Sathguru Gnanananda Mini Hall", Narada Gana Sabha, New No.314 TTK Road, Alwarpet, Chennai 600 018 on **Monday, the 25th September 2017 at 10.20 A.M** to transact the following business:

ORDINARY BUSINESS

1. Adoption of Financial Statements

To receive, consider and adopt the audited Financial Statements including Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and Cash Flow Statements for the year ended on that date and consider the reports of the Directors and Auditors.

2. Reappointment of Retiring Directors

To appoint a Director in place of Mr A Sennimalai (DIN 00062791) who retires by rotation and being eligible offers himself for re-appointment.

3. Auditor's Appointment

To consider and if thought fit, to pass, the following resolution as ordinary resolution:

RESOLVED THAT pursuant to the provisions of section 139, 142 and any other applicable provisions of the Companies Act, 2013 and Audit & Auditors Rules, 2014, (the rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) consent of the Company is hereby accorded for appointment of **Mr Chinnasamy Ganesan** from CNGSN & Associates LLP, firm of Chartered Accountants, Chennai (Registration number 027501 with the Institute of Chartered Accountants of India) as Statutory Auditors for a period of 5 years from the conclusion of this meeting till the conclusion of the, 35th Annual General Meeting of the Company on such remuneration as may be agreed upon by the Audit committee/ Board of Directors in consultation with the Auditors, subject to ratification by shareholders in every subsequent annual general meeting.

SPECIAL BUSINESS

4. Appointment of Dr V R S Sampath as Independent Director

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

RESOLVED that pursuant to the provisions of Section 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (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. V R S Sampath** (DIN 804839), an Independent Director of the Company whose period of office as additional director comes to a close at the Annual General Meeting, as per section 161of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from 25.09.2017 to 24.09.2022.

5. Appointment of Mr. R K Viswanathan as Independent Director

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

RESOLVED that pursuant to the provisions of Section 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (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.R K Viswanathan** (DIN 00047420), an Independent Director of the Company whose period of office as additional director comes to a close at the Annual General Meeting, as per section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from 25.09.2017 to 24.09.2022.

6. Re-appointment of Mr M Ramalingam, as Managing Director

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

RESOLVED THAT Mr M Ramalingam whose current term of office as Managing Director expired on 31.03.2017 be and is hereby re-appointed as Managing Director of the Company for a further period of five years from 01.04.2017 to 31.03.2022, in terms of Sec 196 of the Companies Act, 2013.

RESOLVED FURTHER THAT pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, approval be and is hereby accorded for the remuneration of Mr M Ramalingam as Managing Director during the above tenure as set out in the Statement pursuant to Section 102(1) of the Act attached hereto.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to increase, vary or amend the remuneration and other terms of the appointment from time to time on the recommendation of the Nomination cum Remuneration Committee.

PROVIDED that such revised remuneration shall be within the limits of and in conformity with Part II of Schedule V to the Companies Act, 2013 or any of statutory modification(s) or enactment thereof or relaxation granted there under.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

7. Remuneration to Dr.Palani.G.Periasamy, as Executive Chairman.

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

RESOLVED THAT pursuant to the procedure indicated in part II section II of Schedule V read with section 196, 197 & 203 of the Companies Act 2013 and on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, and subject to such other approvals or consents as may be necessary, approval of the shareholders of the company be and is hereby accorded to the payment of the remuneration as indicated below to Dr Palani G Periasamy, Whole time Director designated as Executive Chairman of the company for a period not exceeding 3 years from the year 2016-17.

Rs. In Lakhs

Particulars	per annum
Salary	24.00
Perquisites	-
LTA	-
Medical	-
Total	24.00

8. Remuneration to Mr M Ramalingam, Managing Director.

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

RESOLVED THAT pursuant to the procedure indicated in part II section II of Schedule V read with section 196, 197 & 203 of the Companies Act 2013 and on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, and subject to such other approvals or consents as may be necessary, approval of the shareholders of the company be and is hereby accorded to the payment of the remuneration as indicated below to Mr M Ramalingam, Managing Director of the company for the year 2016-17 for a period not exceeding 3 years from the year 2016-17,in case there are no profits or the profits are inadequate during the years in question.

Rs. In Lakhs

Particulars	per annum
Salary	21.60
Perquisites	
House Rent Allowance	2.40
LTA	1.80
Medical	1.80
Total	27.60

9. Remuneration to Cost Auditor for the year 2016-17 & 2017-18

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

RESOLVED that the Company do hereby confirm and ratify in terms of Section 148 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, the payment of a sum not exceeding Rs. 1,50,000/- only as remuneration to Mr V Srinivasan, Cost Accountant (FRN No.102019) (Membership No.1248), for purpose of cost 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 2016-17 plus reimbursement of travel and out of pocket expenses incurred for purpose o f such audit.

RESOLVED FURTHER 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 there under, the payment of a sum not exceeding Rs. 1,50,000/- only as remuneration to M/s SRR & Associates Cost Accountants (Firm Registration No :000992) for purpose of cost 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 2017-18 plus reimbursement of travel and out of pocket expenses incurred for purpose o f such audit.

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

Place: Chennai – 34
Date : 12th August 2017

E P Sakthivel
Company Secretary

Notes:

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

The proxy form, in order to be effective must be duly completed, stamped and lodged with the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.

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

1. As required under Regulation 36(3) of SEBI Listing Obligation and Disclosure Requirement 2015, the relevant details of Director seeking appointment / re-appointment under item No.2 is annexed.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 19th September 2017 to 25th September 2017 both days inclusive.
3. Members/ Proxy holders must bring the Attendance Slip duly signed to the meeting and hand it over at the entrance. Xerox copy/ torn attendance slips will not be accepted. Only members/proxy will be admitted to the auditorium for the meeting.
4. Members are requested to quote their Registered Folio numbers/ ID Nos. in all correspondence with the Company and notify the Company immediately of change, if any, in the Registered Address and/ or of their mandates.
5. All documents referred to in the above notice are open for inspection at the Registered Office of the Company between 2.00 P.M and 4.00 P.M on any working day.
6. Members who have not encashed their Dividend Warrants of 2009-10, 2011-12 and 2012-13 may send the same to the registered office or Share Transfer Agent for revalidation.
7. Unpaid dividend for over 7 years will be transferred to Investor Education and Protection Fund. Members may refer to page No. 43 of the Annual Report and lodge their claim, if any, immediately.
8. Members are requested to bring their copies of Annual Report to the Meeting.
9. Pursuant to section 108 of the Companies Act, 2013 and in compliance with SEBI directives through the Listing Agreement, the Company has made the necessary arrangements to enable the members to exercise their right to vote on the resolutions through Electronic Voting. The detailed procedure for availing this facility is explained in the annexure.

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

Place: Chennai – 34
Date : 12th August 2017

E P Sakthivel
Company Secretary

INFORMATION ABOUT THE DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT IN THIS ANNUAL GENERAL MEETING IS FURNISHED HERE UNDER REGULATION 36(3) LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015

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

Particulars	
Name of the Director	Mr A Sennimalai
Date of Birth	06.02.1942
Qualification	M Sc M B A
Experience in specific functional areas	More than 40 years in General Management
List of other Listed Companies in which Directorship held	NIL
Chairman/Member of the Committee of the Board of Director of the Company	Member of 1. Management Committee 2. Audit Committee 3. Nomination and Remuneration Committee 4. Stakeholders Relationship Committee
Number of Shares held in the Company (both own or held by / for other persons on a beneficial basis) as on March 31, 2017	24081 Equity shares.
Relationship between directors inter - se	NIL

Item No. 4 and 5 – Appointment of Directors

Particulars	Item No. 4	Item No. 5
Name of the Director	Dr V R S Sampath	Mr R K Viswanathan
Date of Birth	12-08-1956	03-12-1940
Qualification	Master of Arts and Master of Law in International Law and Comparative Constitutional Law	B.A.,
Experience in specific functional areas	He is currently an empanelled advocate to Canara Bank, Indian Bank and Indian Overseas Bank. Chennai. Dr. Sampath is Panel Member of Arbitrator and Mediator of World Intellectual Property Organisation (WIPO) a subsidiary of United Nations.	He is a Business man in Erode and Leading trader and Exporter in spices with more than 35 years experience in trade and marketing. He was Ex-President of Erode Turmeric Merchants Association.
List of other Public Companies in which Directorship held	Nil	Nil
Chairman/Member of the Committee of the Board of Director of the Company	Nil	Member of 1. Audit Committee 2. Nomination and Remuneration Committee
Chairman / Member of the Committee of the other Companies in which he/she is a Director	Nil	Nil
Number of Shares held in the Company (both own or held by / for other persons on a beneficial basis) as on March 31, 2017	Nil	Nil
Relationship between directors inter - se	Nil	Nil

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

Item No .3. Auditor's Appointment

Board of Directors at their meeting held on 12.08.2017 on the recommendation of the audit committee approved the appointment of Mr Chinnasamy Ganesan from CNGSN & Associates LLP, firm of Chartered Accountants, Chennai (Registration number 027501 with the Institute of Chartered Accountants of India) as Statutory Auditors for a period of 5 years from the conclusion of this meeting till the conclusion of the 35th Annual General Meeting of the Company on such remuneration as may be agreed upon by the Audit committee/ Board of Directors in consultation with the Auditors, subject to ratification by shareholders in every subsequent annual general meeting. Accordingly the resolution is placed for the approval of the share holders in accordance with Section 139 of the Companies Act, 2013.

The Company has received the written consent of the proposed auditors to the appointment and requisite certificate prescribed u/s 139 and 141 of the Companies Act, 2013. No director or Key Managerial Personnel of the company or their relatives are concerned or interested financially or otherwise in this business.

Item No.4: Appointment of Dr V R S Sampath as Independent Director

Dr V R S Sampath was appointed as an additional Independent Director under Section 161 of the Companies Act., 2013 to hold office till the next Annual General Meeting. It is now proposed to appoint Dr V R S Sampath as an Independent Director on a regular basis as per Section 149(10) of the Companies Act, 2013.

Dr. V. R. S. Sampath is an advocate and editor of Sattakadir, a Law and Human Rights journal published in Chennai from 1992. He is an arbitrator and mediator specially trained in Canada and Austria. He is currently an empanelled advocate to Canara Bank, Indian Bank and Indian Overseas Bank. Chennai. Dr. Sampath is Panel Member of Arbitrator and Mediator of World Intellectual Property Organisation (WIPO) a subsidiary of United Nations.

He is a Master of Arts in History, Master of Law in International Law and Comparative Constitutional Law, Doctor of Philosophy (Ph.D) (research program on Judicial History) awarded by the University of Madras. He also holds a Post Graduate Diploma in Tourism.

He is a member of the Indian Council of Arbitration, Law Asia, and International Centre for Alternative Dispute Resolution, Commonwealth Lawyer's Association and Indian Association for Criminology.

In the opinion of the Board, Dr V R S Sampath fulfils the conditions specified in the Companies, Act,2013 and rules made there under for his appointment as an independent Director of the Company and is independent of the management.

Requirements of Sec.160 of the Companies Act, 2013 have been complied and the Directors recommend the resolution for the approval of the shareholders. The independent Director has submitted his declaration as per Section149(7) that he continues to meet the criteria of independent director.

None of the Directors except Dr V R S Sampath or Key Managerial Personnel of the Company is in anyway concerned or interested in the resolution.

Item No.5: Appointment of Mr R K Viswanathan as Independent Director.

Mr R K Viswanathan was appointed as an additional Independent Director under Section 161 of the Companies Act., 2013 to hold office till the next Annual General Meeting. It is now proposed to appoint Mr. R K Viswananthan as an Independent Director on a regular basis as per Section 149(10) of the Companies Act, 2013.

Mr R K Viswanathan is a Business man in Erode and Leading trader and exporter in spices with more than 35 years experience in trade and marketing. He was Ex-President of Erode Turmeric Merchants Association.

In the opinion of the Board, Mr R K Viswanathan fulfils the conditions specified in the Companies, Act,2013 and rules made there under for his appointment as an independent Director of the Company and is independent of the management. The independent Director has submitted his declaration as per sec.149(7) that he continues to meet the criteria of independent director.

Requirements of Sec.160 of the Companies Act, 2013 have been complied and the Directors recommend the resolution for the approval of the shareholders.

None of the Directors except Mr R K Viswanathan or Key Managerial Personnel of the Company is in anyway concerned or interested in the resolution.

Item No.6: . Re-appointment of Mr M Ramalingam as Managing Director

The current term of Mr M Ramalingam (DIN No. 00278025) as Managing Director ended on 31.03.2017. The Board of Directors at their meeting held on 11.2.2017 have reappointed Mr M Ramalingam as Managing Director of the Company for a further period of five years from 1st April 2017 to 31st March 2022 and approved the remuneration package on the recommendations of the Nomination cum Remuneration Committee as under, subject to the approval of shareholders.

Rs in Lakhs

Particulars	Total for the year
Salary	21.60
House rent allowance	2.40
Leave travel allowance (One month salary)	1.80
Medical Reimbursements (One month salary)	1.80

Mr M Ramalingam is an Engineering graduate with specialization in Sugar Technology. He had been directly involved in the setting up the sugar factory at Dharani Nagar, Polur and Sankarapuram. Mr M Ramalingam is with this group since 1988 and was instrumental in setting up the 3rd sugar factory at Sankarapuram with crushing capacity of 3500TCD with Distillery of 100 KLPD. Besides he arranged for increasing the crushing capacity at Unit II (Polur) from 2500 TCD to 4000 TCD. He has an overall experience of 38 years in the Sugar industry.

Considering the services rendered by Shri M Ramalingam in the company during the last more than 25 years, the Board had decided to utilize his experience and excellent services for the benefit of the Company by re-appointing him as Managing Director on the terms and conditions detailed in the notice for a fresh period of 5 years from 01.04.2017 though he has completed the age of 70, Special justification for his appointment is given as above. The Directors recommend the resolution for the approval of the shareholders.

The terms of appointment and remuneration of Mr M Ramalingam have been determined by the Board on the recommendations of the Nomination cum Remuneration Committee having regard to the extant provisions of the Companies, Act, 2013 and Schedule V thereof.

Memorandum and Article of Association, relevant resolutions passed by the Nomination cum Remuneration Committee and the Board and the written memorandum setting out the terms of appointment of Managing Director vide Section 190(1) are available for inspection by members at the registered office of the company between 11.00 A. M and 1.00 P. M on any working day.

None of the Directors of the Company except Shri M Ramalingam is, in any way, concerned or interested in the resolution.

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

Item No.7 . Remuneration to Dr Palani G Periasamy, Whole Time Director designated as Executive Chairman for the year 2016-17.

Dr Palani G Periasamy, (DIN No. : 00081002) the promoter of the Company was reappointed as a Whole time Director for a period of five years from 25.06.2014.with the following remuneration and approval of shareholders was obtained through a Special Resolution in the 27th Annual General Meeting held on 24.09.2014 Rs in Lakhs

Particulars	Total for the year
Salary	48.00
Perquisites	-
Leave travel allowance (One month Salary)	4.00
Medical Reimbursements (One Month Salary)	4.00
Total	56.00

Plus commission @ 3% of the Net Profits.

It was also provided therein that in case there are no profits or if the profits are insufficient, payment of remuneration will be regulated within the limits, i.e., not exceeding Rs.60 (since revised to Rs.120 lakhs)per year prescribed in Section II Part II of the Schedule V to the Companies Act, 2013 and after following the prescribed procedure detailed therein. As the profits for the year 2016-17 are insufficient, the above procedure is being followed. The following remuneration which is within the prescribed limits is proposed for a period not exceeding 3 years from the year 2016-17. Prior approval of the secured creditors has also been obtained, as required by the provisions of Schedule V

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

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

None of the (i) Directors, except Mrs Visalakshi Periasamy, Director

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

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

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

d) Inspection of Documents - No document is required to be kept for inspection other than the Order of Appointment.

I. General Information		
1	Nature of industry	Manufacture of Sugar, Power and Alcohol
2	Date or expected date of commencement of commercial production	04.06.1987
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA
4	Financial performance based on given indicators	Given in the Board's Report
5	Foreign investments or collaborations, if any	NA
II. Information about the appointee		
1	Background details	Dr Palani G Periasamy obtained his Masters in Economics from University of Madras in 1962, Masters in Economic from University of Pittsburgh, USA in 1969 and Doctorate in Advanced Micro / Macro Economics from the University of Pittsburgh, USA in 1972. He has over the years held various positions including Member, American Economic Association, Member, Eastern Economic Association, Member, Atlantic Economic Society and Member, Society of Government Economists. He was also Director of Graduate Studies, Graduate School of Business and Administration, University of Baltimore from 1975-79. He had been conferred with various awards, principal among them being "Outstanding Educator of America" award for two consecutive years in 1975 and 1976 and the "National Unity Award 1993" from the All India National Unity Conference, New Delhi. Since 1987, Dr Palani G Periasamy has been managing the activities of the PGP Group in India.
2	Past Remuneration	Rs.4.00 lakhs p.m. But was paid only Rs.24 lakhs being the minimum as per Schedule V of the Companies Act 2013 for the year 2015-16.
3	Recognition or awards	As above
4	Job Profile and his suitability	He has more than 37 years experience in General administration in the group promoted by him.
5	Remuneration proposed	Rs. 24.00 Lakhs per annum
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Rs. 1 to 2 Crores per annum
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	He holds 3602775 equity shares constituting 10.85% in Dharani Sugars and Chemicals Limited. He is the spouse of Mrs Visalakshi Periasamy, a Director.
III. Other information		
1	Reasons of loss or inadequate profits	Heavy drought in southern parts of India coupled with the decentralization of sugar in India has resulted in drastic reduction in the Sugar Price., whereas Cane Price has been increased by the Governments.
2	Steps taken or proposed to be taken for improvement	Explained in the Board's Report.
3	Expected increase in productivity and profits in measurable terms	

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

Item No.8 . Remuneration to Mr M Ramalingam, Managing Director for the year 2016-17.

Mr. M Ramalingam, (DIN: 00278025) was reappointed as Managing Director for a period of 5 years from 01.04.2012 with the following remuneration and approval of Shareholders was obtained through a Special Resolution in the Annual General Meeting held on 17th September 2012. He has also been reappointed for another term of 5 years from 1-4-2017.

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

It was also provided therein that in case there are no profits or if the profits are insufficient, payment of remuneration will be regulated within the limits, as per Schedule XII of the Companies Act, 1956. After the notification of the new Companies Act, 2013, remuneration in such cases will be regulated in accordance with Section II Part II of the Schedule V to the Companies Act, 2013 and after following the prescribed procedure. As the profits for the year 2016-17 are insufficient, the above procedure is being followed. The following remuneration which is within the prescribed limits is proposed for a total period of 3 years including for the years 2017-18 and 2018-19, in case there are no profits or the profits are in sufficient , as recommended by the Nomination & Remuneration Committee and Board.

In Lakhs

Particulars	Per annum
Salary	21.60
House rent allowance	2.40
Leave travel allowance (1 month salary)	1.80
Medical Reimbursements (1 month salary)	1.80
Total	27.60

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

None of the (i) Directors,

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

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

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

d) Inspection of documents - No document is required to be kept for inspection other than the Appointment order.

I. General Information		
1	Nature of industry	Manufacture of Sugar, Power Alcohol
2	Date or expected date of commencement of commercial production	04.06.1987
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA
4	Financial performance based on given indicators	Given in the Board Report
5	Foreign investments or collaborations, if any	Nil
II. Information about the appointee		
1	Background details	Mr. M Ramalingam joined the group during 1988 as Technical Head and is also a Member of Board. He is having about 38 years experience in sugar industry. He is a well renowned technocrat and has won many awards for achieving technical excellence in sugar industry operations. He has also been appointed a member of many technical committees / associations both at Regional and all India level.
2	Past Remuneration	Rs.1,80,000/- per month + perquisites
3	Recognition or awards	As above
4	Job Profile and his suitability	He has more than 33 years experience in General administration in the group.
5	Remuneration proposed	Rs.21,60,000/- per annum + perquisites Rs.6,00,000/-
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Rs. 4 to 5 lakhs per month + perquisites
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Holds 2200 equity shares constituting 0.01% in Dharani Sugars and Chemicals Limited
III. Other information		
1	Reasons of loss or inadequate profits	Supply and demand mismatch. Government regulations on price of raw materials, Higher production and worldwide supply glut (given in detail in board's Report)
2	Steps taken or proposed to be taken for improvement	Explained in Board's Report
3	Expected increase in productivity and profits in measurable terms	

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

Item No . 9 : Remuneration to Cost Auditor for the year 2016-17 & 2017-18

The Company is engaged in three business segments namely Sugar, Cogeneration of Power and Distillery products. The Company is maintaining cost accounting records and auditors under the provision of Companies Act, 2013.

While the remuneration for audit of cost records is determined by the Board of directors on the recommendation of Audit Committee, it will have to be ratified by the share holders at the Annual General Meeting.

