PGP GROUP

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
CIN No.: L15421TN1987PLC014454 TIN No.: 33061502443 CST No.: 818529/19.11.87

DSCL/Shares/Reg 30/2016 **July 8, 2016**

The Secretary,
BSE Limited
Rotunda Building, P J Towers,
Dalal Street, Fort,
Mumbai 400 001.

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: Dispatch of Postal Ballot Notice – Issue of 2270000 Equity shares on a Preferential basis to Promoter Group.

We wish to inform you that pursuant to Section 110 of the Companies Act, 2013 and other applicable provisions of the Act, the Company has completed the physical and electronic dispatch of the Postal Ballot Notice dated 26th May 2016 along with Postal ballot Form to all the members whose name appear in the Register of Members / List of beneficial owner as on 24th June 2016 i.e., cutoff date. The Postal ballot Notice, Postal Ballot Form has been uploaded on the website of the Company.

Pursuant to regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the Postal Ballot Notice and Postal Ballot Form.

Thanking you,

for Dharani Sugars and Chemicals Limited

E P Sakthivel
Company Secretary

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

Encl.: as above.

Dharani Nagar, Vasudevanallur,
Tirunelveli District - 627 760
Ph : (04636) 241370/371/372
Fax : (04636) 241578
Email : dharani1@dharanisugars-pgp.com

Karaipoondi Village, Polur,
Tiruvannamalai District - 606 803.
Ph : (04181) 223161, 223162, 223170
Fax : (04181) 223330
Email : dharani2@dharanisugars-pgp.com

Kalayanallur Village, Thiyagadurugam,
Pallangacherry Post, Kallakurichi Via,
Villupuram District - 606 206
Mobile : 94422 56138
Email : dharani3@dharanisugars-pgp.com

PGP GROUP

DHARANI SUGARS AND CHEMICALS LIMITED

(CIN: L15421TN1987PLC014454)
Regd. office: PGP HOUSE, New No.59, (Old No.57), STERLING ROAD,
NUNGAMBAKKAM, CHENNAI - 600 034.
Tele : 044 – 28311313 **Website: www.dharanisugars.in**
E-Mail: secretarial@dharanisugars-pgp.com

Dear Members,

NOTICE OF POSTAL BALLOT

(Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014)

NOTICE is hereby given that pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014 to the Members of **DHARANI SUGARS AND CHEMICALS LIMITED** (hereinafter referred to as 'the Company') to seek their approval by way of Postal Ballot for the approval of the CDR scheme and to consider the issue of **2270000** equity shares on preferential basis to the promoters / promoter group pursuant to the terms of the CDR Scheme and as per the provision of section 62 read with section 42 of the Companies Act 2013 and related rules made thereunder and as per Regulations in Chapter VII of the SEBI (ICDR) Regulations 2009.

The proposal is appended to the proposed resolutions & given below.

The Board of Directors of the Company at its meeting held on **26th May 2016**, has appointed **Mr. M.Damodaran, Practicing Company Secretary, Chennai** as **Scrutinizer** for conducting the Postal Ballot (physical & E-voting) process in accordance with law in a fair and transparent manner.

The business of the Postal Ballot shall, in addition to physical voting, also be transacted through Electronic Voting System. Accordingly, the Company, in compliance with regulation 44 of the Listing Obligation and Disclosure Requirement Regulations, 2015 and the provisions of Section 108 and 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014, is pleased to provide the Members the facility to exercise their right to vote on the matter set out in the Postal Ballot Notice by electronic means i.e. through E-voting services provided by **M/s. Cameo Corporate Services Limited,** Registrar and Share Transfer Agent (RTA).

Both the Postal Ballot and e-voting will be open from **9th July 2016**

Please read carefully and follow the instructions as printed in this Notice for e-voting.

