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/Intimation/NCLT/2024

May 10, 2024

The Secretary, The Stock Exchange, Mumbai Corporate Relationship Department, Email ID: corp.relations@bseindia.com First Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai - 400 001.	Mr Hari – Vice President National Stock Exchange Limited Exchange Plaza, 5th Floor Plot No.C/1 G Block, Bandra – Kurla Complex Bandra East, Mumbai 400 051

Dear Sir/Madam,

Sub: Disclosure of information under Regulation 30(6) of the (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Ref: Script Code: BSE – 507442 and NSE: DHARSUGAR

This has reference to the earlier intimation dated 29.03.2024 made by the erstwhile Resolution Professional regarding the set aside of Liquidation Proceedings against the Company by the Honble Supreme Court in view of the settlement arrived between the Promoter and the majority lenders of the Company and remanded back to The Hon'ble National Company Law Tribunal (NCLT), Chennai Bench for consideration of withdrawal of IBC process initiated against the Company in terms of Section 12A of IBC, 2016 read with Regulation 30A of the IBBI(CIRP) Regulations., 2016.

Pursuant to the directions of the Hon'ble Supreme Court, the Hon'ble NCLT, Chennai Bench, decided the matter on 9th May 2024 and approved the withdrawal of the Corporate Insolvency Resolution Process initiated against the Company. A copy of the aforesaid Order dated 09.05.2024 received on 10.05.2024 is attached for your record and reference.

As a result of this Order, the Company is released from all the rigorous IBC processes and is allowed to function independently through its Board of Directors.

Please treat this as compliance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015.

This information is also available at the company's website (www.dharanisugars.in) and at the websites of the Stock Exchanges where the company's equity shares are listed: BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com).

This is for your information and record.

Thanking You,

Yours faithfully,
for Dharani Sugars and Chemicals Limited

E P Sakthivel
Company Secretary

Encl.: as above

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT– I) CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **09.05.2024** THROUGH VIDEO CONFERENCING

PRESENT: **HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)**
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

IN THE MATTER OF : Bank of India
Vs
Dharani Sugars & Chemicals Ltd

MAIN PETITION NUMBER : IBA/976/2019

(IA/MA) APPLICATION NUMBERS
IA(IBC)/825(CHE)/2024; IA/984(CHE)/2023; IA/701(CHE)/2022; IA/878(CHE)/2024 in IA/437/2023; IA/437(CHE)/2023

ORDER

Present: Ld. Counsel Shri. A G Sathyanarayana for RP in IA(IBC)/825(CHE)/2024.

Ld. Counsel Shri. T Ravichandran for NARCL.

Ld. Counsel Shri. J Manivannan for RP in IA/984(CHE)/2023.

Vide separate order announced in Open Court, IA/825/2024 filed under Section 12A IBC is allowed. Other IAs i.e. IA/984(CHE)/2023; IA/701(CHE)/2022; IA/878(CHE)/2024 in IA/437/2023; IA/437(CHE)/2023 are dismissed as having become infructuous.

Main petition is accordingly **dismissed** as withdrawn.

Other IAs are **disposed of.**

Files be consigned to records.

Sd/- **Sd/-**

(VENKATARAMAN SUBRAMANIAM)
MEMBER (TECHNICAL)

(SANJIV JAIN)
MEMBER (JUDICIAL)

MG

IN THE NATIONAL COMPANY LAW TRIBUNAL, DIVISION BENCH - I, CHENNAI

IA(IBC)/825/CHE/2024 in IBA/976/2019

(Application filed under Section 12A of the Insolvency and Bankruptcy Code, 2016 and Read with Rule 11 of NCLT Rules, 2016)

In the matter of ***Dharani Sugars and Chemicals Limited***

CA Mahalingam Suresh Kumar
Resolution Professional of
M/s. Dharani Sugars and Chemicals Limited
2nd Floor, CODISSIA Building,
GD Naidu Towers, Huzur Road,
Coimbatore – 641 018

...Applicant

Order Pronounced on ***9th May 2024***

CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)
VENKATATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

For Applicant : *AG Sathyanarayana, Advocate*
J Manivannan, Advocate for 12A proponent

ORDER

(Heard through physical hearing)

This is an Application filed under Section 12A of the Insolvency and Bankruptcy Act, 2016 (hereinafter the "IBC, 2016") read with Rule

