



# 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/SE/AR 2021-22/AGM/2022

December 6, 2022

To

BSE Limited P J Towers, Dalal Street Mumbai – 400 001  Scrip Code : 507442	National Stock Exchange of Indian Limited Exchange Plaza Bandra Kurla Complex, Bandra (E) Mumbai – 400 051  Symbol : DHARSUGAR
--	---

**Sub: Notice of the 35<sup>th</sup> Annual General Meeting and Annual Report for the Financial Year 2021-22.**  
**Ref: Dharani Sugars and Chemicals Ltd – BSE – Scrip Code: 507442 and NSE-Symbol: DHARSUGAR.**

Dear Sirs,

Pursuant to the Provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform the following:

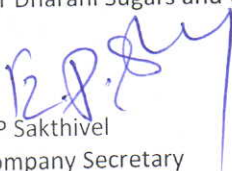
1. The 35<sup>th</sup> Annual General Meeting ('AGM') of the Members of Dharani Sugars and Chemicals Limited (the "Company") will be held on **Friday, the 30<sup>th</sup> December 2022 at 11:00 A.M (IST) through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM')** in accordance with General Circular from the Ministry of Corporate Affairs ("MCA") vide Circulars No.14/2020 dated April 08, 2020, No.17/2020 dated April 13, 2020 and No.20/2020 dated May 05, 2020 and the Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/ HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020.
2. Pursuant to the said Circulars AGM Notice and Annual Report for the Financial Year 2021-22 have been sent to all the members of the Company whose email addresses are registered with the Company / Depository participant(s).

The Company has provided the facility to vote by electronic means (remote e-voting as well as e-voting at the AGM) on all the resolutions set out in the AGM notice to the members, who are holding shares on the **Cut-off date i.e., Saturday, 24<sup>th</sup> December 2022**. The remote e-voting will commence on **Tuesday, the 27<sup>th</sup> December 2022 at 9.00 a.m. and ends on Thursday, the 29<sup>th</sup> December 2022 at 5.00 p.m.** Detailed instructions for registering email addresses(s) and voting / attendance at the AGM are given in the AGM Notice.

1. We also enclose the following documents for your record.
  - (i) Notice convening the 35<sup>th</sup> AGM of the Company and
  - (ii) Annual Report of the Company for the Financial Year 2021-22.

Kindly take the same on your record.

Yours faithfully,  
For Dharani Sugars and Chemicals Limited

  
E P Sakthivel  
Company Secretary

Copy to :

1. National Depository Services India Limited, Mumbai ,
2. Central Depository Services (India) Limited, Mumbai
3. M/s Cameo Corporate Services Ltd, Chennai. (RTA)

Dharani Nagar, Vasudevanallur,

Tirunelveli District - 627 760

Ph : (04636) 241370/371/372

Fax : (04636) 241578

Email : dharani1@dharanisugars-pgp.com

Karaiipoondi Village, Polur,

Tiruvannamalai District - 606 803.

Ph : (04181) 223161, 223162, 223170

Fax : (04181) 223330

Email : dharani2@dharanisugars-pgp.com

Kalayanallur Village, Thiyagadurugam,

Pallangacherry Post, Kallakurichi Via,

Villupuram District - 606 206

Mobile : 0451-248208

Email : dharani3@dharanisugars-pgp.com

**DHARANI SUGARS  
AND  
CHEMICALS LIMITED**



**35<sup>th</sup>  
ANNUAL REPORT  
2021-2022**



## BOARD OF DIRECTORS (Power suspended)

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.com
Factories	:	Dharani –I , Dharani Nagar, Tirunelveli Dist – 627 760 , Tamil Nadu, Phone No. 04636 – 241370-72 dharani1@dharanisugars-pgp.com  Dharani –II, Karaipoondi Village, Chetpet, Polur Taluk Tiruvannamalai Dist – Tamil Nadu Phone No. 04181-223161 -162,223170 dharani2@dharanisugars-pgp.com  Dharani –III, Kalayanallur Village, Sankarapuram Taluk. Villupuram Dist – 606206, Tamil Nadu Phone No. 04151 -248208,248277 dharani3@dharanisugars-pgp.com



<b>CONTENTS</b>	<b>Page Nos.</b>
Notice to Shareholders	01
Boards' Report	11
Report on Corporate Governance	28
Auditors' Report	41
Balance Sheet	52
Statement of Profit and Loss	53
Cash Flow Statement	54
Notes on financial statements	56



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35<sup>th</sup> Annual General Meeting of the Company will be held on Friday, 30<sup>th</sup> December 2022 at 11.00 am thro' Video Conference / Other Audio Visual Means (VC / OAVM) to transact the following business:

### ORDINARY BUSINESS

#### 1. Adoption of Financial Statements

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

“**RESOLVED THAT** the Audited Financial Statements including Balance sheet, Profit and Loss account and cash flow statements for the year ended 31<sup>st</sup> March 2022, and the report of the Board of Directors and Auditors thereon be hereby considered and adopted.”

### SPECIAL BUSINESS

#### 2. To appoint a Director in the place of Mrs. Visalakshi Periasamy (DIN 00064517) who has crossed the age limit of 75 years, retires by rotation and being eligible offers herself for re-appointment.

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

“**RESOLVED THAT** pursuant to SEBI (LODR) 17 (1(a)) and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mrs. Visalakshi Periasamy (DIN 00064517) Non-Executive Director who has attained the age of 75 years and whose tenure comes to close in the ensuing Annual General meeting be and is hereby appointed as Non-Executive Director liable to retire by rotation”.

#### 3. To Re-appointment of Mr M Ramalingam, as Managing Director.

Appointment of Mr. M Ramalingam as Managing Director with effect from 1st April 2022.

The following resolution was approved by the Committee of Creditors (CoC) by way of e-voting results shared on 22.08.2022 subsequent to the 3rd CoC meeting held on 3rd August 2022.

“**Resolved that** the approval of the Committee of Creditors be and is hereby accorded as per Sec.28(1)(j) of IBC read with Sec.196, 197 and other applicable provisions of Companies Act, 2013, for the re-appointment of Mr. M. Ramalingam as Managing Director of Dharani Sugars and Chemicals Ltd with effect from 1st April 2022 at the gross remuneration of Rs.27.60 lakhs per annum as was previously approved by the Company in 2017.”

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

“**RESOLVED THAT** Mr M Ramalingam, whose current term of office as Managing Director has come to close on 31.03.2022 be and is hereby re-appointed as Managing Director of the Company for a further period of 1 year from 01.04.2022 to 31.03.2023, in terms of Sec 196 of the Companies Act, 2013”.

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

“**RESOLVED THAT** such remuneration shall be within the limits of and in conformity with Part II of Schedule V to the Companies Act, 2013 or any of statutory modification(s) or en-enactment thereof or relaxation granted there under”.

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

#### 4. Appointment of Statutory Auditors

**To consider and if thought fit, to pass with or without modification(s), the following resolution as a ORDINARY RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and any other applicable provisions of The Companies Act, 2013 and Audit & Auditors Rules,2014, (the rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) consent of the Company is hereby accorded for appointment of Mr N.Srivatsan from M/s. Srivatsan & Associates





# Dharani Sugars and Chemicals Limited

Chartered Accountants, Chennai (Registration number 014921S with the Institute of Chartered Accountants of India) as Statutory Auditors for a period of 1 year from the conclusion of this meeting till the Conclusion of the, 36th Annual General Meeting of the Company on such remuneration as may be agreed Upon by the CoC Members/Audit committee/ Board of Directors in consultation with the Auditors, subject to ratification by Shareholders in every subsequent Annual General Meeting.

By order of the Board

**For Dharani Sugars and Chemicals Limited**

Place: Chennai

**E P Sakthivel**

Date: 4th November 2022

Company Secretary

## NOTES:

1. Ministry of Corporate Affairs ("MCA") by Circular No.2/2022 dated 05.05.2022 have allowed companies to hold their Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") till end of 2022. Accordingly, the 35th AGM of the Company will be held through VC/ OAVM (e-AGM) and the shareholders can attend and participate in the e-AGM through VC/ OAVM only. The deemed venue of the e-AGM will be the registered office of the company.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to certain ordinary business and the special businesses to be transacted at the 35<sup>th</sup> AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to [secretarial@dharanisugars-pgp.com](mailto:secretarial@dharanisugars-pgp.com).
4. Since the 35<sup>th</sup> AGM is being held through VC/ OAVM, the route map of the venue of the Meeting is not annexed to this Notice.
5. As per the provisions under the MCA Circulars, Members attending the 35<sup>th</sup> AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. The Company has appointed Mr. M Damodaran & Associates, LLP, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.
6. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
7. The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The result of e-voting will be declared within 48 hours of the conclusion of the Meeting and the same, along with the consolidated scrutinizer's Report will be placed on the website of the company [www.dharanisugars.com](http://www.dharanisugars.com) and on the website of CDSL at <https://evoting.india.com>. The results will simultaneously be communicated to the stock exchanges.
8. The Register of Members and Share Transfer Books will remain closed **from Saturday, 24th December 2022 to Friday, 30th December 2022** (both days inclusive).
- 8a. Unpaid Dividend lying unclaimed for over 7 years will be transferred to the Investor Education and Protection Fund. The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.
- 8b. Particulars of Directors seeking re-appointment pursuant to Regulation 36(3) of the Listing Regulations is given in Annexures that forms part of this Notice.
9. Members may note that pursuant to the General Circular No. 20/2020 dated May 5, 2020 issued by the MCA, the Company has enabled a process for the limited purpose of receiving the Company's Annual Report and Notice for the Annual General Meeting (including remote e-voting instructions)



electronically, and Members may temporarily update their email address by sending email at [investor@cameoindia.com](mailto:investor@cameoindia.com).

10. After due verification and receipt of email address Updation request, the Company will send the annual report at your registered email address.
11. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending further communication(s).
12. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or its Registrar and Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the Members after making requisite changes, thereon. Members are requested to use the share transfer form SH-4 for this purpose.
13. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.
14. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be:- a) the change in the residential status on return to India for permanent settlement, and b) the particulars of the NRE account with a Bank in India, if not furnished earlier.
15. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Share Transfer Agent or the Secretarial Department of the Company at its registered office.
16. The following documents will be available for inspection by the Members electronically during the 35<sup>th</sup> AGM: a) Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013. Members seeking to inspect such documents can send an email to [secretarial@](mailto:secretarial@)

[dharanisugars-pgp.com](http://dharanisugars-pgp.com)

17. In case of any queries regarding the Annual Report, the Members may write to [secretarial@dharanisugars-pgp.com](mailto:secretarial@dharanisugars-pgp.com) to receive an email response.
18. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
19. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.dharanisugars.com](http://www.dharanisugars.com). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited [www.nseindia.com](http://www.nseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

## **I. DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**

1. In compliance with the MCA Circulars and SEBI Circulars the notice of the 35<sup>th</sup> AGM along with the Annual Report 2021-22 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2021-22 will also be available on the Company's website at <http://www.dharanisugars.com> website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and NSE Limited at [www.nseindia.com](http://www.nseindia.com).
2. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, Cameo Corporate Services Limited, Subramanian Building" No.1 Club House



Road Chennai-600002, Tamilnadu at [investor@cameonindia.com](mailto:investor@cameonindia.com)

## II. THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

1. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI Listing Regulations, the Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting ("remote e-voting") and e-voting during the AGM.
2. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
3. The voting period begins **on Tuesday, the 27<sup>th</sup> December 2022 at 9.00 a.m. and ends on Thursday, the 29<sup>th</sup> December 2022 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 **Saturday, 24<sup>th</sup> December 2022** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
4. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholder's / retail shareholders is at a negligible level.

5. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facilities to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
6. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
7. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

8. Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meeting is given below:  
For Individual shareholders holding securities in Demat mode:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>i. Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>ii. After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ CAMEO / LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> </ol>





	<p>iii. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/">https://web.cdslindia.com/myeasi./Registration/</a> Easi Registration.</p> <p>iv. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</p>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<p>i. If you are already registered for the NSDL IDeAS facility, please visit the e-Services website of NSDL. Open a web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see the e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>ii. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>iii. Visit the e-Voting website of NSDL. Open a web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting options. Once you click on the e-Voting option, you will be redirected to the NSDL/CDSL Depository site after successful authentication, wherein you can see the e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>



**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

<b>Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

### For non-individual shareholders and physical shareholders

- i. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii. Click on Shareholders.
- iii. 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.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:
- vi. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<ol style="list-style-type: none"> <li>i. Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>ii. Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ol>
Dividend Bank Details OR Date of Birth (DOB)	<ol style="list-style-type: none"> <li>i. 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.</li> <li>ii. 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 (v).</li> </ol>

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



- viii. Shareholders 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.
- ix. For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN for the **DHARANI SUGARS AND CHEMICALS LIMITED** on which you choose to vote.
- xi. 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.
- xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii. 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.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvi. If a Demat account holder has forgotten the login password then enter the User ID and the image Verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Facility for Non – Individual Shareholders and Custodians –Remote Voting
  - a. Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - c. 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.
  - d. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - e. 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.
  - f. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [secretarial@dharanisugars-pgp.com](mailto:secretarial@dharanisugars-pgp.com) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC/ OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meetings & e-Voting on the day of the AGM is the same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend the meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow cameras and use the Internet with a good speed to avoid any disturbance during the meeting.



6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance at least Seven (7) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@dharaanisugars-pgp.com](mailto:secretarial@dharaanisugars-pgp.com) . The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance Seven (7) days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at [secretarial@dharaanisugars-pgp.com](mailto:secretarial@dharaanisugars-pgp.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

#### **IV. PROCESS FOR THOSE SHAREHOLDERS WHO'S EMAIL ADDRESSES IS NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [secretarial@dharaanisugars-pgp.com](mailto:secretarial@dharaanisugars-pgp.com) .
2. For Demat shareholders -Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meeting through Depository.
4. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.
5. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**By Order of the Board**

**For Dharani Sugars and Chemicals Limited**

**E P Sakthivel**

Company Secretary

Place : Chennai

Date : 4<sup>th</sup> November 2022



**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 Director.**

<b>Particulars</b>	<b>Item No.2</b>	<b>Item No.3</b>
Name of the Director	Mrs.Visalakshi Periasamy	Mr.M.Ramalingam
Date of Birth & Age	12/08/1946 (76Years)	02.01.1941 (81Years)
Date of Appointment	12/11/2014	25.06.1994
Qualification	BBA	B.E
Experience in specific functional areas	33 Years Experience in Administration	43 Years Experience in Sugar Industry
List of other listed Companies in which Directorship held	Dharani Finance Ltd Appu Hotels Ltd	Nil
Chairman/Member of the Committee of the Board of Director of the Company	Nil	Nil
Chairman / Member of the Committee of the other Companies in which he/she is a Director	Nil	Nil
Number of Shares held in the Company (both own or held by / for other persons on a beneficial basis) as on March 31, 2022	1200101 Equity Shares (3.61%)	Nil
Relationship between directors inter - se	She is the Spouse of Dr.Palani G Periasamy (Executive Chairman	Nil

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

**Item No.2: Re-appointment of Mrs. Visalakshi Periasamy (DIN 00064517) who retires by rotation and being eligible offers herself for re-appointment.**

Mrs. Visalakshi Periasamy was appointed as Director with effect from 12<sup>th</sup> November 2014 in terms of Section 161 of the Companies Act, 2013, and her appointment is subject to retirement by rotation and accordingly, she was re-appointed on 29.09.2020. She has attained the age 75 years on 12.08.2021. In the opinion of the Board, Mrs Visalakshi Periasamy fulfills the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as Director of the Company.

She has vast experience in the General Management and Administration. The Directors recommend the special resolution for the approval of the Shareholders.

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.

Your directors recommend the above resolution as a Special Resolution.

**a. Interest of Director, key Managerial Personnel and their relatives**

**b. None of:**

- (i) The Directors except Dr Palani G Periasamy, Executive Director.
- (ii) Key Managerial Personnel (CEO & CS) and
- (iii) Relatives of the persons mentioned in (i) and (ii) are interested in the above said resolution.

**c. Relevance of resolution in any other Company:** The above resolution does not affect any other Company.

**d. Inspection of Documents:** - No document is required to be kept for inspection.





### Item No.3. Re-appointment of Mr M. Ramalingam as Managing Director.

The current term of Mr M Ramalingam (DIN No. 00278025) as Managing Director ended on 31.03.2022. The CoC members at their meeting held on 03.08.2022 have re-appointed Mr. M Ramalingam as Managing Director of the Company for a further period of ONE year from 1<sup>st</sup> April 2022 to 31st March 2023 and approved the remuneration package as under,

Rs in Lakhs

Particulars	Total for the year
Salary	21.60
House rent allowance	2.40
Leave travel allowance (One month salary)	1.80
Medical Reimbursements (One month salary)	1.80
<b>Total</b>	<b>27.60</b>

Mr M Ramalingam is an Engineering graduate with specialization in Sugar Technology. He had been directly involved in the setting up the sugar factory at Dharani Nagar, Polur and Sankarapuram. Mr. M. Ramalingam is with this group since 1988 and was instrumental in setting up the 3rd sugar factory at Sankarapuram with crushing capacity of 3500TCD with Distillery of 100 KLPD. Besides he arranged for increasing the crushing capacity at Unit II (Polur) from 2500 TCD to 4000 TCD. He has an overall experience of 43 years in the Sugar industry.

Considering the services rendered by Shri M Ramalingam in the company during the last more than 34 years, the CoC members had decided to utilize his experience and excellent services for the benefit of the Company by re-appointing him as Managing Director on the terms and conditions detailed in the notice for a fresh period of ONE year from 01.04.2022 though he has completed the age of 81, Special justification for his appointment is given as above. The CoC members recommend the resolution for the approval of the shareholders.

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

Accordingly, the CoC members commend the resolution for approval of the Shareholders as a Special Resolution.

**Relevance of resolution in any Other Company:** The above resolution does not affect any other Company.

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

### Item No .3. Appointment of Statutory Auditor

Committee of Creditors at their meeting held on 2nd December 2022 approved the appointment **Mr N.Srivatsan** from Srivatsan & Associates Chartered Accountants., Chennai (Registration number 014921S with the Institute of Chartered Accountants of India) as Statutory Auditors for a period of 1 year from the conclusion of this meeting till the conclusion of the 36th Annual General Meeting of the Company on such remuneration as may be agreed upon in consultation with the Auditors, subject to ratification by shareholders in every subsequent annual general meeting. Accordingly the resolution is placed for the approval of the share holders in accordance with Section 139 of the Companies Act, 2013.

The Company has received the written consent of the proposed auditors to the appointment and requisite certificate Prescribed u/s 139 and 141 of the Companies Act, 2013.

No director or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in this business.



## BOARD'S REPORT

Dear Members,

Your Board of Directors are pleased to present the 35<sup>th</sup> Annual Report on the operations of the Company and the Audited Statement of accounts for the year ended 31<sup>st</sup> March 2022.