However, those Members, who do not have access to e-voting facility can send their assent or dissent in writing on the Postal Ballot Form attached herewith. It is pertinent to note that the Shareholder(s) can opt for only one mode of voting, i.e. either by e-voting or voting by physical mode. If you are opting for e-voting, then do not vote by Postal Ballot also and vice versa. However, in case Shareholders cast their vote by ballot and e-voting, then voting done through e-voting will prevail and voting done through postal ballot will be treated as invalid. After you vote, the vote cannot be changed subsequently.

Members are requested to carefully read the instructions printed on the enclosed Postal Ballot Form and return the Form duly completed and signed in the attached self-addressed business reply envelope, so as to reach the Scrutinizer before the close of working hours (5.00 p.m.) on **8th August 2016.** Please note that any Postal Ballot Form(s) received after the said date and time will be treated as if reply from the Member has not been received. Members who have not received Postal Ballot forms may apply to the Company / RTA and obtain a duplicate thereof. The Scrutinizer will submit his report to the Chairman or in his absence, to any person authorised by him, after the completion of the scrutiny of the Postal Ballots (physical and e-voting). The results of the voting by Postal Ballot will be announced by the Chairman of the Company or in his absence, any person authorized by him, on Tuesday 5.00 p.m. **9th August 2016** at the Registered Office of the Company.

The results of the Postal Ballot, along with the Scrutinizer's report, will on such announcement date, be posted on the Company's **Website: www.dharanisugars.in** and CDSL e-voting website: **helpdesk.e-voting@cdslindia.com** besides communicating to the Stock Exchanges where the Company's shares are listed.

Members requiring any clarifications on e-voting may contact RTA on 044 - 2846 0390 or by e-mail:cameo@cameoindia.com.

(1) Resolution for approval of the CDR Scheme by the Shareholders.

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

RESOLVED THAT consent of the shareholders by way of special resolution through postal ballot as provided under Section 110 (1) (b) of the Companies Act, 2013 and after following the procedure detailed in Rule 22 of the Companies (Management & Administration) Rules 2014 be and is hereby accorded for approval of the Corporate Debt Restructuring (CDR) in terms of the CDR Scheme notified by the Reserve Bank of India proposed by the Company and approved by the Joint Lenders Forum (JLF) and the CDR Empowered Group as communicated in letter No.CDR(PMJ)718/2014-15 dated 16.01.2015 and letter No.CDR(PMJ) 766/2014-15 dated 02.02.2015 by the Lead Bank, Indian Bank.

(2) Resolution for preferential allotment

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

To approve preferential allotment of 2270000 equity shares to Dharani Developers Private Limited to convert a major portion of the balance promoter contribution brought in as per CDR Terms.

(A) RESOLVED THAT pursuant to Section 62 read with Section 42, and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, SEBI Issue of Capital Disclosure Requirements Regulations 2009 and Substantial Acquisition of Shares and Takeover Regulations 2011 (including any statutory modification thereto or re-enactment thereof for the time being in force) (the "Act") the Articles of Association of the Company and applicable subsisting rules/regulations/guidelines prescribed by Government of India / Securities and Exchange Board of India (SEBI) and as per Listing Obligations and Disclosure Requirement Regulations, 2015 and any other regulatory authority subject to any approval, consent, permission and / or sanction of the appropriate authorities (hereinafter collectively referred to as "the appropriate authorities"), and the Listing agreements entered into by the Company with the Stock Exchanges where the Shares of the Company are listed and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and / or sanction (hereinafter referred to as "the requisite approvals"), and which may be agreed to by the Board of Directors of the Company (hereinafter called 'the Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), subject to the approval of shareholders through resolution by means of postal ballot (including E-voting), the Board of Directors of the Company be and is hereby authorized to offer, issue and allot, 2270000 Equity Shares to be subscribed by the existing Promoter Group as follows after getting in-principle approval from the Stock Exchanges,

S. No	Name of the proposed allottee	No of Shares
1	Dharani Developers Private Limited	2270000

under a preferential issue, in such manner and on such terms and conditions as may be determined by the Board in its absolute discretion, provided that the aggregate number of equity shares to be issued shall not exceed 2270000 fully paid Equity Shares of the face value of Rs.10/-(Rupees Ten only) each at a rate Rs. 22.00 which is not lower than the minimum price as specified under chapter VII of SEBI (Issue of Capital & Disclosure Requirements) Regulations 2009 for preferential Issue, the relevant date for this purpose being 2nd February 2015.