The Board of directors have appointed Mr V Srinivasan Cost Accountant (Firm No:102019), (Member ship no:1248) as a cost auditor to audit the cost records for the financial year 2016-17 pertaining to Sugar, Cogeneration and Distillery segments and determined the remuneration of Rs.150000/- plus out of pocket expenses on the recommendation of the Audit committee.

The Board of directors have appointed M/s SRR Associates Cost Accountants (Firm No:000992), as cost auditor to audit the cost records for the financial year 2017-18 pertaining to Sugar, Cogeneration and Distillery segments and determined the remuneration of Rs.150000/- plus out of pocket expenses on the recommendation of the Audit committee.

It is now placed for the approval of share holders in accordance with Section 148 (3) of the Companies, Act 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules 2014.

No Director or Key Managerial Personnel of the company or their relatives are concerned or interested financially or otherwise, in this business.

Procedure for e- Voting Process

The Company is pleased to provide members facility to exercise their right to vote at the 30th Annual General Meeting (AGM) by electronic means as required by Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of LODR 2015 as amended. This business would be transacted through e-Voting services provided by Central Depository Services (India) Limited (CDSL).

2. E-Voting commences on the 22nd September 2017 (10.00 AM) and ends on 24th September 2017 (5.00 PM) e-Voting through electronic mode shall not be allowed beyond 5.00 p.m. on 24th September 2017. During this period, shareholders of the company, holding shares as on the cutoff date i.e., 18th September 2017 are entitled to cast their vote electronically.

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

(I) User ID and password are required for e-Voting. If you are holding shares in Demat form and logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used. Else, follow clause (v) to (vii) for login.

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

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

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

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

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN (case sensitive) issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

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

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

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

(vii) Members holding shares in physical form will then reach directly to the voting screen. However, members holding shares in demat form will now reach 'Password Change' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@ # $ % & *). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(ix) On the voting page, you will see Resolution Description and against the same the option "YES/ NO" for voting. Select the option as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(x) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

(xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote

(xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

4. In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

(I) Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.

5. E-voting cannot be exercised by a proxy. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.

6. During the voting period, security holders can login any number of times till they have voted on all the resolutions. They can also decide to vote only on some of the resolutions.

7. A member who has cast his vote by electronic means is not entitled to vote again at the AGM.

8. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or send an email to helpdesk.evoting@cdslindia.com.

9. The voting rights of shareholders shall be in proportion to their shareholding as on the cutoff date i.e., 18th September 2017.

10. Mr M Damodaran, Practicing Company Secretary (Membership No. 005837) has been appointed as the Scrutinizer.

11. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witness not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same;

12. The results will be declared on or after the AGM of the company. The results declared along with the Scrutinizer's report will be placed on the company's website www.dharanisugars.in and on the website of CDSL www.evotingindia.co.in within 2 days of passing of the resolutions at the AGM of the company and communicated to NSE and BSE.

BOARD'S REPORT

Dear Members,

Your Board of Directors are pleased to present the 30th Annual Report on the operations of your Company and the Audited Statement of accounts for the year ended 31st March 2017.

FINANCIAL SUMMARY

Rs. In Crores

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Total Revenue	539.87	382.78
Profit before Interest, Depreciation and Tax	80.16	46.38
Interest and Finance Charges	72.83	65.97
Cash Profit / (Loss)	7.33	(19.59)
Depreciation	22.88	23.00
Profit/(Loss) before Tax	(15.55)	(42.59)
Deferred Tax-Asset/(Liability)/ MAT Reversal	(1.87)	30.60
Profit/(Loss) After Tax	(17.42)	(11.99)
Dividend proposed	-	-
Dividend Tax	-	-
Transfer to General Reserve	-	-
Profit/(Loss) Brought forward from last year	117.45	129.44
Profit/(Loss) carried forward to Balance Sheet	100.03	117.45

Your Company has adopted the new Indian Accounting Standard w.e.f.01.04.2016 in accordance with Companies (Indian Accounting Standards) Rules 2015, as amended by Indian Accounting Standards-Amendment Rules 2016. The financial statements have been prepared to be in compliance with these new standards. As per instructions, the comparative figures for the previous year also have been recast to be in accordance with the new standards. Complete and detailed explanation has been given for the changes that have become necessary in the presentation of the figures. The new accounting standards enable the Company to present its state of affairs, finances, net worth etc., in a more realistic manner.

PERFORMANCE

Financial Performance: During the year under review the total Gross income was Rs. 539.87 crores as against Rs.382.78 crores in the previous year. The Gross profit has increased to Rs. 80.16 crores as against Rs 46.38 crores in the previous year. After considering interest the cash profit works out to Rs.7.33 crores as against the cash loss of Rs.19.59 crores in the previous year. However after depreciation and Tax the final figure for this year comes to loss of Rs.17.42 crores as against the loss of Rs 11.99 crores in the previous year.

During the year, the paid up capital of the Company has gone up from Rs.2938.98 Lakhs to Rs.3320.00 Lakhs due to the allotment of 3810154 equity shares to Corporate Promoter on preferential basis as advised by consortium bank.

Sugar: During the year under review, the Company has crushed 13.49 lakh tonnes of cane as against 10.51 lakh tonnes of cane in the previous year. Consequently the total sugar production was 11.66 lakh qtls as against 9.24 lakh qtls in the previous year. The total sugar sold was 11.88 lakh qtls as against 10.85 Lakh qtls in the previous year. The average free sale sugar realization for the year ended was Rs.3444/- qtl as against the average realization of Rs.2413/- in the previous year.

Power: During the year the Company had not used coal for generation of power at Unit III.Therefore the total power generation has decreased to 1086.24 lakh units from 1179.26 lakh units in the previous year. The export of the power to the TNEB grid has also decreased to 600.68 lakh units from 783.20 lakh units in the previous year.

Industrial Alcohol: During the year under review, the production of industrial Alcohol was 162.98 lakh litres as against 159.92 lakh litres in the previous year. The total alcohol sold was 164.78 lakh litres as against 152.98 lakh litres in the previous year. The average realization has improved to Rs. 44.06 per litre as against Rs.37.60 per litre in the previous year.

RESERVES

No amount is proposed to be transferred to General Reserves account on account of losses.

DIVIDEND

Due to absence of profits in the current year, the Board of Directors is unable to recommend any dividend for the year 2016-17.

EXTRACT OF ANNUAL RETURN

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

BOARD MEETING

During the year 2016-17, four Board Meetings were held on 26.05.2016, 12.08.2016, 04.11.2016, 11.02.2017. Details of Attendance of each director furnished in the report on Corporate Governance in page No.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr T Pitchandi and Dr K N Sivasubramanian Directors

were treated as having relinquished their office of Director with effect from 26.05.2016 & 12.08.2016 respectively due to operation of Section 167(1) (b) of the Companies Act, 2013.

Mr R K Viswanathan and Dr V R S Sampath were appointed as Additional Directors. Their names are proposed for appointment as Independent Directors in this Annual General Meeting.

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

Mr M Ramalingam Managing Director had completed the tenure of 5 years as Managing Director on 31.03.2017. Board has decided to reappoint him for a further period of 5 years from 01.04.2017 to 31.03.2022. Special Resolution seeking the approval of Shareholders is proposed in the Annual General Meeting.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

i) In the preparation of the annual accounts, the applicable accounting standards have been followed.

ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.

iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) The directors have prepared the annual accounts on a going concern basis.

v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION OF INDEPENDENT DIRECTORS

The independent directors have submitted their declaration as per Sec.149 (7) that they continue to meet the criteria of independence as provided in Sec.149 (6).

POLICY ON DIRECTOR APPOINTMENT & REMUNERATION

The Nomination & Remuneration Committee constituted as per Section 178 of the Companies Act, 2013 has formulated the policy for appointment of Directors, Senior Management etc., and this has been approved by the Board and posted on the Company's Website.

The Remuneration policy of the Company comprising the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters are given below.

i. For Executive Directors: The remuneration of the Whole Time/Executive Directors shall comprise of a fixed component and a performance linked pay, as may be fixed by the Nomination and Remuneration Committee (NRC) and subsequently approved by the Board of Directors and Members. Performance Linked Pay shall be payable based on the performance of the individual and the Company during the year. Remuneration trend in the industry and in the region, academic background, qualifications, experience and contribution of the individual are to be considered in fixing the remuneration. These Directors are not eligible to receive sitting fees for attending the meetings of the Board and Committees.

For Non-Executive Directors: The Non-Executive Directors will be paid sitting fees for attending the Board and Committee Meetings as per the stipulations in the Act, and the Articles of Association of the Company and as recommended by the NRC. Different scales of sitting fee may be fixed for each category of the directors and type of meeting. However, the fees payable to the Independent Directors and Woman Directors shall not be lower than the fee payable to other categories of directors. In addition to this, the travel and other expenses incurred for attending the meetings are to be met by the Company. The Company shall have no other pecuniary relationship or transactions with any Non-Executive Directors.

AUDITOR'S REPORT

There are no qualifications, reservations or adverse remarks in the Auditors' Report except pointing out brief delay in transferring the unpaid dividend to Investors Education & Protection Fund. This delay was on account of delay in reconciliation and confirmation at the Banks level. Advance action has been taken to avoid such delays in the current year. No frauds were reported by the Auditors.

STATUTORY AUDITORS

M/s Srinivasan & Shankar, Chartered Accountants, Chennai (FRN 005093S), retire as Statutory Auditors on the conclusion of this Annual General Meeting, as they have completed their maximum tenure. New Auditors are proposed to be appointed.

SECRETARIAL AUDIT

Pursuant to provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr M Damodaran and Associates Company Secretaries in practice to undertake the Secretarial Audit of the Company. Their Audit report is annexed herewith as "Annexure".

There are no qualifications, reservations or adverse remarks in the Auditors' Report except pointing out the delay in transferring the unpaid dividend to Investors Education & Protection Fund and Non filing of the Form IEPF -2. Confirmation and reconciliation with the Bank resulted in this delay, which will be avoided in the current year.

LOANS, GUARANTEES OR INVESTMENTS

Your Company has not given any loans or provided any guarantees or acquired securities as defined in Section 186 of the Companies Act, 2013.

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

All transactions entered into by the Company with Related Parties were in the Ordinary Course of Business and at arm's length pricing basis. The Audit Committee granted omnibus approval for the transactions (which are repetitive in nature) and the same was reviewed by the Audit Committee and the Board of Directors. There were no materially significant transactions with Related Parties during the financial year 2016-17 which were in conflict with the interest of the Company or which requires the approval of shareholders. Suitable disclosures as required under AS-18 have been made in Note 40 of the Notes to the financial statements. Details of the transactions are provided in Form AOC-2 which is attached as Annexure-III to this Report.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of the report. During the year the Company has issued 1540154 and 2270000 equity shares of Rs.10/- each with a premium of Rs.12/- per share, in the share allotment committee meeting held on 14.5.2016 and 10.10.2016 on a preferential basis by converting the unsecured loans with the approval of the shareholders as advised by the Lenders thro the CDR Scheme. This will reduce the Company's liability towards payment of interest on the unsecured loans. Consequent to this allotment, the paid up share capital has gone up to Rs.33.20 crores.

AUDIT COMMITTEE

The Audit committee consists of the following Directors.

1. Mr P S Gopalakrishnan	Independent Director
2. Dr K C Reddy	Director
3. Dr S Muthu	Independent Director
4. Mr A Sennimalai	Director
5. Mr R K Viswanathan	Independent Director

The Committee met 4 times on 26.05.2016, 12.08.2016, 04.11.2016 and 11.02.2017.

Details of Attendance of each director furnished in the report on Corporate Governance in page No. 37

There were no instances where the Board has not accepted the recommendations of the Audit Committee.

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

The details of measures taken for conservation of energy, technology absorption, foreign exchange earnings and outgo are given in the Annexure.

SUBSIDIARY COMPANIES

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

RISK MANAGEMENT POLICY

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

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

SIGNIFICANT AND MATERIAL ORDERS

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

GST RATES

The GST Council on 18th and 19th May 2017 approved the GST rates and the impact for the sugar industry is as under.

- GST rates on sugar, bagasse and other waste products -5%

- GST rate on molasses -28% . Alcohol Products- 18%.
- GST exemption available for wide range of services provided in relation to sugarcane cultivation, harvest transportation and host of related services.
- Services of Good Transport Agency (GTA) under reverse charge mechanism – GST rate 5% with no ITC.
- General rate of service – 18% with ITC benefit.

Overall impact on industry may not be material.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal financial control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the final controls. Significant audit observations, if any and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

DEPOSITS

During the year 2016-17 the Company has not accepted deposits as defined in Section 73 and 74 of chapter V of the Companies Act 2013. Your Company has complied with the provisions of Sec.73 & 74 and the rules prescribed thereunder. Your Company has no unpaid deposits which were due or repayable as on 31st March 2017. Your Company has not defaulted in repayment of the deposits on the due dates. As on the date of this report, there are no deposits and unclaimed deposits.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

As per section 135 of the Companies Act, a Corporate Social Responsibility (CSR) Committee has been formed. CSR policy has been framed and is available on the Website. Members of the Committee are:

(1) Mr. P. S. Gopalakrishnan (Non-executive - Independent Director)

(2) Mr. A. Sennimalai (Non-executive Director)

(3) Mr. M. Ramalingam (Executive Director)

However, as the average of the net profits for the last 3 years is negative, no CSR expenditure has been earmarked on this account.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees as also the Independent Directors.

Criteria for evaluation of the performance of the Independent Directors:

The criteria for evaluation of the performance of Independent Directors include their qualification, experience, competency, knowledge, understanding of respective roles (as Independent Director and as a member of the Committees of which they are Members/Chairpersons), adherence to Codes and ethics, conduct, attendance and participation in the meetings, etc.

VIGIL MECHANISM FOR DIRECTORS & EMPLOYEES

Pursuant to Section 177(9) and 177(10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Obligation and Disclosure Requirement Regulations 2015, the Board of Directors had approved a Policy on Vigil Mechanism/ Whistle Blower and the same is hosted on the website of the Company. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee.

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

CORPORATE GOVERNANCE

Your Company is in compliance with the Corporate Governance regulations as laid out in SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015. A report on Corporate Governance in line with SEBI prescribed format incorporated in the Listing Obligations and Requirement Regulations, is attached herewith. A certificate from the Statutory Auditors on compliance of conditions of Corporate Governance has been obtained and copy enclosed to this report.

CODE OF CONDUCT

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

The Code has been posted on the Company's website www.dharanisugars.in

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

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

PREVENTION OF SEXUAL HARASSMENT

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

No complaints were received during the year 2016-17.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Annexure attached to the Board's Report

PROHIBITION OF INSIDER TRADING

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

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

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
Dated : 29th May 2017

MANAGERIAL REMUNERATION

A	Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. (Applicable to listed Company)	Annexure II in the Board' Report	
B	Details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	The information as per Rule 5(2) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. However as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(2) of the Rules, the Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2) (first part). Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company. There are no employees falling within the requirements of rule 5(2) (Second part) of the said rules.	
C	Any director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report.	NIL	
D	The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statements as per Schedule V, Part II , Section II of the Companies Act, 2013.	Dr Palani G Periasamy Executive Chairman	Mr M Ramalingam, Managing Director
	(*i*) all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;	* per annum Salary Rs 48.00 Lakhs **Perquisites** LTA Rs.4.00 Lakhs Medical Rs.4.00 Lakhs Actual payment has been restricted to Rs.24.00 lakhs.	per annum Salary Rs. 21.60 Lakhs **Perquisites** HRA Rs.2.40 Lakhs LTA Rs.1.80 Lakhs Medical Rs.1.80 Lakhs
	(*ii*) details of fixed component and performance linked incentives along with the performance criteria;	3% Commission on Net Profits Actual Payment - NIL	Nil
	(*iii*) service contracts, notice period, severance fees;	5 years, 3 months, Nil	5 years, 3 months, Nil
	(*iv*) stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	Nil	Nil

As the profits of the Company for the year are inadequate the following minimum remuneration (the same amount as was paid in the last year)
has been proposed to be paid for the year 2016-17 to the Managerial Personnel with the approval of the Shareholders in accordance with Schedule V Part II Section II of the Companies Act, 2013.

Name of the Managerial Personnel	Remuneration (Per Annuam)
Dr Palani G Periasamy	Rs.24.00 Lakhs
Mr M Ramalingam	Rs. 27.60 Lakhs

for and on behalf of the Board of Directors

Place : Chennai
Dated : 29th May 2017

DR PALANI G PERIASAMY
Executive Chairman

Management Discussion and Analysis Report:

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

Cautionary Statement:

Statements made in this report describing industry outlook as well as Company's plans, projections and expectations may constitute 'forward looking statements'. Actual results may differ materially from those either expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

Global Sugar Scenario:

The global sugar deficit that has seen the sugar price soaring during last year is expected to fade away in the upcoming crop year. The world is headed towards a more balanced sugar market in the coming crop year 2017-18, after two years of short supplies. Good monsoon and higher prices have increased the sugar output in Brazil. However, the pace of growth in world demand for sugar is likely to slow in the coming year, amid disappointing growth in Asian demand and changing consumption behavior particularly decline in demand from the food and beverage industry. The Global Sugar Production is likely to increase by 6.9% in 2017-18 to 178.00 million tonnes with the expected consumption of 175.00 million tonnes. This surplus scenario is likely to bring down the sugar price in the international market.

Indian Sugar Scenario:

India is the largest consumer of sugar in the word and the 2nd largest producer of sugar next only to Brazil. The sugar industry is also the 2nd largest agro based industry after Textile and it employees about 50 million farmers. The fortune of the sugar industry depends upon the vagaries of the monsoon. After witnessing continuous excess production of sugar during the last 5 seasons, the production for the current season 2016-17 has come down to 200 lakh tonnes as compared to 251 lakh tonnes in the previous season. The sharp fall in the production was mainly on account of severe drought conditions prevailed during last year in the major producing states like Maharashtra, northern Karnataka and Tamilnadu. The sugar production for the coming season 2017-18 is estimated at 250 lakh tonnes. On account of the substantial fall in the production, the closing stock at the end of the season has come down substantially. In order to meet the short fall and to maintain stable price in the domestic market, the Govt. of India has permitted import of 5 lakh tonnes of duty free raw sugar and to be imported by 30th June 2017. Considering the drought and the lower availability of stock, a major portion of this import was allocated to the mills in southern India. Dharani has imported 16497 tonnes of raw sugar under this scheme. The Govt. of India may allow further imports if necessary to maintain reasonable stock and price level.

While the all India sugar production for the coming season 2017-18 is expected to increase substantially to 250 lakh tonnes, the production in Tamil Nadu is expected to fall further to about 6 lakh tonnes as against the production of 10.10 lakh tonnes in the current season 2016-17. Now, Tamilnadu is facing the worst ever drought in the last 140 years and this has seriously affected the availability of cane for the coming years.

Sugar cane price:

The sugar cane price, continues to be regulated by the Central Govt. and State Governments. The fair and remunerative price fixed by Central Govt. for the season 2016-17 was Rs.230 per qtl. linked to a recovery of 9.5%. Against this, the Tamil Nadu Govt. has announced a State Advised Price (SAP) of Rs.275 per qtl. linked to 9.5% recovery plus Rs.100 towards transport charges. However, the private mills in Tamil Nadu have challenged the legality of the SAP.

Ethanol:

The national Renewable Energy Programme of blending Ethanol with Petrol has achieved substantial progress after the Govt. of India simplified the tendering process of Oil Companies by fixing the price of Ethanol in 2015. Further, the Ethanol Scheme was supported by exemption from Excise Duty. These measures have enabled the oil companies to achieve almost the blending target of 5% in 2016. However, the Govt. of India withdrew the excise duty exemption in August 2016 and also reduced the price for ethanol to Rs.39/ltr. plus taxes and transport from the previous price of Rs.48.50/ltr. The ethanol blending scheme needs to have long term stable pricing to achieve the 10% blending target supported also by the State Governments. Improvement in blending will not only reduce the pollution level but will also save substantial foreign exchange by reducing the oil imports.

Opportunities and Threats:

India, the world's largest consumer of sugar is the second largest producer of sugar in world after Brazil. Still the average per capital consumption of sugar in India is less as compared to the developed countries. While sustainability has been a cause for concern in cane agriculture, by 2030 the demand for sugar has been estimated at 36 million tons for which the cane production should be 500 million tonnes. This is 40% higher than the current production. 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.

The current level of Ethanol production is much less than the mandated 10% 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 50% of the potential.

