Dharani Sugars and Chemicals Limited

Regd. Office: "PGP HOUSE", (Old No.57) New No.59, Sterling Road, Nungambakkam, Chennai - 600 034.
Tel : 28234000, 28311313, 28254176, Fax : 28232074, 28232076
Email : accounts@dharanisugars-pgp.com, commercial @pgpgroup.in, secretarial@dharanisugars-pgp.com
GST No : 33AAACD1281F1Z7 | TIN NO:33061502443 | CST No : 818529/19.11.87
CIN No : L15421TN1987PLC014454, Website : www.dharanisugars.in

DSCL/AGM/Proceedings/SE/2019

September 24, 2019

The Authorised Signatory **National Stock Exchange of India Limited** Exchange Plaza, 5th Floor, Plot No. C/1G Block, Bandra – Kurla Complex, Bandra East, Mumbai – 400 051	**BSE Limited** **Corporate Relationship Dept** 1st Floor New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001

Dear Sir/Madam,

Sub: Disclosure as per Regulation No. 30 & Regulation No. 34 of LODR 2015.

In accordance with regulation No. 30, Schedule (III) Item A (10), the report on the proceedings of the Annual General Meeting is given below:

1) The Annual General Meeting of shareholders of the Company was held on Tuesday, 24th September 2019 at 10.20 A.M., at Sri Thyaga Brahma Gana Sabha, Vani Mahal, Mini Hall, No.103 G.N.Chetty Road, T.Nagar , Chennai -600 017.
2) 67 .No. of shareholders (Promoters & Promoters Group 15.Nos + Public –Non Institutions – 52. Nos.) Present in person and there was 1 proxy. Required quorum was present. Dr Palani G Periasamy was the Chairman of the Meeting.
3) Mr P S Gopalakrishnan, (Independent Director) Chairman of the Audit Committee and Nomination and Remuneration Committee was not been able to attend the Annual General Meeting due to prior commitments. Dr K C Reddy, (Nominee Director – IREDA) member of the Audit Committee and Chairman of Stake holders relationship committee represented Mr P S Gopalakrishnan as Chairman of Audit Committee. Nomination & Remuneration Committee and Stake holders relationship committee along with Statutory Auditors, Cost Auditors, Internal Auditors, Secretarial Auditors, the Company Secretary and Chief Financial Officer were present at the Annual General Meeting.

4) The following ONE Ordinary business and SIX Special businesses were considered at the meeting.

Ordinary Business:

1. To adopt the Financial Statements of the year ended 31st March 2019.

Special Business:

2. Re-appointment of Dr Palani G Periasamy, as whole time Director designated as Executive Chairman
3. Re-appointment of Mr A Sennimalai, Director
4. Re – appointment of Mr P S Gopalakrishnan, Independent Director.
5. Re-appointment of Dr S Muthu, Independent Director.
6. Re-appointment of Mr R K Viswanathan, Independent Director.
7. Remuneration to Cost Auditor for the year 2019-20.

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

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, Thyagadurugam,
Pallangacherry Post, Kallakurichi Via,
Villupuram District - 606 206
Mobile : 0451-248208
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PGP GROUP

Dharani Sugars and Chemicals Limited

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GST No : 33AAACD1281F1Z7 | TIN NO:33061502443 | CST No : 818529/19.11.87
CIN No : L15421TN1987PLC014454, Website : www.dharanisugars.in

Before the resolutions were put up for voting Chairman briefly explained the nature of each resolution and the background to them.

a) As provided in the Companies Act 2013, and in compliance with SEBI directives through the Listing Obligations Disclosure Regulations, the Company had made necessary arrangements thro CDSL to enable the members to vote on the resolutions through Electronic Voting.

b) In addition polling was also held and the shareholders were provided the ballot paper for exercising their votes.

c) M/s. Damodaran & Associates, Practicing Company Secretaries, who were appointed as Scrutinizers, submitted their report of the E-voting along with the Poll result.

Thereafter the results were declared and also placed on the website of the Company. They were also sent to the Stock Exchange.

d. All the 7 resolutions were declared passed with the requisite majority.

A copy of the Annual Report duly approved in the Annual General Meeting is also sent herewith, as required by Regulation 34 of the LODR Regulation, 2015.

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

Enc.: as above

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Tirunelveli District - 627 760
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CIN No : L15421TN1987PLC014454, Website : www.dharanisugars.in

DECLARATION

Based on the report dated 24th September 2019 of the Scrutinizers M/s M Damodaran & Associates, Practising Company Secretary, Chennai. I, E P Sakthivel, Company Secretary and duly authorised by Chairman on this behalf do hereby declare the results of voting by the equity shareholders at the Annual General Meeting held on 24th September 2019 as follows.

Sl.No	Resolutions	% Votes in favour	Results
Ordinary Resolutions			
01	To adopt the Financial Statements for the year ended 31st March 2019.	100	Passed unanimously
Special Resolutions			
02	Re-appointment of Dr Palani G Periasamy, as Whole time Director designated as Executive Chairman	100	Passed unanimously
03	Re-appointment of Mr A Sennimalai, Director	100	Passed unanimously
04	Re-appointment of Mr P S Gopalakrishnan, Independent Director	100	Passed unanimously
05	Re-appointment of Dr S Muthu, Independent Director	100	Passed unanimously
06	Re –appointment of Mr R K Viswanathan, Independent Director	100	Passed unanimously
07	Remuneration to Cost Auditor for the year 2019-20	100	Passed unanimously

for Dharani Sugars and Chemicals Limited

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

E P Sakthivel
Company Secretary
Duly authorised by Chairman to declare the results

Place: Chennai
Date: 24.09.2019

Dharani Nagar, Vasudevanallur,
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DHARANI SUGARS AND CHEMICALS LIMITED

PGP GROUP

32nd ANNUAL REPORT 2018-2019

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32ND ANNUAL REPORT

BOARD OF DIRECTORS

Dr Palani G Periasamy	Executive Chairman
Mr M Ramalingam	Managing Director
Mr A Sennimalai	Director
Mrs Visalakshi Periasamy	Director
Mr P S Gopalakrishnan	Independent Director
Mr P Selvam I A S (Retd)	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 CNGSN& Associates LLP Chartered Accountants, Chennai – 600017 Firm Regn. No. 004915S/S200036
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
Registered Office	PGP House, New No. 59 (Old No.57) Sterling Road, Nungambakkam, Chennai 600 034 CIN No: L15421TN1987PLC014454
Phone Nos./ Fax Nos.	91-44-28311313, 28311314 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 TiruvannamalaiDist – Tamil Nadu Phone No. 04181-223161 -162,223170 dharani2@dharanisugars-pgp.com
	Dharani –III, Kalayanallur Village, Sankarapuram Taluk. VillupuramDist – 606206,Tamil Nadu Phone No. 04151 -248208,248277 dharani3@dharanisugars-pgp.com

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 32nd Annual General Meeting of the Members of the Company will be held on **Tuesday, the 24th September 2019 at 10.20 a.m.** at Sri Thyaga Brahma Gana Sabha, Vani Mahal, Mini Hall,No.103, G N Chetty Road, T Nagar, Chennai -600 017 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements including Balance Sheet as at 31st March 2019, 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.

SPECIAL BUSINESS:

2. **Re-appointment of Dr Palani G Periasamy, as Whole Time Director designated as Executive Chairman with effect from 25.06.2019.**

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

   "RESOLVED THAT pursuant to Sections196,197,198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and on the recommendation of the Board of Directors subject to such other approvals or consents as may be necessary approval of the shareholders is hereby accorded for the reappointment of Dr Palani G Periasamy, Executive Chairman (holding DIN -00081002) who has crossed the age of 80 years, as a Whole time Director for a period of 5 years from 25.06.2019 to 24.06.2024."

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

Rs. In Rupees

Particulars	per month	Total for the year
Salary (fixed)	400000.00	4800000.00
LTA (One month Salary)		400000.00
Medical (One month Salary)		400000.00
Total		5600000.00
Commission @3% on net profits		

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

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

Part A

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

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

Part B

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

FUTHER RESOLVED THAT the Company do file the required Forms as per Section 196(3) and section 117(3) & (3c) of the Companies Act, 2013, and with the Registrar of Companies within the stipulated time under the signature of Mr A Sennimalai, Director or Mr E P Sakthivel, Company Secretary.

3. **To appoint a Director in place of Mr A Sennimalai (DIN No.00062791) who has crossed the age limit of 75 years, who retires by rotation and being eligible offers himself for re-appointment.**

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

   RESOLVED THAT Mr A Sennimalai, (DIN No.00062791) Non-Executive Director who has attained the age of 75 years and whose tenure comes to a close in the ensuing Annual General Meeting be and is hereby appointed as Non-Executive Director liable for retirement by rotation.

4. **Re-appointment of Mr P S Gopalakrishnan as an Independent 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 provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr P S Gopalakrishnan (holding DIN 00001446), an Independent Director of the Company who has attained the age75 years be and is hereby appointed as an Independent Director of the Company to hold office for a fresh term of five consecutive years from 24.09.2019 to 23.09.2024.

5. **Re-appointment of Dr S Muthu as an Independent 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 provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with

Schedule IV to the Companies Act, 2013, Dr S Muthu, (holding DIN 0331664), an Independent Director of the Company who has attained the age of 75 years be and is hereby appointed as an Independent Director of the Company to hold office for a fresh term of five consecutive years from 24.09.2019 to 23.09.2024.

6. **Re-appointment of Mr R K Viswanathan as an Independent 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 provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr R K Viswanathan (holding DIN 00047420), an Independent Director of the Company who has attained the age of 75 years be and is hereby appointed as an Independent Director of the Company to hold office for a fresh term of five consecutive years from 24.09.2019 to 23.09.2024.

7. **Remuneration to Cost Auditor for the year 2019-2020.**

To consider, and if thought fit to pass with or without modification, the following resolution as 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/- (Rupees One Lakh Fifty Thousand Only) as remuneration to M/s SRR Associates, Cost Accountants (FRN No.000992) for purpose of Cost Audit, as approved by the Board of Directors on the recommendations of the Audit Committee, including its Sugar, Electricity, Organic and Inorganic Chemicals and Fertilizer segments as applicable for the financial year 2019-2020 plus reimbursement to travel and out of pocket expenses incurred for purpose of such audit.

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 2 to 7 is annexed.
2. The Register of Members and Share Transfer Books of the Company will remain closed from **18th September 2019 to 24th September 2019** 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 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 Central Government. Members may refer to page No. 43 of the Annual Report and lodge their claim, if any, immediately. Similarly shares relating to them will also transferred to Investor Education and Protection Fund.**
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.
10. 10. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business set out against item 2,3,4,5,6 and 7 is annexed hereto.

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

Place: Chennai – 34
Date : 28th May 2019

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 Nos.2 & 3 : Re- appointment of Directors.

Particulars	Item No.2	Item No.3
Name of the Director	Dr Palani G Periasamy	Mr A Sennimalai
Date of Birth	10/05/1938	06/02/1942
Date of Appointment	04/06/1987	04/06/1987
Qualification	M. A., M.A., PhD.,	M.Sc., M.B.A.
Experience in specific functional areas	40 years	40 Years
List of other Public Companies in which Directorship held	1. Appu Hotels Ltd., 2. Dharani Finance Ltd.,	1.Appu Hotels Ltd.,
Chairman/Member of the Committee of the Board of Director of the Company	Chairman, (1) Dharani Sugars & Chemicals Ltd. (2) Dharani Finance Limited (3) Appu Hotels Limited	1. Director ,Dharani Sugars & Chemicals Ltd. 2. Member 1. Management Committee, 2. Audit Committee, 3. Nomination & Remuneration 4. Member of Stakeholders Relationship
Chairman / Member of the Committee of the other Companies in which he/she is a Director	Member – Management Committee.	1. Managing Director, Appu Hotels Ltd.
Number of Shares held in the Company (both own or held by / for other persons on a beneficial basis) as on March 31, 2019	3602775	29182
Relationship between directors inter - se	Spouse of Mrs. Visalakshi Periasamy (Director)	NIL

Item Nos.4, 5 & 6 : Appointment of Independent Directors.

Particulars	Item No.4	Item No.5	Item No.6
Name of the Director	Mr P S Gopalakrishnan	Dr S Muthu	Mr R K Viswanathan
Date of Birth	23/08/1935	05/04/1940	03/12/1940
Date of appointment	30/08/2005	12/11/2014	25/09/2017
Qualification	B.Com., LLB AIB (London), Fellow of Economic, Development Institute of World Bank, Washington	B.E. M.Sc.,Ph.D	B.A.,
Experience in specific functional areas	40 years, Banking Development Financial Institutions.	40 years	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	Director 1) Kothari Sugars and Chemicals Limited 2) Sakthi Finance Limited 3) Shriram General Insurance Co, Ltd	Dharani Finance Ltd.	NIL
Chairman/Member of the Committee of the Board of Director of the Company	Member of 1.Aufit Committee 2. Management Committee 3. Nomination & Remuneration Committee	Member of 1.Audit Committee	Member of 1. Audit Committee 2. Nomination & Remuneration Committee
Chairman / Member of the Committee of the other Companies in which he/she is a Director	Nil	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, 2019	Nil	Nil	Nil
Relationship between directors inter - se	Nil	Nil	Nil

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

Item No: 2: Re-appointment of Dr Palani G Periasamy, as Whole Time Director designated as Executive Chairman with effect from 25.06.2019.

Dr Palani G Periasamy, the promoter of the Company was reappointed as a Whole Time Director at the 27th Annual General Meeting held on 24 th September 2014 for a period of five years from 25.06.2014 to 24.06.2019. His term of office comes to a close by 24.06.2019. He has also crossed the age of 80 years. Considering his substantial contribution to the progress and development of the Company since its inception, the Board of Directors felt that the sevices of Dr Palani G Periasamy should continue to be available to the Company and that he should continue to lead the Company to further progress despite his crossing the age of 80 years. Accordingly it was resolved in the meeting of the Board of Directors held on 13.02.2019 to reappoint Dr Palani G Periasamy as a Whole Time Director for a further period of 5 years with effect from 25.06.2019 subject to approval opf the Shareholders, on the terms and conditions set out in the notice. The remuneration proposed is the same as was approved by shareholders in the last Annual General Meeting held on 24 th September 2014 and is well within the limits prescribed by the Act. Article 104 of the Articles of Association of the Company provides that whole time Directors are not liable for retirement by rotation for the period decided by the Company in the General Meeting. Special resolution is necessary for the appointment of a Whole Time director who has crossed the age of 70 according to Section 196 of the Companies Act, 2013.

The Directors recommend the resolution for the approval of the shareholders as a special Resolution.

He is the spouse of Mrs Visalakshi Periasamy, Director.

None of the directors except Dr Palani G Periasamy, Mrs Visalakshi Periasamy or Key Managerial Personnel of the Company is in anyway concerned or interested in the resolution.

Item No.3: Re-appointment of Mr A Sennimalai who retires by rotation and being eligible offers himself for re-appointment.

Mr A Sennimalai was appointed as Director with effect from 25.07.17 in terms of Section 161 of the Act. His term of office comes to a close at this Annual General Meeting and it is now proposed to reappoint him as a Director of the Company liable for rotation. He has attained the age 75 years. In the opinion of the Board, Mr A Sennimalai fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as Director of the Company.

He has vast experience in the General Management and Administration. He has been the Managing Director of Appu Hotels Limited and Director at Dharani Credit and Finance Private Limited. Mr A Sennimalai holds M.Sc., M.B.A. Degree and has more than 40 years' experience in General Management and Administration.

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

None of the Directors except Mr A Sennimalai or Key Managerial Personnel of the Company is in anyway concerned or interested in the resolution.

Item No.4: Re-appointment of Mr P S Gopalakrishnan as Independent Director.

Mr P S Gopalakrishnan was appointed as Independent Director with effect from 25.09.2014 in terms of Section 161 of the Act. His term of office comes to a close at this Annual General Meeting and it is now proposed to appoint him as an Independent Director of the Company for a second term though he has attained the age 75 years to hold office for a fresh term of five consecutive years from 24.09.2019 to 23.09.2024.

He has vast experience in the Banking and Development Finance Industry. He has been an Independent Non-Executive Director at M/s Sakthi Finance Ltd, since November 20, 2004. He has been a Non-Executive & Independent Director at M/s Kothari Sugars and Chemicals Ltd., since June 12, 1995. He is an Associate Member of the Institute of Bankers, London. Mr Gopalakrishnan holds B.Com, LLB and AIB (London) and Fellow of Economic Development Institute of World Bank, Washington and has more than 40 years' experience in Banking and Finance Industry. He has given is consent for the appointment.