## FINANCIAL SUMMARY

Rs. in Crores

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Total Revenue	40.68	36.91
Profit/(Loss) before Interest, Depreciation and Tax	(16.82)	(12.53)
Interest and Finance Charges	0.01	2.11
Cash Profit / (Loss)	(16.83)	(14.64)
Depreciation	23.37	23.40
Profit/(Loss) before Tax	(40.20)	(38.04)
Deferred Tax-Asset/ (Liability)/ Exceptional Items	0.58	0.58
Profit/(Loss) After Tax	(39.62)	(37.46)
Profit/(Loss) Brought forward from last year	(159.90)	(122.44)
Profit/(Loss) carried forward to Balance Sheet	(199.52)	(159.90)

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

## PERFORMANCE

**Financial Performance:** During the year under review the total income was Rs. 40.68 Crores as against the total income of Rs.36.91 Crores in the previous year. The Company was not able to start the cane crushing operation in Unit II (Polur) and Unit III (Kalayanallur) as the Company has not cleared the cane arrears relating to sugar season 2018-19. The gross operating loss works out to Rs. 16.82 Crores as against the loss of Rs.12.53 Crores in the previous year. During the year, the company has not charged interest towards banks and financial institutions as our accounts are classified as NPA. The cash loss works out to Rs.16.83 Crores as

against the cash loss of Rs.14.64 Crores in the previous year. The net loss after depreciation and deferred tax works out to Rs.39.62 Crores as against the loss of Rs.37.46 crores in the previous year.

**Sugar:** During this period under review, the Company has crushed 1.12 Lakh tonnes of cane as against 0.91 lakh tonnes of cane in the previous year. Consequently, the total sugar production was 1.02 Lakh qtls as against 0.75 lakh qtls in the previous year. The total sugar sold was 1.03 lakh qtls as against 0.74 Lakh qtls in the previous year. The average sugar sales realization during the year was Rs. 3251/- qtl as against the average realization of Rs.3366/qlt in the previous year.

**Alcohol and Power:** During the period under review, The Company could not produce the alcohol and Power as the Company could not start the cane crushing operation in Unit II (Polur) and Unit III (Kalayanallur) due to cane arrears relating to the sugar season 2018-19 which are not yet paid by the Company.

## RESERVES

Due to absence of profits in the current year 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 2021-22.

## BOARD MEETINGS

During the financial year 2021-22, 4 Board Meetings were held on 30.07.2021, 31.08.2021, 13.11.2021 and 14.02.2022. Details of Attendance of each director furnished in the report on Corporate Governance in page No. 29.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mrs. Visalakshi Periasamy (DIN 00064517)) retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment. Her 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.

## STATUTORY AUDITORS REPORT

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 25<sup>th</sup> September 2017 for a period of 5 years will continue as Auditors.



**The following qualification was mentioned in the audit report as of 31<sup>st</sup> March 2022 by the statutory auditors.**

<p>The Company Stopped Providing Interest on the outstanding borrowings from banks and financial institutions. Not restated the foreign currency loan. Application filed for CIRP was admitted on 29-07-2021 by NCLT and IRP was appointed.</p>	<p>Due to continues drought in Tamil Nadu for the years 2016 to 2018, the cane availability and consequent capacity utilisation for the sugar units in Tamil Nadu has drastically come down to around 35%. On account of this, the Company could not service the loans and the loans have slipped into NPA. Subsequently the loans have become NPA in the books of the lenders and the company is not providing interest in the books of the Company. Company is discussing with them for a one time settlement\ of the principal outstanding as on the NPA date. Company is confident of settling the OTS with bankers</p>
<p>Appointment of RP was admitted in the cast of one of the major investees (Appu Hotels Ltd) of the company by the NCLT. There is a doubt about the recoverability of the investments of Rs.1455.53 Lakhs</p>	<p>Appu Hotels Limited assets are mainly of lands and well known branded Five star Deluxe Hotels and the realisable value of Appu Hotels Ltd Assets are far in excess of its liabilities. Hence the Company is confident of realising the value of the investment stated in the books which is Rs 1455.53 lakhs. Since the CIRP proceedings of the company are yet to come to closure. IRP is unable to make a comment.</p>
<p>There exists material uncertainty that cast a significant doubt on the company's ability to continue as a going concern.</p>	<p>The Company has submitted the resolution plans to Banks for OTS and it is still under the consideration of Banks. The Company is confident of settling the current issues with Banks and FIs. SISMA has also made representation to the Central and State Government for extending necessary support to the Tamilnadu sugar units for revival of the industry. Normal operations are expected to start shortly. Since the resolution process is nearing completion with four resolution plans under consideration by CoC, there is a significant possibility of the company to continue as going concern.</p>
<p>In the absence of approval by the IRP, the Company has provided for certain employee/ other claims relating to earlier years/ periods aggregating to INR 468.04 Lakhs during September 2021.</p>	<p>Due to NCLT order dated 29.07.2021 to file the claim with IRP, Company has provided for certain employee/ other claims relating to earlier years/ periods aggregating to INR 468.04 Lakhs during September 2021.</p>
<p>The Company has not obtained any actuarial report and provision for the current year was made only on an estimated basis.</p>	<p>The Company has not obtained any actuarial report due to earlier year payment was not paid to the actuarial report valuer and provision for the current year was made only on an estimated basis.</p>
<p>Auditor could not circulate for direct confirmation for bank balances, borrowings, trade receivables, trade payables, advances received/ paid and for deposits received/ paid, as the necessary information was not made available by the Company to us.</p>	<p>Company loan accounts have become NPA, There fore no change in the bank balances, borrowings, trade receivables, trade payables, advances received/ paid and for deposits received/ paid.</p>
<p>No physical verification has been carried out by the management during the year.</p>	<p>No physical verification has been carried on by the management during the year due to shortage of staffs at factory also there is no operation in the factory.</p>
<p>The Company has not filed the quarterly/ annual financial results with the stock exchanges within the stipulated time for certain quarters of the last year and the current year. No penalty was provided in the Financial Statements</p>	<p>The Company has not provided the penalty in the Financial Statements. We will provide same in the next Quarter i.e. June 2022</p>



# Dharani Sugars and Chemicals Limited

## SECRETARIAL AUDIT

Section 204 (1) of the Companies Act, 2013 requires that the Secretarial Audit Report is to be attached to the Board's Report. **M.Damodaran & Associates LLP Practicing Company Secretaries**, Chennai have conducted and submitted the Secretarial Audit Report for the period from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022. The Report was placed.

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:

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause	Deviations	Company's explanations
1	As per Reg. 33(3) (d) of SEBI LODR read with SEBI Circular dated 29/04/2021, timeline was extended for submission of approved financial results to the stock exchange(s) for the quarter and the year ending 31/03/2021 up to 30/06/2021.	The financial results for the quarter and the year ended 31/03/2021 were approved vide Board Meeting dated 30/07/2021 and submitted to stock exchange(s) on 30/07/2021.	The Company has complied this regulation with delay due to nationwide Covid-19.
2	As per Reg. 33(3) (a) of SEBI LODR, the listed entity shall submit quarterly and year-to-date standalone financial results to the stock exchange(s) within forty-five days of end of each quarter, other than the last quarter.	The financial results for the quarter ended 30/06/2021 were approved vide Board Meeting dated 31/08/2021 and submitted to stock exchange(s) on 31/08/2021.	The Company has complied this regulation with delay due to nationwide Covid-19.
3	As per Reg. 30 read with Schedule III of SEBI LODR, every listed entity shall make disclosures of outcome of meetings of the board of directors to stock exchange(s) within 30 minutes of the closure of the meeting in which the financial results was approved.	The approved financial results for the quarter ended 30.06.2021, 30.09.2021 and 31.12.2021 was not intimated to the Stock exchange(s) within 30 minutes of conclusion of Board Meeting dated 31/08/2021.	The Company has complied this regulation with minor delay.
4	The Company should have adequate system to monitor Labour and Industrial laws applicable to the Company.	The Company have inadequate system to monitor Labour and Industrial laws applicable to the Company.	The Company has separate Human Resources and Personnel department at all Three factories to monitor the Labour and Industrial laws applicable to the Company.





## 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 Omni bus 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 2021-2022 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 47 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. All the Banks/Financial Institutions had declared our accounts 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 IAS (Retd)	Independent Director

The Committee met 4 times during the year, 30.07.2021, 31.08.2021, 13.11.2021 and 14.02.2022.

Details of Attendance of each director is furnished in the report on Corporate Governance in **Page No. 30**

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

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

The details of measures taken for Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are given in the Annexure.

## SUBSIDIARY COMPANIES

The Company does not have any subsidiary or any Associate Company.

## 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

Bank of India application was admitted by National Company Law Tribunal (NCLT) under insolvency and Bankruptcy code 2016, vide is order No: IBA/976/2019 dated 29<sup>th</sup> July 2021 and Mr S Rajendran was appointed as Interim Resolution Professional in the matter of our company and taking over the charge of the company on 30<sup>th</sup> July 2021. IRP Mr S Rajendran has commenced the Corporate Insolvency Resolution Process (CRIP) pursuant to NCLT order No: IBA/976/2019 dated 29<sup>th</sup> July 2021 and received four resolution plans from various applicants and it was under scrutiny. However, the promoter is taking efforts to settle the dues under section 12A of the IBC code 2016.

## 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 efficiency 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 strengthens 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 financial year 2021-22 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 thereunder. Your Company has no unpaid deposits which were due or repayable as on 31<sup>st</sup> March 2022. 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:

Sl.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.com](http://www.dharanisugars.com)

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 2021-22

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Annexure attached to the Board's Report



## PROHIBITION OF INSIDER TRADING

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

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

## ACKNOWLEDGEMENTS

The Board of Directors places on record its appreciation of the support, assistance and co-operation received from the Central Government, Government of Tamil Nadu, various governmental agencies, ICICI Bank

Limited, IREDA, the Company's bankers, Indian Bank, State Bank of India, The South Indian Bank Limited, Bank of India, Central Bank of India, The Federal Bank Limited, Union Bank of India, IDBI Bank Ltd and Indian Overseas Bank.

The Board of Directors also wishes to place on record its appreciation for the cane growers, without whose help and support it could not have achieved the progress that has been made so far. With our encouragement and their initiative, we hope for improved cane availability for the ensuing years.

Your Directors are thankful to the employees of the Company for their wholehearted co-operation and unstinted dedication to duty leading to cordial industrial relations during the year under review.

The Board is thankful and grateful for the continuing co-operation to the management from the shareholder's family since inception and is confident that this partnership will sustain forever.

By order of the Board

For **Dharani Sugars and Chemicals Limited**

**Dr Palani G Periasamy**  
Executive Chairman  
(DIN No.00081002)

Place: Chennai  
Date : 4th November 2022



# Dharani Sugars and Chemicals Limited

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

### Annexure - I

Statement of particulars of remuneration as per Rules 5(1) for the year 2021-22.

S No	Description	Designation	
1	The ration of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Managing Director Executive Chairman	NA NA
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary of Manager, if any, in the financial year.	Managing Director Executive Chairman Chief Financial Officer Company Secretary	Nil Nil Nil Nil
3	The Percentage increase in the median remuneration of employees in the financial year	Nil	
4	The number of permanent employees on the rolls of company	763	
5 a)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year.	Nil	
b)	Its comparison with the percentile increase in the managerial remuneration.		
c)	Justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.		
6	Affirmation that the remuneration is as per the remuneration policy to the company.	Yes. As per the remuneration policy of the Company.	

By order of the Board

For Dharani Sugars and Chemicals Limited

**Dr Palani G Periasamy**

Executive Chairman

(DIN No.00081002)

Place: Chennai

Date : 4th November 2022



## MANAGERIAL REMUNERATION for the year 2021-22

A	Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. (Applicable to listed Company)	Nil																					
B	Details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	The information as per Rule 5(2) of the 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 Rule 5(2) (first part). Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company. There are no employees falling within the requirements of rule 5(2) (Second part) of the said rules.																					
C	Any director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report.	NIL																					
D	The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statements as per Schedule V, Part II, Section II of the Companies Act, 2013.	Rs in Lakhs/(Per annum)																					
	(i) all elements of remuneration package such as salary, benefits, bonus, stock options, pension, etc., of all the directors;	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">Particulars</th> <th style="width: 30%;">Dr Palani G Periasamy Executive Chairman</th> <th style="width: 35%;">Mr M Ramalingam Managing Director</th> </tr> </thead> <tbody> <tr> <td>Salary</td> <td style="text-align: center;">48.00</td> <td style="text-align: center;">21.60</td> </tr> <tr> <td>Perquisites</td> <td></td> <td></td> </tr> <tr> <td>HRA</td> <td></td> <td style="text-align: center;">2.40</td> </tr> <tr> <td>LTA</td> <td style="text-align: center;">4.00</td> <td style="text-align: center;">1.80</td> </tr> <tr> <td>Medical</td> <td style="text-align: center;">4.00</td> <td style="text-align: center;">1.80</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>56.00*</b></td> <td style="text-align: center;"><b>27.60</b></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• COC members not approved the remuneration to Chairman &amp; Managing Director for the year 2021-22</li> </ul>	Particulars	Dr Palani G Periasamy Executive Chairman	Mr M Ramalingam Managing Director	Salary	48.00	21.60	Perquisites			HRA		2.40	LTA	4.00	1.80	Medical	4.00	1.80	<b>Total</b>	<b>56.00*</b>	<b>27.60</b>
Particulars	Dr Palani G Periasamy Executive Chairman	Mr M Ramalingam Managing Director																					
Salary	48.00	21.60																					
Perquisites																							
HRA		2.40																					
LTA	4.00	1.80																					
Medical	4.00	1.80																					
<b>Total</b>	<b>56.00*</b>	<b>27.60</b>																					
	(ii) details of fixed component and performance linked incentives along with the performance criteria;	3% Commission on Net Profits Actual Payment - Nil																					
	(iii) service contracts, notice period, severance fees;	5 years, 3 months, Nil																					
	(iv) stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	Nil																					

By order of the Board

**For Dharani Sugars and Chemicals Limited**  
**Dr Palani G Periasamy**  
 Executive Chairman  
 (DIN No.00081002)

Place: Chennai  
Date : 4th November 2022





## 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:

The Economist Intelligence Unit (EIU) has forecasted that the sugar demand would grow by 2.9% in the year 2022-23, from 0.7% in 2021-22, as demand continues to recover from the pandemic.

However, the Global supply and demand has increased the surplus for 2021-22. The surplus has been estimated to increase by 5.30 lakh tonnes to 8.84 lakhs tonnes. This surplus comes mainly from India and Brazil. Despite increase in the surplus, the international price has been sustained at a reasonable level on account of the increase in the Global consumption.

### Indian Sugar Scenario:

India, the largest consumer of the sugar in the world has also become the largest producer of sugar. Any increase or decrease in the production of sugar in India has direct impact on the International price. During the season 2021-22 Indian sugar production has increased to 360 lakh tonnes from 312 lakhs tonnes in the previous season 2020-21. During this season 2021-22 exports have substantially increased to 109 lakh tonnes and this was mainly due to increase in realisation and surplus production in India. This has helped the country to realise about Rs.40000 Crores in Foreign Exchange.

This has also helped the closing stock to come down to one of the lowest level in the last few years helping the Industry to save carrying cost.

### Government Policies:

The Government of India and the State Government continue to support the Sugar Industry. The export subsidy extended by the Government of Indian has totally helped the Industry to reduce the Inventory carrying cost and also to sustain the domestic price at reasonable level. With the support of Government in industry was

able to increased exports substantially. However, the long awaited revision in the minimum selling price is yet to be announced. Hope the Government of India will announce this minimum price shortly which will help the Industry to sustain its performance which will help them to clear the cane price on time.

### Segment Wise Performance :

**Sugar:** During this period under review, the Company has crushed 1.12 Lakh tonnes of cane as against 0.91 lakh tonnes of cane in the previous year. Consequently, the total sugar production was 1.02 Lakh qtls as against 0.75 lakh qtls in the previous year. The total sugar sold was 1.03 lakh qtls as against 0.74 Lakh qtls in the previous year. The average sugar sales realization during the year was Rs. 3251/- qtl as against the average realization of Rs.3366/qrtl in the previous year.

**Alcohol and Power:** During the period under review, The Company could not produce the alcohol and Power as the Company could not start the cane crushing operation in Unit II (Polur) and Unit III (Kalayanallur) due to cane arrears relating to the sugar season 2018-19 which are not yet paid by the Company.

**Ethanol:** The Government of India has set a very high level of growth target in the ethanol blending program and the blending target has been fixed at a target of 20% to be achieved by 2025.

The present blending level has increased 10% and this will be increased progressively to 20% during the next 3 years. This blending program has not only saved substantial Foreign Exchange in import fuel, it has also helped the Sugar Industry to balance the Sugar and Ethanol Production and maximise the return. The expected diversion of sugar for direct production of ethanol is estimated at 40 lakh tonnes in the coming season 2022-23.

### Opportunities and Threats:

India is the largest consumer 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 and competition from other crops play a great role in the availability of cane. The ethanol blending programme may also help the Sugar Industry.

### 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 and increase in the harvesting charges for the cane 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 in co-ordination with the Government is encouraging drip irrigation for better water management and improved yield. The Company has taken steps to introduce new sugar cane varieties in the coming seasons in co-operation 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 fixed by Government of India. 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. Further there is undue delay in the realisation of power dues. To mitigate the product related risks, the Company has been taking efforts to make its operation as integrated one comprising of Sugar, Power and alcohol including fuel Ethanol.
- c) Forex Risk:** Import and Export of Raw Sugar/ Whitesugar 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 and taking appropriate action.
- 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 continues to be controlled by Governments. Sugar cane prices and sugar selling price are fixed by Government of India. Alcohol and molasses are subject to interstate 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 2022-23

Tamilnadu has received excess monsoon during the last 2 years and this has helped to improve the cane cultivation. The cane availability has substantially increased for full capacity utilization. However, the cane crushing at Polur Unit and Kalayanallur Unit is yet to be started due to the delay in clearing the cane dues. On account of this, our performance is continued to be affected. We hope to shortly commence the operation.

The performance of Sugar Industry has been affected due to severe drought during 2016 to 2018 and on account of this, cane availability has come down and the capacity utilization was around 35% resulting in most of the Sugar units in Tamilnadu incurring heavy losses. Despite the efforts taken by the management in servicing the loan, the accounts had slipped into NPA.

The management has been taking various efforts including settling of the accounts under OTS. However, as there was delay in obtaining necessary funding for settling the OTS, the Bank of India application U/s 7 was admitted by National Company Law Tribunal (NCLT) under insolvency and Bankruptcy code 2016, vide its order No: IBA/976/2019 dated 29<sup>th</sup> July 2021 and Mr S Rajendran was appointed as Interim Resolution Professional in the matter of our company and taking over the charge of the company on 30<sup>th</sup> July 2021. IRP Mr S Rajendran has commenced the Corporate Insolvency Resolution Process (CIRP) pursuant to NCLT order No: IBA/976/2019 dated 29<sup>th</sup> July 2021. Under the CIRP process 4 resolution plans have been received and are being evaluated. However, the promoter is taking efforts to settle the dues under section 12A of the IBC code 2016.

## Financial Performance:

Please refer disclosures in the Director's Report and the financial statements.

## Human Resources:

The Industrial relations at your Company continue to be cordial. There are 763 employees in your Company. The Company continues its efforts in improving the various facilities extended to the employees for better productivity.



### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

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

Name(s) of the related party	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	Thirty three years	NA
Salient terms of the contracts or arrangements or transactions including the value, if any	Rs.0.35 lakhs	No sales during the year
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	Salary	Sitting Fees	Salary	Sitting Fees
Duration of the contracts / arrangements/ transactions	3 years	5 years	-	5 years	-
Salient terms of the contracts or arrangements or transactions including the value, if any	Rs 24.68 lakhs	NIL	Rs.0.20 lakhs	NIL	Rs. 0.50 lakhs
Date(s) of approval by the COC, if any:	28.08.2021	28.05.2019	NA	11.02.2017	NA
Amount paid as advances, if any	Nil	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

Date : 4th November 2022

---

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

- A) Energy Conservation measures - Nil
- B) Technology absorption and Innovation - Nil
- C) Details of Foreign exchange earnings and outgo are given below.

Foreign Exchange/Earnings & Outgo	<b>2021-2022</b>	2020-2021
Foreign Exchange Earned	<b>NIL</b>	NIL
Foreign Exchange Outgo	<b>NIL</b>	NIL



MR-3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31.03.2022**

[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 Road, Nungambakkam,  
Chennai – 600 034.

I, Kalaiyarasi Janakiraman, Partner of M Damodaran & Associates LLP, Practicing Company Secretaries 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 31.03.2022 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 herein 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 31.03.2022 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'):- (to the extent applicable)
  - (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, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and
  - (e) 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;
- (vi) As per information and documents provided by the management of the company. I report that there is an inadequate system and process to monitor and for ensuring compliance of following Labour & Industrial Laws specifically applicable to the Company, as amended from time to time;
- 1) The Factories Act, 1948
  - 2) The Sugar Cess Act, 1982
  - 3) The Sugarcane Control (Order), 1966
  - 4) The Sugar (Packing and Marking) Order, 1970
  - 5) Sugar Development Fund Act, 1982
  - 6) Food safety and standards Act, 2006
  - 7) The Boiler Act, 1923
  - 8) The Legal Metrology Act, 2009
  - 9) Environmental Protection Act, 1986
  - 10) Essential Commodities Act, 1955, and orders issued there under
  - 11) The Tamilnadu Molasses Control and Regulation Rules, 1958
  - 12) The Tamilnadu Sugarcane (Regulation of Purchase Price) Act, 2018
  - 13) Tamilnadu Tax on consumption or sale of Electricity Act, 2003
  - 14) The Contract Labour (Regulation and Abolition) Act, 1970
  - 15) The Employees Compensation Act, 1923
  - 16) The Employees' Provident Funds & Miscellaneous Provisions Act, 1952
  - 17) The Employees' State Insurance Act, 1948
  - 18) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
  - 19) The Equal Remuneration Act, 1976 and The Equal Remuneration Rules, 1976
  - 20) The Industrial Disputes Act, 1947
  - 21) The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
  - 22) The Maternity Benefit Act, 1961
  - 23) The Minimum Wages Act, 1948
  - 24) The Payment of Bonus Act, 1965
  - 25) The Payment of Gratuity Act, 1972
  - 26) The Payment of Wages Act, 1936
  - 27) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
  - 28) The Tamil Nadu Industrial Establishments (Conferment of Permanent Status to Workmen) Act, 1981
  - 29) The Tamil Nadu Labour Welfare Fund Act, 1972



## Dharani Sugars and Chemicals Limited

- 30) The Tamil Nadu Payment of Subsistence Allowance Act, 1981
- 31) The Tamil Nadu Shops and Establishments Act, 1947
- 32) The Tamil Nadu Tax on Professions, Trades & Callings and Employments Act, 1992
- 33) The Electricity Act, 2003 and the rules made thereunder, with respect to co-generation of power.

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

- (i) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (ii) The Secretarial Standards issued by the Institute of Company Secretaries of India.

I hereby report that, Mr. S. Rajendran, Insolvency Professional, was appointed as the Interim Resolution Professional ("IRP") of the Company by the Hon'ble National Company Law Tribunal, Chennai vide order dated 29<sup>th</sup> July, 2021 and the Company was admitted into Corporate Insolvency Resolution Process ("CIRP"), as a result of which, the powers of the Board of Company was suspended and the management of the Company is now vested with the said IRP.

In the meantime, an appeal was filed by Mr. A. Sennimalai, director of DSCL in NCLAT, Chennai challenging the order of the NCLT, Chennai. NCLAT, Chennai passed an order on 27<sup>th</sup> August 2021 to defer the first CoC meeting which was scheduled on the same day. As there was a stay on holding of CoC meeting, the CIRP proceedings could not continue effectively. Subsequently, Hon'ble NCLAT on 26<sup>th</sup> April 2022 ordered that there is no interim order prevailing and directed IRP to proceed further in the manner known to law. Meanwhile, IRP proceeded with the insolvency resolution process and invited resolution plans duly following the provisions of IBC and Regulations.

It is informed that 4 Resolution Plans have been received and CoC is in the process of evaluating them for approval. The 180<sup>th</sup> day of CIRP got completed on 23<sup>rd</sup> September 2022, and an application for one-time extension of 90 days has been submitted for NCLT, Chennai approval.

It is seen from the records available, that the board/committee meetings of the company were held as per the provisions of Companies Act 2013 and SEBI LODR prior to commencement of CIRP. During the CIRP period, the board/committee meetings of the Company were held under the supervision of the IRP.

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. As per regulation 33(3)(d) of SEBI LODR, 2015, the financial Results for the year ended 31.03.2021 was approved in the Board Meeting with some delay.
- b. As per regulation 33(3)(a) of SEBI LODR, 2015, the financial Results for the quarter ended 30.06.2021 was approved in the Board Meeting with some delay.
- c. As per regulation 30 of SEBI LODR, 2015, the Financial Results for the Quarter ended 30.06.2021, 30.09.2021 & 31.12.2021 were intimated to the stock exchanges with some delay.

It is informed that due to non-availability of funds, salary/wages to employees could not be made, audit fees could not be paid, and several compliances could not be made. The IRP has taken steps to meet the compliances requests upon receipt of funds provided by the CoC.

I further report that prior to the commencement of CIRP, the Board of Directors of the Company was constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and there was no change in the composition of the Board of Directors during the period under review.



Prior to the commencement of CIRP and during CIRP period, notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a System exists for seeking and obtaining further information and clarification 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.

For **M DAMODARAN & ASSOCIATES LLP**

**KALAIYARASI JANAKIRAMAN**

Partner

Membership No.: 29861

COP. No.: 19385

FRN: L2019TN006000

PR 1374/2021

ICSI UDIN: A029861D001366317

Place : Chennai

Date : 27th October, 2022



## 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 with Regulation 17 of the LODR Regulations 2015 and the Company has taken effective steps to comply with the applicable provisions of the Companies Act, 2013.

### B & C Attendance at Meetings/ Directorships and Committee Memberships in other companies as on 31<sup>st</sup> March 2022

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.	MC	AC	NRC	SRC.
Dr Palani G Periasamy Whole Time Director Chairman	4	Yes	2	1	Chm	-	-	-
Mr. A Sennimalai Non Executive Director	4	Yes	1	1	Mem	Mem	Mem	Mem
Mr. M Ramalingam Managing Director	4	Yes	Nil	Nil	Mem	-	-	Mem
Dr K C Reddy Non-Executive Nominee Director - IREDA	4	Yes	Nil	Nil	-	Mem	Chm	Chm
Mr P S Gopalakrishnan Non-Executive (Independent Director)	3	No	3	Nil	Mem	Chm	Mem	-
Mrs Visalakshi Periasamy (Non-Executive Director)	4	Yes	2	1	-	-	-	-
Mr P Selvam (Non-Executive Independent Director)	3	yes	-	Nil	-	Mem	-	-
Dr S Muthu (Non-Executive Independent Director)	4	yes	1	Nil	-	Mem	-	Mem
Mr R K Viswanathan appointed as a (Non-Executive Independent Director)	4	yes	Nil	Nil	Nil	Mem	Mem	Nil
Dr V R S Sampath appointed as a (Non-Executive Independent Director)	3	yes	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 2021-2022 and dates on which held:**

The Board Meetings were held four times during the financial year, on 30.07.2021, 31.08.2021, 13.11.2021, and 14.02.2022.

**E .** Mrs. Visalakshi Periasamy is the spouse of Dr. Palani G. Periasamy.

**F. Holdings of Equity Shares of the Non-Executive Directors as on 31<sup>st</sup> March 2022. No Convertible instruments had been issued.**

SI.No	Name of the Director	No of Shares	%
1	Mrs Visalakshi Periasamy	1200101	3.61
2	Mr. A Sennimalai (Non-Executive)	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) Board of Directors confirmed that the Independent Directors fulfil the conditions specified in these regulations and are Independent of the Management.

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.com](http://www.dharanisugars.com) .

**3. Audit Committee:**

**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 (32nd) Annual General Meeting held on September 24, 2019.

## 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 30.07.2021, 31.08.2021, 13.11.2021 and 14.02.2022 during the year.

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

Mr E P 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.
5. 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.com](http://www.dharanisugars.com)

### 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 one meeting during the Financial Year 2021-22 i.e., 30.07.2021. The composition of the Nomination and Remuneration Committee as on 31<sup>st</sup> March 2022 and the attendance of members at the meetings held during the Financial Year 2021-2022 were as follows. Performance evaluations are carried out as per criteria posted on the web site.

Sl.No	Name of the Directors	Designation/Category	No of Meetings held	No of Meetings attended
1	Mr P S GopalaKrishnan	Independent Director- Chairman	1	-
2	Dr K C Reddy	Nominee Director- Member	1	1
3	Mr A Sennimalai	Director- Member	1	1
4	Mr R K Viswanathan	Independent Director- Member	1	-

## 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 2021-2022

In lakhs

Sl.No	Name of the Director	Sitting Fees	Salary	Commission/ Bonus	Stock Option	Pension
1	Dr Palani G Periasamy	Nil	Nil	Nil	Nil	Nil
2	Mr M Ramalingam	Nil	Nil	Nil	Nil	Nil
3	Mr. A Sennimalai	0.50	Nil	Nil	Nil	Nil
4	Mr. R K Viswanathan	0.45	Nil	Nil	Nil	Nil
5	Mr. P.S Gopalakrishnan	0.30	Nil	Nil	Nil	Nil
6	Dr K.C Reddy	0.50	Nil	Nil	Nil	Nil
7	Dr V R S Sampath	0.15	Nil	Nil	Nil	Nil
8	Mr P Selvam	0.30	Nil	Nil	Nil	Nil
9	Dr S Muthu	0.45	Nil	Nil	Nil	Nil
10	Mrs Visalakshi Periasamy	0.20	Nil	Nil	Nil	Nil

No remuneration is paid to Non-Executive Directors, except sitting fees for attending the Board/ Committee meetings. Sitting fees are paid within the limits prescribed in the Companies Act, 2013. There is 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 four Directors, out of which three are non-executive directors. The Chairman of the Committee is Dr K C Reddy, Nominee Director (Non-executive).

The Committee met on 30.07.2021 during the Financial Year 2021-2022. Composition and attendance is given hereunder.

SI.No	Name of the Directors	Designation/Category	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
4	Dr S Muthu	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 2021-2022 are as under:

No. of investors' complaints received during 201-22	No. of investors' complaints resolved	Investors' complaints pending at the end of 2021-22	Number not solved to the satisfaction of Share holders
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
2020-2021	Registered Office, Through Video Conference	27.09.2021	11.00 A.M
2019-2020	Registered Office, Through Video Conference	29.09.2020	11.00 A.M
2018-2019	Vani Mahal, MINI Hall, T Nagar, Chennai 600 017	24.09.2019	10.20 A.M

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

1. Four Special Resolution were passed in the Previous AGM held on 27.09.2021
2. One Special Resolution were passed in the Previous AGM held on 29.09.2020
3. Five Special Resolution were passed in the Previous AGM held on 24.09.2019



- c. No Special Resolution passed last year through postal ballot
- d. Person who conducted the postal ballot exercise – Not applicable
- e. No special resolution is proposed to be conducted through postal ballot
- f. 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.com](http://www.dharanisugars.com)
- (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](mailto:secretarial@dharanisugars-pgp.com) in the Secretarial Department for providing necessary information to the investors.

The Company has attached a separate format to its shareholders to send an email confirmation to its designated ID [secretarial@dharanisugars-pgp.com](mailto: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 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.com](http://www.dharanisugars.com)
- 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	Friday, 30th December 2022 at 11.00 am. Through Video Conferencing at Registered office No 59 Sterling Road, Nungambakkam, Chennai-600034
b. Financial Year	1 <sup>st</sup> April 2021 –31 <sup>st</sup> March 2022
c. Dividend payment date	Not applicable
d. Date of Book Closure	24th December 2022 to 30th December 2022 (both days inclusive)
e. 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 <sup>th</sup> Floor Plot No. C/1G Block Bandra – Kurla Complex Bandra East, Mumbai-400 051
f. Stock Code	BSE – Scrip Code – 507442 NSE – DHARSUGAR-EQ
g. Payment of Annual Listing Fees	BSE and NSE Listing Fees paid on 5th July 2021 for the Financial year 2021-22



## 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 2021 to March 2022 are furnished below.

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

MONTH	NSE		BSE	
	HIGH	LOW	HIGH	LOW
	(Rs.P.)	(Rs.P.)	(Rs.P.)	(Rs.P.)
Apr-21	6.90	5.90	6.87	5.89
May-21	12.45	6.90	12.70	6.87
Jun-21	29.50	9.80	30.11	9.71
Jul-21	35.75	21.20	36.50	21.05
Aug-21	21.10	14.30	21.05	14.30
Sep-21	24.35	24.35	23.90	16.95
Oct-21	21.80	21.80	21.85	18.10
Nov-21	20.00	20.00	19.95	16.15
Dec-21	19.15	19.15	20.05	16.10
Jan-22	25.20	25.20	25.25	17.80
Feb-22	21.30	21.30	21.45	15.85
Mar-22	23.30	16.20	22.80	16.10

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, 5<sup>th</sup> 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](mailto:cameo@cameoindia.com) / [Investor@cameoindia.com](mailto:Investor@cameoindia.com)

SEBI Registration No: INR000003753

Transfer/Transmission of shares can be affected 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 only through the depository system. 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 31<sup>st</sup> March 2022

### (i). Shareholding Pattern

Sl.No	Category	No of Shares	%
1	Promoter & Promoter Group	20436006	61.55
2	Mutual Funds and UTI	0	0.00
3	Banks, Financial Institutions, Insurance Companies (Central/ State Government Institutions/ Non-Government Institutions)	3150	0.01
4	Bodies Corporate	363843	1.10
5	Indian Public	7556308	22.76
6	NRIs/OCBs	3887536	11.71
7	Others ( Clearing Member/ HUF/Trust/)	447824	1.35
8	IEPF	505333	1.52
	<b>Total</b>	<b>33200000</b>	<b>100.00</b>



## (ii). Distribution of Shareholding.

Shareholding of Nominal value of Rs.	Shareholders		Share Amount	
	Number	% to Total	In Rs.	% to Total
Upto 5000	16727	86.72	19988550	6.02
5001 – 10000	1313	6.80	10702700	3.22
10001 – 20000	619	3.21	9704730	2.92
20001 – 30000	215	1.11	5422010	1.63
30001 – 40000	71	0.36	2530750	0.76
40001 – 50000	86	0.44	4069840	1.22
50001 – 100000	111	0.57	7798430	2.34
100001 and above	146	0.75	271782990	81.86
<b>Total</b>	<b>19287</b>	<b>100.00</b>	<b>332000000</b>	<b>100.00</b>

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.

## I. 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 31<sup>st</sup> March 2022.

Particulars	No of Shareholders	No of Shares	% of Shares
National Securities Depository Ltd	6441	26946715	81.16
Central Depository Services (I) Ltd	9941	4834054	14.56
<b>Total</b>	<b>16382</b>	<b>31780769</b>	<b>95.72</b>

## 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, Tirunelveli Dist, Tamil Nadu
Sugar Unit – II	4000 TCD	Karaipoondi Village, Polur – 606 803, Thiruvannamalai Dist, Tamil Nadu
Sugar Unit – III	3500 TCD	Kalayanallur Village, Sankarapuram Taluk, Villupuram Dist. – 606 206, Tamil Nadu
Distillery (in Unit I)	60 KLPD	Dharani Nagar, Vasudevanallur – 627 760, Tirunelveli Dist, Tamil Nadu
Distillery (in Unit III)	100 KLPD	Kalayanallur Village, Sankarapuram Taluk, Villupuram Dist. – 606 206, Tamil Nadu
Co- Generation of Power (In Unit II)	15 MW	Karaipoondi Village, Polur- 606803, Thiruvannamalai Dist. Tamil Nadu
Co- Generation of Power (In Unit III)	22 MW	Kalayanallur Village, Sankarapuram Taluk, Villupuram Dist. – 606 206, Tamil Nadu

**\*\*TCD – Ton crushed per day, KLPD – Kilo 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](mailto:secretarial@dharanisugars-pgp.com), [secretarial@pgpgroup.in](mailto:secretarial@pgpgroup.in)

Website: [www.dharanisugars.com](http://www.dharanisugars.com)

9. 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 Related Party Transactions can be viewed in the Company's website at [www.dharanisugars.com](http://www.dharanisugars.com)

- 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.

**During the year 2019-20**, the Company has complied with the regulation 34 of SEBI (LODR) Regulations, 2015 in respect of submission of Annual Report for the financial year ended 31.03.2019 to the Stock Exchange with one day delay and the fine amount of Rs. 2000/- + 18 % GST was paid by the company in order to comply with the regulation.

However, on representation made by the Company, the committee of stock exchanges considered and withdrew the fine levied for one day delay (NSE through email dated 01.01.2020 and BSE through email dated 07.01.2020). The fine amount already paid will be adjusted towards Annual Listing Fees/other pending charges/ fees payable to the stock exchange.

**During the year 2020-21**, the trading window has not been closed with respect to approval of financial results for the quarter and year ended 31.03.2020. The Company has not complied this regulation due to nationwide Covid- 19 lockdown

The report on Corporate Governance for the quarter ended 31.03.2020 was submitted with Stock Exchanges on 17.05.2020 instead of on or before 15.05.2020. The Company has submitted the Corporate Governance report on 17.05.2020 with two days' delay. The delay was due to Covid -19 lockdown. BSE & NSE had levied the penalty of Rs. 4,000/- (inclusive of GST @ 18%) for this noncompliance on the waiver representation made by the company, BSE vide its mail dated 29.09.2020 & NSE vide its mail dated 13.11.2020 waived off the penalty levied upon the request of the Company.

**During the year 2021-22**, The Company has submitted audited financial results u/r 33 of SEBI LODR for the financial year ended 31.03.2021 to the stock exchange(s) on 30.07.2021 with 29 days delay for which BSE vide its Mail dated 29/07/2021 had levied the penalty of Rs. 1, 71,100/- (inclusive of GST @ 18%) and NSE vide its letter dated 29/07/2021 had levied the penalty of Rs. 1, 71,100/- for this noncompliance.





The Company has submitted audited financial results u/r 33 of SEBI LODR quarter ending 30/06/2021 to the stock exchange(s) on 31/08/2021 with 15 days delay for which BSE vide its Mail dated 14/09/2021 & NSE vide its letter dated 14/09/2021 had levied the penalty of Rs. 88,500/- each (inclusive of GST @ 18%) for this noncompliance

- 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 behaviour, 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 l 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 modified.

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.

Accordingly as at 31<sup>st</sup> March 2022, the Company do not have any dividend remaining unpaid or unclaimed and in respect of earlier years amount lying in the unpaid or unclaimed dividend was transferred to the Investor Education and Protection Fund of the Central Government.