Risks and Concerns:

Risks and Concerns given by the management below are not exhaustive and only highlight some of the salient among them. The investors are advised to exercise their due diligence in assessing the various risk factors associated with industry and your Company. The sugar industry is still highly regulated with the Government exercising control over pricing of sugar cane, allocation of area for sugar units, movement of molasses, Alcohol and pricing of Power. Some of the inherent business risks and the mitigation measures initiated by your Company are given as under.

a) **Raw Material Risk:** Cane is the basic raw material for sugar industry and the efficient operation of the Sugar Plant as well as Distillery depends upon the availability of adequate cane. Sugar industry being cyclical in nature is affected by the vagaries of the monsoon. Substantial increase in the price of alternate crops as compared to sugarcane has resulted in the farmers switching to other crops which are more profitable. To mitigate the above raw material related risks, your Company has taken extensive field work in co-ordination with the farmers to sustain the yield under the drought conditions. Your Company has also in co-ordination with the Government, encouraged drip irrigation for better water management and improved yield. However, the drought in Tamil Nadu during the last 3 years has substantially reduced the cane availability.

b) **Product Risks:** The sugar industry has been decontrolled in 2013, and the mills are free to sell any quantity any time. This uncontrolled supply along with excess production may result in fall in sugar price. Alcohol is highly regulated and the price of the same is directly/indirectly controlled by the State Government through import from neighboring states. To mitigate the product related risks, the Company has been taking efforts to make its operation as an integrated one comprising of Sugar, Power and Alcohol including fuel Ethanol.

c) **Forex Risk:** Import and Export of Raw Sugar/White sugar and funding of project for manufacture of sugar involves foreign exchange component. Any wide fluctuation in the value of Rupee against US Dollar may impact the profitability of the Company. The Company is closely monitoring the movement to take appropriate action at the appropriate time.

d) **Financing Risk:** The Sugar industry being capital intensive in nature requires huge capital investment, having high debt component. The Sugar Industry being seasonal in nature, the company needs to hold substantial inventory over longer period incurring very high interest cost on working capital borrowing, besides other carrying costs.

e) **Regulatory Risks:** Though sugar has been decontrolled recently, still the cane area allocation and cane price is controlled by Governments. Sugar cane prices fixed by Central and State Governments are independent of sugar realization. Alcohol and molasses are subject to inter-state movement control.

Outlook for 2017-18

After continuous excess production of sugar during the last 5 years, the sugar production in India has come down to 200 lakh tonnes in the current season 2016-17 as against the production of 251 lakh tonnes in the earlier season 2015-16. The fall in production was mainly on account of severe drought in Maharashtra, Karnataka and Tamil Nadu. This has resulted in improvement in the domestic sugar price.

For the coming season 2017-18, the sugar production in India is expected to improve substantially to 250 lakh tonnes on account of good monsoon in Maharashtra and UP. However, the production in Tamil Nadu will face substantial fall in the production and is expected to be only around 6 lakh tonnes as against 10 lakh tonnes produced in 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 realization also is affected on account of unregulated excess supply in the market.

Human Resources:

The Industrial relations at your Company continue to be cordial. There are 927 employees in your Company. The Company continues its efforts in improving the various facilities extended to the employees for better productivity.

Annexure - I

ANNEXURE TO BOARD'S REPORT

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2017
[Pursuant to section 92(3) *of the Companies Act, 2013* and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY.

All the business activities contributing 10% or more of the total turnover of the company shall be stated.

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
1	Sugar	10721	81.12%
2	Distillery	11019	13.68%
3	Co generation	35106	4.59%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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

IV SHAREHOLDING PATTERN (Equity Share Capital Break Up As % Of Total Equity)

	Category of Shareholders	No. of shares held at the beginning of the year- 01.04.2016				No. of shares held at the end of the year - 31.03.2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**SHAREHOLDING OF PROMOTER AND PROMOTER GROUP**									
1.	INDIAN									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	8828795	0	8828795	30.04	8828795	0	8828795	26.59	-3.45
b.	CENTRAL/ STATE GOVERNMENT(S)	0	0	0	0.00	0	0	0	0.00	0.00
c.	BODIES CORPORATE	7796710	0	7796710	26.53	11606864	0	11606864	34.96	8.43
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.00	0	0	0	0.00	0.00
e.	ANY OTHER	0	0	0	0.00	0	0	0	0.00	0.00
	SUB - TOTAL (A)(1)	16625505	0	16625505	56.57	20435659	0	20435659	61.55	4.98
2.	FOREIGN	0	0	0	0	0	0	0	0	0
	SUB - TOTAL (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)	16625505	0	16625505	56.57	20435659	0	20435659	61.55	4.98
B.	PUBLIC SHAREHOLDING									
1.	INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
a.	MUTUAL FUNDS/UTI	0	14600	14600	0.05	0	14600	14600	0.04	-0.01
b.	FINANCIAL INSTITUTIONS/ BANKS	300	3050	3350	0.01	300	3050	3350	0.01	0.00
c.	CENTRAL/ STATE GOVERNMENT(S)	0	0	0	0.00	0	0	0	0.00	0.00
d.	VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
e.	INSURANCE COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
i.	ANY OTHER	0	0	0	0.00	0	0	0	0.00	0.00
	SUB - TOTAL (B)(1)	**300**	**17650**	**17950**	**0.06**	**300**	**17650**	**17950**	**0.05**	**-0.01**
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	1196389	22550	1218939	4.15	1181029	22450	1203479	3.62	-0.52
b.	INDIVIDUALS -									
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	2235205	1028996	3264201	11.11	3670628	1005704	4676332	14.09	2.98
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	3289948	0	3289948	11.19	2372509	0	2372509	7.15	-4.05
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
d.	ANY OTHER									
	CLEARING MEMBERS	30034	0	30034	0.10	191090	0	191090	0.58	0.47

IV SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS % OF TOTAL EQUITY (contd.,)

	Category of Shareholders	No. of shares held at the beginning of the year- 01.04.2016				No. of shares held at the end of the year - 31.03.2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	HINDU UNDIVIDED FAMILIES	386437	1	386438	1.31	273740	0	273740	0.82	-0.49
	NON RESIDENT INDIANS	3547450	1008381	4555831	15.50	3020360	1008381	4028741	12.13	-3.37
	TRUSTS	1000	0	1000	0.00	500	0	500	0.00	0.00
	Total (d)	3964921	1008382	4973303	16.92	3485690	1008381	4494071	13.54	-3.39
	SUB - TOTAL (B)(2)	**10686463**	**2059928**	**12746391**	**43.37**	**10709856**	**2036535**	**12746391**	**38.39**	**-4.98**
	TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	10686763	2077578	12764341	43.43	10710156	2054185	12764341	38.45	-4.98
	TOTAL (A)+(B)	**27312268**	**2077578**	**29389846**	**100.00**	**31145815**	**2054185**	**33200000**	**100.00**	**0.00**
C.	SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
	Promoter and Promoter Group	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Public	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	TOTAL CUSTODIAN (C)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	GRAND TOTAL (A)+(B)+(C)	**27312268**	**2077578**	**29389846**	**100.00**	**31145815**	**2054185**	**33200000**	**100.00**	**0.00**

(ii) Shareholding of promoters

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	% change in shareholding during the year
1	DHARANI CREDIT AND FINANCE (P) LTD	3754440	12.77	12.77	3754440	11.31	11.31	-1.47
2	DHARANI DEVELOPERS PRIVATE LIMITED	2774088	9.44	0.94	6584242	19.83	0.83	10.39
3	PALANI G PERIASAMY DR	2739012	9.32	4.91	2739012	8.25	4.34	-1.07
4	VISALAKSHI PERIASAMY	1200101	4.08	4.08	1200101	3.61	3.61	-0.47
5	ANANTHI DEVELOPERS LIMITED	1000000	3.40	3.40	1000000	3.01	3.01	-0.39
6	JAYANTHI PERIASAMY	886016	3.01	2.52	886016	2.67	2.23	-0.35
7	PALANI GOUNDER PERIASAMY JT1 : VISALAKSHI PERIASAMY	863763	2.94	2.94	863763	2.60	2.60	-0.34
8	SANTHI PERIASAMY	885142	3.01	0.00	885142	2.67	0.00	-0.35
9	NALINI PERIASAMY	882492	3.00	0.00	882492	2.66	0.00	-0.34
10	ANANTHI PERIASAMY	885293	3.01	0.00	885293	2.67	0.00	-0.35
11	KANDASAMY K MR.	479621	1.63	1.56	479621	1.44	1.38	-0.19
12	DHARANI FINANCE LIMITED	268182	0.91	0.00	268182	0.81	0.00	-0.10
13	K VIJAYALAKSHMI	7205	0.02	0.00	7205	0.02	0.00	0.00
14	MURUGAVEL R MR.	150	0.00	0.00	150	0.00	0.00	0.00
	Total	16625505	56.57	0.00	20435659	61.55	0.00	4.98

(III) Change of Promoters Shareholding

Particulars		Shareholding at the beginning of the year-01.04.2016		Cumulative Shareholding during the year-31.03.2017	
Sl. No.	Name of the Share holder	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	DHARANI CREDIT AND FINANCE (P) LTD				
	At the beginning of the year 01-Apr-2016	3754440	12.77		
	At the end of the Year 31-Mar-2017			3754440	11.31
2	DHARANI DEVELOPERS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	2774088	9.44		
	Purchase 02-Sep-2016	1540154			
	Purchase 30-Dec-2016	2270000			
	At the end of the Year 31-Mar-2017			6584242	19.83
3	PALANI G PERIASAMY DR				
	At the beginning of the year 01-Apr-2016	2739012	9.32		
	At the end of the Year 31-Mar-2017			2739012	8.25
4	VISALAKSHI PERIASAMY				
	At the beginning of the year 01-Apr-2016	1200101	4.08		
	At the end of the Year 31-Mar-2017			1200101	3.61
5	ANANTHI DEVELOPERS LIMITED				
	At the beginning of the year 01-Apr-2016	1000000	3.40		
	At the end of the Year 31-Mar-2017			1000000	3.01
6	JAYANTHI PERIASAMY				
	At the beginning of the year 01-Apr-2016	886016	3.01		
	At the end of the Year 31-Mar-2017			886016	2.67
7	PALANI GOUNDER PERIASAMYJT1 : VISALAKSHI PERIASAMY				
	At the beginning of the year 01-Apr-2016	863763	2.94		
	At the end of the Year 31-Mar-2017			863763	2.60
8	SANTHI PERIASAMY				
	At the beginning of the year 01-Apr-2016	885142	3.01		
	At the end of the Year 31-Mar-2017			885142	2.67
9	NALINI PERIASAMY				
	At the beginning of the year 01-Apr-2016	882492	3.00		
	At the end of the Year 31-Mar-2017			882492	2.66
10	ANANTHI PERIASAMY				
	At the beginning of the year 01-Apr-2016	885293	3.01		
	At the end of the Year 31-Mar-2017			885293	2.66
11	KANDASAMY K MR.				
	At the beginning of the year 01-Apr-2016	459330	1.63		
	At the end of the Year 31-Mar-2017			459330	1.38
12	DHARANI FINANCE LIMITED				
	At the beginning of the year 01-Apr-2016	268182	0.91		
	At the end of the Year 31-Mar-2017			268182	0.81
13	K VIJAYALAKSHMI				
	At the beginning of the year 01-Apr-2016	7205	0.02		
	At the end of the Year 31-Mar-2017			7205	0.02
14	MURUGAVEL R MR.				
	At the beginning of the year 01-Apr-2016	150	0.00		
	At the end of the Year 31-Mar-2017			150	0.00

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

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

Sl.No.	Particulars	Shareholding at the beginning of the year-01.04.2016		Cumulative Shareholding during the year-31.03.207		REASON
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1	MADHURI RAJKUMAR SEKSARIA JT1 : RAJKUMAR KUDILAL SEKSARIA					
	At the beginning of the year 01-Apr-2016	464000	1.58			
	At the end of the Year 31-Mar-2017			464000	1.40	
2	PINETREE PROPERTIES PVT LTD					
	At the beginning of the year 01-Apr-2016	446000	1.52			
	Sale 05-Aug-2016	-30000	-0.10			
	Sale 21-Sep-2016	-20000	-0.07			
	Sale 07-Oct-2016	-6000	-0.02			
	Sale 21-Oct-2016	-1748	-0.01			
	Sale 28-Oct-2016	-21752	-0.07			
	Sale 04-Nov-2016	-19800	-0.07			
	Sale 11-Nov-2016	-17200	-0.06			
	Sale 25-Nov-2016	-71000	-0.24			
	Sale 02-Dec-2016	-125002	-0.43			
	Sale 09-Dec-2016	-7498	-0.03			
	Sale 16-Dec-2016	-16000	-0.05			
	Sale 30-Dec-2016	-2000	-0.01			
	Sale 13-Jan-2017	-32000	-0.11			
	Sale 27-Jan-2017	-41000	-0.14			
	Sale 03-Feb-2017	-28000	-0.10			
	Sale 10-Feb-2017	-7000	-0.02			
	At the end of the Year 31-Mar-2017	0	0.00	0	0.00	
3	RAJKUMAR KUDILAL SEKSARIA					
	At the beginning of the year 01-Apr-2016	422000	1.44			
	Sale 06-Jan-2017	-100000	-0.34			
	At the end of the Year 31-Mar-2017			322000	0.97	
4	C K RAMACHANDRAN JT1 : SARASWATHI RAMACHANDRAN					
	At the beginning of the year 01-Apr-2016	399007	1.36			
	Sale 17-Jun-2016	-200	0.00			
	Sale 30-Jun-2016	-1000	0.00			
	Sale 08-Jul-2016	-2000	-0.01			
	Sale 15-Jul-2016	-7909	-0.03			
	Sale 29-Jul-2016	-15660	-0.05			
	Sale 05-Aug-2016	-5422	-0.02			
	At the end of the Year 31-Mar-2017			366816	1.10	
5	P T SWAMY					
	At the beginning of the year 01-Apr-2016	376562	1.28			
	At the end of the Year 31-Mar-2017			376562	1.13	
6	P V MOHAN/ JT :1 PRABHA MOHAN					
	At the beginning of the year 01-Apr-2016	353142	1.20			
	At the end of the Year 31-Mar-2017			353142	1.06	

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

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

Sl.No.	Particulars	Shareholding at the beginning of the year-01.04.2016		Cumulative Shareholding during the year-31.03.207		REASON
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
7	ASHA L SWAIN					
	At the beginning of the year 01-Apr-2016	291605	0.99			
	At the end of the Year 31-Mar-2017			291605	0.88	
8	AADHAR SECURITIES PVT LTD					
	At the beginning of the year 01-Apr-2016	270000	0.92			
	Sale 27-May-2016	-500	0.00			
	Sale 03-Jun-2016	-15000	-0.05			
	Sale 10-Jun-2016	-254500	-0.87			
	Purchase 24-Jun-2016	232000	0.79			
	Sale 30-Jun-2016	-52000	-0.18			
	Purchase 02-Sep-2016	100	0.00			
	Sale 09-Sep-2016	-179850	-0.61			
	Sale 16-Sep-2016	-250	0.00			
	Purchase 21-Sep-2016	178000	0.61			
	Sale 16-Dec-2016	-177500	-0.60			
	Purchase 23-Dec-2016	175500	0.60			
	Sale 10-Mar-2017	-90000	-0.31			
	Sale 17-Mar-2017	-86000	-0.29			
	At the end of the Year 31-Mar-2017	0	0.00	0	0.00	
9	SIVASUBRAMANIAN					
	At the beginning of the year 01-Apr-2016	263240	0.90			
	At the end of the Year 31-Mar-2017			263240	0.79	
10	UNIVERSAL CINE TRADES PVT LTD		0.00			
	At the beginning of the year 01-Apr-2016	259000	0.88			
	Sale 25-Nov-2016	-259000	-0.88			
	At the end of the Year 31-Mar-2017	0	0.00	0	0.00	
10	UNIVERSAL CINE TRADES					
	At the beginning of the year 01-Apr-2016			0		
	Purchase 25-Nov-2016	259000	0.88			
	Sale 20-Jan-2017	-18000	-0.06			
	Sale 27-Jan-2017	-19500	-0.07			
	Sale 10-Feb-2017	-500	0.00			
	At the end of the Year 31-Mar-2017			221000	0.67	
11	VANI V THIRUMOORTHI					
	At the beginning of the year 01-Apr-2016	195221	0.66			
	At the end of the Year 31-Mar-2017			195221	0.59	
12	BHARAT K DALAL					
	At the beginning of the year 01-Apr-2016	205980	0.70			
	Sale 05-Aug-2016	-12500	-0.04	193480	0.58	
	Sale 12-Aug-2016	-14943	-0.05			
	At the end of the Year 31-Mar-2017	178537	0.61	178537	0.54	

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

(v) Shareholding of Directors & KMP

Sl.No.	For each of the Directors and KMP	Shareholding at the beginning of the year- 01.04.2016		Cumulative Shareholding during the year-31.03.2017	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Directors					
1	Dr Palani G Periasamy	2739012	9.32	2739012	8.25
2	Dr Palani G Periasamy Jt Mrs Visalakshi Periasamy	863763	2.94	863763	2.60
3	Mrs Visalakshi Periasamy	1200101	4.08	1200101	3.61
4	Dr K N Sivasubramanian	263341	0.90	263341	0.79
5	Mr A Sennimalai	21682	0.07	24081	0.07
6	Mr M Ramalingam	2200	0.01	2200	0.01
7	Dr K C Reddy	500	0.00	500	0.00
8	Mr P S Gopalakrishnan	0	0.00	0	0.00
9	Mr P Selvam	0	0.00	0	0.00
10	Mr T Pitchandi	0	0.00	0	0.00
11	Dr S Muthu	0	0.00	0	0.00
11	Mr R K Viswanathan	0	0.00	0	0.00
12	Dr V R S Sampath	0	0.00	0	0.00
	Total A	5090599	17.32	5092998	15.34
Key Managerial Personnel					
1	Mr M P Kaliannan	100059	0.34	100059	0.30
2	Mr E P Sakthivel	0	0.00	0	0.00
	Total B	100059	0.34	100059	0.30
	Total A +B	5190658	17.66	5193057	15.64

Dr K N Sivasubramanian and Mr T Pitchandi were treated as having relinquished their office during the year.
Mr R K Viswanathan and Dr V R S Sampath were appointed as additional directors during the year.

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In lakhs

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
1	Gross salary	Dr Palani G Periasamy	M.Ramalingam	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	24.00	21.60	45.60
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	6.00	6.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	0.00
2	Stock option	-	-	0.00
3	Sweat Equity	-	-	0.00
4	Commission as % of Profit	-	-	0.00
5	Others, please specify		0.00	
	Total (A)	24.00	27.60	51.60
	Ceiling as per the Act	60.00	60.00	120.00

V. B REMUNERATION TO OTHER DIRECTORS

In lakhs

Sl.No	Particulars of Remuneration						Total Amount
1	**Independent Directors**	T.Pichandi	P Selvam	P.S.Gopala krishnan	Dr. S. Muthu	R.K. Viswanathan	
	(a) Fee for attending board committee meetings	Nil	0.10	0.80	0.45	0.15	1.50
	(b) Commission						
	(c) Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	Nil	0.10	0.80	0.45	0.15	1.50
2	**Other Non Executive Directors**	K.C.Reddy	A.Sennimalai	Mrs.Visalakshi Periasamy		V R Sampath	Total Amount
	(a) Fee for attending board committee meetings	0.65	0.70	0.10		0.05	1.50
	(b) Commission						
	(c) Others, please specify.						
	Total (2)	0.65	0.70	0.10		0.05	1.50
Overall Ceiling as per the Act.		In terms of the provisions of the Companies Act, 2013 the remuneration payable to Directors other than Exectuive Directors shall not exceed 1% of the net profit of the Company. The Company may pay sitting fees to the Directors for attending Board/ Committee meetings as may be decided by the Board of Directors. The Board has fixed Rs.5000/- as sitting fees for each meeting.					

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

In lakhs

Sl.No	Particulars of Remuneration	Name of the Key Managerial Personnel		
		Company Secretary	CFO	Total
		E.P.Sakthivel	M.P.Kaliannan	
1	**Gross Salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	4.40	16.28	20.68
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1.91	7.87	9.78
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission as % of profit			
5	Others, please specify			
	Total	6.31	24.15	30.46

V INDEBTEDNESS

In lakhs

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year 01.04.2016				
(i) Principal Amount	61011.37	585.21	12.45	61609.03
ii) Interest due but not paid	327.88	-	-	327.88
iii) Interest accrued but not due	352.63	23.15	3.88	379.66
Total	61691.88	608.36	16.33	62316.57
Change in Indebtedness during the financial year				
Additions	734.74	0.00	-	734.74
Reduction	0.00	554.24	16.33	570.57
Net Change	734.74	554.24	16.33	164.17
Indebtness at the end of the financial year 31.03.2017				
(i) Principal Amount	61464.63	54.12	0.00	61518.75
ii) Interest due but not paid	505.63	-	-	505.63
iii) Interest accrued but not due	456.36	0.00	0.00	456.36
Total	62426.62	54.12	0.00	62480.74

VI. Penalty/punishment/ Compounding of Offences.

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

By Order of the Board

for Dharani Sugars and Chemicals Limited

Place : Chennai
Dated : 29th May 2017

DR PALANI G PERIASAMY
Executive Chairman

Annexure - II

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

Statement of particulars of remuneration as per Rules 5(1)

S No	Description	Designation
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Managing Director 14:1 Executive Chairman 12:1
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Managing Director Nil Executive Chairman Nil Chief Financial Officer 0.17% Company Secretary 4.47%
3	The Percentage increase in the median remuneration of employees in the financial year	6.22%
4	The number of permanent employees on the rolls of company	927
5 a)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year.	6.22%
b)	Its comparison with the percentile increase in the managerial remuneration.	No increase in managerial remuneration.
c)	Justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Not applicable
6	Affirmation that the remuneration is as per the remuneration policy to the Company.	Yes. As per the remuneration policy of the Company.