In the opinion of the Board, Mr P S Gopalakrishnan fulfills 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 Section 149 (7) that he continues to meet the criteria of independent director.

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

Requirements of Section 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 P S Gopalakrishnan or Key Managerial Personnel of the Company is in anyway concerned or interested in the resolution.

Item No.5 : Re-appointment of Dr S Muthu as Independent Director.

Dr S Muthu was appointed as Independent Director with effect from 25.09.2014 in terms of Section 161 of the Act. His term of office comes to a close at this Annual General Meeting and it is now proposed to appoint him as an Independent Director of the Company for a fresh term though he has attained the age75 years to hold office for a fresh term of five consecutive years from 24.09.2019 to 23.09.2024. He has the qualification of B.E., M.Sc., PhD., He has given his consent for the appointment.

In the opinion of the Board, Dr S Muthu fulfills 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 Section 149 (7) that he continues to meet the criteria of independent director.

Requirements of Section160 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 Dr S Muthu or Key Managerial Personnel of the Company is in anyway concerned or interested in the resolution.

Item No .6 : Re-appointment of Mr R K Viswanathan, Independent Director.

Mr R K Viswanathan was appointed as Independent Director under Section 161 of the Companies Act., 2013 to hold office from 25.09.2017 to 24.09.2022. It is now proposed to appoint Mr R K Viswanathan as an Independent Director of the Company as he has already attained the age75 years to hold office for a fresh term of five consecutive years from 24.09.2019 to 23.09.2024.

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. He has given his consent for the appointment.

In the opinion of the Board, Mr R K Viswanathan fulfills 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 Section160 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. 7: Remuneration to Cost Auditor for the year 2019-20.

The Company is engaged in three business segments viz., Sugar, Co-generation of Power and Distillery products. The Company is maintaining cost accounting records as per Companies (Cost records and audit) Rules, 2014.

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 shareholders at the Annual General Meeting.

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 2019-20 pertaining to Sugar, Cogeneration and Distillery segments and determined the remuneration of Rs.1,50,000/- plus out of pocket expenses on the recommendation of the Audit committee.

It is now placed for the approval of shareholders 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

1. The Company is pleased to provide members facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) by electronic means as required by Regulation 44 of the Listing Obligation Disclosure Regulations and Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014. This business would be transacted through e-Voting services provided by Central Depository Services (India) Limited (CDSL).
2. E-Voting commences on **21st September 2019 at 9.00 a.m. e-Voting through electronic mode shall not be allowed beyond 5.00 p.m. on 23rd September 2019.** During this period, shareholders of the Company, holding shares as on the cut-off date i.e, **17th September 2019** are entitled to cast their vote electronically.
3. The voting rights of shareholders shall be in proportion to their shareholding as on the cut-off dates viz., **17th September 2019.**
4. Mr M Damodaran, Practicing Company Secretary (Membership No.005837) has been appointed as the Scrutinizer.
5. 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;
6. The Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.
7. 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

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

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on **21st September 2019 at 9.00 a.m. and ends on 23rd September 2019 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **17th September 2019** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. 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.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant Dharani Sugar and Chemicals Limited on which you choose to vote.

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

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) 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.

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

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com.**
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) 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 write an email to **helpdesk.evoting@cdslindia.com.**

BOARD'S REPORT

Dear Members,

Your Board of Directors are pleased to present the 32nd Annual Report on the operations of the Company and the Audited Statement of accounts for the year ended 31st March 2019.

FINANCIAL SUMMARY

Rs. In Crores

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Total Revenue	319.35	505.34
Profit/(Loss) before Interest, Depreciation and Tax	(33.76)	14.16
Interest and Finance Charges	74.55	76.28
Cash Profit / (Loss)	(108.31)	(62.12)
Depreciation	22.59	22.57
Profit/(Loss) before Tax	(130.90)	(84.69)
Deferred Tax-Asset/(Liability)/ MAT Reversal	(18.43)	(0.69)
Profit/(Loss) After Tax	(149.33)	(85.38)
Other Comprehensive Income	0.55	0.75
Total Loss for the period	(148.78)	(84.63)
Transfer to General Reserve	-	-
Profit/(Loss) Brought forward from last year	56.55	141.18
Profit/(Loss) carried forward to Balance Sheet	(92.23)	56.55

The financial statements have been prepared to be in compliance with the Indian Accounting Standards.

PERFORMANCE

Financial Performance : During the year under review the total Gross income was Rs.319.35 crores as against Rs.505.34 crores in the previous year. The Gross operating loss was Rs.33.76 crores as against the profit of Rs 14.16 crores in the previous year. After providing interest, the cash loss works out to Rs.108.31 crores as against the cash loss of Rs.62.12 crores in the previous year. The net loss after depreciation and tax works out to Rs.148.78 crores as against the loss of Rs 84.63 crores in the previous year. The loss was mainly due to lower volume of cane crushing due to drought and substantial fall in the sugar realisation during the year. The sugar realisation has also come down sharply and the average realisation was only Rs 3024/- per Qtl as against the average realisation Rs 3607/- per Qtl in the previous year. This alone has resulted in a loss of Rs. 50.43 crores.

Sugar: During the year under review, the Company has crushed 5.23 lakh tonnes of cane as against 7.20 lakh tonnes of cane crushed in the previous year and the Company has processed 0.12 lakh tonnes of Raw sugar. Consequently the total sugar production was 5.44 lakh quintals as against 8.89 lakh quintals in the previous year. The total sugar sold was 8.65 lakh quintals as against 10.73 Lakh quintals in the previous year.

Power: During the year power generation has decreased to 339.87 lakh units from 589.01 lakh units in the previous year due to lower volume of cane crushing. The export of the power to the TNEB grid has also decreased to 139.68 lakh units from 293.11 lakh units in the previous year.

Industrial Alcohol: During the year under review, the production of Industrial Alcohol was 101.36 lakh liters as against 164.89lakh liters in the previous year. The total Alcohol sold was 102.48 lakh liters as against 167.82 lakh liters in the previous year. The average realization has decreased to Rs.47.00 per liter from Rs50.59 per liter in the previous year.

RESERVES

No amount is proposed to be transferred to General Reserves account on account of loss during the year.

DIVIDEND

Due to absence of profits in the current year, the Board of Directors is unable to recommend any dividend for the year 2018-19.

EXTRACT OF ANNUAL RETURN

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

BOARD MEETINGS

During the year 2018-19, five Board Meetings were held on 28.05.2018, 13.08.2018, 26.09.2018, 09.11.2018 and 13.02.2019. Details of Attendance of each director furnished in the report on Corporate Governance in page No.33.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Dr Palani G Periasamy, Whole Time Director and Executive Chairman whose term of office has come to a close on 24.06.2019 is proposed for reappointment for a fresh term of 5 years.

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

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 POLICY

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 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.

II. **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 Nomination and Remuneration Committee. 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 Director.

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 CNGSN Associates & LLP Chartered Accountants, Chennai (FRN No.027501), appointed as Statutory Auditors of the Company in the Annual General Meeting held in 25th September 2017 for a period of 5 years will continue as Auditors.

The following observation was mentioned in the audit report as of 31st March 2019 by the statutory auditors.

S.No.	Observations	Reasons
1.	The Company's net worth is negative and the borrowings from banks and financial institutions have been classified by the lenders as non-performing assets during the year. Subsequent to the balance sheet date, few banks issued notice to recall the loans.	The Company was not able to service the interest and principal to the banks/financial institutions/sugar development fund due to glut in sugar and lower-availability of Sugarcane due to drought in Tamilnadu had a cascading effect on the cogeneration and industrial alcohol business of the Company, which has resulted in the company incurring losses during the last few years.This is a problem facing the entire sugar industry.In addition Tamil Nadu has faced continous drought for the last 4 years resulting in substantial reduction in cane availability. The capacity utilisation in Tamil Nadu is around 35% during the last 2 years. On account of the above, the company has incurred losses during the last four years and has not been able to service debts to the banks/financial instutions from May 2018. The Govt. of India has announced various supportive measures for the Sugar Industry revival during the last one year Viz. Export subsidy for export of sugar , Fixation of higher price for Ethanol, Permission to convert B Heavy molasses in to Ethanol , reintroduction of monthly sugar release mechanism ,Soft loans for setting of ethanol plants. The Govt. of India have also fixed minumum selling price of Rs.31/- per KG for sugar below which the mills are not allowed to sell the sugar and this price is likely to increase in line with the increase in the cane price announced by the Govt.of India . These steps are expected to improve the performance of sugar industry in the coming years. The company has submitted a resolution plan to the consortium banks for restructuring the loans and the consortium banks have suggested to the company to plan for a one time settlement (OTS) of the loans. The companies is confident of bringing up the funds and initiate the process of OTS with the banks shortly. The monsoon is also expected to be normal. The Company therefore expects that the industry will revive with the support from Governments and your Company will also be able to settle all the dues and continue to function as a going concern.
2.	Significant uncertainty on the Company's ability to continue as a going concern. Pending the resolution of the above uncertainties, the Company has prepared the aforesaid statement on a going concern basis.	

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 Secretarial Audit report as of 31st March 2019 is annexed herewith as "Annexure".-II.

The following are the qualifications mentioned.

Important observations by the Auditor and the Company's explanations are given below.

Observations	Reasons
a The Company has not transferred shares pertaining to unpaid and unclaimed dividend to IEPF authority as per section 124(6) of the Companies Act, 2013 read with Rule 6(5) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.	The Company has initiated action for advertisement in the newspaper, sending individual information to the affected shareholders allowing time for response. Thereafter the transfer process will be commenced and completed. Filing of IEPF 4 will be done after this. The whole process is likely take another 2 months. Delay was due to delay in reconciliation of the outstanding unpaid amounts with bank's figures.
b The Company has not filed e-form IEPF - 4 under rule 6(5) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.	
c The company has not passed Special Resolution under regulation 17(1A) of SEBI (LODR) Regulations, 2015 for continuing as non-executive directors who has attained the age of seventy five years.	Necessary Special Resolution is being proposed in the ensuing Annual General Meeting to be held in September 2019 for regularizing the continuance of the concerned Non-Executive Directors.
d There was minor delay in intimation of Financial Results for the year ended 31.03.2018 to the stock exchange (NSE) under regulation 30 of the SEBI (LODR) Regulations, 2015.	The delay was incidental due to computer glitches and failure of net availability. The timing will be ensured in future.
e There was minor delay in intimation of Financial Results for the quarter ended 31.12.2018 to the stock exchange (NSE) under regulation 30 of the SEBI (LODR) Regulations, 2015.	
f As per regulation 46 SEBI (LODR) Regulations, 2015 the website of the company was updated with minor deviations.	

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 2018-19 which were in conflict with the interest of the Company or which requires the approval of shareholders. Suitable disclosures as required under IND AS-24 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. The Federal Bank Limited, Bank of India, Central Bank of India, State Bank of India and IFCI Limited had declared as non- performing assets and issued notice to recall the loans.

AUDIT COMMITTEE

The Audit committee consists of the following Directors.

1. Mr P S Gopalakrishnan	Chairman & Independent Director
2. Dr K C Reddy	Nominee Director (IREDA)
3. Mr A Sennimalai	Director
4. Dr S Muthu	Independent Director
5. Mr R K Viswanathan	Independent Director
6. Mr P Selvam	Independent Director

The Committee met 4 times on 28.05.2018, 13.08.2018, 09.11.2018 and 13.02.2019.

Details of Attendance of each director is furnished in the report on Corporate Governance in Page No. 33

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 ABOSORPTION

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.

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.

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 auditor Company undertakes corrective action in their respective areas and thereby strengthen the financial 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 2018-19 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 Section 73 & 74 and the rules prescribed there under. Your Company has no unpaid deposits which were due or repayable as on 31st March 2018. 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:

S No	Name of the Directors	Category of Directors
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 have 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 Practising Company Secretary 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 2018-19.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Annexure attached in 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
(DIN No: 00081002)

Place: Chennai – 34
Date : 28th May 2019

MANAGERIAL REMUNERATION

<table>
<tr><td>A</td><td>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)</td><td>Annexure II in the Board' Report</td></tr>
<tr><td>B</td><td>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</td><td>The information as per Rule 5(2) of the Companies (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 Rule5(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.</td></tr>
<tr><td>C</td><td>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.</td><td>NIL</td></tr>
<tr><td rowspan="4">D</td><td>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.
(i) all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;</td><td colspan="2">Rs in Lakhs (Per annum)
<table><tr><th>Particulars</th><th>Dr Palani G Periasamy
Executive Chairman</th><th>Mr M Ramalingam
Managing Director</th></tr><tr><td>Salary</td><td>48.00</td><td>21.60</td></tr><tr><td>Perquisites</td><td></td><td></td></tr><tr><td>HRA</td><td></td><td>2.40</td></tr><tr><td>LTA</td><td>4.00</td><td>1.80</td></tr><tr><td>Medical</td><td>4.00</td><td>1.80</td></tr><tr><td>Total</td><td>56.00</td><td>27.60</td></tr></table></td></tr>
<tr><td>(ii) details of fixed component and performance linked incentives along with the performance criteria;</td><td>3% Commission on Net Profit

Actual Payment - NIL</td><td>Nil</td></tr>
<tr><td>(iii) service contracts,
notice period,
severance fees;</td><td>5 years,
3 months,
Nil</td><td>5 years,
3 months,
Nil</td></tr>
<tr><td>(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.</td><td>Nil</td><td>Nil</td></tr>
</table>

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 provided for the year 2018-19 to the Managerial Personnel. Approval of the Shareholders in accordance with Schedule V Part II Section II of the Companies Act, 2013 has to be obtained after getting consent of the Secured lenders.

Name of the Managerial Personnel	Remuneration (per annum)
Dr Palani G Periasamy- Executive Chairman	Rs.24.00 Lakhs
Mr M Ramalingam – Managing Director	Rs. 27.60 Lakhs

for and on behalf of the Board of Directors

DR PALANI G PERIASAMY
Executive Chairman
(DIN No: 00081002)

Place: Chennai – 34
Date : 28th May 2019

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.

World Sugar Scenario:

Brazil, the largest sugar producer in the world continues to increase its cane cultivation by expanding into additional areas. Due to excellent weather in Brazil and abundant availability of lands, the cane cultivation continues to grow year after year. The UNICA expects the sugar production in 2018/19 season is likely to be similar to the last season 2017-18. The overall cane cultivation is expected to increase, the mills in Brazil are contemplating to reduce the sugar production and increase the ethanol production. This is to ensure price parity between the sugar productions and Ethanol production. With the extensive support from the Govt. of Brazil, the Ethanol production continues to increase. Out of the total cane produced, only 36% is used for sugar production and the balance 64% is used for Ethanol production. This helps to stabilise the international sugar prices.

The Global Sugar production for 2018-19 is estimated at 185.7 million tonnes with global consumption at 184.9 million tonnes, up from 183.3 million tonnes in 2017-18. Consequently the global surplus is likely to come down to 4 million tonnes from the previous year of around 7 million tonnes. World sugar prices are starting to recover slightly, currently at 12 c/lb likely to approach to around 14 c/lb by end of this year.

Indian Sugar Scenario:

India, the largest sugar consumer in the world has also emerged as the largest producer of sugar. Also the Sugar Industry is the second largest Agro based Industry next only to Textiles. It supports about 50 million farmers from rural India. The sugar industry contribution to the economic growth of the country is substantial both in terms of employment and also in terms of revenue to the Government. The total revenue contributed by way of taxes and excise revenue to all the State Govts. through sale of Alcohol would be around Rs.3 lakh crores.

The sugar production for the season 2018-19 is expected to reach a record level of 33 million tonnes against the production of 32.5 million tonnes of sugar in the previous season 2017-18. The substantial increases in the sugar production from U.P., Maharashtra and Karnataka have contributed to achieve this record level of production. With the overall consumption estimated at 26 million tonnes and an export quantity of 3.5 million tonnes, the closing stock is estimated at a record level of 14.2 million tonnes which is more than 6 month consumption. The excess sugar productions over the demand during last two years have resulted in substantial increase in the inventory.