(B) RESOLVED FURTHER THAT the equity Shares allotted in terms of this resolution shall rank pari passu in all respects with the existing Equity Shares of the Company.

The lock in period for the shares held and shares proposed to be allotted shall be as per SEBI (ICDR) Regulations 2009 which shall be as follows:

1) The 2270000 equity shares to be allotted will be subjected to lock in for a period of three years from the date of trading approval.

2) Out of the existing shareholding of 4314242 equity shares of M/s Dharani Developers Private Limited, 275000 shares have already been pledged with Bank of India, Chennai towards the financial facilities availed by Dharani Sugars and Chemicals Limited under consortium arrangements.

(C) RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Securities and listing thereof with the Stock Exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the said Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

By Order of the Board of Directors
For **DHARANI SUGARS AND CHEMICALS LIMITED**

E.P. Sakthivel
Company Secretary

Place : Chennai
Date : 26.05.2016

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 read with Section 110 of the Companies Act, 2013 in respect of proposed Special Business along with the Postal Ballot Form setting out material facts is appended.
2. The Postal Ballot Notice has been sent to all the Members of the Company whose names appear on the Register of Members / Beneficial owners from Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) as on **24th June 2016**. Only a member who is entitled to vote is entitled to exercise his / her vote through Postal Ballot.
3. The Postal Ballot Notice also has been placed on Company's Website: **www.dharanisugars.in** and will remain on such website until the last date of receipt of the Postal Ballot from Members.
4. The date of completion of dispatch of Notice will be announced through advertisement in Newspapers.
5. The Company's shares are presently held in Physical Form as well as demat form and voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on **24th June 2016.**
6. The Shareholders are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted. Also attached is a self-addressed, business reply envelope.
7. The postage will be borne and paid by the Company. However envelopes containing Postal Ballots, if sent by Courier or by Registered Post at the expense of the Members will also be accepted. It is, however, clarified that Members desiring to exercise their vote from outside of India will have to arrange for postage from the country where the ballot papers are dispatched, to the Scrutinizer.

8. As per Section 110 of the Act, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot may be served on the Members through electronic means. Members who have registered their e-mail IDs with depositories or with the Company are being sent this Notice of Postal Ballot by e-mail and Members who have not registered their e-mail IDs will receive Notice of Postal Ballot along with physical Form through post / courier. Members who have received Postal Ballot Notice by e-mail and who wish to vote through physical Form may indicate their option to receive the physical Form from the Company by clicking on the box provided in the e-mail or alternatively download the Form from the Company's website.

STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Meaning, Scope & Implication of the items of the business:

In the light of the adverse conditions prevailing in the sugar industry, the Company opted for Corporate Debt Restructuring (CDR) under the scheme formulated by Reserve Bank of India. After going through the Company's application, the empowered group of CDR Cell, Mumbai gave approval for a CDR Scheme through their letter dated 2nd February 2015, communicated by the Lead Bank. Key features of the scheme is attached.

In terms of the said CDR Scheme, the promoters had to bring in their contribution of Rs. 8,59,00,000/- in the form of Equity Shares/ Unsecured Loans. In the interest of speedy implementation of the CDR Scheme, the promoters brought in this money as unsecured loan. Banks have been advising that the unsecured loans be converted into equity to improve the net worth of the Company. Accordingly, the Company has on 14th May 2016 with the approval of the shareholders and in-principle approval from the Stock Exchanges, allotted 1540154 equity shares of Rs.10 each at a premium of Rs.12/- per share for Rs.3,38,83,388 out of the amount of Rs. 8,59,00,000/- brought in as unsecured loan, by way of preferential allotment to Dharani Developers Pvt. Ltd., limited to 5% of the revised Capital to avoid the requirement of making an open offer in terms of Reg. No.3 of Substantial Acquisition of shares and Takeovers Regulations 2011.