Note:

1. Non Executive directors are paid only sitting fees as disclosed in the Board Report (Form No. MGT – 9). Ratio of remuneration and percentage increase are provided only for Executive director since such data would not be meaningful for non executive director.

By Order of the Board

for Dharani Sugars and Chemicals Limited

Place : Chennai
Dated : 29th May 2017

DR PALANI G PERIASAMY
Executive Chairman

Annexure - III

Boards Report
Form No. AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

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

Name(s) of the related party	Dharani Finance Limited	PGP Educational & Welfare Society	Appu Hotels Ltd	Dharani Developers Private Ltd	Ananthi Developers Ltd
Nature of relationship	Associates	Associates	Associates	Associates	Associates
Nature of contracts/ arrangements / transactions	Travel Services	Leasing of Land for School.	Reimbursement of expenses	Reimbursement of expenses	Professional Consultancy Services
Duration of the contracts / arrangements/transactions	One year	Thirty three years	Share of common expenses	Share of common expenses	One year
Salient terms of the contracts or arrangements or transactions including the value, if any	Rs.1.56 lakhs	Rs.0.70 lakhs p.a	Rs.6.79 lakhs	Rs. 0.64 lakhs	Rs. 6.11 lakhs
Date(s) of approval by the Board, if any:	26.05.2016	29.05.2014	Nil	Nil	26.05.2016
Amount paid as advances, if any	Nil	Nil	Nil	Nil	Nil

Name(s) of the related party	Dr Palani G Periasamy	Mrs Visalakshi Periasamy	M Ramalingam	A Sennimalai
Nature of relationship	Executive Chairman	Director	Managing Director	Director
Nature of contracts/ arrangements / transactions	Rent	Sitting Fees	Managerial Remuneration	Sitting Fees
Duration of the contracts / arrangements/transactions	5 years	-	5 years	-
Salient terms of the contracts or arrangements or transactions including the value, if any	Rs.63.60 lakhs	Rs.0.10 lakhs	Rs.27.60 lakhs	Rs. 0.70 lakhs
Date(s) of approval by the Board, if any:	-	-	26.05.2016	-
Amount paid as advances, if any	Nil	Nil	Nil	Nil

for and on behalf of the Board of Directors

Place : Chennai
Dated : 29th May 2017

DR PALANI G PERIASAMY
Executive Chairman

Form No. MR-3 Annexure - IV

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2017

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

To,

The Members,

DHARANI SUGARS AND CHEMICALS LIMITED

(CIN: L15421TN1987PLC014454)

PGP HOUSE 57, STERLING RD, NUNGAMBAKKAM,

CHENNAI – 600034.

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

Based on my verification of **M/s. DHARANI SUGARS AND CHEMICALS LIMITED's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct

of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31.03.2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made here in after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. DHARANI SUGARS AND CHEMICALS LIMITED** ("the Company") for the financial year ended on **31.03.2017** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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

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

I have also examined compliance with the applicable Regulations and Standards of the following:

(i) The Listing Agreement entered into by the Company with Stock Exchanges under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(ii) The Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following Observations:

1. There was delay in transfer of unpaid/unclaimed dividend amount to the IEPF a/c under Section 125 read with rule 5 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
2. The Company has not filed IEPF – 2 under Section 125 read with rule 5 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

I further report that

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

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

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

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

I further report that during the audit period the company

a) has allotted 15,40,154 equity shares of face value of Rs. 10/- each and premium of Rs. 12/- each on preferential allotment basis vide Shares Allotment Committee Meeting dated 14.05.2016 to its promoter group company.

b) has passed special resolution vide postal ballot result dated 09.08.2016 for the approval of Corporate Debt Restructuring Scheme and to issue 22,70,000 Equity shares of the face value of Rs. 10/- each at a rate Rs. 22/- as per section 62(1)(c) of Companies Act, 2013 to Dharani Developers Private Limited.

c) has allotted 22,70,000 equity shares of face value of Rs. 10/- each and premium of Rs. 12/- each on preferential allotment basis vide Shares Allotment Committee Meeting dated 12.10.2016 to its promoter group company.

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

Place: Chennai
Dated: 23rd May 2017

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

a. Energy Conservation Measures :

1) Raw Juice Pumps are equipped with changeover switch in order to run both the pumps through Variable Frequency Drives (VFD) to reduce power consumption. This has resulted in a saving of 21680 units of power per year.

2) Clear juice pumps are equipped with changeover switch in order to run both pumps through VFD to reduce power consumption. This has resulted in a saving of 8640 units of power per year.

3) Unit-III Distillery Secondary Air (SA) Fan is operated with VFD to reduce the starting current and energy saving purpose. Total saving is 73440 units of power per year.

4) The capacity of the feed water pump in the Boiler (Unit-I) was reduced by installing low capacity pumps with VFD to supply steam during off-season to the distillery. This has resulted in a saving of Rs.39.75 lakhs per year in the fuel cost.

5) Unit-II (Polur), 5 Nos. of Variable Frequency Drives (VFD) (137 KW) were installed for the following applications:

- Clear Juice Pump : 55 KW/75 H.P
- Main Rack Carrier Drive : 30 KW/40 H.P
- 'C' Mini Magma Pump : 18.5 KW/25 H.P.
- Syrup ex. Pump : 15 KW/20 H.P.

The power saving from these installations is 1.77 lakh units/season.

B. Technology absorption and Innovation:

1) In association with ICAR – Sugarcane Breeding Institute, Coimbatore varietal evaluation trial has been laid with 22 varieties to identify promising varieties suitable for our cane area.

2) Two varieties (COV 09356 and Co212) identified for wet land conditions and seed multiplication for covering 10% area is under progress.

3) Annual pest and disease survey in sugarcane is being conducted in association with scientists from Regional Sugarcane Research Station.

4) Expenditure incurred on research and development Rs. 20.25 Lakhs

In Lakhs

Earnings & Outgo	**2016-17**	2015-16
Foreign Exchange Earned	**908.71**	1755.02
Outgo	**175.35**	194.23

for and on behalf of the Board of Directors

Place : Chennai
Dated : 29th May 2017

DR PALANI G PERIASAMY
Executive Chairman

Report on Corporate Governance

1. Corporate Governance Philosophy: Company's philosophy is to achieve excellence in its entire activities serve the interest of the community and 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.

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.

2. Board of Directors : (a) Composition/Category of Directors. The Board of Directors comprises of 10 members out of whom 3 belong to the promoter group. The Board has a judicious mix of Executive and Non-Executive Directors. There are now 2 Executive Directors and 8 Non Executive Directors. Out of the Non-Executive Directors, one Director represents the lending Financial Institution IREDA as their nominee. There are 5 Independent Directors. One Woman Director has also been appointed. Constitution of Board of Directors of the Company is in full compliance Regulation 29 of the Listing Obligation and Disclosure Requirement 2015 and the Company has taken effective steps to comply with the applicable provisions of the Companies Act, 2013.

(**b) & (c)** : Attendance at Meetings/ Directorships and Committee Memberships in other companies as on 31st March 2017.

Name of the Director	No. of Board Meetings attended	Last AGM attended Yes/No	No of Directorship held in other Companies		Member or Chairman of Committees			
			Pub	Pvt.	Mgt.	Audit	NRC	SRC
Dr Palani G Periasamy – Exe. Chairman - Promoter	4	Yes	2	1	Chm	-	-	-
Mr.A Sennimalai – Non Executive - Promoter	3	Yes	1	1	Mem	Mem	Mem	Mem
Mr. M Ramalingam– Executive Managing Director	4	Yes	Nil	Nil	Mem	-	-	Mem
Dr K C Reddy Non Executive Nominee Director - IREDA	4	Yes	Nil	Nil	-	Mem	Chm	Chm
Mr.P.S Gopalakrishnan Non Executive (Independent Director)	4	Yes	3	Nil	Mem	Chm	Mem	-
Mrs Visalakshi Periasamy (Non-Executive Director - Promoter)	2	-	2	1	-	-	-	-
Mr P Selvam (Non-Executive Independent Director)	2	-	-	Nil	-	-	-	-
Dr S Muthu (Non-Executive Independent Director)	4	-	1	Nil	-	Mem	-	-
Mr R K Viswanathan (Non-Executive Independent Director)	1	-	1	Nil	Nil	Mem	Mem	Nil
Dr V R S Sampath (Non Executive Independent Director)	1	-	Nil	Nil	Nil	Nil	Nil	Nil

Mgt - Management Committee, SR – Stakeholders Relationship Committee, NRC – Nomination & Remuneration Committee

d. No. of Board Meetings held in the Financial Year 2016-17 and dates on which held:

The Board meetings were held four times during the financial year, on 26.05.2016, 12.08.2016, 04.11.2016, and 11.02.2017.

During the year, a separate meeting of the Independent Directors was held on 11th February. 2017, without the presence of Non-Executive Directors / Managing Director / Management to discuss the matter as required / agreed amongst them

e. Mrs. Visalakshi Periasamy is the spouse of Dr. Palani G. Periasamy.

f. Holdings of Equity Shares of the Non Executive Directors as on 31st March 2017. No convertible instruments had been issued.

Sl.No	Name of the Director	No of Shares	%
1	Mr. A Sennimalai (Non-Executive)	24081	0.07
2	Mr. R K Viswanathan	Nil	
3	Mr. P.S Gopalakrishnan	Nil	Nil
4	Dr K.C Reddy	500	0.00
5	Dr V R S Sampath	Nil	Nil
6	Mr P Selvam	Nil	Nil
7	Dr S Muthu	Nil	Nil
8	Mrs Visalakshi Periasamy	1200101	3.61

g. The Independent Directors, who are from diverse fields of expertise and have long standing experience and expert knowledge in their respective fields are very relevant as well as of considerable value for the Company's business. As a part of familiarization programme as required under Listing Regulations, the Directors have been appraised during the Board Meetings about the amendments to the various enactments viz., Companies Act, 2013 (the Act), Listing Regulations, Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information etc., Since these being information about the enactment / updates in the laws/regulations, no separate material has been uploaded in the website.

Appropriate familiarization programmes for Independent Directors as required under the Listing Regulations are undertaken from time to time. Details of such programmes will be updated on the Company's website at www.dharanisugars.in .

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. Two meetings were held on 19.12.2016 and 24.02.2017 during the year.

Name of the Directors	No of Meetings attended
Dr Palani G Periasamy – Executive Chairman	**2**
Mr M Ramalingam – Managing Director	**2**
Mr PS Gopalakrishnan - Independent Director	**2**
Mr A Sennimalai – Non-Executive Director	**2**

Shri E P Sakthivel, Company Secretary is the Secretary to this Committee.

4. Audit Committee:

(a) Terms of Reference

- The Audit Committee acts in accordance with the terms of reference given by the Board pursuant to Section 177 of the Act and Regulation 18 of the Listing Regulations. The terms of reference are briefly described below:-
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board appointment, re-appointment, replacement or removal (in the event of necessity) of Statutory Auditors, Cost Auditors including fixation of remuneration;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Review of the functioning of the whistle blower mechanism.
- The Audit Committee is vested with the necessary powers to achieve its objectives.
- The Committee is entrusted with such other role/function as envisaged under Regulation 18 (3) read with Part C of Schedule II of the Listing Regulations and the provisions of Section 177 of the Act.
- The Chairman of the Audit Committee was present at the last (28th) Annual General Meeting held on September 28, 2016.

(b) Composition, name of members & Chairperson, meetings held during the year and attendance at meetings.

The Audit Committee Meetings and Attendance: The Committee met 4 times on 26.05.2016, 12.08.2016, 04.11.2016 and 11.02.2017 during the year.

Name of the Directors	No of Meetings attended
Mr P S Gopalakrishnan – Independent Director	4
Mr R K Viswanathan – Independent Director	1
Dr S Muthu - Independent Director	4
Dr K C Reddy – Nominee Director (IREDA)	4
Mr A Sennimalai – Non-Executive Director	3

Shri E P Sakthivel, Company Secretary is the Secretary to this Committee.

5. Nomination and Remuneration Committee

(i) Terms of Reference

The terms of reference and Role of the Nomination and Remuneration Committee are as per the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

Terms of Ref:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of board of directors;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

The policy is framed by the Nomination and Remuneration Committee and approved by the Board. The terms and conditions of appointment are disclosed in the website of the Company at www.dharanisugars.in

(ii) Composition, name of members & Chairperson, meetings held during the year and attendance at meetings.

The Nomination and Remuneration Committee presently consists of four Non-executive Directors, two being independent. The Chairman is a Non-executive and Independent Director. The Committee has held four meetings during the Financial Year 2016-17 i.e., 26.05.2016, 12.08.2016, 04.11.2016 and 11.02.2017. The composition of the Nomination and Remuneration Committee as on 31st March 2017 and the attendance of members at the meetings held during the Financial Year 2016 were as follows. Performance evaluations are carried out as per criteria posted on the web site.

Sl.No	Name of the Directors	Designation	No of Meetings attended
1	Mr P S Gopalakrishnan	Chairman (Independent Director)	4
2	Dr K C Reddy	Nominee Director (Ireda)	4
3	Mr A Sennimalai	Director	3
4	Mr R K Viswanathan	Independent Director	1

6. Details of remuneration to all the Directors paid during the Financial Year 2016 - 2017.

Sl.No	Name of the Director	Sitting Fees	Salary Rs. Lakhs	Commission/Bonus	Stock Option	Pension
1	Dr Palani G Periasamy	Nil	Nil	Nil	Nil	Nil
2	Mr M Ramalingam	Nil	27.60	Nil	Nil	Nil
3	Mr. A Sennimalai	0.70	Nil	Nil	Nil	Nil
4	Mr. R K VIswanathan	0.15	Nil	Nil	Nil	Nil
5	Mr. P.S Gopalakrishnan	0.80	Nil	Nil	Nil	Nil
6	Dr K.C Reddy	0.65	Nil	Nil	Nil	Nil
7	Dr V R S Sampath	0.05	Nil	Nil	Nil	Nil
8	Mr P Selvam	0.10	Nil	Nil	Nil	Nil
9	Dr S Muthu	0.45	Nil	Nil	Nil	Nil
10	Mrs Visalakshi Periasamy	0.10	Nil	Nil	Nil	Nil

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 in the Companies Act, 2013. There are no other pecuniary relationship between Non Executive Directors and the company.

Fixed Component / Performance Linked Incentive / Criteria: Performance related Bonus is payable to the Executive Chairman as per the terms of Contract entered into between the Company and the whole time Director.

Service Contract / Notice Period / Severance Fees:

a) The Contract of Service entered into by the Company with Mr. M Ramalingam, the Managing Director, provides, a term of 5 years and also provides that the Company and the Managing Director shall be entitled to terminate *the agreement by giving 90 days' notice in writing on either side.*

b) No severance fee is payable by the Company to the Managing Director on termination of the agreement/s.

Stock Option: The Company does not have any stock option scheme.

7. Stakeholders Relationship Committee

Stakeholders Relationship Committee consists of three Directors, out of which two are non-executive directors. The Chairman of the Committee is Dr K C Reddy, Nominee Director (Non- executive).

The Committee met on 26.05.2016 during the Financial Year 2016- 2017 and composition and attendance is given hereunder.

Sl.No	Name of the Directors	Designation	No. of Meetings held	No. of Meetings attended
1	Dr K C Reddy	Nominee Director	1	1
2	Mr M Ramalingam	Managing Director	1	1
3	Mr A Sennimalai	Director	1	1

All the investor grievances / correspondences have been promptly attended to within 7 days from the date of their receipt. Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Mr. E P Sakthivel, Company secretary is the contact person.

The details of investors' complaints received and resolved during the Financial Year 2016-17 are as under:

No. of investors' complaints received during 2016-17	No. of investors' complaints resolved	Investors' complaints pending at the end of 2016-17
Nil	Nil	Nil

8. General Body Meetings

(i) Location and time where last three Annual General Meetings (AGMs) held

AGM for the year	Location	Date	Time
2015-2016	Narada Gana Sabha No.314 TTK Road, Alwarpet, Chennai 600 018	28.09.2016	10.20 A.M
2014-2015	Narada Gana Sabha No.314 TTK Road, Alwarpet, Chennai 600 018	28.09.2015	10.20 A.M
2013-2014	Narada Gana Sabha No.314 TTK Road, Alwarpet, Chennai 600 018	24.09.2014	10.20 A.M

(ii) Special Resolution passed in the previous three Annual General Meetings

1. Two Special Resolution were passed in the Previous AGM held on 28.09.2016
2. Three Special Resolutions were passed in the previous AGM held on 28.09.2015.
3. One Special Resolution was passed in the AGM held on 24.09.2014.

During the year the Company has passed two Special Resolutions through postal ballot.

Postal Ballot :

During the year, one Postal Ballot was conducted by the Company to seek the approval of its members as required under the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

1) At the Postal Ballot conducted on 9th August 2016 the results of which were announced by the Company on the following Special Resolutions were passed.

- To issue 2270000 equity shares on preferential basis to the existing promoter group Dharani Developers Private Limited under Section 62 read with Section, 42 of the Companies Act 2013 and related rules made there on and as per regulation Chapter VI of the SEBI (ICDR)Regulations 2009 (Special Resolution)
- Voting pattern as per Regulation 44 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is being provided for the above special resolutions passed through the postal ballot conducted on 9th August 2016 as below:
- Mr. M. Damodaran, practicing Company Secretary (Membership No: C.P.5081) was the scrutinizer. The Resolution was passed the requisite majority

Voting Pattern:

	No of shares polled	% to Total shares polled
Favour	16812893	99.85
Against	25260	0.15
Total	16838153	100.00

9. Cost Accounting Records (Electricity Industry) Rules 2011.

a) The Company has maintained all records, books, registers, accounts and the reports as required by the Cost Accounting Records Rules 2011 in regard to the Co-generation Power Plant, Sugar plant and Distillery plants.

b) Cost Audit:

Pursuant to section 148 read with the Companies (Cost Records and Audit) Rules, 2014, the company has appointed M/s V. Srinivasan, Cost Accountant (Membership No: 1248) Chennai to undertake cost audit of the company for the financial year 2016-17. The report was filed on 9.12.2016

10. Means of Communication

Quarterly Financial Results / Official News Releases

The quarterly / half-yearly / annual financial results are published in English daily 'Financial Express' and in Tamil in 'Makkal kural'

(a) The quarterly financial results of the company were announced within the stipulated period and were published in English and Tamil newspapers from Chennai City as required by the Listing Agreement with Stock Exchanges.

(b) The financial results are placed on the Company's website at www.dharanisugars.in.

(c) Other than this, there have been no official news releases.

(d) No presentation was made to the institutional investor or to the analysts.

The Company has a dedicated help desk with e-mail ID: secretarial@dharanisugars-pgp.com in the Secretarial Department for providing necessary information to the investors.

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 always have the liberty to modify their instructions any time.