The excess production along with the carry over stock has resulted in subdued sugar prices during the last few years. On account of this, most of the sugar units in India have incurred losses. Further due to the continuous drought during the last four years, the production in Tamil Nadu continuous to be very low and is likely to be around 8 lakh tonnes only for the current season 2018-19. Tamilnadu is facing the worst ever drought which the state has not seen in the past. On account of this, the sugar production has come down substantially and the capacity utilisation of the mills in Tamil Nadu is only around 30 to 35%.

Government Policies:

Sugar cane price:

The Central Government has announced a Fair and Remunerative Price (FRP) for the sugar season 2018-19 at Rs.275 per qtl linked to a recovery of 9.5%. The Tamil Nadu Govt. has also announced in its recent budget in March 2018 that for the coming seasons onwards the state would follow the revenue sharing formula for cane price as mentioned in the Rangarajan Committee. This will certainly help the Tamil Nadu Sugar Mills in the coming seasons.

Supportive measures taken by Govt. of India and State Govt. during the last one year are given below:

- Increased the import duty for sugar from 50% to 100%.
- Brought back the monthly release mechanism which has resulted in substantial increase in the market price.

- The Govt. of India has removed 20% export duty on sugar and also announced incentives for exports.
- The Govt. of India has fixed a minimum selling price for sugar at Rs.29 per kg from June 2018 which would be periodically increased in line with the increase in the cane price. In line with this policy, the price for the season 2018-19 has been increased to Rs 31 per kg.
- The Govt. of India has announced a subsidy of Rs.13.88 per tonne of cane crushed for export of sugar up to December 2018.
- The Tamilnadu Govt. has announced a revenue sharing formula for fixation of cane price from the season 2018-19 onwards. This will ensure reasonable cane price to the factory/farmers.
- The Govt. of India has announced various incentives for increasing the Ethanol blending with the view to reduce the sugar production and increase the bio-fuel. The following are some of the major measures announced by Govt. of India for Ethanol Blending Scheme.
- Permitted the use of B heavy molasses for production of Ethanol and also permitted production of Ethanol directly from Cane Juice as is being followed in Brazil.
- Ethanol price increased from Rs.47.50 per litre to Rs.59.50 per litre for Ethanol made from Sugar Cane Juice and for Ethanol made from B heavy molasses the price has been increased from Rs.47.50 to Rs.52.43 per litre.
- The Ethanol blending scheme is periodically reviewed by high level committee and supportive measures are being announced from time to time. The scheme is expected to save about Rs. 10000 crs. per year in terms of foreign exchange savings by reducing the oil imports.

Ethanol:

The country is set the reach 10% blending target within the next 2-3 years. Though the scheme was started a decade ago with a target of 5% blending, the achievement was less than 2%. Now with great push given to the scheme during the last few years, the blending has increased to around 6.7%.

For the current level of consumption of fuel, 3300 million litres of ethanol is required to achieve 10 per cent of blending target by 2022. For the current season itself i.e. 2018-19, sugar mills in India have contracted for supply of 2370 million litres which works out to 7.2 per cent of the petrol consumption in India. “This is the highest ethanol supply contracts Indian distilleries have ever achieved. The best ever achieved was last year when contracts for 1600 million litres were signed and 1500 million litres of ethanol were supplied in 2017-18 ethanol supply period”.

Opportunities and Threats:

the world’s largest consumer of sugar has also emerged as the largest producer of sugar in the world. Still the average per capital consumption of sugar in India is less as compared to the developed countries. 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. However the agro climatic conditions play a great role in the availability of the cane.

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. Various steps are being taken by Govt. of India for increasing the blending to 20% by 2030.

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, encouraging drip irrigation for better water management and improved yield. However, the drought in Tamil Nadu during the last 4 years has substantially reduced the cane availability. The company is also in the process of introducing new sugar cane varieties in the coming

season in cooperation with the Sugarcane Breeding Institute (SBI), Coimbatore which will improve the yield per acre and also the sugar recovery.

b) Product Risks: Sugar being the main product, its price is controlled by Govt. of India through monthly quota for sale. Due to increasing health consciousness among the general public, the average increase in the consumption of sugar is likely to be low in the coming years. Alcohol is highly regulated and the price of the same is directly/indirectly controlled by the State Government through import from neighbouring 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. Further, the droughts during the last 4 years have drastically reduced the cane availability, affecting our performance and the ability to service the loans.

e) Regulatory Risks: The Sugar Sector continuous to be 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. The Company through its Industry Association has been representing to the Central and State Governments for new policy changes to support the Sugar Industry.

Outlook for 2019-20

The sugar production for the current season 2018-19 is expected to be around 33million tonnes as against the production of 25 million tonnes in the previous season which will lead to substantial increase in the inventory. However, in the next season, the production is expected to be around 28 million tonnes. The glut in sugar has depressed the sugar price both in India and in the Global Market. However, the continuous drought in Tamil Nadu has reduced the cane availability for the mills in Tamil Nadu and the capacity utilisation is likely to be around 35 to 40 % only. Hence, the present performance trend may continue for one more year.

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 906 employees in your Company. The Company continues its efforts in improving the various facilities extended to the employees for better productivity.

Annexure - I

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
For the financial year ended on 31st March, 2019
[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.59, Sterling Road, Nungambakkam, Chennai-600 034 Tel.No.91-44-28311313 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	82.91%
2	Distillery	11019	15.26%

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- 01.04.2018				No. of shares held at the end of the year - 31.03.2019				% 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	26.59	8828795	0	8828795	26.59	0.00
b.	CENTRAL/ STATE GOVERNMENT(S)	0	0	0	0.00	0	0	0	0.00	0.00
c.	BODIES CORPORATE	11606864	0	11606864	34.96	11606864	0	11606864	34.96	0.00
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)	**20435659**	**0**	**20435659**	**61.55**	**20435659**	**0**	**20435659**	**61.55**	**0.00**
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)	**20435659**	**0**	**20435659**	**61.55**	**20435659**	**0**	**20435659**	**61.55**	**0.00**
B.	**PUBLIC SHAREHOLDING**									
1.	INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
a.	MUTUAL FUNDS/UTI	0	14600	14600	0.04	0	14500	14500	0.04	0.00
b.	FINANCIAL INSTITUTIONS/ BANKS	3240	3050	6290	0.01	2461	3050	5511	0.02	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)	**3240**	**17650**	**20890**	**0.06**	**2461**	**17550**	**20011**	**0.06**	**-0.00**
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	957948	22450	980398	2.95	627806	22350	650156	1.95	-0.99
b.	INDIVIDUALS -									
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	4343808	980946	5324754	16.03	4344331	932047	5276378	15.89	-0.14
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	1884003	0	1884003	5.67	2279491	0	2279491	6.86	1.19
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
d.	ANY OTHER									
	CLEARING MEMBERS	56059	0	56059	0.16	6897	0	6897	0.02	-0.14

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- 01.04.2018				No. of shares held at the end of the year - 31.03.2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	HINDU UNDIVIDED FAMILIES	324804	0	324804	0.97	0	0	0	0.00	-0.97
	NON RESIDENT INDIANS	3214863	958070	4172933	12.56	3257566	940013	4197579	12.64	0.07
	Resident HUF	0	0	0	0.00	333329	0	333329	1.00	1.00
	TRUSTS	500	0	500	0.00	500	0	500	0.00	0.00
	Total (d)	3596226	958070	4554296	13.71	3598292	940013	4538305	13.66	-0.04
	SUB - TOTAL (B)(2)	**10781985**	**1961466**	**12743451**	**38.38**	**10849920**	**1894410**	**12744330**	**38.38**	**0.00**
	TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	10785225	1979116	12764341	38.44	10852381	1911960	12764341	38.44	0.00
	TOTAL (A)+(B)	**31220884**	**1979116**	**33200000**	**100.00**	**31288040**	**1911960**	**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)	**31220884**	**1979116**	**33200000**	**100.00**	**31288040**	**1911960**	**33200000**	**100.00**	**0.00**

(ii) Shareholding of promoters

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			
		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	11.31	11.31	3754440	11.31	11.31	0.00
2	DHARANI DEVELOPERS PRIVATE LIMITED	6584242	19.83	0.83	6584242	19.83	0.83	0.00
3	DR PALANI G PERIASAMY	2739012	8.25	8.25	2739012	8.25	8.25	0.00
4	VISALAKSHI PERIASAMY	1200101	3.61	3.61	1200101	3.61	3.61	0.00
5	ANANTHI DEVELOPERS LIMITED	1000000	3.01	3.01	1000000	3.01	3.01	0.00
6	JAYANTHI PERIASAMY	886016	2.67	2.23	886016	2.67	2.23	0.00
7	PALANI GOUNDER PERIASAMY JT1 : VISALAKSHI PERIASAMY	863763	2.60	2.60	863763	2.60	2.60	0.00
8	SANTHI PERIASAMY	885142	2.67	0.00	885142	2.67	0.00	0.00
9	NALINI PERIASAMY	882492	2.66	0.00	882492	2.66	0.00	0.00
10	ANANTHI PERIASAMY	885293	2.67	0.00	885293	2.67	0.00	0.00
11	MR. KANDASAMY K	479621	1.44	1.38	479621	1.44	1.38	0.00
12	DHARANI FINANCE LIMITED	268182	0.81	0.00	268182	0.81	0.00	0.00
13	K VIJAYALAKSHMI	7205	0.02	0.00	7205	0.02	0.00	0.00
14	MR. MURUGAVEL R	150	0.00	0.00	150	0.04	0.00	0.00
	Total	**20435659**	**61.55**	**33.22**	**20435659**	**61.55**	**33.22**	**0.00**

(Iii) Change of Promoters Shareholding - Nil

(IV) Shareholding pattern of top 10 shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sl.No.	Particulars	Shareholding at the beginning of the year-01.04.2018		Cumulative Shareholding during the year-31.03.2019		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-2018	454000	1.36			
	Sale 18-May—2018	-454000	1.36			
	Purchase 18-May-2018	454000	1.36			
	At the end of the Year 31-Mar-2019			454000	1.36	
2	P T SWAMY					
	At the beginning of the year 01-Apr -2018	376562	1.13			
	At the end of the year 31-Mar-2019			376562	1.13	
3	C K RAMACHANDRAN JT1 : SARASWATHI RAMACHANDRAN					
	At the beginning of the year 01-Apr-2018	366816	1.10			
	At the end of the Year 31-Mar-2019			363816	1.10	
4	P V MOHAN/ JT :1 PRABHA MOHAN					
	At the beginning of the year 01-Apr-2018	353142	1.06			
	At the end of the Year 31-Mar-2019			353142	1.06	
5	ASHA L SWAIN					
	At the beginning of the year 01-Apr-2018	291605	0.88			
	At the end of the Year 31-Mar-2019			291605	0.88	
6	SIVASUBRAMANIAN					
	At the beginning of the 01-Apr-2018	263240	0.79			
	At the end of the year 31-Mar -2019			263240	0.79	
7	RAJKUMAR KUDILAL SEKSARIA					
	At the beginning of the year 01-Apr-2018	232000	0.69			
	At the end of the Year 31-Mar-2019			230000	0.69	
8	VANI V THIRUMOORTHI					
	At the beginning of the year 01-Apr-2018	195221	0.59			
	At the end of the Year 31-Mar-2019			195221	0.59	
9	BHARAT K DALAL					
	At the beginning of the year 01-Apr-2018	178537	0.54			
	At the end of the Year 31-Mar-2019			178537	0.54	
10	UNIVERSAL CINE TRADES					
	At the beginning of the year 01-Apr-2018	160000	0.48			
	At the end of the year 31-Mar-2019			160000	0.48	

(v) Shareholding of Directors & Key Managerial Personnel

Sl.No.	Name of the Directors and KMP	Shareholding at the beginning of the year- 01.04.2018		Cumulative Shareholding during the year-31.03.2019	
		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	8.25	2739012	8.25
2	Dr Palani G Periasamy Jt Mrs Visalakshi Periasamy	863763	2.60	863763	2.60
3	Mrs Visalakshi Periasamy	1200101	3.61	1200101	3.61
4	Mr A Sennimalai	29182	0.09	29182	0.09
5	Mr M Ramalingam	2200	0.01	2200	0.01
6	Dr K C Reddy	500	0.00	500	0.00
7	Mr P S Gopalakrishnan	0	0.00	0	0.00
8	Mr P Selvam	0	0.00	0	0.00
9	Dr S Muthu	0	0.00	0	0.00
10	Mr R K Viswanathan	0	0.00	0	0.00
11	Dr V R S Sampath	0	0.00	0	0.00
	Total A	**4834758**	**14.56**	**4834758**	**14.56**
Key Managerial Personnel					
1	Mr M P Kaliannan	100059	0.30	100059	0.30
2	Mr E P Sakthivel	0	0.00	0	0.00
	Total B	**100059**	**0.30**	**100059**	**0.30**
	Total A +B	**4934817**	**14.86**	**4934817**	**14.86**

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.	-	12.60	12.60
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	3.20	3.20
	(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)	-	*15.80	15.80
	Ceiling as per the Act	60.00	60.00	120.00

*Part of Remuneration has been kept in abeyance pending prior consent of secured lenders.

V. B REMUNERATION TO OTHER DIRECTORS

In lakhs

Sl.No	Particulars of Remuneration						Total Amount
1	**Independent Directors**		P Selvam	P.S.Gopala krishnan	Dr. S. Muthu	R.K. Viswanathan	
	(a) Fee for attending board committee meetings		0.15	0.50	0.45	0.35	1.45
	(b) Commission						
	(c) Others, please specify		Nil	Nil	Nil	Nil	Nil
	Total (1)		0.15	0.50	0.45	0.35	1.45
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	0.60	0.50	0.10		0.20	1.40
	(b) Commission						
	(c) Others, please specify.						
	Total (2)	0.60	0.50	0.10		0.20	1.40
Overall Ceiling as per the Act.		In terms of the provisions of the Companies Act, 2013 the remuneration payable to Directors other than Executive 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 meetings.					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR / MANAGER/WHOLE TIME DIRECTOR

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.	5.90	20.41	26.31
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.74	3.84	4.58
	(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	6.64	24.25	30.89

V Indebtedness of the Company including interest outstanding/accrued but not due for payment

In lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year 01.04.2018				
(i) Principal Amount	51389.42	53.60	-	51443.02
ii) Interest due but not paid	1584.81	-	-	1584.81
iii) Interest accrued but not due	123.48	0.00	-	123.48
Total	53097.71	53.60	-	53151.31
Change in Indebtedness during the financial year				
Additions	5481.15	5.16	-	5486.31
Reduction		- -	-	-
Net Change	5481.15	5.16	-	5486.31
Indebtness at the end of the financial year 31.03.2019				
(i) Principal Amount	51659.08	58.76	-	51717.84
ii) Interest due but not paid	6919.78	-	-	6919.78
iii) Interest accrued but not due	-	-		-
Total	**58578.86**	**58.76**	**-**	**58637.62**

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

DR PALANI G PERIASAMY
Executive Chairman
(DIN No: 00081002)

Place : Chennai - 34
Dated : 28th May 2019

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	N.A.
		Executive Chairman	N.A.
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	0.41%
		Company Secretary	0.37%
3	The Percentage increase in the median remuneration of employees in the financial year	1.77%	
4	The number of permanent employees on the rolls of company	906	
5 a)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year.	–4.63%	
b)	Its comparison with the percentile increase in the managerial remuneration.	NIL	
c)	Justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	NA	
6	Affirmation that the remuneration is as per the remuneration policy to the Company.	Yes. As per the remuneration policy of the	

Note:

1. Non Executive Directors are paid only sitting fees as disclosed in the Board Report (Form No. MGT 9)

By Order of the Board

For Dharani Sugars and Chemicals Limited

DR PALANI G PERIASAMY
Executive Chairman
(DIN No: 00081002)

Place : Chennai - 34
Dated : 28th May 2019

Annexure - III

Annexure III to Board's 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 - NIL	
a	Name(s) of the related party and nature of relationship
b	Nature of contracts/ arrangements/ transactions.
c	Duration of the contracts / arrangements/transactions
d	Salient terms of the contracts or arrangements or transactions including the value, if any
e	Justification for entering into such contracts or arrangements or transactions
f	date(s) of approval by the Board
g	Amount paid as advances, if any
h	Date on which the special resolution was passed in general meeting as required under first proviso to section 188

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

Name(s) of the related party	PGP Educational & Welfare Society	Appu Hotels Ltd
Nature of relationship	Associates	Associates
Nature of contracts/arrangements / transactions	Leasing of Land for School.	Sale of sugar
Duration of the contracts / arrangements/transactions	33 years	NA
Salient terms of the contracts or arrangements or transactions including the value, if any	Rs.0.35 lakhs	Rs.5.28 lakhs
Date(s) of approval by the Board, if any:	29.05.2014	Nil
Amount paid as advances, if any	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	Salary	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.64.14 lakhs	Rs.0.10 lakhs	Rs.15.80 lakhs	Rs. 0.50 lakhs
Date(s) of approval by the Board, if any:	26.05.2016	NA	11.02.2017	NA
Amount paid as advances, if any	Nil	Nil	Nil	Nil

By Order of the Board

For Dharani Sugars and Chemicals Limited

DR PALANI G PERIASAMY
Executive Chairman
(DIN No: 00081002)

Place : Chennai - 34
Dated : 28th May 2019

Form No. MR-3 Annexure - IV

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[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 **31.03.2019** 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 **31.03.2019,** 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, 2009/2018;

  (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 Bombay Stock Exchange Limited and National stock Exchange 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:

a) The Company has not transferred shares pertaining to unpaid and unclaimed dividend to IEPF authority as per section 124(6) of the Companies Act, 2013 read with Rule 6(5) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

b) The Company has not filed e-form IEPF - 4 under rule 6(5) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

c) The company has not passed Special Resolution under regulation 17(1A) of SEBI (LODR) Regulations, 2015 for continuing as non-executive directors who has attained the age of seventy five years.

d) There was minor delay in intimation of Financial Results for the year ended 31.03.2018 to the stock exchange (NSE) under regulation 30 of the SEBI (LODR) Regulations, 2015.

e) There was minor delay in intimation of Financial Results for the quarter ended 31.12.2018 to the stock exchange (NSE) under regulation 30 of the SEBI (LODR) Regulations, 2015.

f) As per regulation 46 SEBI (LODR) Regulations, 2015 the website of the company was updated with minor deviations.