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/ shares by checking the status online and real time

### 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 31<sup>st</sup> March 2022.

For and on behalf of Board

**Dr Palani G Periasamy**

Executive Chairman

DIN No- 00081002

Place: Chennai-34

Date: 4th November 2022

---

### **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, 2022.

For and on behalf of Board

**Dr Palani G Periasamy**

Executive Chairman

DIN No- 00081002

Place: Chennai-34

Date: 4th November 2022



## 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 2022 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

Date: 4th November, 2022

**M P Kaliannan**

President (Corp.Finance)  
Chief Financial Officer

**M Ramalingam**

Managing Director

## Compliance Certificate on Corporate Governance

To,

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

I, M Damodaran, Managing Partner of M Damodaran & Associates LLP have examined the compliance of the conditions of Corporate Governance by Dharani Sugars and Chemicals Limited, Chennai for the year ended on 31<sup>st</sup> March, 2022, as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) 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 Mr. S. Rajendran, Insolvency Professional, was appointed as the Interim Resolution Professional of the Company by the Hon'ble National Company Law Tribunal, Chennai vide order dated 29th July, 2021 and the Company was admitted into Corporate Insolvency Resolution Process, as a result of which, the powers of the Board of Company was suspended and the management of the Company is now vested with the said IRP and the company has complied with the conditions of Corporate Governance stipulated in the above mentioned Listing Regulations during the year ended 31<sup>st</sup> March, 2022 to the extent applicable to the Company.

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.

For **M DAMODARAN & ASSOCIATES LLP**

M.DAMODARAN

Managing Partner

FCS No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 1374/2021

ICSI UDIN: F005837D001911334

Place: Chennai

Date: 19th November, 2022



# Dharani Sugars and Chemicals Limited

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of DHARANI SUGARS AND CHEMICALS LIMITED  
PGP House 57, Sterling Road, Nungambakkam,  
Chennai, Tamil Nadu - 600 034.

I, M. Damodaran, Managing Partner of M Damodaran & Associates LLP, Practicing Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of DHARANI SUGARS AND CHEMICALS LIMITED having CIN - L15421TN1987PLC014454 and having registered office at PGP House 57, Sterling Rd, Nungambakkam, Chennai, Tamil Nadu 600034 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Gopalkarish Subramaniam Puthucode	00001446	30/08/2005
2	Mr. Viswanathan Kasianna Gounder*	00047420	04/11/2016
3	Mr. Arunachalam Sennimalai	00062791	04/06/1987
4	Ms. Visalakshi Periasamy	00064517	12/11/2014
5	Mr. Palani Gounder Periasamy	00081002	04/06/1987
6	Mr. Ramalingam Muthusamy	00278025	25/06/1994
7	Mr. Reddy Chenchi Kalluri	00549773	31/05/1996
8	Mr. Rajasekaram Sampath*	00804839	04/11/2016
9	Mr. Selvam Palani*	01351493	12/11/2014
10	Mr. Muthu Sakkarakali Gounder	03331664	12/11/2014

\* DIR-3 KYC is yet to be filed

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai  
Date: 1st June, 2022

For **M DAMODARAN & ASSOCIATES LLP**

M. DAMODARAN  
Managing Partner  
Membership No.: 5837  
COP. No.: 5081  
FRN: L2019TN006000  
PR 1374/2021  
ICSI UDIN: F005837D000447531



## Independent Auditors' Report to the members of Dharani Sugars and Chemicals Limited

Report on the audit of the Standalone financial statements

### Qualified Opinion

We have audited the Standalone financial statements of Dharani Sugars and Chemicals Limited ("the Company"), which comprise the balance sheet as at March 31, 2022, 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 Standalone 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, subject to the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Standalone financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards, , except Ind AS 19 "Employee Benefits" as more fully described in paragraph (e) of Basis for Qualified Opinion section of the report, prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended as on that date.

### Basis for Qualified Opinion

We draw attention to the following matters:

- a) Note 46 to the Standalone Financial Statements regarding the fact that all the banks and financial institutions have classified the borrowings of the Company as non-performing assets. All the banks and financial institutions have also issued notice calling back the loans. Considering the above, as in the previous periods, the Company has not (a) provided interest on the outstanding borrowings from banks and financial institutions; and (b) not restated the foreign currency loans. In the opinion of the management, in view of the One Time Settlement ("OTS") of the loans sought by the Company, there will be no further interest liability on the Company from the NPA date.

However, the Hon'ble NCLT, Chennai Bench, admitted the CIRP application filed by a financial creditor of the Company and we were informed by the Interim Resolution Professional that the financial and operating creditors are lodging claims of principal and interest due till the date of admission of CIRP.

As more fully explained in Note 46 to the financial statements, we were informed by the management that

- (i) the Promoter of the Company had organised and had deposited Rs. 6,453.30 lakhs (including of Rs.2,500 Lakhs in the earlier year) as on date in the office account of Indian Bank NO LIEN account as stipulated by the consortium of bankers/ financial institutions for the OTS settlement proposal;
- (ii) as per the arrangement with the Promoter, the money deposited by the Promoter shall remain as the assets of the Promoter or his affiliates until the settlement proposal is duly sanctioned and approved by the lenders;
- (iii) as per legal advice obtained by the promoters, the entire amount of Rs 6,453.30 lakhs kept in the office account of Indian Bank NO LIEN account will be recorded as loan from the promoters' group after the withdrawal of CIRP;
- (iv) in case no settlement proposal gets materialised, the said money is to be refunded to the promoter/ his affiliates by the banks;
- (v) out of the said deposit, the amount of Rs.2,500.50 Lakhs recorded wrongly in the books of account of the earlier years, was reversed by the Company and necessary entries passed;
- (vi) consequently, the interest accrued up to December 31, 2021 aggregating to Rs 338.43 lakhs in respect of the above loans has also been reversed (which resulted in negative finance cost for the current quarter); and
- (vii) as there was a delay in payment of the balance OTS amount by the Promoter, the Hon'ble National Company Law Appellate Tribunal ("NCLAT") has vacated the interim stay for holding of meetings of Committee of Creditors and directed the IRP to commence the CIRP proceedings and the next hearing has been listed for December 22, 2022.

As more fully explained in Note 51 to the financial statements, we were also informed by the IRP that

- (i) the IRP reconvened the 1st CoC meeting on May 2, 2022 and pursuant to the decision made in the 1st CoC meeting, IRP issued 'Form G' – Public Announcement inviting Expression of Interest (EoI) to submit Resolution Plans. As on last date for receipt of EoI., i.e June 1, 2022, 7 EoIs were received. As per Regulation 35 of IBC, IRP has appointed two sets of IBBI Registered Valuers to estimate the fair value and the liquidation value, which shall be shared with the members of CoC on receipt of resolution plans. The physical verification of inventory and fixed assets were carried out by the Valuers;
- (ii) in the 6th CoC meeting held on September 28, 2022, the last date for submission of the final revised resolution plan was decided as October 15, 2022 and 3 revised final resolution plans from the Resolution Applicants were received as on date;
- (iii) further as per the e-voting results dated September 22, 2022 CoC approved the appointment of





Mr. Mahalingam Suresh Kumar, Insolvency Professional as Resolution Professional subject to approval by the Adjudicating Authority for which an application is being filed by the CoC members with NCLT; and

- (iv) an application has been filed with NCLT Chennai by the IRP seeking directions to Indian Bank and Bank of India to refund to the Corporate debtor the initial OTS deposit of Rs. 25 Crores and Rs. 1.31 Crores respectively lying with them, as there was no OTS proposal pending with banks. The said Application is numbered as IA(IBC)/701/2022. The matter is pending adjudication by NCLT, Chennai. The next date of hearing is November 15, 2022.

We have not received neither direct nor indirect confirmation for the balances in the escrow account aggregating to INR 6,453.30 lakhs, except a reference made in the minutes of the consortium banks and we were informed by the management that they are in the process of getting specific confirmation for this. We were not provided the bank statement supporting the basis for reversal of INR 2,500.50 lakhs, which was previously recorded as bank balances in the books of account. The Company has also reversed the interest accrued up to December 31, 2021 aggregating to INR 338.43 lakhs in respect of the above loans. We are unable to comment on the appropriateness of the aforesaid reversal of the loans and the interest accrued, in the absence of sufficient appropriate audit evidence.

Several uncertainties exist due to non-confirmation from the banks/ financial institutions for the outstanding borrowings as on March 31, 2022/ amount kept in escrow accounts as per OTS proposal, present developments in CIRP and the expected timing of withdrawal of CIRP by the financial creditors/ final approval of OTS proposal by the consortium banks.

Due to the aforesaid uncertainties, we are unable to comment on (a) the appropriateness of the non-accrual of interest on loans; (b) the impact of the non-confirmation of balances in escrow accounts in respect of amounts deposited towards OTS, balances in certain inoperative bank accounts and balances in interim finance provided by consortium bankers for CIRP expenses; (c) non recording of INR 6,453.30 lakhs deposited by the promoters in the books of the Company; (d) reversal of previously accounted loans from promoters and interest on borrowings; and (d) consequential adjustments, that may be required, in the carrying amount of the financial and non-financial assets/ liabilities of the Company.

- b) Note 50 to the Standalone Financial Statements which explains that during June 2020 quarter, a CIRP was admitted and a resolution professional was appointed in the case of one of the major investees of the Company by the Hon'ble NCLT, Chennai Bench vide its order dated May 5, 2020. The carrying amount of the investments as at March 31, 2022 is INR 1,455.53 Lakhs.

The Hon'ble NCLT has passed an order approving the resolution plan submitted by one of the resolution applicants. In accordance with the approved resolution

plan, no payment will be made towards any amount due to the promoters and their related group companies by the successful resolution applicant. In our opinion, considering the present development, the entire outstanding due from the above investee is considered to be not recoverable as per the approved resolution.

In this regard we were informed by the management that

- (i) aggrieved by the Order of the Hon'ble NCLT, the investee has filed an application before the Hon'ble National Company Law Appellate Tribunal ("NCLAT") praying for quashing the order of the Hon'ble NCLT. The Hon'ble NCLAT has set aside the resolution plan approved and ordered to recommence the CIRP process, including the consideration of 12A application filed by the promoters of the investee company. On an appeal against the order of the Hon'ble NCLAT, the Hon'ble Supreme Court has heard the arguments of both the sides and reserved the case for judgement as on date;
- (ii) the Promoter has recently (on October 11, 2022) also given a proposal for settling the entire dues of the CoC members U/S 12A of the IBC code. Required funding has been arranged by way of deposits and Bank Guarantee. The proposal is under the consideration of the CoC members; and
- (iii) a major part of the assets of the investee comprises of land and commercial buildings (including a well-known brand name in the hotel industry), whose liquidation value is much higher than the total dues to its financial and operating creditors (including that of the Company) and the resolution plan approved is not in line with the actual value of the assets. The management also confirmed that the resolution professional has not followed the due process of CIRP and accordingly, the resolution plan approved is not proper as per law.

Accordingly, in the opinion of the management, the Company will still be able to recover the entire carrying amount of the investments, even in the aforesaid CIRP conditions. Based on the above estimate made by the management, no adjustment has been made in the fair value of such investments.

Due to uncertainties involved in the CIRP process as detailed above, the impact, if any, on the Statement are not presently determinable in respect of the above matter.

- c) As more fully described in the Material Uncertainty Relating to Going Concern section of this report, there is a significant doubt on the Company's ability to continue as a going concern. We are unable to comment on the appropriateness of preparing the Statement on a going concern assumption and the impact, if any, arising out of the above matter is not presently determinable.
- d) The Company has provided for certain employee/ other claims relating to earlier years/ periods aggregating to INR 468.04 Lakhs during September 2021. In the absence of approval by the IRP, the financial creditors and other competent approving





authorities as well as specific demand notices from the concerned departments/ employees/ others, we are unable to comment on the appropriateness of the aforesaid accounting treatment.

- e) Ind AS 19 "Employee Benefits" requires provision towards gratuity and compensated absences should be made based on actuarial valuation. However, the Company has not obtained any actuarial report and made provision for the liability on an estimated basis. Accordingly, we are unable to comment on the adequacy of the provision made and the compliance with the related disclosure requirements of Ind AS 19.
- f) We could not circulate for direct confirmation for bank balances, borrowings, trade receivables, trade payables, advances received/ paid and for deposits received/ paid, as the necessary information was not made available by the Company to us. Accordingly, we are unable to comment on adjustment, if any, that may be required had we circulated and received direct confirmation for the aforesaid balances.
- g) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner over a period of three years. However, no physical verification has been carried on by the management during the year. Accordingly, we were unable to comment on whether any material discrepancies were noticed on such verification and whether they are properly dealt with in the financial statements.
- h) The Company has not filed the quarterly/ annual financial results with the stock exchanges within the stipulated time for certain quarters of the last year and the current year. However, no provision has been made in the financial statements towards penalty payable for the aforesaid non-compliances.
- i) Our audit report on the Standalone financial statements is qualified in respect of matters referred to clauses (a) to (h) above. The matters referred to in clauses (a) to (c) have been qualified in the earlier years as well.

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 Standalone 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 Standalone 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 has no operations during the period from 1 October 2021 to March 31, 2022 and has very minimal operations for the other two quarter of the year. The Company has incurred huge losses during the period under consideration and also during the earlier periods/ years, due to which the Company's net worth is negative. The Company has not met its operating liabilities, including employee dues aggregating to INR 1,741.70 Lakhs due to negative cashflows. The Company's ability to continue as a going concern depends on the possible decisions that may be taken on OTS/ CIRP [as morefully explained in the Para (a) and (b) of the basis for qualification section of this report] and further inflow of funds for the working capital requirements of the Company. All the above matters materially depend on future events.

The above factors cast a significant doubt on the Company's ability to continue as a going concern. However, pending 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 our opinion and based on the information and explanations given to us, we have determined that matters described below, to be the key audit matters over and above those described in the Basis for Qualified Opinion and in the Material Uncertainty Related to Going Concern sections our report on the Standalone financial statements to be communicated in our report:

## Presentation and disclosure of additional information pursuant to the amendments to Schedule III to the Companies Act, 2013

With a view to facilitate enhanced disclosures and transparency in operations by companies in India, the Ministry of Corporate Affairs (MCA) has issued a batch of amendments to the Schedule III to the Companies Act, 2013 relating to presentation and disclosures in the financial statements. The Company has evaluated the requirements and made the relevant disclosures, including restatement of the disclosures made in the comparative period.

## Principal Audit Procedures

- We assessed the Company's process to identify, assess, and respond to risks of material misstatement in the disclosure requirements pursuant to the aforesaid amendments to Schedule III to the Companies Act, 2013.
- As part of the evaluation of whether sufficient appropriate audit evidence has been obtained, we have evaluated the appropriateness of our



initial risk assessments and revised previous risk assessments in for certain financial statement areas like claims and final settlement of financial and operating creditors, carrying amount of property, plant and equipment, capital work in progress, intangible assets comprising of, including related disclosure requirements under the Act and respective Indian Accounting Standards.

- We have designed, performed additional procedures, including verification of the source and completeness of data used by the management for making proper disclosures as required by the Act.
- We have considered the basis of management judgment in making the disclosures taking into consideration the date of the financial statements, the facts and circumstances pertaining to the entity, and the conditions that existed at, or arose after, that date. We have considered all subsequent events and transactions to substantiate our conclusions on the appropriateness of management's disclosures in accordance with the requirements of the amendments.
- We have audited the management's estimates required in the standalone financial statements, including but not limited to estimates related to expected credit loss, fair value of various assets taken over and liabilities assumed, inventory obsolescence, impairment of non-financial assets etc. by checking the reasonableness of underlying assumptions in making those key estimates.
- We have carried out a detailed analysis of data and performed additional analytical procedures for validating the management's disclosures.

#### **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 Standalone 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 Standalone 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 as the other information is not made available to us by the Company.

#### **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 Standalone 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), except Ind AS 19 "Employee Benefits" as more fully described in paragraph (e) of Basis for Qualified Opinion section of the report, 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 Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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.

#### **Auditors' responsibilities for the audit of the standalone financial statements**

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone 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, 2020 ("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, except for the matters referred to in the basis for qualified opinion section of this report;
- (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, except for the matters referred to in the basis for qualified opinion section of this report;
- (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, except for the matters referred to in the basis for qualified opinion section of this report;
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, except for the matters referred to in the basis for qualified opinion section of this report;



- (e) We have not received any written representations from the directors as on March 31, 2022 and minutes of the meeting in which it was taken on record by the Board of Directors. We have also observed that the Director Identification Number (DIN) of certain directors of the Company have been deactivated by the Ministry of Corporate Affairs as on the date of our report. We could not merely rely on the certificate issued by a practising company secretary in respect of the above compliance, in the absence sufficient appropriate audit evidence to corroborate with the aforesaid certificate. Accordingly, we could not comment on whether any of the directors of the Company is disqualified as on March 31, 2022 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 a modified 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, subject to matters given in para (d) of the basis for qualification section of this report; 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 statements;
- (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (c) There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Company;
- (d) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts;
- i. no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities 'Intermediaries', with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- ii. no funds have been received by the company from any person(s) or entity(ies), including foreign entities 'Funding Parties', with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- iii. Based on audit procedures carried out by us, that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- (e) The Company has not declared or paid any dividends during the year and accordingly reporting on the compliance with section 123 of the Companies Act, 2013 is not applicable for the year under consideration.

For **CNGSN & ASSOCIATES LLP**

**Chartered Accountants**

**Firm's Registration No. 004915S/ S200036**

**(CHINNSAMY GANESAN)**

Place : Chennai

Date : November 4, 2022

Partner

Membership No.  
027501

UDIN : 22027501BCBCHM7244





## Annexure “A” to the 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. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets and intangible 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. However, no physical verification has been carried on by the management during the year. Accordingly, we were unable to comment on whether any material discrepancies were noticed on such verification and whether they are properly dealt with in the financial statements.
- (c) In our opinion and according to the information and explanations given to 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 given as collateral for loans from banks and financial institutions, the title deeds were deposited with the said banks/ financial institutions and the Company is in the process of obtaining a confirmation from the said banks that the title deeds are in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment (including right of use asset) or intangible assets during the year. Accordingly, paragraph 3 (i) (d) of the Order is not applicable.
- (e) In our opinion and according to the information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, paragraph 3 (i) (e) of the Order is not applicable.
2. (a) Due to the CIRP proceedings, the Company could not carry out physical verification of inventory as at the reporting date. Since we could not observe the physical inventory verification of inventory, we were unable to comment on whether any material discrepancies were noticed on such verification and whether they are properly dealt with in the standalone financial statements. However, the impact, if any, is not considered to be material to the financial statements, since the Company has minimal operations due to Covid 19 during the year.
- (b) The Company has been sanctioned working capital limit in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. However, the Company

has not filed any quarterly returns or statements with such banks or financial institutions as all the facilities are declared as non-performing assets by the respective banks. Accordingly, we are unable to comment under this clause.

3. In our opinion and according to information and explanation given to us, during the year, the Company has not made investments in/ provided any guarantee or security/ granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Accordingly, paragraph 3 (iii) of the Order is not applicable. Also refer the basis for qualification section of our report with respect to investments made in the previous years.
4. In our opinion and according to information and explanation given to us, during the year, 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 loans and advances given pre-CIRP period, the same has been fully provided for.  
  