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

11. General Shareholder Information

I. Time, Date and Venue of Annual General Meeting	25 September 2017 at 10.20 A.M.Narada Gana Sabha, New No. 314 TTK Road, Alwarpet, Chennai 600 018
ii. Financial Year	April 2016 – March 2017
iii. Date of Book Closure	19th September 2017 to 25th September 2017 (both days inclusive)
iv. Listing on Stock Exchanges	1. Bombay Stock Exchange, Mumbai 2. The National Stock Exchange of India Ltd, Mumbai
v. Stock Code	BSE – Scrip Code – 507442 NSE – DHARSUGAR-EQ
vi. Payment of Annual Listing Fees	Paid up-to-date

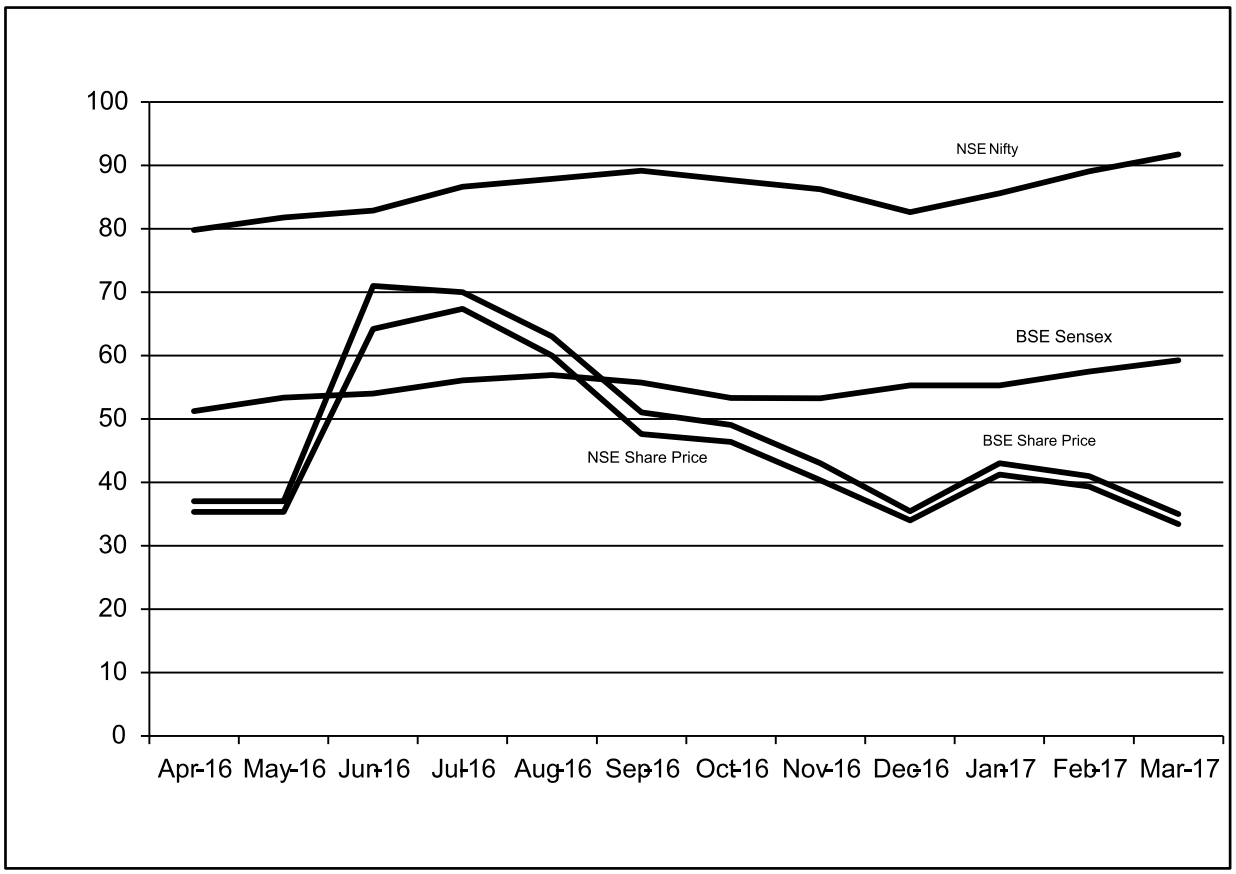
(i) Market Price Data

The high and low quotations of the Company's shares on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) from April 2016 to March 2017 are furnished below.

Bombay Stock Exchange -script code 507442 and National Stock Exchange of India Limited- DHARSUGAR EQ.

	NSE		BSE	
	HIGH	LOW	HIGH	LOW
MONTH	(Rs.P.)	(Rs.P.)	(Rs.P.)	(Rs.P.)
Apr -16	35.70	27.75	36.50	27.05
May -16	35.90	29.15	36.90	29.00
Jun -16	64.85	36.10	71.40	31.65
Jul -16	67.90	56.80	69.80	56.00
Aug -16	60.65	31.15	62.90	30.45
Sep -16	48.25	32.50	51.05	31.00
Oct -16	47.10	41.35	49.03	40.80
Nov -16	41.20	27.30	42.90	24.35
Dec -16	34.65	27.25	35.45	27.00
Jan -17	41.85	35.80	42.60	33.00
Feb -17	40.10	30.15	41.40	29.50
Mar -17	34.05	29.15	35.00	28.20

Performance in comparison to broad based indices such as BSE, Sensex, CRNIL Index etc.,



(ii) Shareholding details as on 31st March 2017

a. Shareholding Pattern

Sl.No	Category	No of Shares	%
1	Promoter & Promoter Group	20435659	61.55
2	Mutual Funds and UTI	14600	0.04
3	Banks, Financial Institutions, Insurance Companies (Central/ State Government Institutions/ Non Government Institutions)	3350	0.01
4	Bodies Corporate	1203479	3.62
5	Indian Public	7048841	21.23
6	NRIs/OCBs	4028741	12.13
7	Others (Clearing Member/ HUF/Trust/)	465330	1.40
	Total	33200000	100.00

b. Distribution of Shareholding.

Shareholding of Nominal value of Rs.	Shareholders		Share Amount	
	Number	% to Total	In Rs.	% to Total
Upto 5000	14055	87.30	19385540	5.84
5001 – 10000	983	6.10	8052760	2.43
10001 – 20000	455	2.82	7090340	2.13
20001 – 30000	181	1.12	4638270	1.40
30001 – 40000	80	0.49	2880110	0.87
40001 – 50000	73	0.46	3442210	1.03
50001 – 100000	116	0.73	8638880	2.60
100001 and above	158	0.98	277871890	83.70
Total	16101	100.00	332000000	100.00

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.

c. Transfer of unclaimed amount to IEPF

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

Year	% of Dividend	Date	Unclaimed	Due date for transfer to IEPF
			Amt in Rupees	
2009-10	15	01.10.2010	1310469.00	10.10.2017
2011-12	10	12.10.2012	1065979.00	21.10.2019
2012-13	10	10.10.2013	634253.00	20.10.2020

MCA by notification GSR 352 (E) dated 10.05.2012 has stipulated publication of details of unclaimed/ unpaid dividend in the Company website and MCA website. This will enable investors track unclaimed dividend by checking the status online and real time. Our Company has already uploaded the requisite details that will get updated every year within 90 days of Annual General Meeting. The Unpaid/Unclaimed Dividend for the Financial Year 2008-09 aggregating to Rs 686578/- and pertaining to 3283 shareholders was transferred to IEPF.

d. 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 by sending the required documents to the General Manager, Cameo Corporate Services Limited, Chennai at the above address.

e. Share Transfer System

The Company's shares being in compulsory demat list, are transferable through the depository system. However, shares in the physical form are processed by the Registrar and Share Transfer Agents, and approved by the Stakeholders Relationship Committee. In order to expedite the process, the Board of Directors has delegated the authority to the Company Secretary to approve the share transfers and accordingly, the Company Secretary approves the transfer/transmission of shares generally on a weekly basis. The share transfer process is placed in the meeting of the Board of Directors every quarter.

f. Dematerialization 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 31.03.2017, 31145815 Shares constituting 93.81% have been dematerialised.

	No of Shares	% of Shares
National Securities Depository Ltd	28463709	85.73
Central Depository Services (I) Ltd	2682106	8.08
Total	31145815	93.81

g. Plant Location

Sugar Unit –I	2500 TCD	Dharani Nagar, Vasudevanallur – 627760, 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, SankarapuramTaluk, Villupuram Dist. – 606 206 Tamil Nadu
Distillery (in Unit I)	60 KLPD	Dharani Nagar,Vasudevannallur – 627760 Tirunelveli Dist, Tamil Nadu
Distillery (in Unit III)	100 KLPD	Kalayanallur Village, SankarapuramTaluk, Villupuram Dist. – 606 206 Tamil Nadu
Co- Generation of Power (In Unit II)	15 MW	Karaipoondi Village,Polur - 606803 Thiruvannamalai Dist. Tamil Nadu
Co- Generation of Power (In Unit III)	22 MW	Kalayanallur Village, Sankarapuram Taluk Vlilupuram Dist. – 606 206 , Tamil Nadu

****TCD – Ton crushed per day, KLPD – Kilo Litre Per Day.**

h. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity

As on date, the Company has not issued GDRs, ADRs or any other Convertible Instruments and as such, there is no impact on the equity share capital of the Company.

i. Address for Correspondence

Dharani Sugars and Chemicals Limited

"PGP House" No.59, Sterling Road,
Nungambakkam, Chennai – 600 034.
Telephone: 044 – 2831 1414, 2831 1313, Fax No: 044-2823 2074
CIN – L15421TN1987PLC014454
Email: secretarial@dharanisugars-pgp.com, secretarial@pgpgroup.in
Website: www.dharanisugars.in

j. Code of Conduct

As required under Listing Regulations, the Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management Personnel and that the same has been hosted on the Company's website. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct, as on 31st March 2017.

SEBI had revised the regulations pertaining to Prohibition of Insider Trading and notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015. In accordance with the revised regulations, the Company has, inter-alia, adopted a Code of Conduct for Prohibition of Insider Trading Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Code) duly approved by the Board of Directors of the Company at their meeting held on 26.05.16.

As per the above Code, Mr. E P Sakthivel, Company Secretary is the Compliance Officer.

k. SEBI had issued new Listing Regulations viz., Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 which were effective from December 1, 2015. As required under the said Regulations, the Company has complied with the following requirements:

a. Adopted, Policies on Preservation of Documents, Archival Policy, Policy on Materiality, amended the Code of Conduct to fulfill the requirements on Obligations of Directors and Senior Management.

b. Executed fresh Listing Agreements with BSE Limited and National Stock Exchange of India Limited.

Further the Company affirms that all the requirements applicable under the Listing Regulations (effective December 1, 2015) are complied with.

l. Commodity Price Risk / Foreign Exchange Risk and hedging activities

Company is exposed to foreign exchange risk on account of import and export transactions entered.

The Company is proactively mitigating these risks by entering into commensurate hedging transactions with banks as per applicable guidelines and group risk management instructions.

12. Other Disclosures.

(i) Disclosures on materially significant related party transactions.

There was no materially significant related party transaction during the year having potential conflict with the interests of the Company.

Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in the notes to accounts annexed to the financial statements. Further the Company has not entered into any transaction of a material nature with the Promoters, subsidiaries of Promoters, Directors or their relatives etc. that may have potential conflict with the interests of the Company.

Policy on determining with Related Party Transactions can be viewed in the Company's website at www.dharanisugars.in

Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities or any matter related to capital markets during the last three years.

The Company has not been levied penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities or any matter related to capital markets during the last three years.

(iii) Whistle Blower Policy and vigil mechanism affirmation that no personnel have been denied access to the Audit Committee.

The Company has adopted Whistle Blower Policy where it has a mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct/Business Ethics. No personnel have been denied access to the Chairman of the Audit Committee, for making complaint on any Integrity issue. This policy is hosted on the company's website.

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements under the Listing Regulations and in particular specified in regulation 17 to 27 and Clause b to I of sub regulation (2) of regulation 46 of LODR.

During the year, the Company has fully complied with the mandatory requirements as stipulated in Listing Regulations.

13. Discretionary Requirements

- The quarterly financial results are published in the newspapers of wide circulation. Further the financial results are available on the website of the Company and of Stock Exchanges where the shares of the Company are listed i.e. BSE Ltd and National Stock Exchange of India Limited. Hence they are not sent to individual shareholders.
- The Auditors' Opinion on the Financial Statements is unmodified.

Internal Auditor reports directly to the Chairman of the Audit Committee.

For and on behalf of Board

Dr Palani G Periasamy
Executive Chairman
DIN- 00081002

Place: Chennai-34
Date : 29th May 2017

DECLARATION BY THE EXECUTIVE CHAIRMAN UNDER PARA D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Para D Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2017.

For and on behalf of Board

Dr Palani G Periasamy
Executive Chairman
DIN- 00081002

Place: Chennai-34
Date : 29th May 2017

Managing Director/CFO Certificate

To
The Board of Directors
Dharani Sugars and Chemicals Limited

We certify that;

A. We have reviewed financial statements and the cash flow statement of Dharani Sugars and Chemicals Limited for the year ended 31st March 2017 and that to the best of our knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2. 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. To the best of our knowledge and belief, no transaction has been entered into by the Company during the year which is fraudulent, illegal or violative of the code of conduct of the Company.

C. We accept responsibility for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of internal control systems of the Company over financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls over financial reporting, if any, of which we are aware and the steps we have taken, propose to take, to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting;

D. We have indicated to the auditors and the Audit Committee that there are:

a. no significant changes in internal control over financial reporting during the year;

b. no significant changes in accounting policies during the year; and

c. no instances of 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 systems over financial reporting.

M.P. Kaliannan
President (Corp. Finance)
& Chief Financial Officer

M. Ramalingam
Managing Director

Place: Chennai-34
Date : 29th May 2017

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Members of Dharani Sugars and Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by Dharani Sugars and Chemicals Limited ("Company"), for the year ended March 31, 2017, as stipulated in Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Regulations) Regulations, 2015 (the Listing regulations).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 and based on the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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 R MANIKANDAN
Partner
Membership No.216063

Place: Chennai
Dated: 29th May 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DHARANI SUGARS AND CHEMICALS LIMITED

Report on the Standalone Ind AS Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of DHARANI SUGARS AND CHEMICALS LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'standalone Ind AS Financial Statements').

Managements Responsibility for the Standalone Ind AS Financial Statements:

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls; that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

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

6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view 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 estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017, and its loss, total other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April1, 2015 included in these standalone Ind AS financial statements, are based on the previous issued statutory financial

statements for the years ended March 31, 2016 and March 31 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unqualified opinion. The adjustments to those financial statements for the difference in accounting principles adopted by the Company on transition to the Ind AS have been audited by us, on which we have expressed an unmodified opinion vide our report dated, May 29, 2017.

Report on Other Legal and Regulatory Requirements

10 As required by the Companies (Auditor's Report) Order, 2016, ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

11 As required by Section 143(3) of the Act, we report that :

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c) the balance sheet, statement of profit and loss, the cash flow statement and the statement of changes in Equity dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;

e) on the basis of the written representations received from the directors as on 31st March 2017, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164(2) of the Act; and

f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and explanations given to us:

i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 42 to the standalone Ind AS financial statements;

ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. there has been a delay in transfer of the unpaid dividend to the extent of Rs. 6.93 lakhs which is required to be transferred, to the Investor Education and Protection Fund during the year.

iv. the Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding an dealing in Specified Bank Notes (as defined in the Notification S.O.34079E dated the November 8, 2016 of the Ministry of Finance) during the period from November 8. 2016 to December 30, 2016. Based on the audit procedure performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

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

per R MANIKANDAN
Partner
Membership No.216063

Place: Chennai
Dated: 29th May 2017

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the matters of Dharani Sugars and Chemicals Limited on the standalone Ind AS financial statements for the year ended 31st March 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **M/s DHARANI SUGARS & CHEMICALS LIMITED** ("the Company" or "DSCL"), as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per R MANIKANDAN
Partner
Membership No.216063

Place: Chennai
Dated: 29th May 2017

ANNEXURE B TO THE AUDITORS' REPORT

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March, 2017, we report that;

(I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of fixed assets by which fixed assets are verified in a phased manner every year. In accordance with this programme, fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. In our opinion, the discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) The Company has not granted any loans, secured or unsecured to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013("the Act") during the year under consideration.

(iv) In our opinion and according to the information provided and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.

(v) In our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Act or any other relevant provisions of the Act, 2013 and the rules framed there under, to the extent applicable, have been complied with. However, the Company has not accepted any deposits during the year. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Duty of Customs, Excise Duty, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Duty of Customs, Excise Duty, Cess and other material statutory dues were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of dues	Period to which the amount relates	Forum where dispute is pending	Amount (Rs. in lakhs)
Income Tax Act, 1961	Income Tax Dues	Assessment Year 2014-15	Commissioner of Income-tax (Appeals)	-
Income Tax Act, 1961	Income Tax Dues	Assessment Year 2013-14	Commissioner of Income-tax (Appeals)	-
Income Tax Act, 1961	Income Tax Dues	Assessment Year 2012-13	Commissioner of Income-tax (Appeals)	11.08
Income Tax Act, 1961	Income Tax Dues	Assessment Year 2011-12	Commissioner of Income-tax (Appeals)	-
Finance Act, 1994	Service Tax on Goods Transport Agency	April 2008 to April 2013	CESTAT - Chennai	87.95
Tamilnadu Tax on Consumption or Sale of Electricity Act 2003	Power Generation Tax	June 2003 to Sep 2008 and April 2011 to March 2015	Supreme Court	312.80
Tamilnadu Tax on Consumption or Sale of Electricity Act 2003	Power Tariff revision	August'2012 to September 2013	Supreme Court	#67.42
Central Excise Act, 1944	Cenvat credit on Capital goods	Sep 2008 to Feb 2010	CESTAT - Chennai.	#85.37

net of amount paid under protest.

(viii) According to information and explanation given to us and as per the books and records examined by us, the Company has defaulted in repayment of dues to financial institution and government which are as follows:

Bank/ Financial Institution	Nature of the dues	Rs. in lakhs	Due date	Payment Date / Amount paid details
Indian Renewable Energy Development Agency	Repayment of Loan	84.29	30-09-2016	20-02-2017
		84.29	31-12-2016	20-02-2017
		84.29	31-03-2017	-
		28.52	30-09-2016	20-02-2017
		28.52	31-12-2016	20/02/2017 (Rs. 7.89 lakhs)& 28/03/2017 (Rs.20.63 lakhs)
		28.52	31-03-2017	-
Sugar Development Fund	Repayment of Loan	26.57	01-03-2016	30-03-2017
		167.46	01-03-2016	-
		194.03	01-03-2017	-
		140.03	03-10-2014	-
		140.03	03-04-2015	-
		140.03	03-10-2015	-
		140.03	03-04-2016	-
		138.03	03-10-2016	-
		143.55	19-01-2015	-
		143.55	19-07-2015	-

Bank/ Financial Institution	Nature of dues	Rs. in Lakhs	Due date	Date of Payment
Sugar Development Fund	Repayment of Loan	143.55	19-01-2016	-
		139.51	19-07-2016	-
		238.77	05-12-2014	-
		238.77	06-06-2015	-
		238.77	05-12-2015	-
		238.77	06-06-2016	-
		238.77	05-12-2016	-
Indian Renewable Energy Development Agency	Payment of Interest	159.05	30-09-2016	28-03-2017
		161.24	31-12-2016	31-03-2017
		4.65	31-03-2017	31-03-2017
		153.43	31-03-2017	-
		13.37	30-09-2016	28-03-2017
		41.03	31-12-2016	28-03-2017
		6.51	31-03-2017	28-03-2017
		33.37	31-03-2017	-
		73.97	31-12-2015	29-06-2016
		67.87	31-03-2016	29-06-2016
		56.38	03-06-2016	04-10-2016
		47.7	30-09-2016	04-10-2016
		8.03	31-12-2016	28-03-2017
		38.15	31-03-2017	28-04-2017
Sugar Development Fund	Payment of Interest	173.4	31-03-2016	Rs. 100 Lakhs on 30-08-2016 / Rs. 25 Lakhs on 03-10-2016 / Rs. 25 Lakhs on 01-02-2017 / Rs. 23.43 Lakhs on 30-03-2017
		3.59	31-03-2016	-
		23.15	31-03-2017	-
		113.74	31-03-2016	-
		5.67	03-06-2016	-
		5.67	30-09-2016	-
		5.73	31-12-2016	-
		5.60	31-03-2017	-
		50.61	31-03-2016	-
		13.01	03-06-2016	-
		13.01	30-09-2016	-
		13.01	31-12-2016	-
		12.87	31-03-2017	-
		138.97	31-03-2016	-
		18.82	03-06-2016	-
		18.82	30-09-2016	-
		19.03	31-12-2016	-
		18.61	31-03-2017	-

The Company has not issued Debentures till 31st March, 2017. Hence, the question of reporting on default in repayment of dues to Debenture holders does not arise.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were prima facie applied during the period for the purposes for which the loans were obtained.

(x) According to the information and explanations given to us, no material fraud by the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197, read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the standalone Ind AS Financial Statements as required by the applicable accounting standards;

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the year. The Company has not made any private placement of shares nor issued any debentures. Hence, complying with the provisions of Section 42 of the Act and reporting whether the funds were utilised for the purpose it is raised are not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

per R MANIKANDAN
Partner
Membership No.216063

Place: Chennai
Dated: 29th May 2017

Balance Sheet as at March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note Ref	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
A ASSETS				
1 Non-current assets				
Property, plant and equipment	4	60,964.75	62,939.53	65,116.77
Capital work in progress	5	1,832.66	1,636.67	1,348.79
Intangible assets	6	0.06	0.06	0.76
Financial assets				
Investments	7	2,648.95	2,356.59	2,092.46
Other financial assets	8	346.97	-	-
Long Term Loans and Advances	9	1,679.56	1,644.66	1,743.01
Other non-current assets	10	1.83	257.91	417.93
Total non-current assets		**67,474.78**	**68,835.42**	**70,719.72**
2 Current assets				
Inventories	11	22,671.86	22,410.17	20,721.37
Financial assets				
Trade receivables	12	5,646.79	5,475.13	4,186.41
Cash and cash equivalents	13	348.24	283.79	1,066.37
Bank balances other than (iii) above	14	313.45	42.81	237.47
Other financial assets	15	223.29	303.11	337.34
Other current assets	16	571.06	873.44	1,657.62
Total current assets		**29,774.69**	**29,388.45**	**28,206.58**
Total Assets		**97,249.47**	**98,223.87**	**98,926.30**
B EQUITY AND LIABILITIES				
1 Equity				
Equity share capital	17	3,320.00	2,938.98	2,938.98
Other equity	18	14,118.49	15,410.82	16,621.41
Total equity		**17,438.49**	**18,349.80**	**19,560.39**
2 Share application money pending allotment		-	338.83	-
3 Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	19	30,806.61	39,216.42	37,463.54
Other financial liabilities	20	31.18		
Provisions	21	496.10	446.90	426.81
Deferred tax liabilities	22	1,344.34	1,157.32	4,318.51
Total non-current liabilities		**32,678.23**	**40,820.64**	**42,208.86**
Current liabilities				
Financial liabilities				
Borrowings	23	20,177.30	16,035.16	17,933.38
Trade payables	24	11,929.99	12,505.18	13,531.94
Short Term Provisions	21	181.40	167.43	168.13
Other current liabilities	25	14,844.06	10,006.83	5,523.60
Total current liabilities		**47,132.75**	**38,714.60**	**37,157.05**
Total liabilities		**79,810.98**	**79,535.24**	**79,365.91**
Total Equity and Liabilities		**97,249.47**	**98,223.87**	**98,926.30**

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached.