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 and there were no changes in the composition of the Board of Directors during the period under review.

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. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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 there was no major/specific events in the company.

Place: Chennai
Date: 28th May 2019

Signature:
Name of Company Secretary in practice:
M.DAMODARAN
FCS No: 5837
C. P. No.: 5081

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

Energy Conservation measures:

1. By using 60W LED Street Light lamp fittings instead of 250W HPMV Lamp fittings, the power saving per day is Rs.554/- in Dharani Nagar Unit.
2. By improving the efficiency of the evaporator bodies consistent higher brix of the SLOP around 60-62 was mentioned. This has resulted in effective firing of the SLOP in the boiler furnace reducing coal consumption by about 20-25 tons per day. The savings in coal consumption works out Rs.1.2 lakhs to Rs.1.5 lakhs per day.

Technology absorption and Innovation.

1. Phase-II Location specific varietal Evaluation project Trial “Sweet Bloom” is being conducted with 17 new clones in association with ICAR – Sugarcane breeding institute, Coimbatore to identify high yielding and high recovery cane varieties suitable for our factory area.
2. Seed multiplication of early promising varieties viz CO11015, CO16001 and CO13018 identified in Phase-I trials are in progress.
3. Undertaken the survey and surveillance of insects and diseases in sugarcane with the assistance of scientists from ICAR, SBI , Coimbatore during May 2019.
4. Tissue cultured seedlings of CO86032 have been multiplied in 56 Acres in stage –II nursery.

In Lakhs

Foreign Exchange / Earnings & Out Go	2018-19	2017-18
Foreign Exchange Earned	NIL	NIL
Foreign Exchange Out Go	NIL	139.80

for and on behalf of the Board of Directors

Place : Chennai - 34
Dated : 28th May 2019

DR PALANI G PERIASAMY
Executive Chairman
(DIN No: 00081002)

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 LODR Regulation 2015and 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 2019.

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.	AC	NRC	SRC
Dr Palani G Periasamy – Wholetime Director	5	Yes	2	1	Chm	-	-	-
Mr.A Sennimalai – Non Executive Director	4	Yes	1	1	Mem	Mem	Mem	Mem
Mr. M Ramalingam– Managing Director	5	Yes	Nil	Nil	Mem	-	-	Mem
Dr K C Reddy Non Executive Nominee Director - IREDA	5	Yes	Nil	Nil	-	Mem	Chm	Chm
Mr.P.S Gopalakrishnan Non-Executive (Independent Director)	4	-	3	Nil	Mem	Chm	Mem	-
Mrs Visalakshi Periasamy (Non-Executive Director)	2	-	2	1	-	-	-	-
Mr P Selvam (Non-Executive Independent Director)	2	Yes	-	Nil	-	Mem	-	-
Dr S Muthu (Non-Executive Independent Director)	5	Yes	1	Nil	-	Mem	-	-
Mr R K Viswanathan (Non-Executive Independent Director)	3	Yes	Nil	Nil	Nil	Mem	Mem	Nil
Dr V R S Sampath (Non-Executive Independent Director)	4	-	Nil	Nil	Nil	Nil	Nil	Nil

MC - Management Committee, SRC – Stakeholders Relationship Committee, NRC – Nomination & Remuneration Committee, AC – Audit Committee.

Dr Palani G Periasamy is a Non-Executive Director; Chairman in Dharani Finance Limited a Listed Company.
Mr P S Gopalakrishnan is a Director in Kothari Sugars and Chemicals Limited, Sakthi Finance Limited and Shriram General Insurance Company Limited.
Mrs Visalakshi Periasamy is a Non-Executive Director in Dharani Finance Limited a Listed Company.
Dr S Muthu is an Independent Director in Dharani Finance Limited.

D. Number of Board Meetings held in the Financial Year 2018-19 and dates on which held:
The Board Meetings were held five times during the financial year, on 28.05.2018, 13.08.2018, 26.09.2018, 09.11.2018, and 13.02.2019.

During the year, a separate meeting of the Independent Directors was held on 28th May 2018, 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.

Holdings of Equity Shares of the Non-Executive Directors as on 31st March 2019. No convertible instruments had been issued.

Sl.No	Name of the Director	No of Shares	%
1	Mrs Visalakshi Periasamy	1200101	3.61
2	Mr. A Sennimalai	21682	0.65
3	Dr K.C Reddy	500	0.00
4	Mr. R K Viswanathan	Nil	Nil
5	Mr. P.S Gopalakrishnan	Nil	Nil
6	Dr V R S Sampath	Nil	Nil
7	Mr P Selvam	Nil	Nil
8	Dr S Muthu	Nil	Nil

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.

H. i Board of Directors identified and felt satisfied with the Company that the Directors are qualified and have experience in Administration/Marketing/Finance/Accounts /Technical core skills which are required to run the business of the Company.

ii.

Name of the Independent Director	Area of Specialisation
Mr P S Gopalakrishnan	Finance -Formerly Chairman of IOB and IFCI
Mr P Selvam	Administration - Retired IAS Officer
Dr S Muthu	Administration- Retired Director of Education
Mr V R S Sampath	Legal & Law- Lawyer
Mr R K Viswanathan	Management /Marketing – President of Coconut and Turmeric Merchant Association, Cultivator of Turmeric.

During the year no Independent Director has resigned.

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. 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 Chairman of the Audit Committee was not present at the last (31st) Annual General Meeting held on September 26, 2018.

B. Composition, name of members & Chairperson,

The Audit Committee comprises of 6 directors out of whom four are Independent Directors, and one Non-Executive Director. One Director represents the lending Financial Institution IREDA as their nominee. The Chairman is a Non-executive and Independent Director

C. Meetings held during the year and attendance at meetings.

The Audit Committee Meetings and Attendance: The Committee met 4 times 28.05.2018, 13.08.2018, 09.11.2018 and 13.02.2019 during the year.

Name of the Directors	Category	Designation	No of Meetings attended
Mr P S Gopalakrishnan	Independent Director	Chairman	4
Mr R K Viswanathan	Independent Director	Member	2
Dr S Muthu	Independent Director	Member	4
Dr K C Reddy	Nominee Director	Member	4
Mr A Sennimalai	Non-Executive Director	Member	3
Mr P Selvam	Independent Director	Member	1

Mr EP Sakthivel, Company Secretary is the Secretary to this Committee.

4. Nomination and Remuneration Committee

A 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**

B. Composition, name of members & Chairperson.

The Nomination and Remuneration Committee presently consists of four Non-executive Directors, two being independent. The Chairman is a Non-executive and Independent Director.

C. Meetings held during the year and attendance at meetings.

The Committee has held two meetings during the Financial Year 2018-19 i.e., 28.05.2018, and 13.02.2019. The composition of the Nomination and Remuneration Committee as on 31st March 2019 and the attendance of members at the meetings held during the Financial Year 2018-2019 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)	2
2	Dr K C Reddy	Nominee Director - Member	2
3	Mr A Sennimalai	Director - Member	2
4	Mr R K Viswanathan	Independent Director - Member	2

D. Performance evaluation criteria for independent directors.

Evaluation criteria

i. Understanding of nature and role of independent directors' position.
ii. Understanding of risks associated with the business
iii. Application of knowledge for rendering advice to Management for - resolution of business issues
iv. Offer constructive challenge to Management strategies and - proposals
v. Active engagement with the Management and attentiveness to - progress of decisions taken
vi. Non-partisan appraisal of issues
vii. Own recommendations given professionally without tending to - majority or popular views
viii. Heading Board Sub Committees
ix. Driving any function or identified initiative based on domain - knowledge and experience
x. Commitment to role & fiduciary responsibilities as a board member
xi. Attendance and active participation and not done perfunctorily
xii. Proactive, strategic and lateral thinking.

5. Details of remuneration to all the Directors paid during the Financial Year 2018-19

Sl.No	Name of the Director	Sitting Fees	Salary	Commission/Bonus	Stock Option	Pension
		Rs. Lakhs				
1	Dr Palani G Periasamy	Nil	Nil	Nil	Nil	Nil
2	Mr M Ramalingam	Nil	*15.80	Nil	Nil	Nil
3	Mr. A Sennimalai	0.50	Nil	Nil	Nil	Nil
4	Mr. R K Viswanathan	0.35	Nil	Nil	Nil	Nil
5	Mr. P.S Gopalakrishnan	0.50	Nil	Nil	Nil	Nil
6	Dr K.C Reddy	0.60	Nil	Nil	Nil	Nil
7	Dr V R S Sampath	0.20	Nil	Nil	Nil	Nil
8	Mr P Selvam	0.15	Nil	Nil	Nil	Nil
9	Dr S Muthu	0.45	Nil	Nil	Nil	Nil
10	Mrs Visalakshi Periasamy	0.10	Nil	Nil	Nil	Nil

*Part of Remuneration has been kept in abeyance pending prior consent of secured lenders.

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.

6. 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 28.05.2018 during the Financial Year 2018- 2019. 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 - Chairman	1	1
2	Mr M Ramalingam	Managing Director - Member	1	1
3	Mr A Sennimalai	Director - Member	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 2018-19 are as under:

No. of investors' complaints received during 2018-19	No. of investors' complaints resolved	Investors' complaints pending at the end of 2018-19	Number not solved to the satisfaction of Shareholders
Nil	Nil	Nil	Nil

Mr E P Sakthivel- Company Secretary & the Compliance Officer.

7. General Body Meetings

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

AGM for the year	Location	Date	Time
2017-2018	Narada Gana Sabha Mini Hall No.314 TTK Road, Alwarpet, Chennai 600 018	26.09.2018	10.20 A.M
2016-2017	Narada Gana Sabha Mini Hall No.314 TTK Road, Alwarpet, Chennai 600 018	25.09.2017	10.20 A.M
2015-2016	Narada Gana Sabha Mini Hall No.314 TTK Road, Alwarpet, Chennai 600 018	28.09.2016	10.20 A.M

b. Special Resolution passed in the previous three Annual General Meetings

1. Two Special Resolution were passed in the Previous AGM held on 26.09.2018
2. Three Special Resolutions were passed in the previous AGM held on 25.09.2017.
3. Two Special Resolution was passed in the AGM held on 28.09.2016.
4. No Special Resolution passed last year through postal ballot
5. Person who conducted the postal ballot exercise – Not applicable
6. No special resolution is proposed to be conducted through postal ballot
7. Procedure for postal ballot – Not applicable

8. Means of Communication

Quarterly Financial Results / Official News Releases

(a) The quarterly/half-yearly/annual financial results are published in English daily 'Financial Express' and in Tamil 'Makkalkural'.

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

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

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

(e) No presentation was made to the institutional investors 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 Email 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.

9. General Shareholder Information

a. Time, Date and Venue of Annual General Meeting	24th September 2019 at 10.20 A.M. Sri Thyaga Brahma Gana Sabha, Vani Mahal, Mini Hall, No.103 G N Chetty Road, T Nagar, Chennai -600 017.
b. Financial Year	1st April 2018 – 31st March 2019
c. Dividend payment date	Not applicable
Date of Book Closure	18th September 2019 to 24th September 2019 (both days inclusive)
d. Listing on Stock Exchanges	1. Bombay Stock Exchange, First Floor, New Trading Ring Rotunda Building, PJ Towers, Dalal Street, Fort, Mumbai-400 001 2.The National Stock Exchange of India Ltd, Exchange Plaza, 5'h Floor Plot No. C/1G Block Bandra – Kurla Complex Bandra East, Mumbai-400 051
e. Stock Code	BSE – Scrip Code – 507442 NSE – DHARSUGAR-EQ
f. Payment of Annual Listing Fees	BSE and NSE Listing Fees paid on 27th April 2018 for the financial year 2018-19.

f. 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 2018 to March 2019 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-18	26.30	14.10	26.25	14.20
May-18	18.20	14.70	17.95	15.15
Jun-18	15.75	12.30	15.85	12.20
Jul-18	13.50	10.80	13.54	10.55
Aug-18	18.55	12.00	18.80	12.00
Sep-18	17.40	12.90	17.20	13.00
Oct-18	15.60	11.75	15.99	11.86
Nov-18	15.60	12.60	15.74	12.85
Dec-18	13.60	11.00	13.45	10.97
Jan-19	12.90	10.50	12.95	10.39
Feb-19	11.90	9.55	11.71	9.01
Mar-19	14.05	10.50	13.99	10.60

g. Performance in comparison to board-based indices such as BSE Sensex, CRISIL Index etc. – **Not Applicable**

h. During the year Company securities were not suspended from trading in the BSE and NSE.

i. 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
SEBI Registration No: INR000003753

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

j. 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 progress is placed in the meeting of the Board of Directors every quarter.

k. Shareholding details as on 31st March 2019

(i). Shareholding Pattern

Sl.No	Category	No of Shares	%
1	Promoter & Promoter Group	20435659	61.55
2	Mutual Funds and UTI	14500	0.04
3	Banks, Financial Institutions, Insurance Companies (Central/ State Government Institutions/ Non-Government Institutions)	5511	0.02
4	Bodies Corporate	650156	1.96
5	Indian Public	7555869	22.76
6	NRIs/OCBs	4197579	12.65
7	Others (Clearing Member/ HUF/Trust/)	340726	1.02
	Total	33200000	100.00

(ii).Distribution of Shareholding.

Shareholding of Nominal value of Rs.	Shareholders		Share Amount	
	Number	% to Total	In Rs.	% to Total
Upto 5000	14338	86.07	20043630	6.04
5001 – 10000	1116	6.70	9296470	2.80
10001 – 20000	583	3.50	9262700	2.79
20001 – 30000	202	1.21	5147450	1.55
30001 – 40000	77	0.46	2785090	0.84
40001 – 50000	75	0.45	3549980	1.07
50001 – 100000	118	0.71	8739430	2.63
100001 and above	149	0.90	273175250	82.28
Total	16658	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.

l. Dematerialization of Shares and liquidity.

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. Details as on 31st March 2019.

Particulars	No of Shareholders	No of Shares	% of Shares
National Securities Depository Ltd	6877	27633384	83.23
Central Depository Services (I) Ltd	3745	3654656	11.00
Total	10622	31288040	94.23

m. 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.