11 of the National Company Law Tribunal Rules, 2016 (hereinafter the "NCLT Rules"), seeking relief as follows;

> *(a) That this Hon'ble Tribunal may be pleased to allow this application and further dismiss the pending Company Petition in IBA/976/2019 of the Corporate Debtor namely M/s. Dharani Sugars Private Limited as withdrawn; and*
>
> *(b) To pass such other orders or further orders which may deem to be fit and proper in the interest of justice.*

2. The Corporate Insolvency Resolution Process in respect of the Corporate Debtor was initiated by this Tribunal vide order dated 29.07.2021 and one Mr. S. Rajendran was appointed as the 'Interim Resolution Professional'. Aggrieved by the said order, the suspended Director of the Corporate Debtor preferred an Appeal before Hon'ble NCLAT in Company Appeal (AT)(CH)(Ins) No. 208 of 2021. The Hon'ble NCLAT vide its order dated 27.08.2021 directed the IRP to defer the 1st CoC meeting. Subsequently on 26.04.2022, the Hon'ble NCLAT vacated the interim order and directed the IRP to proceed further in the manner in accordance with law.

3. Thereafter, the IRP convened the 1st CoC meeting on 02.05.2022. Pursuant to the decision taken in the 1st CoC meeting held on 02.05.2022, RP issued Form – G inviting Expression of Interest to submit the Resolution Plan. As on the last date for receipt of Expression of Interest i.e. 01.07.2022, the RP received 7 Expression of Interest, which were examined and all the 7 EoIs was shortlisted for submission of Resolution Plan. Information Memorandum was shared on 10.06.2022 and the RFRP was issued to all the Prospective Resolution Applicants (PRAs) on 22.06.2022.

4. The IRP received 4 Resolution Plans as on 26.07.2022. All the 4 Resolution Plans were opened in the 3rd CoC meeting held on 03.08.2022. In the meantime, in the 5th CoC meeting held on 08.09.2022, the CoC approved with 83.71% of the voting share to replace Mr. S. Rajendran with the Applicant herein as the Resolution Professional in respect of the Corporate Debtor. Accordingly, this Tribunal vide order dated 18.11.2022 passed in IA(IBC)/1248(CHE)/2022 appointed the Applicant herein as the 'Resolution Professional'.

5. It is stated that the COC in its 14th meeting held on 10.05.2023 rejected the pending resolution plans and then in the 15th CoC meeting resolved to issue fresh Eol to invite prospective resolution applicants. Further, the promoter 12A proposal was also kept under consideration by the CoC members.

6. In the meantime, since the 330 days period already expired, the Applicant filed an Application seeking Liquidation of the Corporate Debtor. This Tribunal vide its order dated 27.06.2023 in IA(IBC)/1023(CHE)/2023 ordered liquidation of the Corporate Debtor.

7. Aggrieved by the order, the promoters of the Corporate Debtor filed an appeal before Hon'ble NCLAT in Company Appeal(AT)(Ins) No. 194 of 2023. The Hon'ble NCLAT vide its order dated 11.07.2023 dismissed the appeal.

8. Subsequently, the promoters of the Corporate Debtor filed Civil Appeal No. 5308 of 2023 before Hon'ble Supreme Court. The Hon'ble Supreme Court vide its order dated 07.08.2023 ordered *status quo*. Further, the Hon'ble Supreme Court vide its interim order dated

06.11.2023 directed the Liquidator to convene the meeting of CoC to consider the proposal of the promoters under Section 12A of IBC, 2016. It is stated that the Applicant convened a total of 4 CoC meeting, however the 12A proposal could not get through, since it could garner only 79.75% of votes as against requisite majority of 90%.

9. It is stated that one of the Financial Creditors viz. IREDA (who is having 13.15% of voting share) submitted its consent letter accepting the promoter's settlement proposal. Considering the submissions of the parties, the Hon'ble Supreme Court passed the following order;

> *In view of the subsequent development and as Indian Renewable Energy Development Agency Ltd. and National Asset Reconstruction Company Limited have accepted the proposal, we set aside the impugned order as well as the judgment/order dated 27.06.2023 passed by the National Company Law Tribunal, Special Bench-I, Chennai, and remit the matter to the NCLT, to examine and follow the procedure established by law in terms of Section 12A of the Insolvency and Bankruptcy Code, 2016.*
>
> *The appeal is disposed of in the above terms.*
>
> *To cut short delay, parties are directed to appear before the NCLT on 10.04.2024, when a date of hearing will be fixed.*
>
> *We request the NCLT to decide the matter expeditiously.*
>
> *Pending application(s), if any, shall stand disposed of.*