SRINIVASAN & SHANKAR
Chartered Accountants
Firm No.005093S

For and on behalf of the Board

per R. MANIKANDAN
Partner
Membership No: 216063

E.P. SAKTHIVEL
Company Secretary

M.RAMALINGAM
Managing Director

DR. PALANI G. PERIASAMY
Executive Chairman

Place : Chennai
Date : 29th May 2017

M.P. KALIANNAN
Chief Financial Officer

Statement of Profit & Loss for the year ended March 31, 2017

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

	Particulars	Note Ref	**For the year ended 31 March 2017**	For the year ended 31 March 2016
A	**Income**			
	Revenue from operations	26	53,204.73	37,437.94
	Other income	27	782.59	840.20
	Other gains/(losses) - net			
	Total income		**53,987.32**	**38,278.14**
B	**Expenses**			
	Cost of materials consumed	28	36,848.80	26,102.18
	Changes in inventories of finished goods & work-in-progress	29	(289.35)	(1,710.12)
	Excise duty		2,291.77	1,038.45
	Employee Benefit Expenses	30	2,435.21	2,292.68
	Depreciation and amortisation expense	31	2,287.60	2,300.21
	Finance costs	33	7282.75	6596.82
	Other Expenses	32	4,693.08	5,928.81
	Total expenses		**55,549.86**	**42,549.03**
C	**Profit/ (Loss) before exceptional items, and tax**		**(1,562.54)**	**(4,270.89)**
	Exceptional items	34	7.71	11.25
D	**Profit/ (Loss) before tax from continuing operations**		(1,554.83)	(4,259.64)
	Income tax expense			
	Current tax		-	-
	MAT Credit Reversal		-	(100.89)
	Deferred tax asset/ (liability)		(187.02)	3,161.19
	Profit/ (Loss) for the period		(1,741.85)	(1,199.34)
E	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss Remeasurement of post employment benefit obligations	-	-	
	Income tax relating to these items	-	-	
	Other comprehensive income for the period, net of tax	-	-	
F	**Total comprehensive income/ (Loss) for the period**		(1,741.85)	(1,199.34)
G	**Earnings per equity share for Continuing operations**	36		
	Basic earnings		(5.25)	(4.08)
	Diluted earnings		(5.48)	(4.08)

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

SRINIVASAN & SHANKAR
Chartered Accountants
Firm No.005093S

For and on behalf of the Board

per R. MANIKANDAN
Partner
Membership No: 216063

E.P. SAKTHIVEL
Company Secretary

M.RAMALINGAM
Managing Director

DR. PALANI G. PERIASAMY
Executive Chairman

M.P. KALIANNAN
Chief Financial Officer

Place : Chennai
Date : 29th May 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

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

Particulars	For the year ended March 31 2017	For the year ended March 31 2016
A. Cash Flow From Operating Activities:		
Net Profit/(Loss) before income tax	(1,554.83)	(4,259.64)
Adjustments for :		
Depreciation and amortisation expense	2,287.60	2,300.21
(Gain)/loss on disposal of property, plant and equipment	(1.05)	(0.08)
Unamortised Finance Income	(31.18)	-
Unamortised Interest Expense & Rent	(346.97)	-
Measurement of Financial Asset at FVTPL	(292.91)	(262.41)
Amortization of USAID Grant	(7.71)	(11.25)
Unrealised exchange fluctuation (Gain)/Loss	(34.59)	209.30
Provision for Doubtful debts & Advances	(11.72)	(29.34)
Interest income classified as investing cash flows	(23.22)	(27.69)
Finance costs	7,282.75	6,596.82
Operating Profit before Working Capital Changes	**7,266.17**	**4,515.92**
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(171.66)	(1,288.72)
(Increase)Decrease in inventories	(261.69)	(1,688.80)
Increase/(Decrease) in trade payables	(575.19)	(1,026.76)
Increase/(Decrease) in Deposits	(270.83)	194.56
(Increase)/ Decrease in other financial assets	79.82	34.23
(Increase)/Decrease in other non-current assets	256.08	160.02
(Increase)/Decrease in other current assets	302.38	784.18
Increase/ (Decrease) in provisions	63.17	19.39
Increase/ (Decrease) in other current liabilities	4,582.65	4,440.91
Cash generated from operations	**11,270.90**	**6,144.93**
Income taxes paid/ (refund)	3.28	5.54
Net cash inflow from operating activities	**11,267.62**	**6,139.39**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(313.02)	(122.34)
Increase in Capital Work In progress	(195.99)	(287.88)
Proceeds from sale of property, plant and equipment	1.25	0.15
Interest income on Bank deposits	23.22	27.69
Net cash outflow from investing activities	**(484.54)**	**(382.38)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/ (Decrease) in long term loans and advances	31.62	2.54
Increase in Borrowings- Working Capital	4,142.14	(1,898.22)
Proceeds towards allotment of shares - Share capital net of Share application money	42.19	338.83
Proceeds towards allotment of shares - Share Premium	457.22	-
Repayment of Secured Loans	(9,072.06)	(4,675.25)
Proceeds from Long term borrowings	708.56	6,248.17
Interest paid	(7,028.30)	(6,555.66)
Net cash inflow (outflow) from financing activities	**(10,718.63)**	**(6,539.59)**
Net increase (decrease) in cash and cash equivalents	**64.45**	**(782.58)**
Cash and cash equivalents at the beginning of the financial year	283.79	1,066.37
Cash and cash equivalents at end of the year	**348.24**	**283.79**

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Notes :

1. The Above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".
2. Components of cash and cash equivalents

	Rs. Lakhs	Rs. Lakhs
Balances with banks		
- in current accounts	343.32	282.08
Cash on hand	4.92	1.71
Total	**348.24**	**283.79**

For and on behalf of the Board

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

Per R MANIKANDAN
Partner
Membership No.216063

E.P. SAKTHIVEL
Company Secretary

M.RAMALINGAM
Managing Director

DR. PALANI G. PERIASAMY
Executive Chairman

M.P. KALIANNAN
Chief Financial Officer

Place : Chennai
Date : 29th May 2017

Notes to financial Statements for the year ended March 31, 2017

1 Corporate Information

Dharani Sugars and Chemicals Limited, is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 and has its registered office in Chennai. The Company is engaged in the business of manufacturing white sugar, generation of electricity and production of industrial alcohol.

2 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2016 are the first interim financial statements the Company has prepared in accordance with Ind AS. Refer to note 44 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

a) Derivative financial instruments

b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

These financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

The financial statements are approved for issue by the Company's Board of Directors on May 29, 2017.

3 Significant Accounting Policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

i) It is expected to be settled in normal operating cycle

ii) It is held primarily for the purpose of trading

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Foreign currency transactions and translations

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c) Fair value measurement

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) In the principal market for the asset or liability;

ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measure or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

d) Revenue Recognition

Sale of goods

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue on sale of goods is recognised when the risk and rewards of ownership is transferred to the buyer, which generally coincides with the despatch of the goods.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sales tax/ value added tax (VAT)/ service tax is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Interest income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Interest income is included in finance income in the statement of profit and loss.

Dividend income

Dividend income is recognized when the company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

e) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

f) Property, plant and equipment and capital work in progress

Under the previous GAAP (Indian GAAP), the property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation.

The Company has elected to fair value of land and buildings as the deemed cost as at the date of transition, viz.,April 1, 2015. In respect of all other property, plant and equipment, the Company has retorspectively applied Ind AS 16 to remeasure the opening carrying amount as on the date of transition.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loan and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

g) Depreciation on property, plant and equipment

Depreciation on plant, property and equipment is calculated on a straight-line basis over the estimated useful lives of the asset. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of buildings, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The useful lives considered for depreciation of fixed assets are as follows:

Assets Category	Estimated useful life (in years)
Buildings - Factory	50
Non Factory	60
Plant and Machinery	30
Furniture and fixtures	10
Office equipment	6
Vehicles	10

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Computer software is depreciated over and above estimated useful life of 6 years.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset, when the Company can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- its intention to complete and its ability and intention to use or sell the asset
- how the asset will generate future economic benefits
- the availability of resources to complete the asset
- the ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

I) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost of raw materials is determined using the weighted average method and includes freight, taxes and duties, net of duty credits wherever applicable.

In respect of finished goods and work in progress cost includes all direct costs including excise duty and applicable manufacturing overheads incurred in bringing them to their present location and condition.

j) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and

loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the escalation of lease payments represents the compensation for cost inflation.

k) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level as appropriate, and when circumstances indicate that the carrying value may be impaired.

l) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

m) Retirement and other employee benefits

i Retirement benefit in the form of provident fund and super annuation fund are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund and super annuation fund. The Company recognizes contribution payable to the provident/ super annuation fund scheme as an expense, when an employee renders the related service.

ii Provision for Gratuity and Leave encashment is made on the basis of actuarial valuation at the end of the year in line with AS-15 (Revised). Gratuity and Leave encashment are unfunded liability.

iii Superannuation for the Executives is contributed by way of subscription to the fund with the LIC of India and the same is charged to profit and loss account on accrual basis.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

n) Financial Instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

The Company classifies a debt instrument as at amortised cost, if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. For more information on receivables, refer to Note 38.

Debt instrument at FVTOCI

The Company classifies a debt instrument at FVTOCI, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

The Company classifies all debt instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of equity instruments at FVOCI, it recognises all subsequent changes in the fair value in other comprehensive income, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement~ and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

e) Loan commitments which are not measured as at FVTPL

f) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. For more information refer Note 38.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host

contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

o) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

p) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Statement of Changes in Equity for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(A) Equity Share Capital

Balance at the beginning of April 1, 2015	Changes in equity share capital during the year	Balance at the end of March 31, 2016	Changes in equity share capital during the year	Balance at the end of March 31, 2017
2,938.98	-	2,938.98	381.02	3,320.00

(B) Other Equity

Particulars	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Total
Balance as at April 1, 2015 as per IGAAP	19.81	2,657.50	1000.00	(4,813.63)	(1,136.32)
Adjustment pursuant to Ind AS adoption			-	17,757.73	17,757.73
Balance as at April 1, 2015 as per Ind AS	19.81	2,657.50	1,000.00	12,944.10	16,621.41
Additions/ (deductions) during the year	(11.25)				(11.25)
Total Comprehensive Income for the year	-			(1,199.34)	(1,199.34)
Balance as at 31.03.2016	8.56	2,657.50	1,000.00	11,744.76	15,410.82
Additions/ (deductions) during the year	(7.70)	457.22			449.52
Total Comprehensive Income for the year				(1,741.85)	(1,741.85)
Balance at the end of the reporting period	0.86	3,114.72	1,000.00	10,002.91	14,118.49

The accompanying notes form an integral part of the financial statements

As per our Report of even date attached

SRINIVASAN & SHANKAR
Chartered Accountants
Firm No.005093S

For and on behalf of the Board

per R. MANIKANDAN
Partner
Membership No: 216063

E.P. SAKTHIVEL
Company Secretary

M.RAMALINGAM
Managing Director

DR. PALANI G. PERIASAMY
Executive Chairman

M.P. KALIANNAN
Chief Financial Officer

Place : Chennai
Date : 29th May 2017

Notes to financial Statements for the year ended March 31, 2017

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

4 Property, plant and equipment

Particulars	Tangible Assets							Intangible Assets	Total
	Land	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Total	Software	
Cost as at March 31, 2015	932.68	16,341.00	49,520.27	104.60	241.74	93.06	67,233.35	5.13	**67,238.48**
IND AS Adjustment	12,280.32	7,880.35	(1,254.81)	-	-	-	18,905.86	-	**18,905.86**
Additions	-	54.27	42.75	-	24.18	1.14	122.34	-	122.34
Disposals	-	-			(1.44)		(1.44)	-	(1.44)
Cost as at March 31, 2016	**13,213.00**	**24,275.62**	**48,308.21**	**104.60**	**264.48**	**94.20**	**86,260.11**	**5.13**	**86,265.24**
Additions	-	90.98	188.42	0.09	32.18	1.35	313.02	-	313.02
Disposals	-		(3.91)				(3.91)	-	(3.91)
Exchange differences	-		-				-	-	-
Borrowing cost	-						-	-	-
Cost as at March 31, 2017	**13,213.00**	**24,366.60**	**48,492.72**	**104.69**	**296.66**	**95.55**	**86,569.22**	**5.13**	**86,574.35**
Depreciation/Amortisation									
As at March 31, 2015	-	3,224.89	17,496.99	89.67	146.15	64.69	21,022.39	4.37	21,026.76
Charge for the year		405.23	1,620.93	2.94	23.35	6.02	2,058.47	0.70	2,059.17
Ind AS Adjustments		335.78	(94.74)	-	-	-	241.04	-	241.04
Disposals	-	-	-	-	(1.37)	-	(1.37)	-	(1.37)
As at March 31, 2016	**-**	**3,965.90**	**19,023.18**	**92.61**	**168.13**	**70.71**	**23,320.53**	**5.07**	**23,325.60**
Charge for the year	-	403.02	1,614.49	2.14	22.49	4.48	2,046.62	-	2,046.62
Ind AS Adjustments	-	340.68	(99.70)	-	-	-	240.98	-	240.98
Disposals	-		(3.71)				(3.71)	-	(3.71)
As at March 31, 2017	**-**	**4,709.60**	**20,534.26**	**94.75**	**190.62**	**75.19**	**25,604.42**	**5.07**	**25,609.49**
Net Block									
As at March 31, 2015	13,213.00	20,996.46	30,768.47	14.93	95.59	28.37	65,116.77	0.76	**65,117.53**
As at March 31, 2016	13,213.00	20,309.72	29,285.03	11.99	96.35	23.49	62,939.53	0.06	**62,939.59**
As at March 31, 2017	13,213.00	19,657.00	27,958.46	9.94	106.04	20.36	60,964.75	0.06	**60,964.81**

5. Capital work-in-progress

As at March 31, 2015	-	224.74	1,124.05	-	-	-	1,348.79	-	**1,348.79**
As at March 31, 2016	-	228.37	1,408.30	-	-	-	1,636.67	-	**1,636.67**
As at March 31, 2017	-	228.37	1,604.29	-	-	-	1,832.66	-	**1,832.66**

6 Tangible Assets given on operating lease

Particulars	Cost as on March 31, 2017	Accumulated Depreciation	Net Block as on March 31, 2017	Cost as on March 31, 2016	Accumulated Depreciation	Net Block as on March 31, 2016
Land	-	-	-	-	-	-
Buildings	-	-	-	-	-	-
Plant and Machinery	-	-	-	-	-	-
Total	-	-	-	-	-	-

Notes to financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
7	**Non-current investments**			
	Investment in equity investments at Fair valued through profit and loss (FVTPL)			
	Quoted			
	Investment in other companies			
	139,000 equity shares of Rs.10/-each in Dharani finance Limited - fully paid	13.90	13.90	13.90
	Less: Provision for diminution in value of investments	(7.28)	(6.73)	(8.45)
	Unquoted			
	Investment in other companies			
	5,121,500 equity shares of Rs.10/-each in Appu Hotels Limited — fully paid	2,642.33	2,349.42	2,087.01
	Total	**2,648.95**	**2,356.59**	**2,092.46**
	Total non-current investments			
	Aggregate amount of quoted investments	13.90	13.90	13.90
	Aggregate market value of quoted investments	6.62	7.17	5.45
	Aggregate cost of unquoted investments	512.15	512.15	512.15
	Aggregate amount of impairment in value of investments	7.28	6.73	8.45
8	**Other financial assets**			
	Non-current			
	Unamortised interest expenses	343.38	-	-
	Rent Pre-payments	3.59	-	-
	Other receivables (Unsecured)			
	- Considered good	-	-	-
	- Considered doubtful	508.33	520.05	490.71
	Less: Provision for other receivables	(508.33)	(520.05)	(490.71)
	Total	**346.97**	**-**	**-**
9	**Long term loans and advances**			
	Capital Advances			
	Unsecured, considered good	25.41	31.39	34.39
	Others - Unsecured, considered good			
	Advance Income tax (net)	38.99	35.71	30.17
	MAT Credit entitlement	1,577.56	1,577.56	1,678.45
	Rent and Other advances	37.60	-	-
	Total	**1,679.56**	**1,644.66**	**1,743.01**
10	**Other non-current assets**			
	Interest Accrued on fixed deposits	1.83	2.09	82.09
	In Margin money with banks- more than 12 months	-	255.82	335.84
	Total	**1.83**	**257.91**	**417.93**

Notes to financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
11	**Inventories**			
	Work-in -progress	543.75	646.17	267.70
	Finished goods	21,366.74	20,974.97	19,643.32
	Stores, spares and consumable tools	761.37	789.03	810.35
	Total	**22,671.86**	**22,410.17**	**20,721.37**
12	**Trade receivables**			
	(a) Over six months from the date they were due for payment			
	Unsecured, considered doubtful			
	Considered Good	3,692.20	3,130.30	850.38
	Doubtful	56.38	56.38	56.38
	Total	3,748.58	3,186.68	906.76
	Allowance for doubtful debts	(56.38)	(56.38)	(56.38)
	Total (a)	**3,692.20**	**3,130.30**	**850.38**
	(b) Others			
	Unsecured, considered good	1,954.59	2,344.83	3,336.03
	Doubtful	-	-	-
	Total	1,954.59	2,344.83	3,336.03
	Allowance for doubtful debts	-	-	
	Total (b)	**1,954.59**	**2,344.83**	**3,336.03**
	Total trade receivables (a+b) *	5,646.79	5,475.13	4,186.41
	* Due from related parties (also refer note 40)			
13	**Cash and cash equivalents**			
	Balances with banks			
	- in current accounts	343.32	282.08	833.21
	Cheque and Demand draft on Hand	-	-	224.90
	Cash on hand	4.92	1.71	8.26
	Total	**348.24**	**283.79**	**1,066.37**
14	**Other Bank Balances**			
	Short term Bank Deposits	276.61	5.78	200.34
	(Deposits with maturity more than 3 months but less than 12 months)			
	Unpaid Dividend Account	36.84	37.03	37.13
	Total	**313.45**	**42.81**	**237.47**
15	**Other current financial assets**			
	Security deposits	220.63	300.58	320.57
	Employee advances	2.66	2.53	16.77
	Total	**223.29**	**303.11**	**337.34**
16	**Other current assets**			
	Prepaid expenses	84.02	87.31	75.48
	Balances with government authorities	152.61	432.83	528.71
	Advances to Suppliers	140.22	83.87	299.07
	Less: Provision for doubtful advances	(6.01)	(6.01)	(6.23)
	Others	200.22	275.44	760.59
	Total	**571.06**	**873.44**	**1,657.62**

Notes to financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
17 Share Capital			
Authorised Shares			
5,00,00,000 Equity shares of Rs. 10 each	-	-	-
(as at March 31, 2016 - 5,00,00,000 Equity Shares of Rs. 10 each)	5,000.00	5,000.00	5,000.00
1,00,00,000 Preference Shares of Rs.10 each (as at March 31, 2016 - 1,00,00,000 Preference Shares of Rs. 10 each)	1,000.00	1,000.00	1,000.00
	6,000.00	6,000.00	6,000.00
Issued			
3,32,00,000 Equity shares of Rs. 10 each (as at March 31, 2016 - 2,93,89,846 Equity Shares of Rs. 10 each)	3,320.00	2,938.98	2,938.98
	3,320.00	2,938.98	2,938.98
Subscribed and fully paid up			
3,32,00,000 Equity shares of Rs. 10 each (as at March 31, 2016 - 2,93,89,846 Equity Shares of Rs. 10 each)	3,320.00	2,938.98	2,938.98
	3,320.00	2,938.98	2,938.98
Notes:			
1. Reconciliation of number of equity shares subscribed			
Balance as at the beginning of the year	2,93,89,846	2,93,89,846	2,93,89,846
Add: Issued during the year	38,10,154	-	-
Balance as at the end of the year	3,32,00,000	2,93,89,846	2,93,89,846
2. Shares issued in preceding 5 years for consideration other than cash	-		
3. The Company does not have any holding, subsidiary or associate company			
4. Shareholders other than the Holding Company holding more than 5% of the total share capital			

	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
Name of the share holder	**No of shares held**	**% of holding in that class of shares**	**No of shares held**	**% of holding in that class of shares**	**No of shares held**	**% of holding in that class of shares**
Dharani Credit & Finance (P) Limited	37,54,440	11.31%	37,54,440	12.77%	37,54,440	12.77%
Dharani Developers (P) Limited	65,84,242	19.83%	27,74,088	9.44%	27,74,088	9.44%
Dr. Palani G Periasamy	36,02,775	10.85%	36,02,775	12.26%	36,02,775	12.26%

5. Rights, preferences and restrictions in respect of equity shares issued by the Company

"The company has only one class of equity shares having a par value of Rs.10/- each.