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

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

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

o. Plant Location

Sugar Unit –I	2500 TCD	Dharani Nagar,Vasudevanallur – 627 760, TirunelveliDist , Tamil Nadu
Sugar Unit – II	4000 TCD	KaraipoondiVillage,Polur – 606 803 ThiruvannamalaiDist, 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 – 627 760 TirunelveliDist , 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	KaraipoondiVillage,Polur - 606803
Thiruvannamalai Dist. Tamil Nadu Generation of Power (In Unit III)	22 MW	Kalayanallur Village, SankarapuramTalukCo-Vlilupuram Dist. – 606 206 , Tamil Nadu

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

p. Address for Correspondence

Dharani Sugars and Chemicals Limited
"PGP House" No.59, Sterling Road,
Nungambakkam,Chennai – 600 034.
Telephone: 044 – 2820 7480, 2831 1313, Fax No: 044-2823 2074
CIN – L15421TN1987PLC014454
Email: secretarial@dharanisugars-pgp.com, secretarial@pgpgroup.in
Website: www.dharanisugars.in

q. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposits programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad – Not applicable

10. Other Disclosures.

a. 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

b. 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.

c. 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. It is confirmed that no personnel has 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.

d. 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.

e. Web link where policy for determining 'material' subsidiaries is disclosed – Not applicable

f. Web link where policy on dealing with related party transactions – Not applicable

g. Disclosures of commodity price risk and commodity hedging activities- Not applicable

h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) – Not applicable.

i. The Company has received the certificate from a Company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

j. During the year there is no instance where the board had not accepted any recommendation of any committee of the board which is mandatorily required.

k. Rs 10, 50,000/- fees paid by the Company to the statutory auditor for all the services.

l. 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.

11. Non- Compliance of any requirement of corporate governance report of sub paras (2) to (10) are not applicable.

12. 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

13. Other Disclosures.

a. Transfer of Unclaimed Dividend 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 of Declaration	Unclaimed	Due date for transfer to IEPF
			Amt in Rupees	
2011-12	10	17.09.2012	953123.00	24.10.2019
2012-13	10	23.09.2013	633203.00	30.10.2020

The Company transferred the following amounts of unclaimed dividend to the Investor Education and Protection Fund of the Central Government during this period

Year	% of Dividend	Date of Declaration	Unclaimed	Transferred to IEPF on
			Amt in Rupees	
2008-09	10	24.09.2009	686578.00	26.05.2017
2009-10	15	06.09.2010	1302060.00	31.10.2017

Shares against the unpaid dividend for 7 years were due to be transferred to IEPF Account. This is in under process.

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.

b. 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 2019.

for and on behalf of the Board of Directors

DR PALANI G PERIASAMY
Executive Chairman
(DIN No: 00081002)

Place : Chennai - 34
Dated : 28th May 2019

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, 2019.

For and on behalf of Board

DR PALANI G PERIASAMY
Executive Chairman
(DIN No: 00081002)

Place : Chennai - 34
Dated : 28th May 2019

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 2019 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 entered into by the Company during the year which is fraudulent, illegal or violate 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.

Place : Chennai - 34
Dated : 28th May 2019

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

M. Ramalingam
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of Dharani Sugars and Chemicals Limited,
Chennai.

I have examined the compliance of the conditions of Corporate Governance by Dharani Sugars and Chemicals Limited, Chennai for the year ended on 31st March, 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with the conditions of Corporate Governance stipulated in the above mentioned SEBI Listing Regulations.
I 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.

Place : Chennai
Date : 28th May 2019

For **M. Damodaran & Associates**
(Practicing Company secretary)

M. Damodaran
ACS/FCS No.5837
(C.P. No: 5081)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

DHARANI SUGARS AND CHEMICALS LIMITED

Report on the audit of the financial Statements

Opinion

We have audited the financial statements of Dharani Sugars and Chemicals Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ("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 March 31, 2019, and its profit, total comprehensive income, the changes in equity and cash flows for the year ended as on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

The Company's net worth is negative and the borrowings from banks and financial institutions have been classified by the lenders as non-performing assets during the year. We understand from the management that the poor performance of the Company is mainly due to low availability of sugarcane for crushing as planting areas are being continuously reduced due to continuous draught and the general slowdown in sugar industry due to factors like failure of monsoon, varietal degeneration, reduced recovery, decline in area under cultivation and the resultant reduction in capacity utilisation of sugar mills.

This being a general industry issue, a formal representation was made by the South Indian Sugar Mills Association (SISMA), in which the Company is a member, to the Hon'ble Prime Minister and the Chief Minister of Tamil Nadu for announcing revival packages for the sugar industry. SISMA expects that its demands will be considered by the Central and State Governments favourably.

On a petition filed by the Company and others, the Hon'ble Supreme Court of India declared the RBI circular of February 12, 2018, as "ultra-vires, Section 35AA of the Banking Regulation Act". The Company has submitted a resolution plan to the consortium banks for restructuring the loans and the consortium banks have suggested to the Company to plan for a One Time Settlement (OTS) of the loans. The lenders agreed to initiate fresh valuations for plant and machineries of all the three units. Subsequent to the balance sheet date, few banks issued notice to recall the loans. We understand that the Company is in the process of appropriately replying to the notices. The next hearing of the consortium banks is expected to be in June 2019. We were informed that the Company is also in the process of identifying alternative plans to initiate the OTS with the banks. Pending submission of the OTS/ other alternative resolution plans, a decision is yet to be taken by the lenders regarding restructuring of the Company's borrowings.

The above factors cast a significant uncertainty on the Company's ability to continue as a going concern. Pending the resolution of the above uncertainties, the Company has prepared the aforesaid statement on a going concern basis.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

(a) Adoption of new revenue recognition standard Ind AS 115

Details of the Key Audit Matter

The Company adopted Ind AS 115 "Revenue from Contracts with Customers" with effect from April 1, 2018. The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and point of recognition of revenue. Ind AS 115 also requires extensive disclosures.

Auditors' Response to the Key Audit Matter

We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard (Ind AS 115).

Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

(a) Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.

(b) Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.

(c) Selected a sample of continuing and new contracts and performed the following procedures:

- Read, analysed and identified the distinct performance obligations in these contracts.
- Compared these performance obligations with that identified and recorded by the Company.
- Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.

Performed analytical procedures for reasonableness of revenue recognition as per Ind AS 115.

(b) Dues from TANGEDCO

Description of Key Audit Matter

Trade receivables includes Rs.2,829.23 Lakhs due from TANGEDCO is outstanding for more than 1 year. The Company is following up for recovery of the same and initiated the required steps. The Company is also initiated steps through South Indian Sugar Mills Association (SISMA) to represent to the Government of Tamilnadu for instructing TANGEDCO to pay the dues.

Since these are due from Government Undertakings and are arising from contractual obligation of those undertakings, in the opinion of the management, no allowance for expected credit loss is considered required.

Auditors' Response to the Key Audit Matter

We assessed the Company's process to identify the recoverability of trade receivables.

Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

(a) Evaluated the design of internal controls relating to evaluation of credit risk in trade receivables.

(b) Selected a sample of contracts with TANGEDCO and performed the following procedures:

- Read, analysed and identified the terms of the contract and the contractual obligations of the customer
- Compared the results with those identified and recorded by the Company.
- Considered the terms of the contracts to determine whether the amounts recognised in the earlier years is as per the contract terms agreed by the customer.
- Obtained and evaluated management estimation of future recoverability considering the sovereignty of the Government of Tamilnadu and management conclusion that it is only a case of delay in collection and no amount will become bad
- Obtain an understanding that this is a general issue of the industry and ongoing follow-up is being made with TANGEDCO and the Government of Tamilnadu.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial

statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's board of directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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 Companies Act, 2013, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

(c) The balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flow dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(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 B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

(h) 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 according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 40 to the financial statement

b. 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; and

c. While there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, the related shares could not be transferred due to technical issues. We were informed that the Company is taking necessary steps in this regard.

For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

(CHINNSAMY GANESAN)
Partner
Membership No. 027501

Place: Chennai - 34
Date: 28th May, 2019

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of Dharani Sugars and Chemicals Limited of even date)

1. In respect of the Company's fixed assets:

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

   (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.

   Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification

   (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

   In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.

2. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.

3. According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.

4. In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security to which the provision of section 185 of the companies Act are applicable.

   In respect of investments made by the Company, the Company had complied with the provisions of section 186 of the Companies Act, 2013.

5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly, paragraph 3 (v) of the order is not applicable.

6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.

7. According to the information and explanations given to us, in respect of statutory dues:

   (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and services tax, customs duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities;

   (b) There were no undisputed amounts payable in respect of provident fund, employees' state Insurance, income tax, sales tax, service tax, value added tax, goods and services tax, customs duty, excise duty, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable; and

   (c) The details of dues of income tax, sales tax, service tax, excise duty, goods and services tax and value added tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

Name of the Statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax on Goods Transport Agency	87.95	April 2008 to April 2013	CESTAT - Chennai
Central Excise Act, 1944	CENVAT credit on Capital goods	85.37	Sep 2008 to Feb 2010	CESTAT- Chennai

8. According to the information and explanation given to us and records examined by us, the Company has defaulted in repayment of dues to banks financial institutions and government as detailed in Appendix – I to this report. The Company does not have any dues to debenture holders during the year.

9 In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year

10 To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

11 In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12 The Company is not a Nidhi Company and accordingly, Paragraph 3 (xii) of the order is not applicable to the Company.

13 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, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14 According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.

15 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 non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.

16 According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

(CHINNSAMY GANESAN)
Partner
Membership No. 027501

Place : Chennai - 34
Date : 28th May, 2019

Appendix – I
Details of default in payment of dues to Banks, Financial Institutions and Government

Name of the Bank/ Financial Institution	Nature of default	In lakhs Amount of default	Period of default	Present status
Indian Renewable Energy Development Agency	Principal and Interest	2,147.55	March 2018 to March 2019	Unpaid
Sugar Development Fund	Principal and Interest	3,885.80	Various dates till last year *	Unpaid
Sugar Development Fund	Principal and Interest	662.45	April 2018 to March 2019	Unpaid
Indian Bank	Principal and interest	4,156.40	May 2018 to March 2019	Unpaid
State Bank of India	Principal and interest	1,868.75	April 2018 to March 2019	Unpaid
Central Bank of India	Principal and interest	711.78	April 2018 to March 2019	Unpaid
The South Indian Bank Ltd.	Principal and interest	237.73	April 2018 to March 2019	Unpaid
The Federal Bank Ltd.	Principal and interest	134.45	April 2018 to March 2019	Unpaid
IDBI	Principal and interest	377.31	April 2018 to March 2019	Unpaid
Bank of India	Principal and interest	535.30	July 2018 to March 2019	Unpaid
Union Bank of India	Principal and interest	416.94	July 2018 to March 2019	Unpaid
Indian Overseas Bank	Principal and interest	277.02	July 2018 to March 2019	Unpaid
ICICI Bank - ECB	Principal and interest	994.16	June 2018 and December 2018	Unpaid
Total		**16,405.64**		

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of Dharani Sugars and Chemicals Limited of even date)

Report on the internal financial controls over financial reporting 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 Dharani Sugars and Chemicals Limited ("the Company") as at March 31, 2019, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the 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. 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, 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 were 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 judgement, including the assessment of the risks of material misstatement in 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 control 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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 of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the 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.

For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

(CHINNSAMY GANESAN)
Partner
Membership No. 027501

Place : Chennai - 34
Date : 28th May, 2019

Balance Sheet as at March 31, 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note Ref	As at 31 March 2019	As at 31 March 2018
I. ASSETS			
Non-current assets			
Property, plant and equipment	4	58,284.38	60,429.13
Intangible assets	4	-	0.06
Deferred Tax Asset (net)	18	-	163.89
Financial assets			
Investments	5	1,666.29	2,857.81
Other financial assets	6	211.73	287.24
Other non-current assets	7	281.95	413.42
Total non-current assets		**60,444.35**	**64,151.55**
Current assets			
Inventories	8	2,464.16	14,690.20
Financial assets			
Trade receivables	9	4,211.71	4,560.15
Cash and cash equivalents	10	164.37	261.69
Other bank balances	11	21.83	1,215.76
Other financial assets	12	11.58	79.72
Other current assets	13	2,072.03	699.36
Total current assets		**8,945.68**	**21,506.88**
Total Assets		**69,390.03**	**85,658.43**
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	3,320.00	3,320.00
Other equity	15	(9,222.95)	5,655.44
Total equity		**(5,902.95)**	**8,975.44**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	15,507.11	23,855.45
Other financial liabilities	17	26.68	31.49
Deferred tax liabilities (net)	18	1,678.14	-
Provisions	19	459.56	447.71
Total non-current liabilities		**17,671.49**	**24,334.65**
Current liabilities			
Financial liabilities			
Borrowings	20	20,867.93	20,690.97
Trade payables	21		
Dues to Micro and Small Enterprises		20.61	13.40
Dues to enterprises other than Micro and Small Enterprises		10,612.32	12,639.76
Other financial liabilities	22	2,247.45	2,629.96
Other current liabilities	23	23,731.74	16,201.45
Short term provisions	24	141.44	172.80
Total current liabilities		**57,621.49**	**52,348.34**
Total liabilities		**75,292.98**	**76,682.99**
Total Equity and Liabilities		**69,390.03**	**85,658.43**

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

For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

For and on behalf of the Board

CHINNSAMY GANESAN
Partner
Membership No.027501

DR. PALANI G. PERIASAMY
Executive Chairman

E.P. SAKTHIVEL
Company Secretary

M.RAMALINGAM
Managing Director

M.P. KALIANNAN
Chief Financial Officer

Place : Chennai - 34
Date : 28th May, 2019

Statement of Profit & Loss for the year ended March 31, 2019

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

Particulars	Note Ref	**For the year ended 31 March 2019**	For the year ended 31 March 2018
Continuing Operations			
I. Income			
Revenue from operations	25	31,569.73	48,775.78
Other income	26	365.51	1,758.24
Total income		**31,935.24**	**50,534.02**
II. Expenses			
Cost of materials consumed	27	15,627.69	32,584.28
Changes in inventories of finished goods & work-in-progress	28	12,139.90	7,849.49
Excise duty		-	625.81
Employee benefit expenses	29	2,377.92	2,493.40
Depreciation and amortisation expense	30	2,259.42	2,257.51
Finance costs	31	7,454.97	7,628.58
Other expenses	32	5,165.05	5,563.67
Total expenses		**45,024.95**	**59,002.74**
III. Profit/ (Loss) before exceptional items and tax		**(13,089.71)**	**(8,468.72)**
Exceptional items		-	-
IV. Profit/ (Loss) before tax from continuing operations		(13,089.71)	(8,468.72)
Income tax expense	33		
Current tax		-	-
Tax relating to previous years		(1.18)	-
MAT Credit Reversal		(1,577.56)	-
Deferred tax (charge)/ credit		(264.47)	(69.33)
Profit/ (Loss) for the period		**(14,932.92)**	**(8,538.05)**
V. Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		54.53	75.00
Income tax relating to these items		-	-
Other comprehensive income for the period, net of tax		**54.53**	**75.00**
VI. Total comprehensive income/ (Loss) for the period		**(14,878.39)**	**(8,463.05)**
Earnings per equity share	34		
Basic earnings per share		(44.98)	(25.72)
Diluted earnings per share		(44.98)	(25.72)

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

For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

For and on behalf of the Board

CHINNSAMY GANESAN
Partner
Membership No.027501

DR. PALANI G. PERIASAMY
Executive Chairman

E.P. SAKTHIVEL
Company Secretary

M.RAMALINGAM
Managing Director

M.P. KALIANNAN
Chief Financial Officer

Place : Chennai - 34
Date : 28th May, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

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

Particulars	**For the year ended March 31 2019**	For the year ended March 31 2018
Cash Flow From Operating Activities		
Profit before income tax	(13,089.71)	(8,468.72)
Adjustments for		
Depreciation and amortisation expense	2,259.42	2,257.51
(Gain)/ loss on disposal of property, plant and equipment	(274.96)	83.34
Unamortised Finance Income	(23.28)	(28.09)
Unamortised interest expense and rent	(75.51)	(99.16)
Increase in fair value of investments	(0.95)	(212.11)
Provisions for doubtful debts	139.21	2.83
Interest income	(31.60)	(44.74)
Finance costs	7,454.97	7,628.58
Diminution in the value of investments	1,192.12	3.25
	(2,450.29)	1,122.69
Change in operating assets and liabilities		
(Increase)/ decrease in other financial assets	219.62	201.00
(Increase)/ decrease in inventories	12,226.04	7,981.66
(Increase)/ decrease in trade receivables	209.23	1,083.81
(Increase)/ decrease in other assets	(1,251.65)	(368.39)
Increase/ (decrease) in provisions and other liabilities	1,989.78	(708.31)
Increase/ (decrease) in trade payables	(2,020.23)	5,206.08
Cash generated from operations	8,922.50	14,518.54
Less: Income taxes paid/ (refunds)	(9.27)	4.79
Net cash from operating activities (A)	8,931.77	14,523.33
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(129.66)	(141.08)
Proceeds from sale of property, plant and equipment	290.00	193.92
Realisation of (investment in) fixed deposits other than cash and cash equivalents	1,193.93	(902.31)
Interest received	31.50	46.51
Net cash used in investing activities (B)	**1,385.77**	**(802.96)**
Cash Flows From Financing Activities		
Proceeds from/ (repayment of) short term borrowings (net)	176.96	26.52
Proceeds from/ (repayment of) long term borrowings (net)	(8,348.34)	(6,951.16)
Interest paid	(2,243.48)	(6,882.28)
Net cash from/ (used in) financing activities (C)	**(10,414.86)**	**(13,806.92)**
Net increase/ (decrease) in cash and cash equivalents(A+B+C)	**(97.32)**	**(86.55)**
Cash and cash equivalents at the beginning of the financial year	261.69	348.24
Cash and cash equivalents at end of the year	**164.37**	**261.69**

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

	For the year ended March 31 2019	For the year ended March 31 2018
Balances with banks		
- in current accounts	161.25	258.53
Cash on hand	3.12	3.16
Total	**164.37**	**261.69**

As per our report of even date attached.