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 or amounts which are deemed to be deposits during the year. 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) Amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including goods and services tax, provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have not been regularly deposited by the Company with the appropriate authorities.
  - (b) No undisputed amounts payable in respect of goods and services tax, provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable, except the following:



Name of the statute	Nature of Dues	Amount (in lakhs)	Period for which amount relates to
Employees Provident Fund Scheme, 1952	Provident Fund	389.36	November 2019 till September 30, 2021
Employees State Insurance Act, 1948	ESI dues	0.36	April 30, 2021 till September 30, 2021
Income Tax Act, 1961	Tax deducted at Source	12.07	April 2020 till September 30, 2021
The Tamilnadu Sugarcane Cess (Validation) Act, 1963	Cane Cess payable	67.87	November 2018 till September 30, 2021
Tamilnadu Tax on Consumption or Sale of Electricity Act, 2003	Power Generation Tax	485.43	November 2018 till September 30, 2021
The Tamilnadu Profession Tax on Profession, Calling, Trade and Employment Act, 1992	Profession Tax	16.64	November 2018 till September 30, 2021

(c) Details of statutory dues referred to in sub-clause (a), which have not been deposited on account of dispute are given below:

Statute	Nature of Dues	Amount (in lakhs)	Period for which amount relates to	Forum where the dispute is pending
Finance Act, 1994	Service Tax on Goods Transport Agency	48.01	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
Tamilnadu Tax on Consumption or Sale of Electricity Act, 2003	Tariff change claims by TANGEDCO under dispute	818.19	December 2017 to January 2020	Hon'ble High Court of Madras
Tamilnadu Tax on Consumption or Sale of Electricity Act, 2003	TNEB Parallel charges	194.64	May 2014 to January 2020	Hon'ble High Court of Madras

\* Net of amount paid under protest

8. In our opinion and according to the information and explanations given to us, there are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, paragraph 3 (viii) of the Order is not applicable.

9. (a) According to the information and explanation given to us and records examined by us, the Company has defaulted in repayment of dues to banks and financial institutions and all the lenders have classified the loans as non-performing assets and also issued notices calling back the loans. The aggregate amount of overdue principal and interest, as recorded in the books of account are INR 51096.82 Lakhs and INR 2957.28 Lakhs respectively. The details of non-accrual of interest after the NPA date, non-restating of the foreign currency loans, the One Time Settlement proposal under negotiation and the CIRP proceedings are morefully explained in the basis for qualification section of our report on the standalone financial statements.

The Company does not have any outstanding loans to government and any dues to the debenture holders during the year

(b) In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of dues to banks and financial institutions and all the lenders have classified the loans as non-performing assets and also issued notices calling back the loans. The Company is declared as a wilful defaulter by the one of the consortium banks as per the minutes of the consortium dated 25.6.2021. However, the company has objected vide its letter dated 27.9.2022, wherein it was mentioned that the said bank has not followed the guidelines specified in the RBI rules which are mandatory in nature before declaring the company / directors as wilful defaulters. We were informed that no reply has been received so far. In the absence





of detailed information made available to us, we are unable to report on whether other consortium banks have declared the Company as a wilful defaulter and the date on which each of the banks have declared the Company as a wilful defaulter.

- (c) In our opinion and according to the information and explanations given to us, no term loans have been obtained during the year. Also refer the basis for qualification section of our report on the standalone financial statements.
  - (d) In our opinion and according to the information and explanations given to us and subject to our comments in the basis for qualification section of our report on the standalone financial statements, funds raised on short term basis have not been utilised for long term purposes.
  - (e) The Company does not have any subsidiaries/ associates/ joint-ventures and accordingly, paragraphs 3 (ix) (e) and 3 (ix) (f) of the Order are not applicable.
- 10(a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (x) (a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3 (x) (b) of the Order is not applicable.
- 11(a) 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 any person has been noticed or reported during the year. Accordingly, paragraphs 3 (xi) (a) and (b) of the Order are not applicable.
- (b) To the best of our knowledge and according to the information and explanations given to us, no whistle-blower complaints, have been received by the Company during the year.
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 In our opinion and according to the information and explanations given to us, the Company had an internal audit system, commensurate with the size and nature of its business upto December 31, 2021. The internal auditors have resigned and no report has been obtained for the period from January 1, 2022 to March 31, 2022. We have considered the internal audit reports to the extent submitted by the said auditors.
- 15 In our opinion and according to the information and explanations given to us and subject to our comments in the basis for qualification section of our report on the standalone financial statements, 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(a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3 (xvi) (c) of the Order is not applicable.



## Dharani Sugars and Chemicals Limited

- (d) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) and it does not have any other companies in the Group. Accordingly, paragraph 3 (xvi) (d) of the Order is not applicable.
- 17 The Company has incurred cash losses of Rs 1,682.63 lakhs in the financial year and Rs 1,463.86 lakhs in the immediately preceding financial year.
- 18 There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3 (xviii) of the Order is not applicable.
- 19 In our opinion and according to the information and explanations given to us, and on the basis of the financial ratios disclosed in Note 49 (vii) to the financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the board of directors and management plans and based our comments in the basis for qualified opinion section of our report, there are material uncertainties exist as on the date of the audit report that the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- 20 In our opinion and according to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company during the year and accordingly, paragraph 3 (xx) of the Order is not applicable.
- 21 In our opinion and according to the information and explanations given to us, the Company does not have investments in subsidiaries/ associates or joint venture companies. Accordingly, paragraph 3 (xxi) of the Order is not applicable.

For **CNGSN & ASSOCIATES LLP**

**Chartered Accountants**

**Firm's Registration No. 004915S/ S200036**

**(CHINNSAMY GANESAN)**

Partner

Place : Chennai

Date : November 4, 2022

Membership No. 027501

UDIN : 22027501BCBCHM7244



### **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, 2022, 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.

### **Inherent limitations of internal financial controls over financial reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management 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.

### **Basis of qualified opinion**

We observed significant deficiencies in the internal financial controls relating to maintenance of sufficient, appropriate audit trail/ documentation in respect of (a) physical verification of fixed assets/ related reconciliation with the books of account, (b) obtaining periodical confirmation and reconciliation balances with suppliers, customers, lenders, loans and advances and (c) passing of journal entries.

### **Qualified Opinion**

In our opinion and according to the information and explanations given to us, the Company has to further strengthen in all material respects, the internal financial control system over financial reporting to make such internal financial controls over financial reporting to operate effectively as at March 31, 2022, 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’s Registration No. 004915S/ S200036

(**CHINNSAMY GANESAN**)

Place : Chennai

Partner

Date : November 4, 2022

Membership No. 027501

UDIN : 22027501BCBCHM7244



# Dharani Sugars and Chemicals Limited

## Balance Sheet as at March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	51,448.08	53,785.54
Intangible assets	4	-	-
<b>Financial assets</b>			
Investments	5	1,465.04	1,463.15
Other financial assets	6	43.31	43.01
Other non-current assets	7	54.05	112.48
<b>Total non-current assets</b>		<b>53,010.48</b>	<b>55,404.18</b>
<b>Current assets</b>			
Inventories	8	42.69	189.79
<b>Financial assets</b>			
Trade receivables	9	451.14	511.04
Cash and cash equivalents	10	14.73	580.09
Other financial assets	11	-	3.00
Other current assets	12	47.29	57.09
Current Tax Assets (Net)	13	19.91	17.53
<b>Total current assets</b>		<b>575.76</b>	<b>1,358.54</b>
<b>Total Assets</b>		<b>53,586.24</b>	<b>56,762.72</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	3,320.00	3,320.00
Other equity	15	(19,951.99)	(15,990.09)
<b>Total equity</b>		<b>(16,631.99)</b>	<b>(12,670.09)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	605.99	615.35
Other financial liabilities	17	11.62	15.79
Deferred tax liabilities (net)	18	1,338.46	1,338.46
Provisions	19	564.02	564.02
<b>Total non-current liabilities</b>		<b>2,520.09</b>	<b>2,533.62</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	20	52,727.96	52,996.74
Trade payables	21		
Dues to Micro and Small Enterprises		26.87	21.90
Dues to enterprises other than Micro and Small Enterprises		8,629.66	8,629.88
Other financial liabilities	22	19.28	21.51
Other current liabilities	23	6,156.46	5,106.86
Short Term Provisions	24	137.91	122.30
<b>Total current liabilities</b>		<b>67,698.14</b>	<b>66,899.19</b>
<b>Total liabilities</b>		<b>70,218.23</b>	<b>69,432.81</b>
<b>Total Equity and Liabilities</b>		<b>53,586.24</b>	<b>56,762.72</b>

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

**CHINNSAMY GANESAN**  
Partner  
Membership No.027501

**Place: Chennai**  
Date : November 4, 2022

For and on behalf of the board  
**Dharani Sugars and Chemicals Limited**

**Dr.PALANI.G. PERIASAMY**  
Executive Chairman  
DIN : 00081002

**E P SAKTHIVEL**  
Company Secretary

**M. RAMALINGAM**  
Managing Director  
DIN : 00278025

**M P KALIANNAN**  
Chief Financial officer

**S RAJENDRAN**  
Interim Resolution Professional  
IPR No. IBBI/IPA-002/IP-  
N00098/2017-2018/10241



## Statement of profit and loss for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Income</b>			
Revenue from operations	25	3,967.26	3,108.99
Other income	26	100.80	582.52
<b>Total income</b>		<b>4,068.06</b>	<b>3,691.51</b>
<b>Expenses</b>			
Cost of materials consumed	27	3,199.01	2,519.94
Changes in inventories of finished goods & work-in-progress	28	113.02	(20.15)
Employee benefits expense	29	1,255.39	1,367.24
Depreciation and amortisation expense	30	2,337.03	2,339.96
Finance costs	31	1.24	210.78
Other expenses	32	1,182.03	1,077.56
<b>Total expenses</b>		<b>8,087.72</b>	<b>7,495.33</b>
<b>Loss before exceptional items and tax</b>		<b>(4,019.66)</b>	<b>(3,803.82)</b>
Exceptional items		-	-
<b>Loss before tax from continuing operations</b>		<b>(4,019.66)</b>	<b>(3,803.82)</b>
Income tax expense	33		
Current tax		-	-
Deferred tax asset/ (liability)		-	-
<b>Loss for the period</b>		<b>(4,019.66)</b>	<b>(3,803.82)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		57.76	57.75
Income tax relating to these items		-	-
<b>Other comprehensive income for the period, net of tax</b>		<b>57.76</b>	<b>57.75</b>
<b>Total comprehensive Loss for the period</b>		<b>(3,961.90)</b>	<b>(3,746.07)</b>
<b>Earnings per equity share</b>			
Basic earnings per share		(12.11)	(11.46)
Diluted earnings per share		(12.11)	(11.46)

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  
**Dharani Sugars and Chemicals Limited**

**CHINNSAMY GANESAN**  
Partner  
Membership No.027501

**Dr.PALANI.G. PERIASAMY**  
Executive Chairman  
DIN : 00081002

**M. RAMALINGAM**  
Managing Director  
DIN : 00278025

**E P SAKTHIVEL**  
Company Secretary

**M P KALIANNAN**  
Chief Financial officer

**Place: Chennai**  
Date : November 4, 2022

**S RAJENDRAN**  
Interim Resolution Professional  
IPR No. IBBI/IPA-002/IP-N00098/2017-  
2018/10241



# Dharani Sugars and Chemicals Limited

## Statement of cash flows for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash Flow From Operating Activities</b>		
Profit before income tax	(4,019.66)	(3,803.82)
Adjustments for		
Depreciation and amortisation expense	2,337.03	2,339.96
(Gain)/ loss on disposal of property, plant and equipment	0.43	(38.63)
Unamortised finance income	(3.92)	(8.20)
Unamortised interest expense and rent	0.02	40.48
Allowance for expected credit loss	37.21	374.40
Interest income	(4.23)	(12.97)
Finance costs	1.24	210.78
Changes in fair value of investments	(1.89)	(2.80)
	(1,653.77)	(900.80)
<b>Change in operating assets and liabilities</b>		
(Increase)/ decrease in other financial assets	2.68	(40.42)
(Increase)/ decrease in inventories	147.10	42.25
(Increase)/ decrease in trade receivables	22.69	827.98
(Increase)/ decrease in other assets	68.23	412.40
Increase/ (decrease) in provisions and other liabilities	1,120.49	(1,140.98)
Increase/ (decrease) in trade payables	4.75	(558.38)
Cash generated from operations	(287.83)	(1,357.95)
Less: Income taxes paid/ (refunds)	2.38	(6.85)
<b>Net cash from operating activities (A)</b>	<b>(290.21)</b>	<b>(1,351.10)</b>
<b>Cash Flows From Investing Activities</b>		
Proceeds from sale of property, plant and equipment	-	43.88
Realisation of/ (investment in) fixed deposits with banks	-	6.33
Interest received	4.23	12.97
<b>Net cash used in investing activities (B)</b>	<b>4.23</b>	<b>63.18</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from/ (repayment of) short term borrowings (net)	(267.67)	2,198.88
Proceeds from/ (repayment of) long term borrowings (net)	(10.47)	606.54
Interest paid	(1.24)	(996.40)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>(279.38)</b>	<b>1,809.02</b>
<b>Net increase/ (decrease) in cash and cash equivalents(A+B+C)</b>	<b>(565.36)</b>	<b>521.10</b>
Cash and cash equivalents at the beginning of the financial year	580.09	58.99
<b>Cash and cash equivalents at end of the year</b>	<b>14.73</b>	<b>580.09</b>
<b>Note :</b>		
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		
Balances with banks		
- in current accounts	14.27	579.13
Cash on hand	0.46	0.96
<b>Total</b>	<b>14.73</b>	<b>580.09</b>

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

**CHINNSAMY GANESAN**  
Partner  
Membership No.027501

For and on behalf of the board  
**Dharani Sugars and Chemicals Limited**

**Dr.PALANI.G. PERIASAMY**  
Executive Chairman  
DIN : 00081002

**E P SAKTHIVEL**  
Company Secretary

**M. RAMALINGAM**  
Managing Director  
DIN : 00278025

**M P KALIANNAN**  
Chief Financial officer

**Place: Chennai**  
Date : November 4, 2022

**S RAJENDRAN**  
Interim Resolution Professional  
IPR No. IBBI/IPA-002/IP-  
N00098/2017-2018/10241





## Statement of Changes in Equity for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

### (A) Equity Share Capital

Balance at the end of April 1, 2020	3,320.00
Changes in equity share capital due to prior period errors	-
Changes in equity share capital during the year	-
Balance at the end of March 31, 2021	3,320.00
Changes in equity share capital due to prior period errors	-
Changes in equity share capital during the year	-
Balance at the end of March 31, 2022	3,320.00

### (B) Other Equity

Particulars	Capital Reserve	Securities premium	General Reserve	Other Comprehensive Income	Retained Earnings	Total
<b>Balance as at April 1, 2020</b>	<b>0.86</b>	<b>3,114.72</b>	<b>1,000.00</b>	<b>-</b>	<b>(16,359.60)</b>	<b>(12,244.02)</b>
Changes due to prior period errors	-	-	-	-	-	-
Additions/ (deductions) during the year	-	-	-	(57.75)	57.75	-
Total Comprehensive Income for the year				57.75	(3,803.82)	(3,746.07)
<b>Balance as at March 31, 2021</b>	<b>0.86</b>	<b>3,114.72</b>	<b>1,000.00</b>	<b>-</b>	<b>(20,105.67)</b>	<b>(15,990.09)</b>
Changes due to prior period errors	-	-	-	-	-	-
Additions/ (deductions) during the year	-	-	-	(57.76)	57.76	-
Total Comprehensive Income for the year	-	-	-	57.76	(4,019.66)	(3,961.90)
<b>Balance as at March 31, 2022</b>	<b>0.86</b>	<b>3,114.72</b>	<b>1,000.00</b>	<b>-</b>	<b>(24,067.57)</b>	<b>(19,951.99)</b>

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  
**Dharani Sugars and Chemicals Limited**

**CHINNSAMY GANESAN**  
Partner  
Membership No.027501

**Dr.PALANI.G. PERIASAMY**  
Executive Chairman  
DIN : 00081002

**M. RAMALINGAM**  
Managing Director  
DIN : 00278025

**E P SAKTHIVEL**  
Company Secretary

**M P KALIANNAN**  
Chief Financial Officer

**Place: Chennai**  
Date : November 4, 2022

**S RAJENDRAN**  
Interim Resolution Professional  
IPR No. IBB/IPA-002/IP-N00098/2017-  
2018/10241



## Notes to Financial Statements for the year ended March 31, 2022

### 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.

The Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench, admitted the Corporate Insolvency Resolution Process (CIRP) application filed by a financial creditor of the Company and appointed an Interim Resolution Professional (IRP), in terms of the Insolvency and Bankruptcy Code, 2016 (the Code) to manage the affairs of the Company vide order dated July 29, 2021 received by the Company on July 31, 2021.

On an appeal filed by a director of the company, the Hon'ble National Company Law Appellate Tribunal (NCLAT) has directed the IRP to carry out the CIRP Proceedings and the next hearing has been listed for July 14, 2022.

#### 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 Company's net worth is negative and the borrowings from banks and other financial institutions have been classified by the lenders as non-performing assets. All the banks and other financial institutions have also issued notice calling back the loans. Considering the above facts and also since the Company's One Time Settlement ("OTS") proposal is under negotiation, the Company stopped providing interest on the outstanding borrowings from banks and financial institutions and has not restated the foreign currency loans after the NPA date.

The Hon'ble NCLAT has permitted holding of meetings of Committee of Creditors and directed the IRP to commence the CIRP proceedings and the next hearing has been listed for December 22, 2022.

Pending this and measures to be adopted as part of the resolution process, the financial statements have been prepared and presented by the Company on a going concern basis.

#### 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.

#### Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the Covid-19 which may be different from that estimated as at the date of approval

**Notes to Financial Statements for the year ended March 31, 2022**

of the financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business

**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 and IRP on October 27, 2022.

**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.



## Notes to Financial Statements for the year ended March 31, 2022

### **Impairment of Non-financial assets (Property, plant and equipment/ 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 the end of each reporting period.

## **2B Recent accounting pronouncements**

### **Amendments to Ind AS 116 - Leases**

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. The relief was originally limited to reduction in lease payments that were due on or before June 30, 2021. However, it was subsequently extended to June 30, 2022.

### **New amendments issued but not effective**

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2022.

### **Ind AS 16, Property, Plant and Equipment**

The amendment clarifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

### **Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets**

The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

### **Ind AS 103, Business combinations**

The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities



## Notes to Financial Statements for the year ended March 31, 2022

### Ind AS 109, Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

### Ind AS 41, Agriculture

The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair Value Measurement.

The Company made an assessment of the possible impact of the above amendments, to the extent applicable to the Company and concluded that the above amendments will not have any significant impact on the Company on a go forward basis.

## 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.

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.



## Notes to Financial Statements for the year ended March 31, 2022

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 good 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 dispatch 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.





## Notes to Financial Statements for the year ended March 31, 2022

### 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.



## Notes to Financial Statements for the year ended March 31, 2022

### 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.

All intangible assets are amortized during earlier years. There is no balance as on March 31, 2022 of Intangible Asset.