The equity shareholders are entitled to receive dividends as when declared, a right to vote in proportion to holdings etc., and their rights, preferences, and restrictions are governed by/ in terms of there issue and the provisions of the Companies Act."

Notes to financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
18 Other Equity			
General reserve	1,000.00	1,000.00	1,000.00
Capital reserve	0.86	8.56	19.81
Securities premium reserve	3,114.72	2,657.50	2,657.50
Retained earnings	10,002.91	11,744.76	12,944.10
Total	**14,118.49**	**15,410.82**	**16,621.41**
a) General reserve			
Opening balance	1,000.00	1,000.00	1,000.00
Additions during the year	-	-	-
Deductions/Adjustments during the year	-	-	-
Closing balance	**1,000.00**	**1,000.00**	**1,000.00**
b) Capital reserve			
Opening balance	8.56	19.81	19.81
Additions during the year	-	-	-
Deductions/Adjustments during the year	(7.70)	(11.25)	-
Closing balance	**0.86**	**8.56**	**19.81**
c) Securities Premium Reserve			
Opening balance	2,657.50	2,657.50	2,657.50
Additions during the year	457.22	-	-
Closing balance	**3,114.72**	**2,657.50**	**2,657.50**
d) Retained earnings			
Opening balance	11,744.76	12,944.10	(4,813.63)
Net profit for the period	(1,741.85)	(1,199.34)	-
Ind AS Transitional Adjustments	-	-	17,757.73
Closing balance	**10,002.91**	**11,744.76**	**12,944.10**

Notes to financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
19 Non current borrowings			
Secured Borrowings at Amortised Cost			
Term Loan from banks - Secured			
Indian rupee loan from banks	23,553.94	28,239.35	24,457.80
Foreign currency loan from banks	1,531.94	2,602.52	3,022.40
From financial institutions			
IRDEA	5,422.31	6,597.46	7,057.10
Finance lease obligations	23.01	15.28	-
Sugar Development Fund (SDF)	221.29	1,176.05	1,992.79
Unsecured Borrowings at Amortised Cost			
Loan from directors	35.39	62.41	61.00
Promoters Contribution	18.73	521.17	860.00
Deposits from public	-	2.18	12.45
Total	**30,806.61**	**39,216.42**	**37,463.54**
20 Other financial liabilities			
Non-current			
Unamortised finance income	31.18	-	-
Total	**31.18**	**-**	**-**

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
21 Provisions						
Provision for Employee Benefits						
I. Compensated absences	12.37	94.58	12.63	353.10	7.21	49.53
ii. Others including Post retirement benefits	94.58	401.52	83.46	93.80	83.56	377.28
iii. Bonus and Superannuation	74.45	-	71.34	-	77.36	-
Total	**181.40**	**496.10**	**167.43**	**446.90**	**168.13**	**426.81**

Notes to financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
22 Deferred Tax Liability/ (Asset) - Net			
a) Deferred tax liability due to i. Depreciation	7,780.08	7,729.54	7,020.03
b) Deferred tax asset arising out of ii. Carry forward of Losses, unabsorbed depreciation and others	(6,435.74)	(6,572.22)	(2,701.52)
Total	**1,344.34**	**1,157.32**	**4,318.51**
23 Short term borrowings			
Secured Borrowings			
Loans repayable on demand from Banks	20,177.30	16,035.16	17,933.38
Total	**20,177.30**	**16,035.16**	**17,933.38**
Also refer note 43 for terms and conditions and security details			
24 Trade payables *			
Dues to Micro and Small Enterprises **	15.37	16.13	20.14
Dues to enterprises other than Micro and Small Enterprises	11,914.62	12,489.05	13,511.80
Trade payables to related parties (note 40)			
Total	**11,929.99**	**12,505.18**	**13,531.94**

* Dues to related parties also refer note 40)

** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. The entire closing balance represents the principal amount payable to these enterprises. There are no interests due or outstanding on the same.

25. Other Current Liabilities			
Current Maturities of Long Term borrowings	10,534.84	5,820.85	2,871.01
Expenses Payable	271.57	242.61	215.28
Interest accrued but not due on borrowings	456.36	379.66	439.80
Interest accrued and due on borrowings	505.63	327.88	226.58
Security and other deposits	32.23	61.40	31.71
Unpaid/matured deposits and interest accrued thereon	-	-	33.26
Unclaimed/Unpaid dividends	36.84	37.03	37.13
Statutory Dues Payable to government authorities	682.45	607.39	593.09
Excise duty and cess payable on closing stock	1,294.50	1,243.37	833.36
Interest free deposits from customers	1,029.64	1,286.64	242.38
Total	**14,844.06**	**10,006.83**	**5,523.60**

Notes to financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
26 Revenue from operations		
a) Sugar		
- Domestic sales	42,250.19	23,859.92
- Deemed Export sales	-	1,276.84
- Export sales	908.71	1,755.02
b) Industrial Alcohol	7,280.83	5,777.74
c) Power	2,431.05	4,452.80
d) Baggase	5.54	41.88
e) Bio Compost	37.72	35.05
f) Carbon Dioxide	126.13	125.92
g) Fly Ash	3.11	8.99
Other operating revenues	**-**	
a) Scrap sales	3.12	2.52
b) Duty drawback	8.96	101.26
c) Subsidy on export of sugar	149.37	-
Total	**53,204.73**	**37,437.94**
27 Other income		
Interest income	389.29	434.70
Gain on exchange differences (net)	-	76.09
Profit on sale of fixed assets	1.05	0.08
Other non-operating income	95.01	66.92
Increase in fair value of investment designated as FVTPL	297.24	262.41
Total	**782.59**	**840.20**
28 Cost of materials consumed		
Inventory at the beginning of the year		
Add: Purchases	36,848.80	26,102.18
	36,848.80	26,102.18
Less: Inventory at the end of the year	-	-
Total	**36,848.80**	**26,102.18**
Details of materials consumed		
Sugar cane	34,883.34	25,019.73
Molasses	1,965.46	1,082.45
Total	**36,848.80**	**26,102.18**

Notes to financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars		For the year ended 31 March 2017	For the year ended 31 March 2016
29 Changes in inventories of finished goods, work-in-progress and stock-in-trade			
Inventories at the end of the year			
- Work-in-progress		543.75	646.17
- Finished / Traded goods		21,366.74	20,974.97
	Total (A)	**21,910.49**	**21,621.14**
Inventories at the beginning of the year			
- Work-in-progress		646.17	267.70
- Finished / Traded goods		20,974.97	19,643.32
	Total (B)	**21,621.14**	**19,911.02**
Total (B-A) - Change in inventory of WIP and Finished Goods		(289.35)	(1,710.12)
Details of Inventory			
Work-in-progress			
Sugar		447.76	600.18
Molasses		95.99	45.99
	Total	**543.75**	**646.17**
Finished goods			
Sugar		18,348.05	19,191.25
Molasses		2,286.94	1,123.55
Bagasse		4.32	5.06
Rectified Spirit & IS		424.59	461.65
Bio compost		-	4.51
AA (Ethanol)		0.86	2.46
ENA		301.98	186.49
	Total	**21,366.74**	**20,974.97**
30 Employee benefit expense			
Salaries, wages and bonus		2,018.68	1,916.28
Contribution to provident and other funds		184.69	185.20
Gratuity		78.75	(5.40)
Staff welfare expenses		153.09	196.60
	Total	**2,435.21**	**2,292.68**

Notes to financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
31 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	2,287.60	2,299.51
Amortisation of intangible assets	-	0.70
Total	**2,287.60**	**2,300.21**
32 Other expenses		
Stores and Spares Consumed	1,220.52	888.41
Increase/(Decrease) of excise duty on inventory	51.13	410.00
Power and Fuel	552.39	471.37
Fuel for Co-generation	771.35	1,994.74
Rent	69.81	73.43
Rates & Taxes	158.65	111.96
Insurance	65.92	77.75
Repairs and Maintenance		
- Plant and Machinery	445.48	252.69
- Building	164.96	156.59
- Vehicle	87.96	73.74
- Others	31.28	31.17
Freight, Packing and Forwarding charges	657.21	776.25
Director's Sitting Fees	2.90	2.60
Executive Chairman & Managing Director Remuneration	27.60	51.60
Auditors' Remuneration (Refer detail below)	10.09	8.12
Travelling & Conveyance	32.20	35.97
Postage, Telegram & Telephones	23.84	23.34
Printing & Stationery	24.52	23.32
Provision for Doubtful debts and Advances	(11.72)	29.34
Professional and Consultancy charges	67.16	47.51
Foreign Exchange loss	(34.59)	209.30
Bank Charges	242.55	166.11
Miscellaneous expenses	31.87	13.50
Total	**4,693.08**	**5,928.81**
Payment to auditors		
As auditors		
Statutory Audit fees	4.00	4.00
Tax audit fees	2.30	1.85
Certification Fees	3.79	2.27
Total	**10.09**	**8.12**

Notes to financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
33 Finance Cost		
Interest on term loans	2,733.84	3,057.16
Interest on working capital	4,445.24	3,502.86
Other interest and financial charges	103.67	36.80
Total	**7,282.75**	**6,596.82**
34 Exceptional items		
Amortization of USAID Grant	7.71	11.25
Total	**7.71**	**11.25**
35 Income tax expense		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	-	-
MAT credit entitlement/reversal	-	(100.89)
Adjustments for current tax of prior periods	-	-
Total current tax expense	**-**	**(100.89)**
Deferred tax		
Decrease/(increase) in deferred tax assets	(50.54)	(709.51)
(Decrease)/increase in deferred tax liabilities	(136.48)	3,870.70
Total deferred tax expense/(benefit)	**(187.02)**	**3,161.19**
Income tax expense	**(187.02)**	**3,060.30**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	-	-
Tax at the Indian tax rate of 30% (2015-16 – 30%)	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Amortisation of intangibles	-	-
Other items	-	-
Adjustments for current tax of prior periods		
Tax losses for which no deferred income tax was recognised	-	-
Income tax expense	**-**	**-**
(c) Unrecognised temporary differences		
Temporary differences for which deferred tax liabilities have not been recognised:	NIL	
(d) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised Potential tax benefit @ 30%	NIL	

Notes to financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
36 Earnings per share		
Basic earnings per share		
From continuing operations	(5.25)	(4.80)
From discontinued operations	-	-
Total	**(5.25)**	**(4.80)**
Diluted earnings per share		
From continuing operations	(5.48)	(4.80)
From discontinued operations	-	-
Total	**(5.48)**	**(4.80)**
Basic earnings per share		
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows.		
Profit for the year attributable to owners of the Company	-	-
Adjustments		
Earnings used in the calculation of basic earnings per share	(1,741.85)	(1,199.34)
Profit for the year from discontinued operations used in the calculation of basic earnings per share from discontinued operations	-	-
Others [describe]		
Earnings used in the calculation of basic earnings per share from continuing operations	(1,741.85)	(1,199.34)
	Nos.	Nos.
Weighted average number of ordinary shares for the purposes of basic earnings per share	3,32,00,000	2,93,89,846
Diluted earnings per share		
The earnings used in the calculation of diluted earnings per share are as follows:		
Earnings used in the calculation of basic earnings per share	(1,741.85)	(1,199.34)
Adjustments		
Earnings used in the calculation of diluted earnings per share	-	-
Profit for the year from discontinued operations used in the calculation of diluted earnings per share from discontinued operations	-	-
Earnings used in the calculation of diluted earnings per share from continuing operations	(1,741.85)	(1,199.34)
The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows.	Nos	Nos
Weighted average number of ordinary shares used in the calculation of basic earnings per share	3,32,00,000	2,93,89,846
Adjustments	(13,87,963)	-
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	3,18,12,037	2,93,89,846

37 Retirement benefit plans

Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the provident fund and pension fund of the Government of India. The Company also has superannuation plan with contribution LIC and the same is funded.

The total expense recognised in profit or loss of Rs 78.75 lakhs (for the year ended March 31, 2016: Rs -5.40 lakhs) represents contribution payable to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. This liability is unfunded.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	March 31, 2017	March 31, 2016	April 1, 2015
Discount rate(s)	7.20%	7.80%	7.80%
Expected rate(s) of salary increase	5.00%	5.00%	
Attrition rate	10.00%	10.00%	

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes to financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Amount recognised in total comprehensive income in respect of these defined benefit plans are as follows	**March 31, 2017**	March 31, 2016
Current service cost	41.80	43.86
Net interest expense	33.30	35.21
Components of defined benefit costs recognised in profit or loss	75.10	79.07
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses arising from experience adjustments	-	-
Components of defined benefit costs recognised in other comprehensive income	-	-
Total	**75.10**	**79.07**

The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Present value of defined benefit obligation	496.09	436.56	517.56
Fair value of plan assets	-	-	-
Net liability arising from defined benefit obligation	496.09	436.56	517.56
Funded	-	-	-
Unfunded	496.09	436.56	517.56
Total	**496.09**	**436.56**	**517.56**

The above provisions are reflected under 'post retirement benefits' (long-term provisions) and 'gratuity' (current financial liabilities) and 'post retirement benefits' (short-term provisions) [Refer notes 21]

Notes to financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Movements in the present value of the defined benefit obligation in the current year were as follows:

	March 31, 2017	March 31, 2016
Opening defined benefit obligation	436.56	460.84
Current service cost	43.86	41.80
Interest cost	35.21	33.30
Actuarial (gains)/losses arising from changes in demographic assumptions		
Actuarial (gains)/losses arising from changes in financial assumptions		
Actuarial (gains)/losses arising from experience adjustments		
Benefits paid	(18.87)	(19.21)
Closing defined benefit obligation	**496.76**	**516.73**

Movements in the fair value of the plan assets in the current year were as follows:

Opening fair value of plan assets	-	-
Interest Income	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	-
Contributions	18.87	19.21
Benefits paid	(18.87)	(19.21)
Others	-	-
Closing fair value of plan assets	-	-

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate is 100 basis points higher, the defined benefit obligation would decrease by Rs.24.84 lakhs [as at March 31, 2016: decrease by Rs. 21.56 lakhs]

If the expected salary increases by 1%, the defined benefit obligation would increase by Rs.26.64 lakhs [as at March 31, 2016: increase by Rs. 23.25 lakhs]

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

The average duration of the benefit obligation as at March 31, 2017 is 5.7 years (as at March 31, 2016: 5.6 years)

Notes to Financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

38 Financial Instruments

Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings.

The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Gearing Ratio:	**March 31, 2017**	**March 31, 2016**	**April 1, 2015**
Debt	41341.45	45037.27	40334.55
Less: Cash and bank balances	348.24	283.79	1066.37
Net debt	40993.21	44753.48	39268.18
Total equity	17438.49	18349.80	19560.39
Net debt to total equity ratio	2.35	2.44	2.01

Categories of Financial Instruments:

Financial assets

a.	Measured at amortised cost:			
	Cash and bank balances	348.24	283.79	1,066.37
	Trade Receivables	5,646.79	5,475.13	4,186.41
	Loans	1,679.56	1,644.66	1,743.01
	Others	223.29	303.11	337.34
b.	Mandatorily measured at fair value through profit or loss (FVTPL):			
	Investments	2,648.95	2,356.59	2,092.46
	Derivative instruments	-	-	-
	Financial liabilities			
a.	Measured at amortised cost:			
	Borrowings	30,806.61	39,216.42	37,463.54
	Trade Payables	11,929.99	12,505.18	13,531.94
	Others	31.18	-	-
b.	Mandatorily measured at fair value through profit or loss (FVTPL):			
	Derivative instruments	-	-	-

Notes to Financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through a centralized treasury division and uses derivative instruments such as forward contracts and currency swaps to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

Foreign currency risk management:

The exposure to foreign company is only with respect to USD

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses derivative instruments such as forward contracts and currency swaps to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2017 (all amounts are in equivalent Rs. in lakhs):

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	2,348.21	-	2,348.21	508.33	-	508.33	(1839.88)

As on March 31, 2016 (all amounts are in equivalent Rs. in lakhs):

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	3,203.10	-	3,203.10	520.05	-	520.05	(2,683.05)

As on April 1, 2015 (all amounts are in equivalent Rs. in lakhs):

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	3,778.01	-	3,778.01	490.71	-	490.71	(3287.30)

Foreign currency sensitivity analysis:

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The following table details the Company's sensitivity movement in the foreign currencies. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%. 2% represents.

Notes to Financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	March 31, 2017	USD impact March 31, 2016	April 1, 2015
Profit or (loss)	(57.13)	(74.04)	(85.37)
Equity	-	-	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2017 would decrease/increase by Rs. 8.24 lakhs (March 31, 2016: decrease/increase by Rs. 9.93 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Equity price risk

Equity price risk is related to the change in market reference price of the investments in equity securities. The fair value of some of the Company's investments in equity instruments exposes the Company to equity price risks. In general, these securities are not held for trading purposes.

Equity price sensitivity analysis

The fair value of equity instruments as at March 31, 2017, March 31, 2016 and April 1, 2015, was Rs.2648.95 lakhs, Rs. 2356.59 lakhs, and Rs. 2092.46 lakhs, respectively. A 5% change in prices of equity instruments held as at March 31, 2017, March 31, 2016 and April 1, 2015, would result in an impact of Rs.132.45, Cash Rs. 117.83, Cash and Rs. 104.62 Cash on equity, respectively.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee cover is taken.

The Company does not have significant credit risk exposure

The company sells predominantly to local and export customers on cash and carry and on credit basis. However, in cases on exports, credit is extended which is backed by Letter of credit and other forms.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Further, the Company also makes an allowance for doubtful debts on a case to case basis.

Notes to Financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Ageing	Expected Credit Loss %
Within credit period	-
1-30 days past due	-
31-60 days past due	-
61-90 days past due	-
More than 90 days past due	-

Age of receivables	March 31 2017	March 31 2016	April 1 2015
Within credit period	-	-	-
1-30 days past due	-	-	-
31-60 days past due	-	-	-
61-90 days past due	-	-	-
More than 90 days past due	-	-	-

Movement in expected credit loss allowance

	March 31, 2017	March 31, 2016
Balance at the beginning of the year	-	-
Movement in expected credit loss allowance	-	-
Balance at the end of the year	-	-

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Notes to Financial Statements for the year ended March 31, 2017
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Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
March 31, 2017				
Trade payables	11,929.99	-	-	11,929.99
Other financial liabilities	31.18	-	-	31.18
Borrowings (including interest accrued thereon upto the reporting date)	31,312.24	-	-	31,312.24
	43,273.41	**-**	**-**	**43,273.41**

	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
March 31, 2016				
Trade payables	12,505.18	-	-	12,505.18
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon upto the reporting date)	39,544.30	-	-	39,544.30
	52,049.48	**-**	**-**	**52,049.48**

	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
April 1, 2015				
Trade payables	13,531.94	-	-	13,531.94
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon upto the reporting date)	37,690.12	-	-	37,690.12
	51,222.06	-	-	51,222.06

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

Except for the following, the Management consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements

	March 31, 2017		March 31, 2016		April 1, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities						
Financial liabilities held at amortised cost:						
- Term loans	41341.45	41341.45	45037.27	45037.27	40334.55	40334.55
- Sales tax loans	-	-	-	-	-	-

Fair value hierarchy related disclosures:	Fair value hierarchy as at March 31, 2017			
	Level 1	Level 2	Level 3	
Financial liabilities				
Financial liabilities held at amortised cost:				
- Term loans	41341.45	-	-	41341.45
- Sales tax loans	-	-	-	-
Total	41341.45	-	-	41341.45

Notes to Financial Statements for the year ended March 31, 2017

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

	Fair value hierarchy as at March 31, 2016			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities				
Financial liabilities held at amortised cost:				
- Term loans	45037.27	-	-	45037.27
- Sales tax loans				
Total	45037.27	-	-	45037.27

	Fair value hierarchy as at April 1, 2015			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities				
Financial liabilities held at amortised cost:				
- Term loans	40334.55	-	-	40334.55
- Sales tax loans				
Total	40334.55	-	-	40334.55

The fair values of the financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Fair value of the Company's material financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values for material financial assets and material financial liabilities have been determined (in particular, the valuation technique(s) and inputs used).