For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

For and on behalf of the Board

CHINNSAMY GANESAN
Partner
Membership No.027501

DR. PALANI G. PERIASAMY
Executive Chairman

E.P. SAKTHIVEL
Company Secretary

M.RAMALINGAM
Managing Director

M.P. KALIANNAN
Chief Financial Officer

Place : Chennai - 34
Date : 28th May, 2019

Statement of Changes in Equity for the year ended March 31, 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(A) Equity Share Capital

Balance at the beginning of April 1, 2017	3,320
Changes in equity share capital during the year	-
Balance at the end of March 31, 2018	3,320
Changes in equity share capital during the year	-
Balance at the end of March 31, 2019	3,320

(B) Other Equity

Particulars	Capital Reserve	Securities Premium	General Reserve	Other Comprehensive Income	Retained Earnings	Total
Balance as at April 1, 2017	**0.86**	**3,114.72**	**1,000.00**	**-**	**10,002.91**	**14,118.49**
Additions/ (deductions) during the year				-	-	-
Total Comprehensive Income for the year				75.00	(8,538.05)	(8,463.05)
Balance as at March 31, 2018	**0.86**	**3,114.72**	**1,000.00**	**75.00**	**1,464.86**	**5,655.44**
Additions/ (deductions) during the year	-	-	-	(129.53)	129.53	-
Total Comprehensive Income for the year	-	-	-	54.53	(14,932.92)	(14,878.39)
Balance as at March 31, 2019	**0.86**	**3,114.72**	**1,000.00**	**-**	**(13,338.53)**	**(9,222.95)**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

For and on behalf of the Board

CHINNSAMY GANESAN
Partner
Membership No.027501

DR. PALANI G. PERIASAMY
Executive Chairman

E.P. SAKTHIVEL
Company Secretary

M.RAMALINGAM
Managing Director

M.P. KALIANNAN
Chief Financial Officer

Place : Chennai - 34
Date : 28th May, 2019

Notes to financial Statements for the year ended March 31, 2019

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

Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended from time to time.

Basis of preparation and presentation

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)

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs (up to two decimals). The financial statements are approved for issue by the Company's board of directors on May 28, 2019.

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Property, Plant and Equipment and Intangible Assets

The residual values and estimated useful life of PPEs and Intangible Assets are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/ amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets (including MAT Credit Entitlement)

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE/ Intangible Assets)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management's judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term benefits

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

2B Recent accounting pronouncements

Standards issued but not yet effective

Ind AS 116 Leases: On March 30,2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17

The Company has evaluated the requirements of the above standards and the effect on the financial statements is not considered to be significant.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The effect on adoption of Ind AS 12 Appendix C is not considered to be significant.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement: On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

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 12 months as its operating cycle.

b) 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 measured 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 board of directors. Selection criteria includes 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.

c) Revenue Recognition

Sale of goods

Revenue is recognised when the company satisfies a performance obligation by transferring a promised goods or service (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset., which generally coincides with the despatch of the goods or as per the inco-terms agreed with the customers.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods including excise duty and after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

Sale of Power

Sale of power is recognised at the point of generation of power from the plant and stock points. The monetary values of such power generated that are captively consumed are not recognised as revenue.

Export entitlements

Export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

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.

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.

d) Property, plant and equipment

Presentation

Property, plant and equipment 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.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans 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.

Component Cost

All material/ significant components have been identified for our plant and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

Derecognition

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.

e) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013 except for the following items, where useful life estimated on technical assessment and past trends differ from those provided in Schedule II of the Companies Act, 2013.

Assets Category	Estimated useful life (in years)
Plant and Machinery	30
Office Equipment	6
Vehicles	10

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing Rs.5,000 each or less are fully depreciated retaining its residual value.

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

f) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Useful life and amortisation of intangible assets

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.

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.

During the year all intangible assets are amortized. There is no balance as on March 31, 2019 of Intangible Asset.

g) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average method. In respect of work in progress and finished goods, cost also includes conversion costs, appropriate share of production overheads.

h) Financial Instruments

Financial assets

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

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 on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

- Financial instruments (other than equity instruments) at amortised cost
- Financial Instruments (other than equity instruments) at fair value through Other comprehensive income (FVTOCI)

- Other Financial Instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial instruments (other than equity instruments) at amortised cost

The Company classifies a financial instruments (other than equity instruments) 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.

Financial instruments (other than equity instruments) at FVTOCI

The Company classifies a financial instrument (other than equity 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 statement. 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.

Financial instruments (other than equity instruments) at FVTPL

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

Financial 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 FVTOCI, 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.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans to employees and related parties, deposits, interest receivable and other advances recoverable in cash
FVTOCI	Equity investments in companies other than subsidiaries and associates as an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments, forward exchange contracts. (to the extent not designated as hedging instrument)

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 at FVTOCI

c) 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.

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 months 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, net of lien available on securities held against the receivables. 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:

Notes to financial Statements for the year ended March 31, 2019

- 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.
- 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.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade Receivables	"Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets."
Other financial assets	"When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. 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."

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.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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.

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:

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.

i) Foreign currency transactions and translations

Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. 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).

j) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction and production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

k) Government grants

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under “Other operating revenue” or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under “Other Financial Assets”. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under “Other Financial Assets”.

Government grants related to assets, are adjusted in the carrying amount of the related assets

l) 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.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the “MAT Credit Entitlement” at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

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.

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. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

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.

m) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. 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 fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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.

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

n) 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.

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.

o) 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.

p) Provisions, contingent liabilities and contingent asset

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and 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.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made if realisation of money is doubtful in the judgement of the management.

Contingent liability

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. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

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. Contingent assets are disclosed but not recognised in the financial statements.

q) Cash and cash equivalents

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

r) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

s) 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. Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

4. Property, plant and equipment

	Tangible Assets							Intangible Assets	Total
Particulars	Land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Total	Software's	
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
Additions	-	241.84	1,755.31	0.32	-	1.60	1,999.07	-	1,999.07
Disposals	-		(426.25)	-	-	(3.49)	(429.74)	-	(429.74)
Cost as at March 31, 2018	13,213.00	24,608.44	49,821.78	105.01	296.66	93.66	88,138.55	5.13	88,143.68
Additions	-	-	129.12	-	-	0.54	129.66	-	129.66
Disposals	(15.04)	-	-	-	-	-	(15.04)	-	(15.04)
Cost as at March 31, 2019	13,197.96	24,608.44	49,950.90	105.01	296.66	94.20	88,253.17	5.13	88,258.30
Depreciation/ Amortisation									
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
Charge for the period	-	652.95	1,574.14	2.15	24.36	3.91	2,257.51	-	2,257.51
Disposals	-	-	(149.01)	-	-	(3.49)	(152.50)	-	(152.50)
As at March 31, 2018	-	5,362.55	21,959.39	96.90	214.98	75.61	27,709.43	5.07	27,714.50
Charge for the period	-	652.42	1,583.48	2.10	19.46	1.90	2,259.36	0.06	2,259.42
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	6,014.97	23,542.87	99.00	234.44	77.51	29,968.79	5.13	29,973.92
Net Block									
As at March 31, 2017	**13,213.00**	**19,657.00**	**27,958.46**	**9.94**	**106.04**	**20.36**	**60,964.80**	**0.06**	**60,964.86**
As at March 31, 2018	**13,213.00**	**19,245.89**	**27,862.39**	**8.11**	**81.68**	**18.05**	**60,429.13**	**0.06**	**60,429.19**
As at March 31, 2019	**13,197.96**	**18,593.47**	**26,408.03**	**6.01**	**62.22**	**16.69**	**58,284.38**	**-**	**58,284.38**

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		As at 31.03.2019	As at 31.03.2018
5	**Non-current Investments**		
	Trade - quoted		
	(a) Investments in Equity shares in Associate Company- FVTPL		
	1,39,000 equity shares (Previous year 1,39,000) of Rs.10/-each in Dharani Finance Limited, fully paid	4.82	14.87
	Trade - unquoted		
	51,21,500 equity shares (Previous year 51,21,500) of Rs.10/-each in Appu Hotels Limited, fully paid	1,661.47	2,842.94
	Total	**1,666.29**	2,857.81
	Total non-current investments		
	Aggregate amount of quoted investments	4.82	14.87
	Aggregate market value of quoted investments	4.82	14.87
	Aggregate cost of unquoted investments	512.15	512.15
	Aggregate amount of (increase)/impairment in value of investments	-	-
6	**Other financial assets**		
	Unsecured, considered good		
	Unamortised interest expenses	168.42	246.16
	Rent Pre-payments	0.64	0.93
	Interest accrued on fixed deposits	0.16	0.06
	Rent and other deposits	42.51	40.09
	Other receivables (Unsecured)		
	- Considered doubtful	508.33	508.33
	Less: Allowance for expected credit loss	(508.33)	(508.33)
	Total	**211.73**	287.24
7	**Other non-current assets**		
	Unsecured, considered good		
	Security deposits	108.38	148.05
	Others advances and receivable	149.82	231.17
	Advance Income tax (net)	23.75	34.20
	Unsecured, considered doubtful		
	Others advances and receivable	37.27	-
	Less : Allowance for expected credit losses	(37.27)	-
	Total	**281.95**	413.42
8	**Inventories**		
	Work-in-progress	231.75	196.54
	Finished goods	1,689.35	13,864.46
	Stores, spares and consumable tools	543.06	629.20
	Total	**2,464.16**	14,690.20
	Inventory comprise of		
	Work-in-Progress		
	Sugar	181.90	150.89
	Molasses	49.85	45.65
	Total	**231.75**	196.54

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		As at 31.03.2019	As at 31.03.2018
	Finished Goods		
	Sugar	792.54	13,017.47
	Molasses	412.51	402.18
	Bagasse	1.70	0.58
	Rectified Spirit and Impure Spirit	179.06	110.70
	Bio compost	-	0.17
	AA (Ethanol)	0.86	1.10
	ENA	302.68	332.26
	Total	**1,689.35**	13,864.46
9	**Trade receivables**		
	Trade Receivables considered good - Secured	-	-
	Trade Receivables considered good - Unsecured*	4,211.71	4,560.15
	Trade Receivables which have significant risk increase in credit risk	-	-
	Trade Receivables credit impaired	56.38	56.38
		4,268.09	4,616.53
	Less : Allowance for expected credit losses	(56.38)	(56.38)
	Total	**4,211.71**	4,560.15
	* Also Refer Note 44 for information about dues from related parties		
10	**Cash and cash equivalents**		
	Cash on hand	3.12	3.16
	Balances with banks		
	- in current accounts	161.25	258.53
	Total	**164.37**	261.69
11	**Other Bank Balances**		
	In fixed deposits (maturing within 12 months from the reporting date)	4.97	1,198.93
	In Earmarked accounts		
	Unpaid dividend accounts	16.86	16.83
	Total	**21.83**	1,215.76
12	**Other current financial assets**		
	Unsecured, considered good		
	Security deposits	11.58	79.72
	Unsecured, considered doubtful		
	Security deposits	77.01	-
		88.59	79.72
	Less : Allowance for expected credit loss	(77.01)	-
	Total	**11.58**	79.72
13	**Other current assets**		
	(Unsecured, considered good)		
	Employee advances	4.25	1.75
	Prepaid expenses	127.25	116.74
	Balances with government authorities	9.49	52.39

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		As at 31.03.2019	As at 31.03.2018
	Advances to Suppliers		
	Considered good	1,921.28	522.41
	Considered doubtful	-	5.47
	Others	25.16	7.29
		2,087.43	706.05
	Less: Allowance for expected credit loss	(15.40)	(6.69)
	Total	**2,072.03**	699.36
14	**Share Capital**		
	Authorised Share Capital		
	5,00,00,000 (Previous year 5,00,00,000) Equity shares of Rs. 10 each	5,000.00	5,000.00
		5,000.00	5,000.00
	Issued Share Capital		
	3,32,00,000 (Previous year 3,32,00,000) Equity shares of Rs. 10 each	3,320.00	3,320.00
		3,320.00	3,320.00
	Subscribed and fully paid up share capital		
	3,32,00,000 (Previous year 3,32,00,000) Equity shares of Rs. 10 each	3,320.00	3,320.00
	Total	**3,320.00**	3,320.00

Notes:

(a) Reconciliation of number of equity shares subscribed

Balance as at the beginning of the year	33,200,000	33,200,000
Add: Issued during the year	-	-
Balance as at the end of the year	**33,200,000**	33,200,000

(b) There are no shares issued in preceding 5 years for consideration other than cash

(c) The Company does not have any holding company

(d) Shareholders holding more than 5% of the total share capital

Name of the shareholder	March 31, 2019		March 31, 2018	
	No of shares	%	No of shares	%
Dharani Credit & Finance (P) Limited	3,754,440	11.31%	3,754,440	11.31%
Dharani Developers (P) Limited	6,584,242	19.83%	6,584,242	19.83%
Dr. Palani.G.Periasamy	3,602,775	10.85%	3,602,775	10.85%

(e) 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 shares of the company having par value of Rs.10/- rank pari-passu in all respects including voting rights and entitlement to dividend. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

			As at 31.03.2019	As at 31.03.2018
15	**Other Equity**			
	Capital reserve		0.86	0.86
	Securities premium		3,114.72	3,114.72
	General reserve		1,000.00	1,000.00
	Other comprehensive income		-	75.00
	Retained earnings		(13,338.53)	1,464.86
			(9,222.95)	5,655.44
	a) Capital Reserve			
	Balance at the beginning of the year		0.86	0.86
	Additions/ (deductions) during the year		-	-
	Balance at the end of the year		**0.86**	**0.86**
	b) Securities Premium			
	Balance at the beginning of the year		3,114.72	3,114.72
	Additions/ (deductions) during the year		-	-
	Balance at the end of the year		**3,114.72**	**3,114.72**
	c) General Reserve			
	Balance at the beginning of the year		1,000.00	1,000.00
	Additions/ (deductions) during the year		-	-
	Balance at the end of the year		**1,000.00**	**1,000.00**
	d) Other Comprehensive Income			
	Balance at the beginning of the year		75.00	-
	Other comprehensive income for the period		54.53	75.00
	Transferred to Retained Earnings		(129.53)	-
	Balance at the end of the year		**-**	**75.00**
	e) Retained earnings			
	Balance at the beginning of the year		1,464.86	10,002.91
	Net loss for the period		(14,932.92)	(8,538.05)
	Transferred from Other Comprehensive Income		129.53	-
	Balance at the end of the year	**Total**	**(13,338.53)**	**1,464.86**
16	**Long Term Borrowings**			
	Secured*			
	Term Loan from banks			
	Indian rupee loan from banks		11,973.13	18,518.93
	Foreign currency loan from banks		-	785.22
	Term Loan from financial institutions			
	IREDA		3,453.52	4,464.92
	Finance lease obligations		21.70	32.78

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		As at 31.03.2019	As at 31.03.2018
	Unsecured*		
	Loan from directors	51.39	46.23
	Promoters Contribution	7.37	7.37
	Deposits from public	-	-
	Total	**15,507.11**	**23,855.45**
	* Refer Note 41 for repayment terms and security details		
17	**Other Non-current Financial Liabilities**		
	Unamortised finance income	23.28	28.09
	Rent advance	3.40	3.40
	Total	**26.68**	**31.49**
18	**Deferred Tax (Liability)/ Asset - Net**		
	Deferred tax liability		
	On fixed assets	(8,169.06)	(7,904.59)
		(8,169.06)	(7,904.59)
	Deferred tax asset		
	Unabsorbed depreciation	6,490.92	6,490.92
		6,490.92	6,490.92
	Deferred tax asset / (liability)	(1,678.14)	(1,413.67)
	MAT Credit entitlement	-	1,577.56
	Net deferred tax asset / (liability) **Total**	**(1,678.14)**	**163.89**
19	**Provisions (Non-current)**		
	Provision for Employee Benefits		
	Compensated absences	68.19	76.79
	Gratuity	391.37	370.92
	Total	**459.56**	**447.71**
20	**Current liabilities**		
	Financial Liabilities - Borrowings*		
	Secured		
	Loans repayable on demand		
	From Banks	20,867.93	16,244.04
	Letter of Credit	-	4,446.93
	Total	**20,867.93**	**20,690.97**
	*Refer Note 41 for repayment terms and security details		
21	**Trade payables**		
	Dues to Micro and Small Enterprises*	20.61	13.40
	Dues to enterprises other than Micro and Small Enterprises	10,612.32	12,639.76
	Trade payables to related parties (note 44)		
	Total	**10,632.93**	**12,653.16**

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

*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.