Out of the promoter contribution of Rs.8,59,00,000/- (Rs.Eight crores Fifty Nine Lakhs), Rs.3,38,83,388/- was converted into equity as above. Now the Company proposes to convert a further amount of Rs.4,99,40,000 out of the balance of unsecured loan of Rs.5,20,16,612/- into equity by allotting 2270000 equity shares @ Rs.22/- per share at the same rate as was adopted earlier.

This issue and allotment of equity shares as above to the promoters will not result in inflow of any fresh funds since the money has already been received two years ago and this allotment will only result in conversion of major portion of the balance of the unsecured loan into equity.

In the normal course, if acquisition of shares by a person exceeds the stipulated thresholds, he is obliged to make an open offer according to Regulation No.3 (2) & (3) of SEBI SAST Regulations 2011. However, a general exemption from making an open offer has been provided by Regulation No.10 (2) where the acquisition of shares not involving a change of control is effected **pursuant to a scheme of Corporate Debt Restructuring in terms of CDR Scheme notified by the RBI provided** such a scheme has been authorised by shareholders by way of a Special Resolution passed by postal ballot. As the present proposal of allotment satisfies these requirements, it was decided to avail this exemption and allot equity shares against the balance of unsecured loan, without the need to make an open offer.

Accordingly, consent of the shareholders for the approval of the scheme and consequent conversion of a major portion of the balance of the unsecured loan into equity by allotment of shares is being sought through this special resolution pursuant to the provisions of Section 62 read with Section 42, and other applicable provisions of the Companies Act 2013. Regulations 74(1) of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 and amendment thereof and Regulation No.10(2) of SEBI Substantial Acquisition of Shares and Take Over Regulations (SAST) 2011

As per regulation 76(1) of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, an issue of equity shares on a preferential basis can be made only at a price which is not less than the higher of the following:

a) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty six weeks preceding the relevant date; or

b) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

The Relevant Date in accordance with proviso to Regulation 71(a) of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements), Regulations 2009 for the preferential offer has been defined to mean the date on which this restructuring package was approved by the CDR empowered group, which is 2nd February 2015. Accordingly, the Relevant Date for this preferential offer also is taken as 2nd February 2015 i.e., the same date as was adopted while allotting 1540154 shares at the time of partial conversion of the unsecured loan. Stock exchange means National Stock Exchange of India Limited in which the highest trading volume of the Company's share has been recorded during the 26 weeks immediately preceding the relevant date. Equity shares of the Company to be allotted shall be subject to the Memorandum and the Articles of Association of the Company and the terms of the issue. The price fixed above is strictly in accordance with this regulation. The proposed subscription of equity shares by Dharani Developers Private Ltd., will be subject to approval from any governmental or regulatory authorities wherever required/applicable. The Board is of the view that the preferential offer to Dharani Developers Private Ltd. will be in the interest of the Company.

As required under Companies Act, 2013 and Regulation 73 (1) & (2) of Chapter VII of the SEBI (ICDR) Regulations 2009 as amended from time to time, other required details are furnished as under:

(a) Object of the Preferential Issue

The Company is in need of funds to shore up its paid up capital and for improving its net worth. It is therefore, proposed to increase its paid-up capital by way of preferential issue of equity shares as per chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 and as per Section 42 and other applicable provisions of the Companies Act, 2013.

(b) The Promoter and an associate group Company have agreed to subscribe to the allotment of equity shares on preferential basis by converting the balance of their unsecured loans to the Company into equity. No additional cash flow is expected. None of the other Directors or key management personnel of this Company are subscribing to this preferential offer.