Financial assets/financial liabilities	Fair value as at			Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	March 31, 2017	March 31, 2016	April 1, 2015				
Investments in unquoted equity shares (classified as FVTPL)	2642.33	2349.42	2087.01	Level 2	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these equity shares	"The significant inputs were: a) the estimated cash flows; and b) the discount rate to compute the present value of the future expected cash flows"	A decrease in the estimated cash inflows in isolation would result in a significant decrease in the fair value.

There were no transfers between Level 1 and Level 2 during the year.

Reconciliation of Level 2 fair value measurements

Year ended March 31, 2017	**FVTPL - unlisted equity shares**
Opening balance	2349.42
Gain/(Loss) recognised in profit or loss	292.91
Closing balance	**2642.33**

Year ended March 31, 2016	**FVTPL - unlisted equity shares**
Opening balance	2087.01
Gain/(Loss) recognised in profit or loss	262.41
Closing balance	**2349.42**

All gains and losses included in profit or loss relate to unlisted shares held as at the end of the reporting period and are reported under 'other income'.

39 Segment

"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."

Particulars	Sugar		Distillery		Power		Unallocated		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue										
External Sales	41071	26041	7412	5906	2431	4453	0	0	50913	36400
Other Income	107	104	-	-	5	-	678	468	790	572
Inter-Segment Sales	4765	3521	0	0	3151	3143	0	0	7916	6664
Gross Revenue	45942	29666	7412	5906	5587	7596	678	468	59620	43636
Less : Inter-Sgement Revenue	4765	3521	-	-	3151	3143	-	-	7916	6664
Total Revenue	41178	26145	7412	5906	2436	4453	678	468	51704	36972
Result										
Segment Result	2050	(1697)	1855	1404	1462	2878	361	89	5728	2674
Less ; Unallocated cosporate expenses					-	-				
Operating profit			-	-	-	-	-	-	5728	2674
Less : Interest expenses			-	-	-	-	-	-	7283	6663
Profit/ (loss) for the year			-	-	-	-	-	-	(1555)	(3989)
Other Information										
Segment Assets	45122	47598	14735	14611	15239	15214	0	0	75096	77423
Add : Unallocated cosporate assets							1997	2240	1997	2240
Total Assets									77093	79662
Segment Liabilities	36361	30547	2584	2233	7620	5678	0	0	46564	38458
Total liabilities									46564	38458
Capital expenditure	168	293	66	38	239	289	0	0	473	620
Depreciation	1101	1112	698	697	242	242	6	8	2047	2059
Non-cash expenses other than depreciation										

Geographical Information

The companies manufacturing operations and sales are mainly in India and accordingly, there is no reportable secondary segments.

Notes to Financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

40 Related party disclosure

a) List of parties having signifiant influence

Associates	M/s Dharani Finance Limited - (DFL)
	M/s Appu Hotels Limited - (AHL)
	M/s PGP Education and Welfare Society - (PGP EWS)
	M/s Dharani Developers Private Limited - (DDPL)
	M/s Dharani Credit and Finance Private Limited - (DCFP)
	M/s Ananthi Developers Limited (ADL)
Subsidiaries of companies having significant influence	-
Associates of companies having significant influence	-
Key management personnel	Dr Palani G Periasamy
	Mr M Ramalingam
	Mr A Sennimalai
	Mr P S Gopalakrishnan
	Mrs Visalakshi Periasamy
	Mr P Selvam
	Dr S Muthu
	Dr. V R S Sampath
	Mr R K Viswanathan
	Dr K C Reddy

b) Transactions during the year

S.No.	Nature of transactions	Associates		Subsidiary of companies having significant influence		Associate of companies having significant influence		Key management personnel	
		2017	2016	2017	2016	2017	2016	2017	2016
1	Purchase of raw materials, components and traded goods (net of CENVAT / VAT)	-	-	-	-	-	-	-	-
2	Sales of goods (net of excise duties)	6.08	1.00	-	-	-	-	-	-
3	Receiving of services	-	-	-	-	-	-	-	-
4	Sales of Services	0.35	0.35	-	-	-	-	-	-
5	Other Expenses - Sitting Fees	-	-	-	-	-	-	2.90	2.60
	Rent	-	-	-	-	-	-	63.60	68.70
	Purchase of Travel ticket and Vehicle	-	-	-	-	-	-	0.65	1.84
	Remuneration - Chairman	-	-	-	-	-	-	-	24.00
	Remuneration - Managing Director	-	-	-	-	-	-	27.60	27.60
	Professional Fee (ADL)	-	-	-	-	-	-	6.11	3.22
6	Cost sharing arrangements	-	-	-	-	-	-	-	-
7	Recovery of expenses -								
	DDPL	0.64	0.51	-	-	-	-	-	-
	AHL	0.71	0.68	-	-	-	-	-	-
	PGP EWS	0.35	0.34	-	-	-	-	-	-
	DFL	0.91	0.82	-	-	-	-	-	-
	Loans / Advance/ Equity received	-	-	-	-	-	-	-	-

Notes to Financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

c) Balances outstanding at the end of the year

S.No.	Nature of transactions	Associates		Subsidiary of companies having significant influence		Associate of companies having significant influence		Key management personnel	
		2017	2016	2017	2016	2017	2016	2017	2016
1	Trade Receivables - AHL	5.72	0.10	-	-	-	-	-	-
2	Trade Payables	-	-	-	-	-	-	-	-
3	Advances paid	-	-	-	-	-	-	-	-

41 Operating lease arrangements

Leasing arrangements

Operating leases relate to leases of land and building with lease term ranging from 2 years to 3 years.

Payments recognised as an expense

	March 31, 2017	March 31, 2016
Rent Expense	**11.51**	**11.51**
	11.51	11.51

Non-cancellable operating lease commitments	March 31, 2017 Rs. Lakhs	March 31, 2016 Rs. Lakhs
Not later than 1 year	11.51	11.51
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-

42 Commitments and contingent liability

	March 31, 2017	March 31, 2016	April 1, 2015
Contingent Liability			
Claim against the Company for excise duty not acknowledged as debts	85.37	41.71	99.64
Claim against the Company for service tax not acknowledged as debts	87.95	39.94	23.84
Claim against the Company for other disputes not acknowledged as debts	203.08	97.42	108.01
Bank Guarantee	1,305.12	1,326.49	1315.10
Letter of Credit issued by bankers	1,135.15	1,179.39	139.43
Pending C Forms for earlier years	-	1.14	-
Disputed Income Tax Demand not provided for	11.08	11.08	11.08
Commitments			
Capital commitments (net of advances) not provided for	234.60	234.60	236.87
Right of Recompense to CDR Lenders	1,092.00	638.00	257.00

Notes to Financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

43 Details of Long Term Borrowings and Securities

The Company in terms of the Board approval dated 30-01-2015 had restructured the Term Loan and interest due on these term loans under Corporate Debt Restucture Scheme (CDR). The same has ben approved under CDR system vide letter no. 718/2014-15 dated 16th January 2015 by Corporate Debt Restructuring Cell, Mumbai, w.e.f 1st July 2014. Based on the CDR approval, the revised Security and repayment details are given below:

Name of the Bank	Security Details
Term Loan/WCTL/FITL /Soft loan from Indian Bank State Bank of India, Bank of India, Union Bank of India, Indian Overseas Bank, The South Indian bank Ltd, Central bank of India, The Federal Bank Ltd, IDBI bank and Indian Renewable Energy and Development Agency (IREDA) Rs.35199.63 lakhs	Paripassu 1st charge on the fixed assets of the Company excluding refinery assets and harvester machines of Unit-III and Paripassu 2nd charge on the current assets of the company
ICICI BANK Ltd - Rs.2348.21 lakhs	Exclusive charge on the Refinery assets including the harvester machines of Unit III , Paripassu 1st charge on Unit 1 & 2 Fixed assets and 2nd charge on the current assets of the company
Working capital facilities from Indian Bank ,State Bank of India, The South Indian bank Ltd,Central bank of India, The Federal Bank Ltd, IDBI bank.and ICICI bank Ltd	Paripassu 1 st charge on current assets of the company and Paripassu 2nd charge on fixed assets of the company excluding refinery assets and harvester machines of Unit-III
SDF Loan for Unit-III - Rs.3160.97 lakhs	Paripassu 1st charge on fixed assets of Unit -III excluding refinery assets and harvester machines .
Bank Guarantee of Rs. 1350 lakhs from Indian Bank for SDF Loan Unit-II Rs. 555.51 lakhs	Paripassu 1st charge on fixed assets of Unit -III excluding refinery assets and harvester machines.

Executive Chairman Dr Palani G Periasamy and Director Mrs. Visalakshi Periasamy have given personal guarantee for the loans from Banks/ Financial Institutions.

The Promoters and group companies have pledged 9380794 equity shares of the Company to the Banks / Financial Institutions on paripassu basis for the facilities availed by the Company including working capital facilities. In addition, the Company has pledged 1651374 shares of the associates with the ICICI Bank on exclusive basis for the ECB loan and Rupee Term Loan. Further pledge of 51,21,500 Equity Shares of Rs 10/- each held by the Company in M/s Appu Hotels Limited to the Banks/ Financial Institutions for the Working Capital facilities & Term Loans.

REPAYMENT DETAILS:

(1) The outstanding Term Loan of Rs.15647.24 lakhs is repayable in quarterly installments from the financial year(FY) 2017-18 to (FY) 2024-25 and it carries an average interst rate of 12% p.a.

(2) The outstanding Foreign Currency Loan of Rs.2348.21 lakhs from ICICI Bank in respect of Sankarapuram refinery project is repayable in half yearly instalment from financial year 2017-18 to 2019-20 and it carries an average interest rate of 8.52% p.a.

(3) The outstanding Rupee Term Loan (Excise) of Rs.3692.93 lakhs from Indian Bank is repayable in monthly installments from financial year 2017-18 to 2018-19 and it carries an interest rate of 13.70% p.a.

(4) The outstanding Rupee Term Loan of Rs. 3160.97 lakhs from Sugar Development Fund, Government of India in respect of Sankarapuram Project is repayable in half yearly instalments from financial year 2017-18 to 2018-19 and it carries an interest rate of 4.77% p.a.

(5) The outstanding Rupee Term Loan of Rs. 555.51 lakhs from Sugar Development Fund, Government of India in respect of Polur Expansion Project is secured by bank guarantee and is repayable in annual instalment during the financial year 2017-18 and it carries an interest rate of 4% p.a.

(6) The outstanding Working Capital Term Loan (WCTL) of Rs.6970.06 Lakhs form Working Capital Bankers is repayable in quaterly instalments from financial year 2017-18 to 2024-25 and it carries an average interest rate of 12% p.a.

(7) The outstanding Funded Interest Term Loan of Rs.4944.56 Lakhs from Bank/ Financial Institutions is repayable in quaterly instalments from financial year 2017-18 to 2021-22 and it carries an average interest rate of 12% p.a

(8) The outstanding Rupee Term Loan of Rs. 1351.99 lakhs from IREDA in respect of Polur power project is repayable in quaterly instalment from financial year(FY) 2018-19 to 2024-25 and carries an average interest rate of 13.71% p.a.

(9) The outstanding Rupee Soft Term Loan of Rs. 2592.85 lakhs from Working capital bankers is repayable in monthly instalment from financial year(FY) 2017-18 to 2022-23 and carries an average interest rate of 12% p.a.

* Finance lease obligation is secured by way of hypothecation of respective vehicle acquired on Hire purchase with repayment term of 2 years.

Notes to Financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

b. Unsecured Borrowings:

	March 31, 2017			March 31, 2016		
	Non Current	Current maturities	Total	Non Current	Current maturities	Total
Loans from Directors	35.39	-	35.39	62.41	-	62.41
Promoters Contribution	18.73	-	18.73	521.17	-	521.17
Deposits from Public	-	-	-	2.18	-	2.18
Total	**54.12**	**-**	**54.12**	**585.76**	**-**	**585.76**

44 First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (The company's date of transition). In preparing its opening Ind AS balance sheet, The company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected The company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment or to continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, The Company has elected to measure all of land and buildings at fair value on the date of transition as the deemed cost and applied Ind AS 16 retospectively for all other items of property, plant and equipment,

A.1.2 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

A.1.3. Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The company has elected to apply this exemption for such contracts/ arrangements.

Notes to Financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVOCI;

- Impairment of financial assets based on expected credit loss model.

C. Notes to first-time adoption

C.1 Deferred tax

Under previous GAAP, tax expense in the consolidated financial statements was computed by performing line by line addition of tax expense of the parent and its subsidiaries. No adjustments to tax expense was made on consolidation. Under Ind AS, deferred taxes are also recognised on undistributed profits of joint ventures and associates. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS.

C.2 Trade receivables

As per Ind AS 109, The Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts increased by Rs. NIL as at 31 March 2016 (1 April 2015 – Rs. 56.38 Lakhs) . Consequently, the total equity as at 31 March 2016 decreased by Rs. NIL (1 April 2015 – Rs. 56.38 Lakhs) and profit for the year ended 31 March 2016 decreased by NIL.

C.4 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. Since the impact is not material for the current and previous year, no adjustments have been made in the financial statements in this regard.

C.5 Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by INR 0.35 Lakhs as at 31 March 2016 (1 April 2015 – INR NIL). The prepaid rent increased by INR 0.35 Lakhs as at 31 March 2016 (1 April 2015 - INR NIL). Total equity decreased by INR NIL as on 1 April 2015. The profit for the year and total equity as at 31 March 2016 decreased by INR 0.35 Lakhs due to amortisation of the prepaid rent of INR 3.55 Lakhs which is partially off-set by the notional interest income of INR 3.20 Lakhs recognised on security deposits.

C.6 Long term borrowings

Under the previous GAAP, transaction costs in relation to financial liabilities are charged to the profit and loss in the year in whihch they are incurred.As per Ind AS 109, transaction costs in relation to financial liabilities are to be reduced from the related financial liabilities and amortised over the repayment period of the said liability. Accordingly, the Company has accounted for all long term borrowings at amortised cost. Consequent to this change, the amount of long term borrowings decreased by INR 454.24 Lakhs as at 31 March 2016. The unamortised interest expenses decreased by INR99.83 Lakhs as at 31 March 2016 (1 April 2015 - INR 547.98 Lakhs). Total equity decreased by INR 547.98 Lakhs as on 1 April 2015. The profit for the year and total equity as at 31 March 2016 decreased by INR 455.65 Lakhs due to amortisation of the transaction costs of INR 99.83 Lakhs.

Notes to Financial Statements for the year ended March 31, 2017
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

45 Reconciliation of Net Profit and Equity as reported under previous Indian GAAP and Ind AS is as under:

	Net Profit / (Loss) Reconcilaition	Equity Reconciliation	
Particulars	**For the year ended March 31, 2016**	**As at March 31, 2016**	**As at April 1, 2015**
Profit / (Loss) before tax as per IGAAP	**(3,977.62)**		
Equity as per IGAAP		**620.38**	**1,802.66**
Increase due to fair valuation of PPE as deemed cost	-	20,160.67	20,160.67
Expected credit loss on receivables	-	(56.38)	(56.38)
Gain on Fair valuation of investments	262.41	1,837.27	1,574.86
Impact of Amortised Cost on term Loan	(94.09)	455.65	547.98
Other items	-	(530.52)	(529.06)
Impact of retrospective application of Ind AS on other PPE	(450.34)	(1,705.15)	(1,254.81)
Deferred Taxes	-	(2,432.12)	(2,685.83)
Other Comprehensive Income (net of tax) - not material and ignored	-	-	-
Total Comprehensive Income/ Equity as per Ind AS	**(4,259.64)**	**18,349.80**	**19,560.09**

46. Details of specified Bank notes (SBNs) held and transacted during the period 8/11/2016 to 30/12/2016 is provided in the table below:

(Amount in Rs)

Particulars	SBN's	Other Denomination Notes	Total
Closing Cash in hand as on 8/11/2016	6,24,000	93,836	717,836
Add - Permitted receipts	-	7,818,857	7,818,857
Less - Permitted payments	-	6,880,835	6,880,835
Less - Amount deposited in Banks	6,24,000	21,340	645,340
Closing cash in hand as on 30/12/2016	-	1,010,518	1,010,518

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016".

The accompanying notes form an integral part of the financial statements

As per our Report of even date attached
SRINIVASAN & SHANKAR
Chartered Accountants
Firm No.005093S

For and on behalf of the Board

per R. MANIKANDAN
Partner
Membership No: 216063

E.P. SAKTHIVEL
Company Secretary

M.RAMALINGAM
Managing Director

DR. PALANI G. PERIASAMY
Executive Chairman

Place : Chennai
Date : 29th May 2017

M.P. KALIANNAN
Chief Financial Officer

DHARANI SUGARS AND CHEMICALS LIMITED

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

EMAIL ADDRESS REGISTRATION FORM (EARF)

Name & Address of the Member _____

_____

_____

Folio No. : _____

DP ID : _____

Client ID : _____

Email ID : _____

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

Place :

Date :

Signature of the Shareholder

Name of the Shareholder

DHARANI SUGARS AND CHEMICALS LIMITED

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

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

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

ATTENDANCE SLIP

Name & Address of the Shareholder

_____

_____

Folio No : _____

DP ID : _____

Client ID : _____

I hereby certify that I am a member / proxy appointed by the member* of the Company and record my presence at the 30th Annual General Meeting of the Company, at "Mini Hall", Narada Gana Sabha, New No.314 TTK Road, Alwarpet, Chennai - 60 018 on Monday, the **25th September 2017 at 10.20 A.M.**

Name of the Shareholder / Proxy*

_____

Signature of the Shareholder / Proxy*

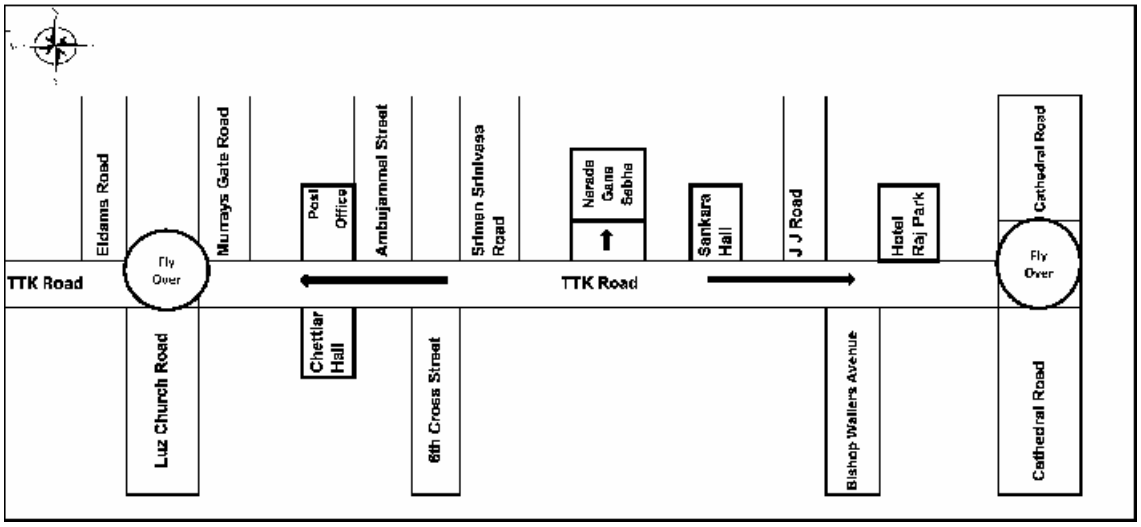
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* Strike out whichever is not applicable

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

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

ROUTE MAP



DHARANI SUGARS AND CHEMICALS LIMITED

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

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

PROXY FORM - MGT II

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

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

Registered address : .....

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

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on the Monday, the 25th September 2017 at 10.20 A.M. at "Mini Hall", Narada Gana Sabha, New No.314 TTK Road, Alwarpet, Chennai - 600 018 and at any adjournment thereof in respect of such resolution as are indicated below :

Sl.No.	Resolutions	For	Against
	ORDINARY BUSINESS		
1	To adopt Audited Statement of Profit and Loss for the year ended 31st March 2017 and Balance Sheet.		
2	To Appoint a Director - Mr. A. Sennimalai		
3	To Appoint New Statutory Auditors		
	SPECIAL BUSINESS		
4	Appointment of Dr V R S Sampath as Independent Director		
5	Appointment of Mr. R.K. Viswanathan as Independent Director		
6	Re-appoinment of Mr. M. Ramalingam, as Managing Director		
7	Remuneration to Dr. Palani.G. Periasamy, as Executive Chairman		
8	Remuneration to Mr. M. Ramalingam, Managing Director		
9	Remuneration to Cost Auditor for the year 2016-17 & 2017-18		

Note :

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

Registered Book Post / Courier

PGP GROUP

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.