22	**Other current financial liabilities**			
	Security and other deposits		2,247.45	2,629.96
		Total	**2,247.45**	**2,629.96**
23	**Other current liabilities**			
	Current maturities of long term borrowings		15,342.80	11,343.53
	Interest accrued and due on borrowings		6,919.78	1,708.29
	Unclaimed/Unpaid dividends		16.86	16.85
	Statutory dues payable to government authorities		757.61	668.32
	Advance from customers		417.95	2,129.85
	Other Current Liabilities		276.74	334.61
		Total	**23,731.74**	**16,201.45**
24	**Provisions (Current)**			
	Provision for Employee Benefits			
	Compensated absences		16.49	17.79
	Gratuity		124.95	155.01
		Total	**141.44**	**172.80**

		For the year ended 31-03-2019	For the year ended 31-03-2018
25	**Revenue from operations**		
	Sale of Products		
	Sugar		
	Domestic sales	26,173.59	39,291.91
	Export sales	-	-
	Industrial Alcohol	4,816.69	8,494.38
	Power	472.78	831.89
	Bagasse	-	-
	Bio Compost	17.15	23.80
	Carbon Dioxide	72.38	106.76
	Fly Ash	5.72	4.00
	Spent Wash	0.04	0.26
	Pressmud	8.68	21.27
		31,567.03	48,774.27
	Other operating revenues		
	Scrap sales	2.70	1.51
	Total	**31,569.73**	**48,775.78**

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		For the year ended 31-03-2019	For the year ended 31-03-2018
Note :			
The company has applied Ind AS 115 for the first time for the accounting period commencing on April 1, 2018. Since the Company's revenue mainly consists of sale of manufactured sugar and related products, there is no impact on revenue/related assets and liabilities on such application. Accordingly, no adjustment is considered in the financial statements relating to the transitional provisions prescribed in Ind AS 115.			
26	**Other income**		
	Interest income	31.60	44.74
	Gain on exchange differences (net)	-	124.12
	Profit on sale of fixed assets	274.96	-
	Provision no longer required	-	1,294.50
	Increase in fair value of investment designated as FVTPL	0.95	212.47
	Other non-operating income	58.00	82.41
	Total	**365.51**	**1,758.24**
27	**Cost of materials consumed**		
	Opening inventory of raw materials	-	-
	Add: Purchases	15,627.69	32,584.28
	Less: Closing inventory of raw materials	-	-
	Total	**15,627.69**	**32,584.28**
	Details of materials consumed		
	Sugar cane	14,630.92	31,613.38
	Molasses	996.77	970.90
		15,627.69	**32,584.28**
28	**Changes in inventories of work-in-progress and finished goods**		
	Opening Balance		
	- Work-in-progress	196.54	543.75
	- Finished goods	13,864.46	21,366.74
	Total	**14,061.00**	**21,910.49**
	Closing Balance		
	- Work-in-progress	231.75	196.54
	- Finished goods	1,689.35	13,864.46
		1,921.10	**14,061.00**
	Total changes in inventories	**(12,139.90)**	**(7,849.49)**
29	**Employee benefit expense**		
	Salaries, wages and bonus	2,013.16	2,051.91
	Contribution to provident and other funds	168.52	178.86
	Gratuity	74.22	97.91
	Staff welfare expenses	122.02	164.72
	Total	**2,377.92**	**2,493.40**

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		For the year ended 31-03-2019	For the year ended 31-03-2018
30	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment	2,259.36	2,257.45
	Amortisation of intangible assets	0.06	0.06
	Total	**2,259.42**	**2,257.51**
31	**Finance Cost**		
	Interest on term loans	2,848.99	2,728.09
	Interest on working capital	4,394.56	4,277.48
	Interest on letter of credit	-	209.29
	Interest to others	211.42	413.72
	Total	**7,454.97**	**7,628.58**
32	**Other expenses**		
	Stores and Spares Consumed	670.83	874.84
	Power and Fuel	1,328.89	2,727.24
	Rent	71.35	71.72
	Rates and Taxes	198.38	128.89
	Insurance	52.85	65.54
	Repairs and Maintenance		
	- Plant and Machinery	350.61	338.21
	- Buildings	150.20	164.35
	- Vehicle	94.49	92.23
	- Others	29.94	27.59
	Freight, Packing and Forwarding charges	295.81	498.66
	Director's Sitting Fees	2.85	3.80
	Managing Director Remuneration	15.80	27.60
	Auditors' Remuneration (Refer detail below)	10.50	10.50
	Travelling and conveyance	35.06	50.93
	Communication expenses	15.52	17.95
	Printing and Stationery	15.28	19.93
	Allowance for expected credit losses	139.21	2.83
	Professional and Consultancy charges	71.38	84.59
	Bank charges	40.14	237.52
	Foreign Exchange loss	355.57	-
	Loss on sale of fixed assets	-	83.34
	Decrease in fair value of investments	1,192.12	3.25
	Miscellaneous expenses	28.27	32.16
	Total	**5,165.05**	**5,563.67**

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		For the year ended 31-03-2019	For the year ended 31-03-2018
Payment to auditors			
	Statutory audit	5.50	5.50
	Limited review	3.00	3.00
	Certification	2.00	2.00
		10.50	**10.50**
33	**Income tax expense**		
	(a) Income tax expense		
	Current tax		
	Current tax on profits for the year	-	-
	MAT credit entitlement	(1,577.56)	-
	Total current tax expense	(1,577.56)	-
	Deferred tax		
	Deferred tax adjustments	(264.47)	(69.33)
	Total deferred tax expense/ (benefit)	(264.47)	(69.33)
	Income tax expense	(1,842.03)	(69.33)
	b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Profit before tax from continuing operations	(13,089.71)	(8,468.72)
	Income tax expense calculated at 30.09% (2017-18: 30.90%)	-	-
	Tax Rate Changes (30.90%-30.90%)	-	-
	Effect of expenses that are not deductible in determining taxable profit	-	-
	Income tax expense	-	-
	c) Income tax recognised in other comprehensive income		
	Deferred tax		
	Remeasurement of defined benefit obligation	-	-
	Total income tax recognised in other comprehensive income	-	-

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	For the year ended 31-03-2019	For the year ended 31-03-2018

d) Movement of deferred tax expense for the year ended March 31, 2019

Particulars	**Opening balance**	**Recognised in profit or (loss)**	**Recognised in Other comprehensive income**	**Closing balance**
Deferred tax (liabilities)/ assets in relation to:				
On difference between tax base and book base of Property, plant, and equipment and Intangible Assets	(7,904.59)	(264.47)		(8,169.06)
On unabsorbed depreciation	6,490.92			6,490.92
	(1,413.67)	(264.47)	-	(1,678.14)
MAT Credit entitlement	1,577.56	(1,577.56)	-	-
Total	**163.89**	**(1,842.03)**	**-**	**(1,678.14)**

e) Movement of deferred tax expense during the year ended March 31, 2018

Particulars	**Opening balance**	**Recognised in profit or (loss)**	**Recognised in Other comprehensive income**	**Closing balance**
Deferred tax (liabilities)/ assets in relation to:				
On difference between tax base and book base of Property, plant, and equipment and Intangible Assets	(7,780.08)	(124.51)		(7,904.59)
Unabsorbed depreciation	6,435.74	55.18		6,490.92
	(1,344.34)	(69.33)	-	(1,413.67)
MAT Credit entitlement	1,577.56	-	-	1,577.56
	233.22	**(69.33)**	**-**	**163.89**

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		For the year ended 31-03-2019	For the year ended 31-03-2018
34	**Earnings per share**		
	Profit for the year attributable to owners of the Company	(14,932.92)	(8,538.05)
	Weighted average number of ordinary shares outstanding	33,200,000	33,200,000
	Basic earnings per share (Rs.)	(44.98)	(25.72)
	Diluted earnings per share (Rs.)	(44.98)	(25.72)
35	**Earnings in foreign curreny**	Nil	Nil
36	**Expenditure in foreign currency (actual payment basis)**		
	Expenditures (ECB Loan interest)	-	139.80
		-	139.80
37	**CIF value of imports**		
	Raw sugar purchase	-	12,170.93
		-	12,170.93

38 Value of Imported and Indigenous Raw material Consumed during the financial year and the percentage of each to the total consumption

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Rs. In Lakhs	(%)	Rs. In Lakhs	(%)
Raw Materials				
Imported	-	0.00%	12,170.93	37.35%
Others	15,627.69	100.00%	20,413.35	62.65%
Total	**15,627.69**	**100.00%**	**32,584.28**	**100.00%**

39. Commitments and Contingent Liability

Particulars	**As at 31.03.2019**	As at 31.03.2018
Contingent Liability		
Claims against the company for excise duty not acknowledged as debts	95.37	95.37
Claims against the company for service tax not acknowledged as debts	89.95	89.95
Claims against the company for other disputes not acknowledged as debts	81.19	81.19
Tariff change claims by TANGEDCO under dispute	818.19	888.33
Bank Guarantee	30.00	30.00
ICICI Bank- Farmers credits	3410.35	3,794.45
Commitments		
Capital commitments (net of advances) not provided for	-	-
Right of Recompense to CDR Lenders	2092.00	1,578.00
Total	**6,617.05**	**6,557.29**

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

40. Operating Segments

"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	Year ended March 31, 2019	Year ended March 31, 2018
Segment Revenue		
a) Sugar Manufacturing	28,029.15	42,805.06
b) Distillery	4,923.36	8,650.47
c) Power	1,768.91	3,453.79
d) Unallocated	365.51	1,758.24
Revenue from operations (Net)	35,086.93	56,667.56
Less : Inter segment Revenue	3,151.69	6,133.54
Revenue from operations (Net)	31,935.24	50,534.02
Segment Results		
Profit (+)/ Loss (-) before tax and finance cost		
a) Sugar Manufacturing	(6,191.10)	(4,160.67)
b) Distillery	792.66	1,589.16
c) Power	(601.81)	(26.87)
d) Unallocated	365.51	1,758.24
Total	(5,634.74)	(840.14)
Add: Finance Cost	7,454.97	7,628.58
Profit/ (Loss) from continuing operations	(13,089.71)	(8,468.72)
Profit/ (Loss) from discontinuing operations	-	-
Profit Before Tax	**(13,089.71)**	**(8,468.72)**
Segment Assets		
a) Sugar Manufacturing	42,585.15	56,561.43
b) Distillery	13,887.54	14,195.00
c) Power	12,797.77	14,605.00
d) Other unallocable corporate assets	119.57	297.00
Total assets	**69,390.03**	**85,658.43**
Segment Liabilities		
a) Sugar Manufacturing	56,511.62	59,329.27
b) Distillery	5,063.78	4,328.80
c) Power	12,039.44	13,024.92
d) Other unallocable corporate liabilities	1,678.14	-
Total liabilities	**75,292.98**	**76,682.99**
Capital Employed (Segment assets-Segment liabilities)		
a) Sugar	(13,926.47)	(2,767.84)
Add: Long Term Loans	10,495.23	17,557.73
Net capital employed in Sugar Segment	(3,431.24)	14,789.89
b) Distillery	8,823.76	9,866.20
Add: Long Term Loans	1,558.36	1,832.80
Net capital employed in Distillery Segment	10,382.12	11,699.00
c) Power	758.33	1,580.08
Add: Long Term Loans	3,453.52	4,464.92
Net capital employed in Power Segment	4,211.85	6,045.00
Total capital employed in segments	**11,162.73**	**32,533.89**
Unallocable corporate assets less corporate liabilities	(1,558.57)	297.00
Total Capital Employed	**9,604.16**	**32,830.89**

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

41. Terms and conditions of long term borrowings

Financial Institution	Loan Outstanding	Nature of Loan	Security	Guarantee
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)	28,890.17 lakhs* (Rs 30,408.43 lakhs)	Term Loan/ WCTL/ FITL / Soft loan	Pari-passu 1st charge on the fixed assets of the Company excluding refinery assets and harvester machines of Unit-III and Pari-passu 2nd charge on the current assets of the company	
ICICI Bank Limited	1,670.09 lakhs(Rs.1570.43 lakhs)		Exclusive charge on the Refinery assets including the harvester machines of Unit III, Pari-passu 1st charge on Unit 1 & 2 Fixed assets and 2nd charge on the current assets of the company	
Indian Bank, State Bank of India, The South Indian bank Limited, Central bank of India, The Federal Bank Limited, IDBI bank Limited and ICICI bank Limited	17,905.38 lakhs (Rs.16,244.04 lakhs)	Working capital facilities	"Pari-passu 1st charge on current assets of the company and Pari-passu2nd charge on fixed assets of the company excluding refinery assetsand harvester machines of Unit-III"	
SDF Loan	3,171.75 lakhs (Rs.3,133.73 lakhs)	SDF Loan	Pari-passu 1st charge on fixed assets of Unit - III excluding refinery assets and harvester machines .	

* includes loans recalled and classified as repayable on demand in the financials

(Figures in brackets represent previous year numbers)

The Promoters and group companies have pledged 93,80,794 equity shares of the Company to the Banks / Financial Institutions on pari-passu basis for the facilities availed by the Company including working capital facilities. In addition, the Company has pledged 16,51,374 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 and Term Loans.

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

REPAYMENT DETAILS:

(1) The outstanding Term Loan from banks is repayable in quarterly instalments from the financial year 2016-17 to 2024-25 and it carries an average interest rate of 12% p.a.

(2) The outstanding Foreign Currency Loan from ICICI Bank in respect of Sankarapuram refinery project is repayable in half yearly instalment from financial year 2015-16 to 2019-20 and it carries an average interest rate of 8.52% p.a.

(3) The outstanding Rupee Term Loan (Excise) from Indian Bank is repayable in monthly instalments from financial year 2015-16 to 2018-19 and it carries an interest rate of 13.70% p.a.

(4) The outstanding Rupee Term Loan from Sugar Development Fund, Government of India in respect of Sankarapuram Project is repayable in half yearly instalments from financial year 2015-16 to 2018-19 and it carries an interest rate of 4.77% p.a

(5) The outstanding Working Capital Term Loan is repayable in quarterly instalments from financial year 2016-17 to 2024-25 and it carries an average interest rate of 12% p.a.

(6) The outstanding Funded Interest Term Loan from Banks/ Financial Institutions is repayable in quarterly instalments from financial year 2016-17 to 2022-23 and it carries an average interest rate of 12% p.a

(7) The outstanding Rupee Term Loan from IREDA in respect of Polur power project is repayable in quarterly instalment from financial year 2018-19 to 2028-29 and carries an average interest rate of 13.71% p.a.

(8) The outstanding Rupee Soft Term Loan banks is repayable in monthly instalment from financial year 2016-17 to 2023-24 and carries an average interest rate of 12% p.a.

(9) Finance lease obligation is secured by way of hypothecation of respective vehicle acquired on hire purchase

42 Financial Instruments

Capital management

The Company manages its capital to ensure that 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.