10. Based upon the order passed by the Hon'ble Supreme Court, the Applicant convened the 16th CoC meeting on 28.03.2024 to ratify the costs and the same was approved by the CoC with requisite majority. Further, the CoC took note of the affirmative vote i.e., the consent letter of IREDA submitted to the Hon'ble Supreme Court and recognized the approval of the withdrawal resolution with 92.90% voting and directed the RP to file necessary withdrawal application with the same Form FA submitted earlier along with requisite updated Bank Guarantee before the Tribunal as directed by the Hon'ble Supreme court. Accordingly, the Applicant has filed the present Application.

11. When the matter came up for hearing before this Tribunal on 10.04.2024, the following order was passed;

> *This application has been filed under Section 12A of IBC, 2016 praying for dismissal of IBA/976/2019 as withdrawn.*
>
> *The Corporate Debtor was ordered for liquidation vide our Tribunal order dated 27.06.2023.*
>
> *It is noted that appeals have been filed before Hon'ble NCLAT and Hon'ble Supreme Court.*

Hon'ble Supreme Court vide its order dated 06.11.2023, ordered the Resolution Professional to call for the committee of creditors.

The said 4th Special CoC meeting, as per the order of Hon'ble Supreme Court was held on 11.12.2023, wherein the Section 12A proposal was discussed. The said proposal was declared as rejected, as only 79.75% voted in favour of the resolution (Section 12A requires approval of 90% of voting share).

IREDA, dissenting creditor, with 13.15% voting had given the consent for withdrawal under 12A, subsequently, vide letter dated 15.03.2024.

Hon'ble Supreme Court vide its order dated 18.03.2024 had set aside the Tribunal's order of liquidation dated 27.06.2023 and remitted the matter back to NCLT, to examine and follow the procedures established by law in terms of Section 12A of IBC, 2016. The Hon'ble Supreme Court has further directed to the parties to appear before the Tribunal on 10.04.2024, when a date of hearing would be fixed.

The 16th meeting of CoC of the Corporate Debtor was held on 28.03.2024, wherein the decision of Hon'ble Supreme Court was discussed along with the requirement of bank guarantee for CIRP expenses and also discussed about consent for filing 12A withdrawal proposal to NCLT.

We observe that on the 16th CoC meeting the withdrawal proposal was not put up for voting before the committee.

As per Regulation 30A of IBBI Resolution Process for Corporate Persons Regulations 2016 (sub clause 4 and 5), an application for withdrawal should be considered by the committee within seven days of receipt and where the application is approved by the committee with 90% voting share, the Resolution Professional shall submit such application along with the approval of the committee to the Adjudicating Authority on behalf of the Applicant, within three days of such approval.

It is observed that the resolution for withdrawal was not put up for voting on the 16th CoC meeting held on 28.03.2024.

Form FA dated 08.12.2023 (prior to the meeting of 16th CoC dated 28.03.2024) has been signed by IDRCL on behalf of NARCL.

Ld. Counsel Shri. T Ravichandran states that debt of Bank of India, the original Applicant has been assigned to NARCL and an application has been moved for substitution of NARCL in the place of Bank of India.

Let a Memo be filed by the Resolution Professional regarding the compliance of Section 12A along with Regulation 30A of IBBI Resolution Process for Corporate Persons Regulations 2016 within two weeks from today.

List the application for hearing on ***30.04.2024****. (physical hearing)*

12. Thereafter, on 26.04.2024 one of the Financial Creditors filed an Application i.e. IA(IBC)952(CHE)/2024 seeking substitution since they have assigned their debt to NARCL vide assignment agreement dated 30.09.2023. In the said application this Tribunal passed the following order;

Present: Mr. T.Ravichandran, Ld. Counsel for Applicant.
Mr. A.G.Sathyanarayana, Ld. Counsel for the RP.

Heard.

This Application has been filed for substitution stating that Bank of India has assigned the debts to the Applicant company vide assignment agreement dated 30.09.2023.

Ld. Counsel submits that in this case Form-FA has been filed vide IA/825/2024, which is listed on 30.04.2024. He submits that the Applicant may be allowed to file a memo in IA/825/2024.