(c) Shareholding Pattern of the Issuer before and after the issue

DHARANI SUGARS AND CHEMICALS LIMITED

Particulars	Pre – Offer Shareholding	%	Preferential Offer	Post offer Shareholding	%
I. Promoter and Promoter Group	18165659	58.73	2270000	20435659	61.55
II. Non Promoter					
a. Mutual Funds	15600	0.05		15600	0.05
b. Banks	3350	0.01		3350	0.01
c. Corporate Bodies	1035225	3.35		1035225	3.12
d. Non Resident Indian	4563835	14.76		4563835	13.75
e. FIIs	-	-		-	
f. Foreign Companies	-	-	-	-	
g. Public including clearing Members	7146331	23.10		7146331	21.52
Total II	12764341	41.27		12764341	38.45
Total I & II	30930000	100.00	2270000	33200000	100.00

The voting rights will change in tandem with the change in shareholding pattern.

(d) Proposed time within which the allotment shall be completed.

The allotment of the Equity Shares is to be completed within 15 days of the date of passing of the above resolutions, provided where the allotments are pending on account of any regulatory authority or Central Government approval(s), the allotment shall be completed within 15 days from the date of receipt of such approval(s).

Name of the proposed allottees	Pre-Issue Shareholding		Post Issue Shareholding	
	No. of shares	%	No. of shares	%
Dharani Developers Private Limited	4314242	13.95	6584242	19.83

(e) Natural persons behind Dharani Developers Private Limited.

Dharani Credit and Finance (P) Limited holding 99.80% of Equity shares in the Dharani Developers Private Limited as on 31st March 2016.

Dr. Palani G Periasamy, Mrs Visalakshi Periasamy and family members hold 98.22% of Equity shares in Dharani Credit and Finance Private Limited as on 31st March 2016.

Undertakings:

The Board of Directors of the Company undertake that

(f) the Company shall re-compute the price of the specified securities in terms of the provisions of SEBI (ICDR) Regulations 2009 when it is required to do so.

(g) if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottee.

The proposed allotment of the Equity shares on a preferential basis if made will not result in change in management control of the Company as per provision of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011.

The Company is taking necessary steps to obtain requisite approvals from the regulatory authorities as may be applicable for the proposed allotment.

The proposed issue of securities is in the interest of the Company and your directors recommend the passing of the resolution under this item as a special resolution.

Auditor's Certificate

A certificate from M/s. Srinivasan & Shankar, Chartered Accountants, (Firm Registration No.005093S) Statutory Auditors of the Company, certifying that the issue of shares by way of the proposed preferential allotment is being made in accordance with the requirements of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 shall be obtained.

Lock-in period

The Shares to be allotted on preferential basis to the investors shall be subject to the Lock-in periods as applicable in accordance with Regulation 78(1) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

None of the Directors, except Dr. Palani G. Periasamy, Executive Chairman and Mrs. Visalakshi Periasamy, Director are interested in the Resolution.

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

None of the

I) Other Directors

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

Iii) Relatives of the persons mentioned in i & ii are interested in the above said resolution.

DHARANI SUGARS AND CHEMICALS LIMITED

c) Relevance of Resolution in any other Company.

Change in shareholding of Dharani Developers Private Limited in the company.

d) Inspection of Documents

Relevant documents are available at MCA portal.

By Order of the Board of Directors
For **DHARANI SUGARS AND CHEMICALS LIMITED**

E.P. Sakthivel
Company Secretary

Place : Chennai
Date : 26.05.2016

BY. CDR approval Letter No. (PMJ) No. 766 / 2014-15, Dated February 2, 2015

Dear Sir,

Letter of Approval - Dharani Sugars and Chemicals Ltd. (DSCL)

RESTRUCTURING PROPOSAL APPROVED UNDER CDR SYSTEM (JLF Case)

Please refer to the Letter of Approval (LOA) in respect of Dharani Sugars and Chemicals Ltd. (DSCL) conveyed to you vide our letter No. BY. CDR (PMJ) No.718 / 2014-15, dated January 16, 2015

. It may kindly be noted that the decision of CDR EG regarding approval of the Restructuring Package taken at its meeting held on December 30, 2014 has been confirmed at its meeting held on January 28, 2015 Accordingly, the LOA under reference may kindly be treated as the final for implementation by the lenders.