## Notes to Financial Statements for the year ended March 31, 2022

### 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:



## Notes to Financial Statements for the year ended March 31, 2022

- 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 own-

**Notes to Financial Statements for the year ended March 31, 2022**

ership. 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 115

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 116

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, 2022

- **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:





## Notes to Financial Statements for the year ended March 31, 2022

### 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.



## Notes to Financial Statements for the year ended March 31, 2022

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

S.No	Original classification	Revised classification	Revised classification
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).

**Notes to Financial Statements for the year ended March 31, 2022****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



## Notes to Financial Statements for the year ended March 31, 2022

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.

**Notes to Financial Statements for the year ended March 31, 2022**

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 Company has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

**As a lessee****a) Initial measurement**

Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid. Right-of-use asset is recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by the lessee.

**(b) Subsequent measurement**

The lease liability is measured in subsequent periods using the effective interest rate method. Right-of-use asset is depreciated in accordance with requirements in Ind AS 16, Property, Plant and equipment.

**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.



## Notes to Financial Statements for the year ended March 31, 2022

### 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 eq-





## Notes to Financial Statements for the year ended March 31, 2022

uity 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 to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

### 4 Property, plant and equipment

Particulars	Tangible Assets						Intangible Assets		Total
	Land	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Total	Software	
<b>Cost as at March 31, 2020</b>	13,197.96	24,608.44	49,692.09	105.01	296.66	94.20	87,994.36	5.13	87,999.49
Additions	-	-	350.70	-	-	-	350.70	-	350.70
Disposals	(5.25)	-	-	-	-	-	(5.25)	-	(5.25)
<b>Cost as at March 31, 2021</b>	<b>13,192.71</b>	<b>24,608.44</b>	<b>50,042.79</b>	<b>105.01</b>	<b>296.66</b>	<b>94.20</b>	<b>88,339.81</b>	<b>5.13</b>	<b>88,344.94</b>
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(8.64)	-	(8.64)	-	(8.64)
<b>Cost as at March 31, 2022</b>	<b>13,192.71</b>	<b>24,608.44</b>	<b>50,042.79</b>	<b>105.01</b>	<b>288.02</b>	<b>94.20</b>	<b>88,331.17</b>	<b>5.13</b>	<b>88,336.30</b>
<b>Depreciation/Amortisation</b>									
<b>As at March 2020</b>	-	6,664.64	25,121.15	99.62	249.45	79.45	32,214.31	5.13	32,219.44
Charge for the year	-	649.65	1,679.64	0.20	8.86	1.61	2,339.96	-	2,339.96
Disposals	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	-	<b>7,314.29</b>	<b>26,800.79</b>	<b>99.82</b>	<b>258.31</b>	<b>81.06</b>	<b>34,554.27</b>	<b>5.13</b>	<b>34,559.40</b>
Charge for the period	-	649.37	1,679.37	0.14	7.00	1.15	2,337.03	-	2,337.03
Disposals	-	-	-	-	(8.21)	-	(8.21)	-	(8.21)
<b>As at March 31, 2022</b>	-	<b>7,963.66</b>	<b>28,480.16</b>	<b>99.96</b>	<b>257.10</b>	<b>82.21</b>	<b>36,883.09</b>	<b>5.13</b>	<b>36,888.22</b>
<b>Net Block</b>									
As at March 31, 2021	13,192.71	17,294.15	23,242.00	5.19	38.35	13.14	53,785.54	-	53,785.54
As at March 31, 2022	13,192.71	16,644.78	21,562.63	5.05	30.92	11.99	51,448.08	-	51,448.08

Note: 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. In respect of immovable properties given as collateral for loans from banks and financial institutions, the title deeds were deposited with the said banks/ financial institutions and the Company is in the process of obtaining a confirmation from the said banks that the title deeds are in the name of the Company.

The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Asset) during the year, since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

The deletion under vehicles represents the car used by the chief financial officer of the Company transferred to him at carrying amount as per terms of employment.



## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

Note	Particulars	As at March 31, 2022	As at March 31, 2021
<b>5</b>	<b>Non-current investments</b>		
	Investments in other companies at fair value through profit and loss		
	<b>Trade - Quoted</b>		
	1,39,000 equity shares of Rs.10/-each in Dharani Finance Limited - fully paid	9.51	7.62
	<b>Trade - Unquoted</b>		
	51,21,500 equity shares of Rs.10/-each in Appu Hotels Limited -- fully paid	1,455.53	1,455.53
	<b>Total</b>	<b>1,465.04</b>	<b>1,463.15</b>
	Aggregate amount of quoted investments	9.51	7.62
	Aggregate market value of quoted investments	9.51	7.62
	Aggregate cost of unquoted investments	512.15	512.15
	Aggregate amount of impairment in value of investments	-	-
<b>6</b>	<b>Other non current financial assets</b>		
	Unsecured, considered good		
	Rent pre-payments	0.59	4.14
	Interest accrued on fixed deposits	0.02	0.04
	Rent and Other advances	42.70	38.83
	Loans and receivables which have significant increase in credit risk	-	-
	Loans and receivables - Credit impaired	508.33	508.33
		<b>551.64</b>	<b>551.34</b>
	Less : Allowance for expected credit loss	<b>(508.33)</b>	<b>(508.33)</b>
	<b>Total</b>	<b>43.31</b>	<b>43.01</b>
<b>7</b>	<b>Other Non-current assets</b>		
	Unsecured, considered good		
	Security deposits	54.05	112.48
	Unsecured, considered doubtful		
	Other advances and receivable	189.24	189.23
		<b>243.29</b>	<b>301.71</b>
	Less : Allowance for expected credit loss	<b>(189.24)</b>	<b>(189.23)</b>
	<b>Total</b>	<b>54.05</b>	<b>112.48</b>
	<b>Note :</b>		
	The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans and advances given during the pre-CIRP period have been fully provided for.		



# Dharani Sugars and Chemicals Limited

## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

Note	Particulars	As at March 31, 2022	As at March 31, 2021
8	<b>Inventories</b>		
	Stores, spares and consumable tools	42.69	57.03
	Work-in -progress	9.74	93.31
	Finished goods	10.00	39.45
		<b>62.43</b>	189.79
	Less : Allowance for slow moving and non moving inventories	<b>(19.74)</b>	-
	<b>Total</b>	<b>42.69</b>	189.79
	<b>Inventory comprise of</b>		
	<b>Work-in-progress</b>		
	Sugar	9.74	84.88
	Molasses	-	8.43
	<b>Total</b>	<b>9.74</b>	93.31
	<b>Finished goods</b>		
	Sugar	1.31	30.84
	Molasses	-	1.92
	Bagasse	4.22	2.22
	Rectified Spirit & IS	0.40	0.40
AA (Ethanol)	0.53	0.53	
ENA	3.54	3.54	
<b>Total</b>	<b>10.00</b>	39.45	
9	<b>Trade receivables</b>		
	Trade receivable - unsecured, considered good	451.14	511.04
	Trade receivable which have Significant risk increase in credit risk	2,949.74	2,888.49
	Trade receivable Credit impaired	-	-
		<b>3,400.88</b>	3,399.53
	Less : Allowance for expected credit loss	<b>(2,949.74)</b>	(2,888.49)
	<b>Total</b>	<b>451.14</b>	511.04
	<b>Note:</b>		
	Trade receivables are neither due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member. The credit impaired trade receivables of the pre-CIRP period have been fully provided for, except a portion of receivable from the state government undertakings, which is are expected to be realised by the Company.		
	Refer Note No. 49 (i) for the ageing schedule of trade receivables.		
10	<b>Cash and cash equivalents</b>		
	Cash on hand	0.46	0.96
	Balances with banks - in current accounts	14.27	579.13
	<b>Total</b>	<b>14.73</b>	580.09



## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

Note	Particulars	As at March 31, 2022	As at March 31, 2021
<b>11</b>	<b>Other current financial assets</b>		
	Unsecured, considered good		
	Security deposits	-	3.00
	Unsecured, considered doubtful		
	Security deposits which have significant risk increase in credit risk	<b>82.01</b>	79.01
		<b>82.01</b>	82.01
	Less : Allowance for expected credit loss	<b>(82.01)</b>	(79.01)
	Total	-	3.00
<b>12</b>	<b>Other current assets</b>		
	Advances and receivable (Unsecured, considered good)		
	Employee advances	<b>1.01</b>	2.02
	Prepaid expenses	<b>18.95</b>	37.36
	Balances with government authorities	<b>18.76</b>	13.56
	Others	<b>8.57</b>	4.15
	Advances to Suppliers		
	Unsecured Considered good	-	-
	Unsecured Considered doubtful	<b>61.12</b>	95.05
		<b>108.41</b>	152.14
	Less : Allowance for expected credit loss	<b>(61.12)</b>	(95.05)
	Total	<b>47.29</b>	57.09
	<b>Note :</b>		
	The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans and advances given during the pre-CIRP period have been fully provided for.		
<b>13</b>	<b>Current tax asset</b>		
	Advance Income tax (net)	<b>19.91</b>	17.53
		<b>19.91</b>	17.53
<b>14</b>	<b>Capital</b>		
	Authorised Shares		
	5,00,00,000 (Previous year : 5,00,00,000) Equity shares of Rs. 10 each	<b>5,000.00</b>	5,000.00
	1,00,00,000 (previous year : 1,00,00,000) Preference Shares of Rs.10 each	<b>1,000.00</b>	1,000.00
		<b>6,000.00</b>	6,000.00
	Issued		
	3,32,00,000 (previous year : 3,32,00,000) Equity shares of Rs. 10 each	<b>3,320.00</b>	3,320.00
	Subscribed and fully paid up		
	3,32,00,000 (previous year : 3,32,00,000) Equity shares of Rs. 10 each	<b>3,320.00</b>	3,320.00



# Dharani Sugars and Chemicals Limited

## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

Note	Particulars	As at March 31, 2022	As at March 31, 2021
	Note		
	(a) Reconciliation of number of equity shares subscribed Balance as at the beginning and end of the year	3,32,00,000	3,32,00,000
	(b) There are no shares issued in preceding 5 years for consideration other than cash.		
	(c) The Company does not have any holding, subsidiary or associate company.		
	(d) Shares held by Promoters of the Company		

Shares held by promoters at the end of the year			
Name of the promoter	Number of Shares	% of total shares	% of change during the year
Dharani Developers (P) Ltd	65,84,242	19.83%	Nil
Dharani Credit & Finance (P) Ltd	37,54,440	11.31%	Nil
Dr.Palani.G.Periasamy	36,02,775	10.85%	Nil
Mrs Visalakshi Periasamy	12,00,101	3.61%	Nil
Anandhi Developers Limited	10,00,000	3.01%	Nil
Mrs Jayanthi Periasamy	8,86,016	2.67%	Nil
Mrs Anandhi Periasamy	8,85,293	2.67%	Nil
Mrs Santhi Periasamy	8,85,142	2.67%	Nil
Mrs Nalini Periasamy	8,82,492	2.66%	Nil
Mr K. Kanadasamy	4,79,968	1.45%	Nil
Dharani Finance Limited	2,68,182	0.81%	Nil
Mrs K. Vijayalakshmi	7,205	0.02%	Nil
Mr R. Murugavel	150	0.00%	Nil

(e) Shareholders other than the Holding Company holding more than 5% of the total share capital

Name of the share holder	As at March 31, 2022		As at March 31, 2021	
	No of shares held	% of holding in that class of shares	No of shares held	% of holding in that class of shares
Dharani Developers (P) Ltd	65,84,242	19.83%	65,84,242	19.83%
Dharani Credit & Finance (P) Ltd	37,54,440	11.31%	37,54,440	11.31%
Dr.Palani.G.Periasamy	36,02,775	10.85%	36,02,775	10.85%

(f) Rights, preferences and restrictions in respect of equity shares issued by the Company

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

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





## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

Note	Particulars	As at March 31, 2022	As at March 31, 2021
<b>15</b>	<b>Other Equity</b>		
	Capital reserve	0.86	0.86
	Securities premium reserve	3,114.72	3,114.72
	General reserve	1,000.00	1,000.00
	Other Comprehensive Income	-	-
	Retained earnings	(24,067.57)	(20,105.67)
	<b>Total</b>	<b>(19,951.99)</b>	<b>(15,990.09)</b>
	<b>a) Capital reserve</b>		
	Balance at the beginning and end of the year	0.86	0.86
	<b>b) Securities Premium Reserve</b>		
	Balance at the beginning and end of the year	3,114.72	3,114.72
	<b>c) General reserve</b>		
	Balance at the beginning and end of the year	1,000.00	1,000.00
	Capital reserve was created in the earlier years in respect of business acquired by the Company. The Company can use this reserve for issuing fully paid up Bonus shares.		
	<b>d) Other Comprehensive Income</b>		
	Balance at the beginning of the year	-	-
	Net Other Comprehensive Income for the year	57.76	57.75
	(Deductions)/ Adjustments during the year	(57.76)	(57.75)
	Balance at the end of the year	-	-
	the comprehensive income represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Company transfers amounts from this reserve to Retained Earnings in case of actuarial loss gain.		
	<b>e) Retained Earnings</b>		
	Balance at the beginning of the year	(20,105.67)	(16,359.60)
	Net loss for the year	(4,019.66)	(3,803.82)
	Transfer from Other Comprehensive Income	57.76	57.75
	Balance at the end of the year	(24,067.57)	(20,105.67)
	Retained Earnings represent the undistributed profits/ accumulated losses of the Company remaining after transfer to other Reserves.		



# Dharani Sugars and Chemicals Limited

## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

Note	Particulars	As at March 31, 2022	As at March 31, 2021
16	<b>Long term borrowings</b>		
	<b>Secured</b>		
	Term Loan from banks and financial institutions (refer note below)	-	-
	Finance lease obligations	-	9.36
	<b>Unsecured</b>		
	Loan from directors	605.99	605.99
	<b>Total</b>	<b>605.99</b>	615.35
	The term loans from banks and other financial institutions have been classified by the lenders as non-performing assets. All the banks and other financial institutions have also issued notice calling back the loans. Accordingly, the loans are reclassified as short term loans repayable on demand (refer Note 20). 'Refer Note 42 for repayment terms/ security details and Note 46 regarding CIRP.		
17	<b>Other Non current financial liabilities</b>		
	Unamortised finance income	11.62	15.79
	<b>Total</b>	<b>11.62</b>	15.79
18	<b>Deferred Tax Liability/ (Asset) - Net</b>		
	Deferred tax liability on property, plant and equipment	7,215.22	7,516.55
	Deferred tax asset on unabsorbed depreciation	(3,746.55)	(4,067.69)
	Deferred tax asset on expenses allowable for payment basis	(2,130.21)	(2,110.40)
	<b>Deferred tax liability/ (Asset)</b>	<b>1,338.46</b>	1,338.46
	<b>Note:</b> In view of carry forward tax losses, the recognition of deferred tax asset has been scaled down to the extent of deferred tax liability.		
19	<b>Provisions (Non current)</b>		
	Provision for employee benefits		
	Compensated absences	69.14	69.14
	Gratuity	494.88	494.88
	<b>Total</b>	<b>564.02</b>	564.02
20	<b>Financial liabilities - Borrowings</b>		
	Secured from banks and financial institutions		
	Loans repayable on demand	33,532.30	33,533.41
	Working Capital Loans	17,564.52	17,571.90
	Interim Finance	78.97	-
	Inter Corporate Deposits	1,552.17	1,891.43
	<b>Total</b>	<b>52,727.96</b>	52,996.74
	<b>Note:</b> The term loans from banks and other financial institutions have been classified by the lenders as non-performing assets. All the banks and other financial institutions have also issued notice calling back the loans. Accordingly, the loans are reclassified as short term loans repayable on demand. 'Refer Note 42 for repayment terms/ security details and Note 46 regarding CIRP.		



## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

Note	Particulars	As at March 31, 2022	As at March 31, 2021
21	<b>Trade payables *</b>		
	Dues to Micro and Small Enterprises **	26.87	21.90
	Dues to enterprises other than Micro and Small Enterprises	8,629.66	8,629.88
	<b>Total</b>	<b>8,656.53</b>	8,651.78
	* Refer note 47 for dues to related parties and note 49 (ii) for aging schedule of trade payables		
	** 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	<b>Other current Financial liabilities</b>		
	Security and other deposits	19.28	21.51
	<b>Total</b>	<b>19.28</b>	21.51
23	<b>Other current liabilities</b>		
	Interest accrued and due on borrowings	2,957.28	2,957.28
	Creditors for capital goods	4.98	4.98
	Statutory dues payable	1,093.35	890.30
	Advance from customers	21.24	69.38
	Other current liabilities	2,079.61	1,184.92
	<b>Total</b>	<b>6,156.46</b>	5,106.86
24	<b>Provisions (current)</b>		
	Provision for employee benefits		
	Compensated absences	14.38	15.19
	Gratuity	123.53	107.11
	<b>Total</b>	<b>137.91</b>	122.30



# Dharani Sugars and Chemicals Limited

## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

Note	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
25	<b>Revenue from operations</b>		
	Sale of products		
	Sugar	3,342.28	2,476.48
	Industrial Alcohol	-	11.40
	Bagasse	0.30	0.21
	Molasses	489.60	568.75
	Bio Compost	-	51.89
	Fly Ash	-	0.11
		<b>3,832.18</b>	<b>3,108.84</b>
	<b>Other operating revenues</b>		
MAEQ Sales	135.08	-	
Scrap sales	-	0.15	
	<b>Total</b>	<b>3,967.26</b>	<b>3,108.99</b>
26	<b>Other income</b>		
	Interest income	8.15	12.97
	Profit on sale of assets	-	38.63
	Income from government grant	86.36	510.58
	Other non-operating income	6.29	20.34
	<b>Total</b>	<b>100.80</b>	<b>582.52</b>
27	<b>Cost of materials consumed</b>		
	Inventory at the beginning of the year	-	-
	Add: Purchases - Sugarcane	3,199.01	2,519.94
	Less: Inventory at the end of the year	-	-
	<b>Cost of materials consumed</b>	<b>3,199.01</b>	<b>2,519.94</b>
28	<b>Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
	<b>Inventories at the end of the year</b>		
	Work-in-progress	9.74	93.31
	Finished/ Traded goods	10.00	39.45
		<b>19.74</b>	<b>132.76</b>
	<b>Inventories at the beginning of the year</b>		
	Work-in-progress	93.31	89.22
	Finished/ Traded goods	39.45	23.39
		<b>132.76</b>	<b>112.61</b>
		<b>Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>	<b>(113.02)</b>



## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

Note	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>29</b>	<b>Employee benefits expense</b>		
	Salaries, wages and bonus	1,047.50	1,154.22
	Contribution to provident and other funds	97.83	107.29
	Gratuity (refer Note 48)	75.47	75.47
	Staff welfare expenses	34.59	30.26
	<b>Total</b>	<b>1,255.39</b>	<b>1,367.24</b>
<b>30</b>	<b>Depreciation and amortisation expense</b>		
	Depreciation of property, plant and equipment	2,337.03	2,339.96
	<b>Total</b>	<b>2,337.03</b>	<b>2,339.96</b>
<b>31</b>	<b>Finance Cost</b>		
	Other interest and Financial Charges	1.24	210.78
	<b>Total</b>	<b>1.24</b>	<b>210.78</b>
<b>32</b>	<b>Other expenses</b>		
	Stores and Spares Consumed	40.18	45.40
	Power and Fuel	239.94	206.25
	Rent	43.59	68.74
	Rates & Taxes	276.22	63.09
	Insurance	72.47	88.59
	Repairs and maintenance of		
	- Plant and Machinery	24.15	32.27
	- Building	60.08	75.11
	- Vehicle	14.10	30.60
	- Others	6.46	5.43
	Freight, Packing and Forwarding charges	53.02	30.72
	Director's Sitting Fees	2.85	2.60
	Executive Chairman & Managing Director Remuneration	210.70	-
	Auditors' Remuneration (Refer detail below)	10.59	10.70
	Travelling & Conveyance	2.48	4.74
	Postage, Telegram & Telephones	3.30	6.37
	Printing & Stationery	0.65	1.79
	Provision for expected credit loss	37.21	374.40
	Provision for non moving and slow moving inventory	19.74	-
	Professional and Consultancy charges	9.85	20.73
	Loss on sale of assets	0.43	-
	Bank Charges	0.82	0.79
	CIRP Expenses	49.34	-
	Miscellaneous expenses	3.86	9.24
	<b>Total</b>	<b>1,182.03</b>	<b>1,077.56</b>



# Dharani Sugars and Chemicals Limited

## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

Note	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>32(a)</b>	<b>Payment to auditors</b>		
	Fees for Statutory Audit	7.50	7.50
	Fees for Limited review	3.00	3.00
	Out of pocket expenses	0.09	0.20
	<b>Total</b>	<b>10.59</b>	<b>10.70</b>
<b>33</b>	<b>Income tax expense</b>		
	In view of the carried forward losses under the taxation laws, no provision for tax is created. Since the Company has a loss for the financial year 2021-22, the provisions of tax on book profits are not applicable to the Company.		