Having gone through the submissions and the record, the application is allowed. The Applicant be substituted as Petitioner in IBA/976/2019. Amended memo of parties be filed before the date fixed. Copy be served on the Respondents.

Permission is granted to file memo in IA/825/2024. Copy of the memo be served on the Respondents.

List on 30.04.2024, date already fixed.

13. Based upon the order passed by this Tribunal, the Applicant has filed a memo before this Tribunal on 27.04.2024. It is stated in the memo that the Applicant has convened the 17th CoC meeting on 22.04.2024 where the RP has taken the agenda for withdrawal of the CIRP, wherein the CoC exercising its commercial wisdom has passed a resolution with the voting share of 92.26% in favour of 12A proposal. The Resolution Passed by the CoC and its voting result is extracted hereunder;

Resolution 1:

***"RESOLVED THAT** the Committee of Creditors be and is hereby approved the fresh Application in Form FA dt 18.04.2024 for withdrawal of Corporate Insolvency Resolution Process initiated against Dharani Sugars and Chemicals Limited filed by India Resolution Company Limited (IDRCL), the Power of Attorney Holder of National Asset Reconstruction Limited (NARCL), Assignee of Bank of India, the Petitioner to the Original Company Petition No. IBA/976/2019 under Regulation 30A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, read with Section 12A of IBC, 2016, be and is hereby approved.*

RESOLVED FURTHER THAT *the Resolution Professional is hereby directed to file a memo before the Hon'ble National Company Law Tribunal, Chennai Bench vide case no. IA(IBC)/825/2024 which will be an addition to the already filed Withdrawal Application based on the Supreme Court order and resolution already passed in the 4th Special COC meeting held on 11th Dec 2023 and based on the Courts direction for this voting sheet as an additional document ".*

The voting results are compiled as under:

COC Member Name	Voting Share	Approve / Reject / Abstain
National Asset Reconstruction Company Limited [NARCL] [Assignee of Loans from k. Indian Bank [26.03% voting] l. State Bank of India [18.08% voting] m. Central Bank of India [8.33% voting] n. ICICI Bank Limited-Non ECB portion [2.70% voting] o. Bank of India [5.34% voting] p. IDBI Bank Ltd [6.20% voting] q. Union Bank of India [3.63% voting] r. South Indian Bank Limited [3.97% voting] s. Indian Overseas Bank [2.53% voting] Federal Bank [2.33% voting]	79.14	**Approved**
Indian Renewable Energy Development Agency Ltd (IREDA)	13.55	**Approved**
Sugar Development Fund (SDF), Ministry of Consumer Affairs Represented by IFCI Limited	7.31	**Rejected**

The Resolution is declared as **PASSED** with **92.69%** majority.

14. Heard the submissions made by the Learned Counsel for the Applicant.

15. Upon perusal of minutes of the 16th CoC dated 28.03.2024, and also the Form FA dated 08.12.2023, it is seen that the promoter of the Corporate Debtor has attached the bank guarantee for the CIRP and

Liquidator costs to be paid to the Applicant in terms of Regulation 30A(2) of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. Form FA duly signed by the Financial Creditor is attached at Page No.136 of the application.

16. We have also perused the minutes of the 17th CoC meeting dated 27.04.2024 and also the Revised Form – FA dated 18.04.2024, which was approved by the CoC with 92.69% majority vote.

17. Taking into consideration the submissions made by the Learned Counsel for the Applicant / Liquidator as well as the averments contained in the Application, instant Application IA(IBC)825/CHE/2024 stands **allowed** and, in the circumstances, IBA/976/2019 stands **withdrawn.** Consequently, the CIRP initiated against the Corporate Debtor also stands withdrawn.

18. The IRP is directed to hand over the management to the Board of Directors whose powers stood suspended by virtue of the initiation of the CIRP by this Tribunal while admitting the Petition in IBA/976/2019 vide Order dated 29.07.2021. The Corporate Debtor is released from all

rigours of the IBC, 2016. The IRP is discharged from all his responsibilities. The Corporate Debtor shall operate through its own Board.

19. Accordingly IA(IBC)825/CHE/2024 stands **allowed** IBA/976/2019 stands **dismissed as withdrawn.** File be consigned to records.

-Sd-	-Sd-
VENKATARAMAN SUBRAMANIAM	**SANJIV JAIN**
MEMBER (TECHNICAL)	MEMBER (JUDICIAL)

Raymond