Yours faithfully

// sd //

(Amit Shelankar)

Asst. General Manager

Broad Contours of the Corporate Debt Restructuring (CDR) as Approved by the Empowered Group

Pursuant to our disclosure regarding CDR package in our annual report for the Year 2014-15 (page 65) we give below the Broad Contours of CDR scheme.

1. Cut off date: July 01, 2014.
2. Continuation of need based working capital limits.
3. Term Loan of Rs.162.07 crores restructured under CDR scheme shall be repaid within a period of ten years including moratorium of twenty four months from the cut off date. Accordingly, the term loans will be repaid in 32 quarterly instalments commencing from 30th September'2016 and ending on 30th June 2024.
4. Interest accruing on term loan during the 24 month moratorium period from cut-off date i.e. from 1st July 2014 to 30th June 2016 aggregating to Rs.38.90 crore shall be converted to Funded Interest Term Loan (FITL). The FITL will be repaid in 24 quarterly instalments commencing from 30th September'2016 and ending on 30th June 2022.
5. Conversion of irregular portion of working capital limits into working capital term loan (WCTL) amounting to Rs.73.79 crores and shall be repaid within a period of ten years including the moratorium of twenty four months from the cut off date i.e. in 32 quarterly instalments commencing from 30th September'2016 and ending on 30th June 2024.
6. Interest accruing on working capital term loan during the 24 month moratorium period from cut-off date i.e. from 1st July 2014 to 30th June 2016 aggregating to Rs.17.71 crore shall be converted to Funded Interest Term Loan (FITL). The FITL will be repaid in 24 quarterly instalments commencing from 30th September'2016 and ending on 30th June 2022.
7. Rate of Interest:- Term Loans- ROI for restructured Term Loans, FITL & WCTL at 12% p.a payable monthly linked to the base rate of Monitoring Institution throughout the restructured period. The interest rate shall be reset every 3 Years. Working Capital – ROI 12% p.a payable monthly for fund based working capital
8. Waiver of all liquidated damages/ penal charges/ penal interest till the implementation of the package.
9. Right of recompense: Lenders, with the approval of CDR Empowered Group, shall have the right to recompense the reliefs / sacrifices / waivers extended by respective CDR Lenders as per the CDR guidelines.
10. Lenders will have right to reverse the waivers /sacrifices in case of events of default.

DHARANI SUGARS AND CHEMICALS LIMITED

11. Promoters contribution: As per CDR guidelines, promoter contribution of Rs. 8,59,00,000/- to be brought within stipulated timeframe i.e. on or before executing the Master Restructuring Agreement (MRA). This has already been brought in by Dharani Developers Pvt Ltd on 09/01/2015.

12. In case of financial facilities availed from the non-CDR lenders, the terms and conditions shall continue to be governed by the provisions of the existing financial documents,

13. The company and the CDR lenders executed the MRA on 30/01/2015. The MRA as well as the provisions of the master circular on Corporate Debt Restructuring issued by the Reserve Bank of India, give a right to the CDR lenders to get recompense of their waivers and sacrifices made as part of the CDR proposal. The recompense payable by the borrowers is contingent on various factors including improved performance of the borrowers and many other conditions, the outcome of which currently is uncertain and hence the proportionate amount payable as recompense has been treated as a contingent liability.

14. CDR Lenders shall be entitled to retain or appoint nominees on the Board of Directors of the Company during the currency of their assistance.

15. CDR Lenders shall have a right to convert entire/part of defaulted interest and entire/part of defaulted principal into equity as per SEBI pricing formula in the event of default. However, in the case of those CDR Lenders who already have default conversion rights, the same would be governed by existing loan covenants. The company/promoters shall take necessary steps and obtain all requisite/necessary/statutory/other approvals for such allotment of equity shares or a part of it in terms of their existing loan agreements.

    (a) CDR Lenders shall have a right to convert into equity up to 20% of the term debt outstanding beyond seven years as per SEBI guidelines/loan covenants whichever is applicable.