### 34 Deferred Tax expense

#### a) Movement of deferred tax expense for the year ended March 31, 2022

Particulars	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>				
On difference between tax base and book base of Property, plant, and equipment and Intangible assets	(7,516.55)	(301.33)	-	(7,215.22)
On expenses allowable on payment basis	2,110.40	(19.81)	-	2,130.21
On unabsorbed depreciation	4,067.69	321.14	-	3,746.55
<b>Total</b>	<b>(1,338.46)</b>	<b>-</b>	<b>-</b>	<b>(1,338.46)</b>

#### b) Movement of deferred tax expense for the year ended March 31, 2021

Particulars	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>				
On difference between tax base and book base of Property, plant, and equipment and Intangible assets	(7,723.69)	(207.14)	-	(7,516.55)
On expenses allowable on payment basis	1,962.26	(148.14)	-	2,110.40
On unabsorbed depreciation	4,422.97	355.28	-	4,067.69
<b>Total</b>	<b>(1,338.46)</b>	<b>-</b>	<b>-</b>	<b>(1,338.46)</b>

\*Since the company has unabsorbed depreciation, it has scaled down the recognition of deferred tax asset to that extent it matches with the aggregate deferred tax liability arising on account of Property, Plant and Equipment and expenses allowable on payment basis. However, no deferred tax asset has been created in respect of carry forward





## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

business losses in the absence of convincing evidence that future taxable income will be available.

Note	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>35</b>	<b>Earnings per share</b>		
	Profit for the year attributable to owners of the Company	<b>(4,019.66)</b>	(3,803.82)
	Weighted average number of ordinary shares outstanding	<b>3,32,00,000</b>	3,32,00,000
	Face value per share	<b>10.00</b>	10.00
	Basic earnings per share (Rs)	<b>(12.11)</b>	(11.46)
	Diluted earnings per share (Rs)	<b>(12.11)</b>	(11.46)
<b>36</b>	<b>Earnings in foreign currency</b>	<b>Nil</b>	Nil
<b>37</b>	<b>Expenditure in foreign currency (actual payment basis)</b>	<b>Nil</b>	Nil
<b>38</b>	<b>CIF value of imports</b>	<b>Nil</b>	Nil

### 39 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, 2022		Year ended March 31, 2021	
	Rs. In Lakhs	(%)	Rs. In Lakhs	(%)
Raw Materials				
Imported	-	0.00%	-	0.00%
Others	3,199.01	100.00%	2,519.94	100.00%
<b>Total</b>	<b>3,199.01</b>	<b>100.00%</b>	<b>2,519.94</b>	<b>100.00%</b>

### 40 Commitments and Contingent Liability

Note	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	<b>Contingent Liability</b>		
	Claims against the company for excise duty not acknowledged as debts*	<b>95.37</b>	95.37
	Claims against the company for service tax not acknowledged as debts	<b>48.01</b>	48.01
	Claims against the company for other disputes not acknowledged as debts	<b>81.19</b>	81.19
	Tariff change claims by TANGEDCO under dispute	<b>818.19</b>	818.19
	TNEB Parallel charges	<b>194.64</b>	194.64
	<b>Commitments</b>		
	Capital commitments (net of advances) not provided for	-	-
	<b>Total</b>	<b>1237.40</b>	1237.40
	Note : Contingent liabilities in respect of show cause notices are considered only when converted into demand		



## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

### 41 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.

Note	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	<b>Segment Revenue</b>		
	a) Sugar Manufacturing	3,967.26	3,045.44
	b) Distillery	-	63.55
	c) Power	-	-
	d) Unallocated	100.80	582.52
	<b>Revenue from operations (Net)</b>	<b>4,068.06</b>	<b>3,691.51</b>
	Less : Inter segment Revenue	-	-
	Revenue from operations (Net)	4,068.06	3,691.51
	<b>Segment Results</b>		
	Profit (+)/ Loss (-) before tax and finance cost		
	a) Sugar Manufacturing	(2,708.00)	(2,884.17)
	b) Distillery	(956.64)	(870.95)
	c) Power	(454.58)	(420.44)
	d) Unallocated	100.80	582.52
	<b>Total</b>	<b>(4,018.42)</b>	<b>(3,593.04)</b>
	Add: Finance Cost	1.24	210.78
	Loss from continuing operations	(4,019.66)	(3,803.82)
	Loss from discontinuing operations	-	-
	<b>Loss before tax</b>	<b>(4,019.66)</b>	<b>(3,803.82)</b>



## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

Note	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Segment Assets		
	a) Sugar Manufacturing	31,501.85	32,982.04
	b) Distillery	12,535.57	12,545.07
	c) Power	9,431.35	11,118.70
	d) Other unallocable corporate assets	117.47	116.91
	<b>Total assets</b>	<b>53,586.24</b>	<b>56,762.72</b>
	<b>Segment Liabilities</b>		
	a) Sugar Manufacturing	55,682.12	53,587.34
	b) Distillery	4,816.17	4,817.61
	c) Power	9,719.94	11,027.86
	d) Other unallocable corporate liabilities	-	-
	<b>Total liabilities</b>	<b>70,218.23</b>	<b>69,432.81</b>
	Capital Employed (Segment assets-Segment liabilities)		
	a) Sugar	(24,180.27)	(20,605.30)
	Add: Long Term Loans	23,519.30	23,529.39
	Net capital employed in Sugar Segment	(660.97)	2,924.09
	b) Distillery	7,719.40	7,727.46
	Add: Long Term Loans	3,243.43	3,243.80
	Net capital employed in Distillery Segment	10,962.83	10,971.26
	c) Power	(288.59)	90.84
	Add: Long Term Loans	7,375.55	7,375.55
	Net capital employed in Power Segment	7,086.96	7,466.39
	<b>Total capital employed in segments</b>	<b>17,388.82</b>	<b>21,361.74</b>
	Unallocable corporate assets less corporate liabilities	117.47	116.91
	<b>Total Capital Employed</b>	<b>17,506.29</b>	<b>21,478.65</b>



## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

### 42 Terms and conditions of long term borrowings \*

Financial Institution	Loan Outstanding	Nature of Loan	Security
Indian Bank State Bank of India, Bank of India, Union Bank of India, Indian Overseas Bank, The South Indian bank Ltd, Central bank of India, The Federal Bank Ltd, IDBI bank and Indian Renewable Energy and Development Agency (IREDA)	Rs 28,694.16 lakhs (Rs 28,695.28 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	Rs 1,666.39 lakhs (Rs 1,666.39 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	Rs 17,564.52 lakhs (Rs 17,571.89 lakhs)	Working capital facilities	Pari-passu 1st charge on current assets of the company and Pari-passu 2nd charge on fixed assets of the company excluding refinery assets and harvester machines of Unit-III
SDF Loan	Rs 3,171.75 lakhs (Rs 3,171.75 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.

#### Repayment Details

The borrowings from the above banks and financial institutions have been classified by the respective lenders as non-performing assets. All the banks and financial institutions have also issued notice calling back the loans. Accordingly, all the outstanding loans have been reclassified as repayable on demand as required by Ind AS 1 "Presentation of Financial Statements". Also refer Note 48.

### 43 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.



## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

For the purposes of Company's capital management, capital includes consists of net debt (borrowings as detailed in Note 42 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 March 31, 2022	As at March 31, 2021
Debt	53,333.95	53,612.09
Less: Cash and bank balances	14.73	580.09
Net debt	53,319.22	53,032.00
Total equity	(16,631.99)	(12,670.09)
Gearing Ratio	(320.58%)	(418.56%)

Categories of Financial Instruments	As at March 31, 2022	As at March 31, 2021
<b>Financial assets</b>		
<b>a. Measured at amortised cost</b>		
Trade Receivables	451.14	511.04
Cash and cash equivalents	14.73	580.09
Other financial assets	-	3.00
<b>b. Mandatorily measured at fair value through profit or loss</b>		
Investments	1,465.04	1,463.15
<b>Financial liabilities</b>		
<b>a. Measured at amortised cost</b>		
Borrowings (non-current)	605.99	615.35
Borrowings (current)	52,727.96	52,996.74
Interest accrued and due on borrowings	2,957.28	2,957.28
Trade Payables	8,656.53	8,651.78
Other financial liabilities	11.62	15.79
<b>b. Mandatorily measured at fair value through profit or loss</b>	Nil	Nil

### 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.



## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

### 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:

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities) (INR)
	Gross exposure (INR)	Exposure hedged using derivatives (INR)	Net Asset exposure on the currency (INR)	Gross exposure (INR)	Exposure hedged using derivatives (INR)	Net liability exposure on the currency (INR)	
For the year period March 31, 2022 - USD	1,820.10	-	1,820.10	-	-	-	1,820.10
For the year period March 31, 2021 - USD	1,820.10	-	1,820.10	-	-	-	1,820.10

### 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	
	As at March 31, 2022	As at March 31, 2021
Profit or (loss)	36.40	36.40





## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

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, 2022 would decrease/ increase by Rs.0 (March 31, 2021 : decrease/ increase by Rs.0). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

### Equity price risk

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

### Equity price sensitivity analysis.

The fair value of equity instruments as at March 31, 2022 and March 31, 2021 was Rs.1,465.04 lakhs and Rs.1,463.15 lakhs respectively. A 5% change in prices of equity instruments held as at March 31, 2022 and March 31, 2021, would result in an impact of Rs.73.24 and Rs.73.15 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.



## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

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.

March 31, 2022	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	8,656.53	-	-	8,656.53
Other financial liabilities(Non Current)	11.62	-	-	11.62
Borrowings (including interest accrued thereon up to the reporting date)	56,291.23	-	-	56,291.23
<b>Total</b>	<b>64,959.38</b>	-	-	<b>64,959.38</b>



## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

March 31, 2021	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	8,651.78	-	-	8,651.78
Other financial liabilities(Non Current)	15.79	-	-	15.79
Borrowings (including interest accrued thereon up to the reporting date)	56,569.37	-	-	56,569.37
<b>Total</b>	<b>65,236.94</b>	<b>-</b>	<b>-</b>	<b>65,236.94</b>

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

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in unquoted equity shares (classified as FVTPL)	1,455.53	1,455.53

#### 44 Trade Receivables from TANGEDCO

Trade receivables includes Rs.2,800.78 Lakhs due from TANGEDCO is outstanding for more than 3 year. The Company is following up for recovery of the same and initiated the required steps. The Company was also initiated steps through South Indian Sugar Mills Association (SISMA) to represent to the Government of Tamilnadu for instructing TANGEDCO to pay the dues. As required by Ind AS 109 "Financial Instruments", the Company on a prudent basis provided for allowance for expected credit loss aggregating to INR 2,349.64 Lakhs as of March 31, 2022.

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

#### 45 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. Accordingly, these leases will not qualify for recognising right of use assets and related lease liability as per Ind AS 116. The amount recognised in the statement of profit and loss as expenses for the year is Rs. 43.59 Lakhs (Previous year Rs.68.74 Lakhs).

#### 46 Corporate insolvency resolution process

The Company's net worth is negative and the borrowings from banks and other financial institutions have been classified by the lenders as non-performing assets. All the banks and other financial institutions have also issued notice calling back the loans. Considering the above facts and since the Company's One Time Settlement ("OTS") proposal is also under negotiation, as in the previous periods, the Company stopped providing interest on the outstanding borrowings from banks and financial institutions and has not restated the foreign currency loans after the NPA date. Please refer to note 51 by IRP in the notes to Financial statements.

However, the Hon'ble NCLT, Chennai Bench, admitted the CIRP application filed by a financial creditor of the Company as more fully explained in Note 1 above and the Interim Resolution Professional is receiving claims from the financial and operating creditors towards principal and interest due till the date of admission of CIRP. In the meanwhile, the Promoter of the Company had organised and had deposited Rs. 6,453.30 lakhs (including of Rs.2500.00 Lakhs in the earlier year) as on date in the office account (NO LIEN Account) of Indian Bank as stipulated by the consortium of bankers/financial institutions for the OTS settlement proposal. However, as per the arrangement with the Promoter, the money deposited by the Promoter shall remain as the Assets of the Promoter or his affiliates until the settlement proposal is duly sanctioned and approved by the lenders. As per legal advice



## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

obtained by the promoters, the entire amount of Rs 6,453.30 lakhs kept in the office account of Indian Bank NO LIEN account will be recorded as loan from the promoters' group after the withdrawal of CIRP. In case no settlement proposal gets materialised, the said money is to be refunded to the promoter/his affiliates by the banks. It is relevant to note that out of the said deposit, the amount of Rs.2500 Lakhs recorded wrongly in the books of account of the earlier years, was reversed by the Company and necessary entries passed. Consequently, the interest accrued up to December 31, 2021 aggregating to Rs 338.43 lakhs in respect of the above loans has also been reversed (which resulted in negative finance cost for the current quarter).

As there was a delay in payment of the balance OTS amount by the Promoter, the Hon'ble National Company Law Appellate Tribunal ("NCLAT") has vacated the interim stay for holding of meetings of Committee of Creditors and directed the IRP to commence the CIRP proceedings and the next hearing has been listed for December 22, 2022.

In the opinion of the management, in view of the OTS sought by the Company and the also due to the present developments at Hon'ble NCLT/ NCLAT, there will be no further interest liability on the Company from the NPA date .

Pending resolution of the above uncertainties, which depends upon the future events, the Company has prepared the financial statements on a going concern basis and has not considered any adjustment in the carrying value of non-financial and financial assets/ liabilities.

### 47 Related party disclosure

#### a) Name of related parties and nature of relationship

Companies/ entities in which key management personnel 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

#### b) Transactions during the year



## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

S.No.	Nature of transactions	Companies/ entities in which key management personnel are interested		Key management personnel and their relatives	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
1	Sales of goods	-	0.03	-	-
2	Sitting fees	-	-	2.85	2.60
3	Rent	-	-	24.68	59.25
4	Remuneration	-	-	237.48	26.78
5	Contribution to provident and other funds	-	-	4.16	4.16
6	Loans received	2,166.74	1,891.43	-	542.98
7	Loans repaid	5.49	-	-	-
8	Loans reversed	2,500.50	-	-	-
9	Lease Rent Income	0.35	0.35	-	-

### c) Balances at the end of the year

S.No.	Particulars	Companies/ entities in which key management personnel are interested		Key management personnel and their relatives	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
1	Trade Receivables	-	-	-	-
2	Trade Payables	4.68	4.94	378.51	140.71
3	Unsecured Loans received	1,552.17	1,891.43	605.99	605.99

### Material Related Party Transactions

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Sales of goods	-	-
Appu Hotels Limited	-	0.03
Rent		
Dr. Palani G Periasamy	24.68	59.25
Unsecured loans taken		
Dr. Palani G Periasamy	-	542.98
Dharani Developers Private Limited	2,166.74	1,891.43
Unsecured loans repaid		
Dharani Developers Private Limited	5.49	-
Unsecured loans reversed		
Dharani Developers Private Limited	2,500.50	-
Remuneration to Key management personnel (KMP)_		
Dr Palani G Periasamy	144.00	-
M Ramalingam	66.70	-
M P Kaliyannan	20.41	20.41
E P Sakthivel	6.37	6.37
Contribution to provident and other funds for KMP		
M P Kaliyannan	3.74	3.74
E P Sakthivel	0.42	0.42
Lease Rent Income		
PGP Educational and Welfare Society	0.35	0.35

### Material Related Party Balances



## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

Particulars	Year ended	
	March 31, 2022	March 31, 2021
<b>Trade Payables</b>	-	-
Dr. Palani G Periasamy	311.81	140.71
M Ramalingam	66.70	
Anandhi Developers Limited	4.65	4.91
Appu Hotels Limited	0.03	0.03
<b>Unsecured Loans received</b>		
Dharani Developers Pvt Ltd	1,552.17	1,891.43
Dr. Palani G. Periasamy	605.99	605.99

### 48 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. 97.83 lakhs (for the year ended March 31, 2021: Rs. 107.29 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 has not accounted for the liability for gratuity benefits payable in the future based on an actuarial valuation during the current financial year and accordingly, the related disclosure could not be presented in the financial statements.

##### (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.





## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

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, 2022	March 31, 2021
Discount Rate		6.38%
Rate of increase in compensation level	Refer Note below	4.50%
Attrition Rate		10.00%

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

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

Particulars	March 31, 2022	March 31, 2021
Current service cost		37.63
Net interest expense		37.85
Past service cost	Refer Note (viii) below	-
Actuarial loss		-
Components of defined benefit costs recognised in the statement of profit or loss		75.48

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

Particulars	March 31, 2022	March 31, 2021
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/ losses arising from changes in financial assumptions	Refer Note (viii) below	(57.75)
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		(57.75)



## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

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:

Particulars	March 31, 2022	March 31, 2021
Present value of defined benefit obligation	Refer Note (viii) below	601.99
Fair value of plan assets		-
Net liability arising from defined benefit obligation		<b>601.99</b>
Funded	Refer Note (viii) below	-
Unfunded		601.99
		<b>601.99</b>
Presented under		
Non-Current provision	Refer Note (viii) below	494.88
Current provision		58.02
		<b>552.90</b>

The above provisions are reflected under 'post retirement benefits' (long-term provisions) and 'post retirement benefits' (short-term provisions) [Refer notes 20 & 25].

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

Particulars	March 31, 2022	March 31, 2021
Opening defined benefit obligation		598.4
Current service cost		37.63
Interest cost		<b>37.85</b>
Past service cost		-
Actuarial (gains)/ losses arising from changes in demographic assumptions	Refer Note (viii) below	-
Actuarial (gains)/ losses arising from changes in financial assumptions		<b>(57.75)</b>
Actuarial (gains)/ losses arising from experience adjustments		-
Benefits paid		(14.14)
Closing defined benefit obligation		<b>601.99</b>



## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

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

Particulars	March 31, 2022	March 31, 2021
Opening fair value of plan assets		-
Interest Income		-
Return on plan assets (excluding amounts included in net interest expense)	Refer Note (viii) below	-
Contributions		14.14
Benefits paid		(14.14)
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

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

### (viii) Reason for non-disclosure of current year information

Ind AS 19 "Employee Benefits" requires provision towards gratuity and compensated absences should be made based on actuarial valuation. However, the Company could not obtain actuarial report and the provision for the current year was made only on an estimated basis. Accordingly, disclosures required by Ind AS 19, in respect of defined benefit fund and long term employee benefits could not be made.