For the purposes of Company's capital management, capital includes consists of net debt (borrowings as detailed in note 41 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

For the purposes of Company's capital management, capital includes consists of net debt (borrowings as detailed in note 41 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:	**As at 31.03.2019**	As at 31.03.2018
Debt	30,849.91	35,198.98
Less: Cash and bank balances	186.20	1,477.45
Net debt	30,663.71	33,721.53
Total equity	(5,902.95)	8,975.44
Gearing Ratio	-519.46%	375.71%

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Categories of Financial Instruments:	**As at 31.03.2019**	As at 31.03.2018
Financial assets		
a. Measured at amortised cost:		
Trade Receivables	4,211.71	4,560.15
Cash and cash equivalents	164.37	261.69
Bank balances other than above	21.83	1,215.76
Other financial assets	11.58	79.72
b. Mandatorily measured at fair value through profit or loss (FVTPL):		
Investments	1,666.29	2,857.81
Derivative instruments	-	-
Financial liabilities		
a. Measured at amortised cost:		
Borrowings (non-current)	15,507.11	23,855.45
Borrowings (current)	20,867.93	20,690.97
Trade Payables	10,632.93	12,653.16
Other financial liabilities	26.68	31.49
b. Mandatorily measured at fair value through profit or loss (FVTPL):		
Derivative instruments	-	-

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. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

Foreign currency risk management

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 natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

Disclosure of hedged and unhedged foreign currency exposure

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:

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

As on March 31, 2019

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities) (INR)
	Gross exposure (INR)	Exposure hedged using derivatives (INR)	Net liability exposure on the currency (INR)	Gross exposure (INR)	Exposure hedged using derivatives (INR)	Net asset exposure on the currency (INR)	
As on March 31, 2019 - USD	1,670.09	-	1,670.09	-	-	-	1,670.09
As on March 31, 2018 - USD	7,829.71	-	7,829.71	-	-	-	7,829.71

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 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 management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Company where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

Particulars	USD impact	
	March 31, 2019	March 31, 2018
Profit or (loss)	33.40	156.59
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 borrows 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, 2019 would decrease/ increase by Rs. 6.14 lakhs (March 31, 2018 : decrease/ increase by Rs.7.01 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
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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, 2019, March 31, 2018 was Rs.1,666.29 Lakhs and Rs.2,857.81 lakhs respectively. A 5% change in prices of equity instruments held as at March 31, 2019 and March 31, 2018, would result in an impact of Rs.83.31 and Rs.142.89 Cash on equity, respectively.

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, mutual fund investments and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

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.

(a) Trade Receivables

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk. In respective dues from the Government, the Company has considered them as fully recoverable and no allowance for expected credit loss is required.

(b) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved financial institutions/ counterparty. Investments primarily include bank deposits, investment in units of quoted mutual funds issued by high investment grade funds etc. These bank deposits, mutual funds and counterparties have low credit risk. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposits, debt securities and mutual fund schemes of debt and arbitrage categories and restricts the exposure in equity markets.

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 invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

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.

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
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43 Trade Receivables from TANGEDCO

Trade receivables includes Rs.2,829.23 Lakhs due from TANGEDCO is outstanding for more than 1 year. The Company is following up for recovery of the same and initiated the required steps. The Company has also initiated steps through South Indian Sugar Mills Association (SISMA) to represent to the Government of Tamilnadu for instructing TANGEDCO to pay the dues. Since these are due from Government Undertakings and are arising from contractual obligation of those undertakings, in the opinion of the management, no allowance for expected credit loss is considered required.

March 31, 2019	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	10,632.93	-	-	10,632.93
Other financial liabilities(Non Current)	26.68	-	-	26.68
Borrowings (including interest accrued thereon upto the reporting date)	19,380.49	17,350.17	1,039.03	37,769.69
	30,040.10	17,350.17	1,039.03	48,429.30

March 31, 2018	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	12,653.16	-	-	12,653.16
Other financial liabilities(Non Current)	31.49	-	-	31.49
Borrowings (including interest accrued thereon upto the reporting date)	13,138.21	19,204.49	4,564.57	36,907.27
	25,822.86	19,204.49	4,564.57	49,591.92

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

Particulars	March 31, 2019	March 31, 2018
Investments in unquoted equity shares (classified as FVTPL)	1,661.47	2,842.94

44 Related party disclosure

a) Name of related parties and nature of relationship

Holding company	The Company does not have any holding Company
Companies in which directors are interested	M/s Dharani Finance Limited
	M/s Appu Hotels Limited
	M/s PGP Educational and Welfare Society
	M/s Dharani Developers Private Limited
	M/s Dharani Credit and Finance Private Limited
	M/s Ananthi Developers Limited
Key management personnel and relatives of key managerial personnel	Dr Palani G Periasamy
	Mr M Ramalingam
	Mr A Sennimalai
	Mrs Visalakshi Periasamy
	Mr M P Kaliannan - Chief Financial Officer
	Mr E P Sakthivel - Company Secretary

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
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b) Transactions during the year

S.No.	Nature of transactions	Amount	
		2018-19	2017-18
1	Appu Hotels Limited		
	Sales of goods (net of excise duties)	5.28	7.57
2	Dharani Finance Limited		
	Purchase of Travel ticket and vehicle	-	0.27
3	Payments to non-executive directors		
	Sitting fees	2.85	3.80
	Professional fee	-	1.59
4	Dr. Palani G Periasamy - Chairman		
	Rent	64.14	63.74
5	Mr. M Ramalingam - Managing Director		
	Remuneration	15.80	27.60
6	Mr M P Kaliannan - Chief Financial Officer		
	Remuneration	20.41	20.34
	Contribution to provident and other funds	3.84	3.81
7	Mr E P Sakthivel - Company Secretary		
	Remuneration	5.90	5.82
	Contribution to provident and other funds	0.74	0.73
8	PGP Educational and Welfare Society		
	Lease Rent Income	0.35	0.35

c) Balances at the end of the year

S.No.	Nature of transactions	Amount	
		2018-19	2017-18
1	Trade Receivables		
	Appu Hotels Limited	1.05	6.33
	Dharani Finance Limited	2.21	2.21
	PGP Educational and Welfare Society	4.00	3.65
2	Trade Payables		
	Dr. Palani G Periasamy - Chairman	58.58	5.66
	Anandhi Developers Limited	4.50	4.67
3	Unsecured Loans received		
	Dharani Developers Pvt Ltd	7.37	7.37
	Dr. Palani G. Periasamy	51.39	46.23

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
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45 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 Government of India. The Company also has superannuation plan and contributions are funded with LIC.

The total expense recognised in profit or loss of Rs.168.52 lakhs (for the year ended March 31, 2018: Rs. 178.86 lakhs) represents contribution payable to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plans

(a) Gratuity

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. The liability is unfunded and is actuarially determined at each reporting date using the projected unit credit method.

(b) Compensated absence

The leave scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.

(c) Risks associated with defined benefit plans

The defined benefit plans typically expose the Company to actuarial risks such as investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(d) Further disclosures in respect of Gratuity

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

Particulars	March 31, 2019	March 31, 2018
Discount Rate	7.26%	7.52%
Rate of increase in compensation level	5.00%	5.00%
Attrition Rate	10.00%	10.00%
Expected Average Remaining Working Lives of Employees (years)	7.60%	7.50%

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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.

(ii) Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

Particulars	March 31, 2019 Rs. Lakhs	March 31, 2018 Rs. Lakhs
Current service cost	35.76	39.73
Net interest expense	38.45	34.94
Past service cost	-	23.24
Actuarial loss	-	-
Components of defined benefit costs recognised in the statement of profit or loss	74.21	97.91

(iii) Amount recognised in Other Comprehensive Income (OCI) for the Year

Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(54.52)	(46.44)
Actuarial (gains)/losses arising from experience adjustments	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	-
Components of defined benefit costs recognised in other comprehensive income	(54.52)	(46.44)
	19.69	51.47

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.

(iv) 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, 2019	March 31, 2018
Present value of defined benefit obligation	516.32	525.93
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	**516.32**	**525.93**
Funded	-	-
Unfunded	516.32	525.93
	516.32	**525.93**
Presented under		
Non-Current provision	391.37	370.92
Current provision	124.95	155.01
	516.32	**525.93**

The above provisions are reflected under 'post retirement benefits' (long-term provisions) and 'post retirement benefits' (short-term provisions) [Refer notes 19 & 24].

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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

Opening defined benefit obligation	525.93	496.09
Current service cost	35.76	39.73
Interest cost	38.45	34.94
Past service cost	-	23.22
Actuarial (gains)/ losses arising from changes in demographic assumptions		
Actuarial (gains)/losses	-	-
Actuarial (gains)/ losses arising from changes in financial assumptions		
Actuarial (gains)/losses	(54.52)	(46.44)
Actuarial (gains)/ losses arising from experience adjustments		
Actuarial (gains)/losses	-	-
Benefits paid	(29.30)	(21.61)
Closing defined benefit obligation	**516.32**	**525.93**

(vi) 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	29.30	21.61
Benefits paid	(29.30)	(21.61)
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.

(vii) Sensitivity analysis

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would increase by Rs.12.05 lakhs (decrease by Rs.12.66 lakhs)

If the expected salary increases by 50 basis points higher(lower), the defined benefit obligation would decrease by Rs.13.48 lakhs (increase by Rs.12.93 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.

46 Operating lease

The Company has entered into operating lease arrangements for certain facilities with lease term ranging from 2 years to 3 years. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties. The amount recognised in the statement of profit and loss as expenses for the year is Rs. 71.35Lakhs (Previous year Rs.71.72 Lakhs)

Notes Forming Part of The Financial Statement for the year ended 31st March 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

47 The Company's net worth is negative and the borrowings from banks and financial institutions have been classified by the lenders as non-performing assets during the year. We understand from the management that the poor performance of the Company is mainly due to low availability of sugarcane for crushing as planting areas are being continuously reduced due to continuous draught and the general slowdown in sugar industry. The industry is currently going through an extended phase of distress due to factors like failure of monsoon, varietal degeneration, reduced recovery, decline in area under cultivation and the resultant reduction in capacity utilisation of sugar mills. This being a general industry issue, a formal representation was made by the South Indian Sugar Mills Association (SISMA), in which the Company is a member, to the Hon'ble Prime Minister and the Chief Minister of Tamil Nadu for announcing revival packages for the sugar industry. SISMA expects that its demands will be considered by the Central and State Governments favourably.

On a petition filed by the Company and others, the Hon'ble Supreme Court of India declared the RBI circular of February 12, 2018, as "ultra-vires, Section 35AA of the Banking Regulation Act". The Company has submitted a resolution plan to the consortium banks for restructuring the loans and the consortium banks have suggested to the Company to plan for a One Time Settlement (OTS) of the loans. The lenders agreed to initiate fresh valuations for plant and machineries of all the three units. Subsequent to the balance sheet date, few banks issued notice to recall the loans and the Company is in the process of appropriately replying to the notices. The next hearing of the consortium banks is expected to be in June 2019. The Company is in the process of identifying alternative plans to initiate the OTS with the banks. Pending submission of the OTS/ other alternative resolution plans, a decision is yet to be taken by the lenders regarding restructuring of the Company's borrowings.

Pending resolution of the above uncertainties, Management of the company have prepared the financial statements on a going concern basis as these situations will resolve subsequently.

48 Comparative figures

Previous year's figures have been reclassified/ regrouped wherever necessary to conform to the current year's classification.

The accompanying notes form an integral part of the financial statements

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

For and on behalf of the Board

CHINNSAMY GANESAN
Partner
Membership No.027501
Place : Chennai - 34
Date : 28th May, 2019

DR. PALANI G. PERIASAMY
Executive Chairman

M.P. KALIANNAN
Chief Financial Officer

M.RAMALINGAM
Managing Director

E.P. SAKTHIVEL
Company Secretary

UPDATION OF PAN & BANK DETAILS
WHO ARE HOLDING SHARES IN PHYSICAL FORM

PAN MANDATE FORM

NAME OF THE COMPANY	FOLIO NO.
Dharani Sugars and Chemicals Ltd.	

First /Sole Shareholder Name		PAN1										
First Jt. Holder Name		PAN2										
Second Jt. Holder Name		PAN3										
Third Jt. Holder Name		PAN4										

(SELF-ATTESTED COPIES OF PAN CARD ENCLOSED HEREWITH)

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ECS MANDATE FORM

Name of the Bank																
Branch Name & Address																
Bank A/c Type (SB A/c / Current A/c)																
Bank A/c No.																
Bankers MICR ECS code No																
Bankers IFSC Code																

(ORINGAL CANCELLED CHEQUE LEAF WITH THE NAME OF SHAREHOLDER PRINTED ATTACHED HEREWITH)

.....

EMAIL REGISTRATION FORM

Email ID										
Telephone No. / Mobile No.										

I hereby convey my consent to receive all communications, Annual Report / Notice of the Meetings and from the company through Email rather than hard copy

SIGNATURE OF THE FIRST/SOLE SHAREHOLDER : .....

SHAREHOLDERS HOLDING SHARE CERTIFICATES IN PHYSICAL FORMAT ARE ADVISED TO GET THEM DEMATERIALIZED.

SEBI HAS MANDATED THAT, AFTER 1st APRIL 2019 ONLY SHARES IN DEMATERIALIZED FORMAT CAN BE TRANSFERRED OR SOLD.

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 32nd Annual General Meeting of the Company, at Sri Thyaga Brahma Gana Sabha, Vani Mahal, MINI HALL, No.103, G.N. Chetty Road, T.Nagar, Chennai - 600 017 on Tuesday, the **24th September 2019 at 10.20 A.M.**

Name of the Shareholder / Proxy*

_____

Signature of the Shareholder / Proxy*

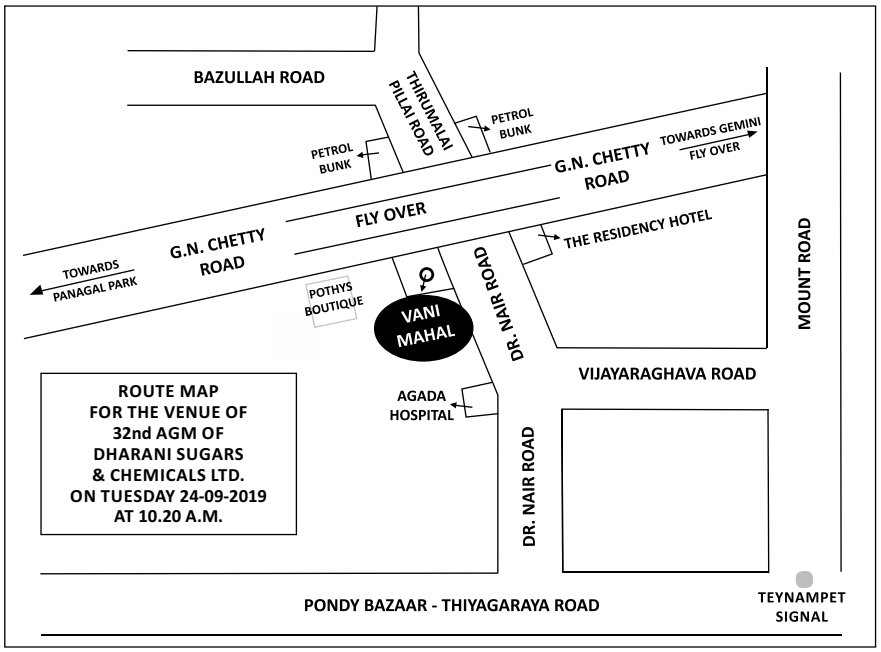
_____

* 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 32nd Annual general meeting of the Company, to be held on the Tuesday, the 24th September 2019 at 10.20 A.M at "Sri Thyaga Brahma Gana Sabha, Vani Mahal, **Mini Hall**, at 103, G N Chetty Road, T. Nagar, Chennai 600 017and 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 31.03.2019 and Balance Sheet.		
	SPECIAL BUSINESS		
2.	To consider Re-appointment of Dr Palani G Periasamy, Executive Chairman		
3.	To consider Re-appointment of Mr A Sennimalai, Director		
4.	To Consider Re-appointment of Mr P S Gopalakrishnan, Independent Director		
5.	To consider Re- appointment of Dr S Muthu , Independent Director		
6.	To consider Re-appointment of Mr R K Viswanathan, Independent Director		
7.	Remuneration to Cost Auditor for the year 2019-20		

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.