    (b) As regards WCTL and FITL, the conversion option would be available at any time during the restructuring period.

16. In the event the lenders or any of the lenders exercises its right to sell the shares issued in terms of the conversion clause as (a) or (b) above, the first right of refusal to buy back the shares would be offered to the promoters.

17. Except Dr.Palani. G.Periasamy Mrs.Visalakshi Periasamy and his relatives, none of the Directors/Key Managerial Personnel of the company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions. The Board commends the resolutions under item Nos 1 & 2 of the notice for approval by the shareholders, by way of special resolutions.

18. The CDR scheme, the MRA and other relevant documents mentioned in this notice will be available in the registered office of the Company, for inspection of the members, during the business hours.



DHARANI SUGARS AND CHEMICALS LIMITED

CIN No. : L15421TN1987PLC014454
"PGP HOUSE" New No.59 (Old No.57), Sterling Road,
Nungambakkam, Chennai - 600 034.
Tel : 91-44-28311313, 2820 7480, Fax No. 91-44- 28232074/76
Email : secretarial@dharanisugars-pgp.com, Website : www.dharanisugars.in

POSTAL BALLOT FORM

Serial No.

1. Name(s) of Member(s)/ Beneficial Owner(s) Including Joint holders if any (IN BLOCK LETTERS) :

2. Registered Address of the Sole/ First named Member(s) / Beneficial Owner(s) :

3. Registered Folio No. / DP ID No./Client ID No. (Applicable to investors holding shares in demat form) :

4. Number of Shares held :

I / We hereby exercise my / our vote in respect of the Resolution(s) to be passed through postal ballot for the business stated in the Notice of Postal Ballot issued by the Company dated 26th May 2016 by sending my / our assent / dissent to the said resolution by placing the tick (✔) mark at the appropriate box below: -

Resolution No.	Description	No. of Equity Shares	I / We assent to the Resolution (FOR)	I /We dissent to the Resolution (AGAINST)
1.	Approval of the Corporate Debt Restructuring Scheme as approved by the JLF/CDR EG.			
2.	Preferential issue of Equity shares to Promoter Group.			

Place :

Date :

Signature of the Shareholder

Following particulars to be used only in case shareholder opts for e-voting

Details of e-voting

EVSN (Electronic Voting Sequence Number)	USER ID	PASSWORD / PIN
160630006		

NOTE: Please read carefully the instructions printed overleaf before exercising vote.



INSTRUCTIONS

Pursuant to provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), assent or dissent of the Shareholders in respect of the Resolutions contained in the Postal Ballot Notice is being sought through postal ballot process.

All the Equity Shares of the Company are presently held in physical form as well as demat form. The shareholder(s) can opt only one mode of voting, i.e. either by e-voting or physical mode. If you are opting for e-voting, then do not vote by physical postal ballot also and vice versa. However, in case shareholders cast their vote by physical ballot and e-voting, then voting done through e-voting will prevail and voting done through physical ballot will be treated as invalid.

(A) Voting in Physical form:

1. A member / beneficial owner desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send it to the company in the attached self-addressed business reply envelope. Postage will be borne and paid by the company. However, envelopes containing postal ballots, if sent by courier at the expenses of the registered member/ beneficial owner will also be accepted.
2. The self-addressed envelope bears the address of the scrutinizer appointed by the Board of Directors of the company.
3. This form should be completed and signed by the member/ beneficial owner. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named member/ beneficial owner and in his absence, by the next named member/ beneficial owner. There will be one Postal Ballot Form for every Folio / Client ID irrespective of the number of joint holders.
4. Please note that Postal Ballot shall not be signed by the proxy.
5. Assent or dissent to the proposed resolution may be recorded by placing a tick mark (v) in the appropriate column. The assent or dissent received in any other Form shall not be considered valid.
6. The voting rights of Shareholders shall be in proportion to their shares of the paid up Equity Share Capital of the Company as on **24th June 2016.**
7. Duly completed Postal Ballot Form should reach the Company or the Scrutinizer not later than the close of working hours on **at 5 p.m. 8th August 2016.** All Postal Ballot Forms received after this date will be strictly treated as if the reply from the member/ beneficial owner has not been received.
8. The results of the Voting by Postal Ballot will be announced by the Chairman of the Company or in his absence, any person authorized by him, on **Tuesday 5.00 p.m. 9th August 2016** at the Registered Office of the Company.
9. In case of shares held by Companies, Trusts, Societies etc. the duly completed Postal Ballot Form should be accompanied by a **certified true copy of Board Resolution /,** Authority, authorizing the signatory to execute and sign the Postal Ballot Form. Further, where the form has been signed by a representative of the President of India or Governor of State, certified copy of the nomination should accompany the Postal Ballot Form.
10. Members / beneficial owners are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed envelope as the envelope will be sent to the Scrutinizer and any extraneous paper found in the envelope would be destroyed by the Scrutinizer. Members / beneficial owners are also requested not to write anything on the Postal Ballot Form except giving their assent or dissent and affixing their signatures.
11. A member may request for duplicate postal ballot form, if so required. However, the duly filled in and signed duplicate postal ballot form should reach the Scrutinizer not later than the date specified in point no (8) above.
12. Postal Ballot form received by fax will be rejected as if reply from the shareholder has not been received unless the original postal ballot form is received within prescribed time period.
13. The Scrutinizer's decision on the validity of a Postal Ballot will be final.
14. Incomplete, unsigned, incorrectly ticked, defaced, torn, mutilated, overwritten Postal Ballot Forms will be rejected.
15. There will be one Postal Ballot for every Folio/Client ID.
16. Members are requested to fill in the postal ballot form in indelible ink and not in any erasable writing mode.

(B) Voting through electronic means

Pursuant to the provisions of Sections 108 and 110, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the option of E-Voting facility to all the members of the Company. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting.

2. E-Voting commences on the **9th July 2016** E-Voting through electronic mode shall not be allowed beyond 5.00 pm on **8th August 2016.** During this period only the shareholders of the company, holding shares as on the cutoff date of **24th June 2016** are entitled to cast their vote electronically.
3. Instructions for e-Voting for members receiving an email from CDSL pursuant to their email IDs having been registered with the company/ Depository Participants:
   (i) User ID and password are required for e-Voting. If you are holding shares in Demat form and logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used. Else, follow clause (v) to (vii) for login.
   (ii) Launch the internet browser during the voting period. Type the URL in the address bar www.evotingindia.com. Home screen opens.
   (iii) Click on "Shareholders" tab to cast your vote.
   (iv) Now, select the Electronic Voting Sequence Number - "EVSN" along with "COMPANY NAME" from the drop down menu and click on "SUBMIT"
   (v) Now, fill up the following details in the appropriate boxes:

   For Members holding shares in Demat Form For Members holding shares in Physical Form

   User ID : For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID Folio Number registered with the Company

   PAN : Enter your 10 digit alpha-numeric *PAN (case sensitive) issued by Income Tax Department when prompted by the system while e- voting (applicable for both demat shareholders as well as physical shareholders)

   DOB : Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

   Dividend Bank Details# : Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

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

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

   (vi) After entering these details appropriately, click on "SUBMIT" tab.
   (vii) Members holding shares in physical form will then reach directly to the voting screen. However, members holding shares in demat form will now reach 'Password Change' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@ # $ % & *). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
   (viii) 'Select EVSN (Electronic Voting Sequence number) _____ of Dharani Sugars and Chemicals Limited.
   (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 EGM [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.
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 of **Friday, 24th June 2016**
10. Mr. M Damodaran, Practicing Company Secretary (Membership No. 005837) has been appointed as the Scrutinizer.
11. The results will be declared **9th August 2016** 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 on **9th August 2016** and same communicated to NSE and BSE.

DHARANI SUGARS AND CHEMICALS LIMITED No. 27, Sterling Road, Nungambakkam, Chennai - 34.