## 49 Additional regulatory and other information as required by the Schedule III to the Companies Act 2013

### (i) Ageing Schedule of Trade Receivables

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables</b>							
(i) Considered good	-	-		-	-	451.14	451.14
(ii) Which have significant increase in credit risk and considered doubtful	-	-	-	-		-	-
(i) Credit impaired	-	-	-	-	-	-	-
<b>Disputed Trade Receivables</b>							
(i) Considered good	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk and considered doubtful	-	-	-	-	-	-	-
(i) Credit impaired	-	-	-	-	-	-	-
	-	-	-	-	-	<b>451.14</b>	<b>451.14</b>



# Dharani Sugars and Chemicals Limited

## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

### As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables</b>							
(i) Considered good	-	-	-	-	-	511.04	511.04
(ii) Which have significant increase in credit risk and considered doubtful	-	-	-	-	-	-	-
(i) Credit impaired	-	-	-	-	-	-	-
<b>Disputed Trade Receivables</b>							
(i) Considered good	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk and considered doubtful	-	-	-	-	-	-	-
(i) Credit impaired	-	-	-	-	-	-	-
	-	-	-	-	-	<b>511.04</b>	<b>511.04</b>

### (ii) Ageing Schedule of Trade Payables

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2022</b>						
(i) MSME	-	-		21.35	5.52	26.87
(ii) Others	-	290.94	260.64	407.21	7,670.87	8,629.66
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
(v) Unbilled Dues	-	-	-	-	-	-
	-	<b>290.94</b>	<b>260.64</b>	<b>428.56</b>	<b>7676.39</b>	<b>8656.53</b>
<b>As at March 31, 2021</b>						
(i) MSME	-	-	2.24	19.01	0.65	21.90
(ii) Others	-	45.73	-	636.49	7,947.66	8,629.88
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
(v) Unbilled Dues	-	-	-	-	-	-
	-	<b>45.73</b>	<b>2.24</b>	<b>655.50</b>	<b>7,948.31</b>	<b>8,651.78</b>

### (iii) Proceedings under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.



## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

### (iv) Borrowings from banks

- (a) The Company has been sanctioned working capital limit in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. However, the since the account became NPA, the Company has not filed any quarterly returns or statements with such banks or financial institutions.
- (b) The Company's account is declared as a wilful defaulter by the one of the consortium banks as per the minutes of the consortium dated 25.6.2021. However, the company has objected vide its letter dated 27.9.2022, wherein it was mentioned that the said bank has not followed the guidelines specified in the RBI rules which are mandatory in nature before declaring the company / directors as wilful defaulters. No formal communication has been received from the Bank on the classification of the Company's account as wilful defaulter. If no action is taken by the bank in reversing their stand, further legal action will be taken by the Promoter to correct the status. Company is in negotiation for OTS from the lenders as more fully explained in Note 46.

### (v) Relationship with Struck off Companies

The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

### (vi) Compliance with number of layers of companies

The Company do not have any parent company and accordingly, compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable for the year under consideration.

### (vii) Key Financial Ratios

Particulars	Unit of Measurement	March 31, 2022	March 31, 2021	Variation in %
Current Ratio	In multiple	0.02	0.04	(50.00%)
Debt-Equity Ratio	In multiple	(2.05)	(2.70)	(24.07%)
Debt Service Coverage Ratio	In multiple	(6.02)	(5.94)	1.35%
Return on Equity Ratio	In %	27.04%	34.70%	(7.66%)
Inventory Turnover Ratio	In Days	11.00	45.00	(75.56%)
Trade receivables Turnover Ratio	In Days	44.00	130.00	(66.15%)
Trade payables Turnover Ratio	In Days	793.00	1,043.00	(23.97%)
Net Capital Turnover Ratio	In Days	(738.00)	(868.00)	(14.98%)
Net Profit Ratio	In %	(101.32%)	(122.35%)	21.03%
Return on Capital Employed	In %	(6.78%)	(4.46%)	(2.32%)
Return on Investment (Assets)	In %	(7.29%)	(6.50%)	(0.79%)

#### Formula adopted for above Ratios:

Current Ratio = Current Assets / (Total Current Liabilities – Security Deposits payable on Demand – Current maturities of Long Term Debt)

Debt-Equity Ratio = Total Debt / Total Equity

Debt Service Coverage Ratio = (EBITDA – Current Tax) / (Principal Repayment + Gross Interest on term loans)



## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

Return on Equity Ratio = Total Comprehensive Income / Average Total Equity

Inventory Turnover Ratio (Average Inventory days) =  $365 / (\text{Net Revenue} / \text{Average Inventories})$

Trade receivables Turnover Ratio (Average Receivables days) =  $365 / (\text{Net Revenue} / \text{Average Trade receivables})$

Trade Payables Turnover Ratio (Average Payable days) =  $365 / (\text{Net Revenue} / \text{Average Trade payables})$

Net Capital Turnover Ratio = (Inventory Turnover Ratio + Trade receivables turnover ratio – Trade payables turnover ratio)

Net Profit Ratio = Net Profit / Net Revenue

Return on Capital employed =  $(\text{Total Comprehensive Income} + \text{Interest}) / (\text{Average of (Equity} + \text{Total Debt)})$

Return on Investment (Assets) = Total Comprehensive Income / Average Total Assets

### Reasons for Variation if more than 25%

#### Current Ratio

The current liabilities have increased significantly during the year, since the Company could not repay them due to cash crunch and very minimal operations. This resulted in the decrease of current ratio.

#### Inventory Turnover ratio

During the year, there was very minimal production and the sales were effected using the previous year stock as well. Further the Company has made provision for work in progress and finished goods for slow moving and non moving inventory. This resulted in significant decrease in inventory turnover ratio.

#### Trade Receivables Turnover ratio

The company has made additional provisions for expected credit losses, which resulted in decrease of trade receivables. Since the ratio is calculated on a net basis, it looks like there is a significant decrease in the trade receivables turnover ratio.

### (viii) Scheme of arrangements

There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

### (ix) Advance or loan or investment to intermediaries and receipt of funds from intermediaries

The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The company has also not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### (x) Undisclosed Income

The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

**Notes to Financial Statements for the year ended March 31, 2022**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

**(xi) Details of Crypto Currency or Virtual Currency**

The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.

- 50.** A corporate insolvency resolution process (CIRP) and the appointment of resolution professional were admitted in the case of one of the major investees of the Company by the Hon'ble NCLT, Chennai Bench vide its order dated May 5, 2020. The carrying amount of the investments as at March 31, 2022 is Rs. 1,455.53 Lakhs.

The Hon'ble NCLT has passed an order approving the resolution plan submitted by one of the resolution applicants. In accordance with the approved resolution plan, no payment will be made towards any amount due to the promoters and their related group companies by the successful resolution applicant. Aggrieved by this Order, the investee has filed an application before the Hon'ble National Company Law Appellate Tribunal ("NCLAT") praying for quashing the order of the Hon'ble NCLT. The Hon'ble NCLAT has set aside the resolution plan approved and ordered to recommence the CIRP process, including the consideration of 12A application filed by the promoters of the investee company. On an appeal against the order of the Hon'ble NCLAT, the Hon'ble Supreme Court has heard the arguments of both the sides and reserved the case for judgement as on date. The Promoter has recently (on October 11, 2022) also given a proposal for settling the entire dues of the CoC members U/S 12A of the IBC code. Required funding has been arranged by way of deposits and Bank Guarantee. The proposal is under the consideration of the CoC members.

Accordingly, in the opinion of the management, the Company will still be able to recover the entire carrying amount of the investments, even in the aforesaid CIRP conditions. Based on the above estimate made by the management, no adjustment has been made in the fair value of the investments in the aforesaid investee. This is a matter of qualification by the auditors.

IRP is unable to comment on the above in the absence of appropriate documents.

**51 Status of the CIRP Proceedings:**

Corporate Insolvency Resolution Process (CIRP) of Dharani Sugars and Chemicals Limited (DSCL) was ordered by Hon'ble NCLT, Chennai vide orders in IA/976/2019 on 29th July 2021, and Mr. S. Rajendran was appointed as the Interim Resolution Professional ("IRP").

Upon appointment, IRP took control and management of DSCL and has taken efforts to keep it as a going concern. The word "management" used elsewhere in general refers to the previous management i.e., promoters whereas after commencement of CIRP the management of the corporate debtor vests with the IRP as per Section 17 of IBC. IRP made a public announcement on 1st August 2021, intimating commencement of CIRP and calling upon creditors to submit their claims against DSCL. IRP collated all claims received and filed a report constituting Committee of Creditors (CoC) on 21st August 2021 and List of Creditors was published in the website, IBBI and reported to Stock Exchanges.

The notice and agenda notes for the 1st CoC scheduled to be held on 27th August 2021 was sent to the members of the CoC and the directors on 21st August 2021. In the meantime, an appeal was filed by Mr. A. Sennimalai, director of DSCL in NCLAT, Chennai, challenging the order of the NCLT, Chennai. NCLAT passed an order on 27th August 2021 to defer the first CoC meeting which was scheduled for the day. As there was a stay on holding of CoC meeting, the CIRP process could not continue effectively. Subsequently Hon'ble NCLAT on 26th April 2022 ordered that there is no interim order prevailing and directed IRP to proceed further in the manner known to law. IRP reconvened the 1st CoC meeting on 2nd May 2022. Pursuant to the decision made in the 1st CoC meeting,





## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

IRP issued 'Form G' – Public Announcement inviting Expression of Interest (EoI) to submit Resolution Plans. As on last date for receipt of EoI., i.e 1st June 2022, 7 EoIs were received. As per Regulation 35 of IBC, IRP has appointed two sets of IBBI Registered Valuers to estimate the fair value and the liquidation value, which shall be shared with the members of CoC on receipt of resolution plans. The physical verification of inventory and fixed assets were carried out by the Valuers.

Further, IRP convened the 2nd CoC meeting on 7th June 2022. List of Prospective Resolution Applicants (PRA) was shared with the CoC members. As per the approval made in the 2nd CoC meeting, Request for Resolution Plan (RFRP), Evaluation Matrix (EM) were issued to the CoC members and to the PRAs through Virtual Data Room (VDR). Site visits were carried out by all the PRAs. The last date for the submission of the Resolution Plan was 26th July 2022.

IRP convened the Board Meeting for approval of accounts for the FY ended 31st March 2022 on 22nd July 2022, along with Audit Committee, Stakeholder Relationship Committee and Nomination & Remuneration Committee. On a request made by IRP, Statutory Auditors of the Corporate Debtor also attended the meetings. After detailed deliberation of the financial statements for the period ended 31st March 2022, the accounts were not approved by the Board and the same was intimated to the Stock Exchanges as well. Further, IRP requested the Statutory Auditors to sign the accounts once the same is approved by the Board assuring that their pending payments for 20-21 audit fees of approximately to Rs. 12.49 lakhs would be settled once the funds position improves. However, the Auditors refused to sign unless this arrear fees are fully paid, in accordance with the provisions of the Code of Ethics prescribed by the Institute of Chartered Accountants of India.

IRP issued a notice to the employees/management stating that, with effect from 1st August 2022 only restricted number of employees need to report to the factory and the salary for these employees will be paid based on certified attendance by the HOD and during the CIRP period, the remaining employees are not eligible for any wages on "NO WORK NO PAY" basis as there is no work. Also, in order to reduce the expenses of the company, IRP issued a letter to the management/Promoters of the Corporate Debtor proposing the rent be reduced from Rs. 4.53 lakhs to Rs. 1.5 lakhs per month plus GST from 1st August 2021 till the completion of the CIRP. On 3rd August 2022 IRP convened the 3rd CoC meeting to open the Resolution Plans which were received in password protected files as on 26th July 2022. IRP received 4 Resolution Plans in total. Further during this meeting, the CoC members approved the re-appointment of Mr. M. Ramalingam as Managing Director with effect from 1.04.2022.

With reference to the decision taken during the 5th CoC meeting, IRP made the payment of Rs. 12.49 lakhs to Statutory Auditors for the FY 2020-21 on 12th October 2022 and same was acknowledged by him. IRP appointed Senthil & Associates, Chartered Accountants, Chennai to examine PUF transactions on 10th October 2022. Further as per the e-voting results dated 22nd September 2022 CoC approved the appointment of Mr. Mahalingam Suresh Kumar, Insolvency Professional as Resolution Professional subject to approval by the Adjudicating Authority for which an application is being filed by the CoC members with NCLT.

IRP convened the 6th CoC meeting on 28th September 2022, in which the last date for submission of the final revised resolution plan was decided as 15th October 2022. As 180th day of CIRP was coming to an end on 23rd September 2022, IRP filed an application seeking one time extension of 90 days with NCLT, Chennai on 20th September 2022 after getting CoC approval to this effect. The application is under scrutiny before the Registry of NCLT, Chennai. As on 22nd September 2022, IRP appointed 3rd set of Registered Valuers for valuation of Plant & Machinery and Securities and Financial Assets.



## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

IRP took steps convene the Audit Committee and Board Meeting on 27th October 2022 for approving the accounts for the FY 2021-22 and to proceed further. As on 15th October 2022, IRP received 3 revised final resolution plans from the Resolution Applicants after negotiations with the RAs. IRP convened the 7th CoC meeting held on 17th October 2022 based on CoC's request to open the revised final resolution plans submitted by three resolution applicants in password protected files.

In view of pendency of the CIRP and in view of suspension of the powers of board of directors, the powers of adoption of the audited financial results for the year ended March 31, 2022 vest with the IRP. The IRP has taken on record these audited financial results of relevant periods only to the limited extent of discharging the powers of the Board of Directors of the company which has been conferred upon him in terms of provisions of Section 17 of the Code. It is clarified, however, that the IRP has not conducted an independent verification of these audited financial results and has not certified on the truthfulness, fairness, accuracy or completeness of these results, in so far as it pertains to the period prior to commencement of the CIRP and his appointment as IRP & to the transactions if any that have happened without the approval of the IRP. The IRP has relied upon the assistance provided by the management in the review of the audited financial results and the representations, clarifications and explanations provided by the Managing Director, Chief Financial Officer, Company Secretary, other directors, key management personnel of the Company in reviewing the audited financial results.

### Claims received:

Pursuant to the public announcement for submission of claims, IRP has received the claims from various stakeholders including the farmers who have submitted the claim for their dues against the supply of sugarcane and transportation charges. Further, farmers have not claimed interest on the sugarcane dues for the delayed payment as per the provisions of Sugarcane (Control) order 1966 and the same was not provided in the books of accounts of the Corporate debtor. Banks and financial institutions have submitted their claim including their interest liability as on CIRP commencement date (29th July 2021) amount to Rs. 805,92,89,155/- while the corporate debtor did not provide for interest after NPA date. IRP has collated the claims based on the books of accounts of the corporate debtor and the documents submitted by the respective stakeholders, and the same was published in the website of Corporate debtor and filed with IBBI, NCLT and Stock exchanges.

### Status of OTS Deposit/12A Proposal:

In the 4th CoC meeting held on 29th Aug. 2022, it was informed by the management that Bank of India (Applicant Financial Creditor) had rejected the promoter's settlement offer for want of proof of funds and they will again re-submit their proposal after finalising the source of funds. In the 7th CoC meeting held on 17th Oct. 2022, it was confirmed by Bank of India that they have not received any proposals from the management under Section 12A of IBC, 2016.

In the reconvened 1st CoC meeting held on 02nd May 2022, the CoC members had voted against the resolution to consider and release Rs. 26.31 Crores of funds available with Indian Bank and Bank of India for crushing operations in Unit I and to keep the company as a going concern and further authorising the IRP to keep the unspent balance in fixed deposits with the lead bank.

In the 2nd CoC meeting held on 07th June 2022, IRP informed CoC that to meet the urgent requirement of funds for operation and CIRP expenses and to keep the Corporate debtor as a going concern, an application has been filed with NCLT Chennai seeking directions to Indian Bank and Bank of India to refund to the Corporate debtor the initial OTS deposit of Rs. 25 Crores and Rs. 1.31 Crores respectively lying with them as there was no OTS



## Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

proposal pending with banks, as per the Orders dated 26th April 2022 of Hon'ble NCLAT. The said Application is numbered as IA(IBC)/701/2022. The matter is pending adjudication by NCLT, Chennai. The next date of hearing is 15th November 2022.

### Related Party Transactions during the CIRP period:

- In the 5th CoC meeting held on 08th September 2022, the CoC members had voted in favour of the resolution to approve the reduction in rent for corporate office from Rs. 4.53 lakh to Rs. 1.50 Lakh per month plus applicable GST with effect from 01st Aug. 2021 for the space occupied by the registered office of the Corporate debtor and inclusion of the abovesaid rent as CIRP cost.
- In the 3rd CoC meeting held on 03rd August 2022, the CoC members had voted against the approval of managerial remuneration to Dr. Palani G Periyasamy, Executive Chairman of Rs. 56 Lakhs for the financial year 2021-22.
- In the 3rd CoC meeting held on 03rd August 2022, the CoC members had voted against the approval of managerial remuneration to Mr. Ramalingam M, Managing Director of Rs. 27.60 Lakhs for the financial year 2021-22, subject to the limits specified in Schedule V of Companies Act, 2013 and approval of the shareholders of the company.
- In the 3rd CoC meeting held on 03rd August 2022, the CoC members had voted against the CIRP period operational expenses claimed to have been paid directly by the promoters towards electricity and security charges for the period from Sep'21 to Jun'22 aggregating to Rs. 1,99,24,145/- as CIRP costs as per Sec 5(13) of IBC and Reg. 31 and 33 of IBBI (IRPCP) regulations.
- Sale of used vehicle of 12 year old with a residual book value of Rs. 43,210/- to a KMP has been recorded in the books during the CIRP period for which approval of CoC should be obtained.

**52** The Company could not carry out physical verification of property, plant and equipment during the year due to non-availability of staff at the units. However, in the opinion of the management, there will be no material discrepancy between the books and physical assets as at the yearend and accordingly, no adjustments are required to be considered in the financial statements.

### 53 Comparative figures

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

As per our report of even date attached

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

**CHINNSAMY GANESAN**  
Partner  
Membership No.027501

**Place: Chennai**  
Date : November 4, 2022

For and on behalf of the board  
**Dharani Sugars and Chemicals Limited**

**Dr.PALANI.G. PERIASAMY**  
Executive Chairman  
DIN : 00081002

**E P SAKTHIVEL**  
Company Secretary

**M. RAMALINGAM**  
Managing Director  
DIN : 00278025

**M P KALIANNAN**  
Chief Financial Officer

**S RAJENDRAN**  
Interim Resolution Professional  
IPR No. IBBI/IPA-002/IP-N00098/2017-2018/10241

Registered Book Post / Courier

To



If Undelivered, Please return to  
**DHARANI SUGARS AND CHEMICALS LIMITED**

(Secretarial Division)

**"PGP HOUSE"**

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