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/Results Dec 21/Reg-33/2022 **14.02.2022**

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

Dear Sir/ Madam,

Sub: Un- Audited Financial Results for the Quarter & Nine Months ended 31st December 2021
Ref : BSE- Scrip Code – 507442 (BSE) – NSE- DHARSUGAR(NSE).

We wish to inform you that the meeting of the Board of Directors of the Company (with suspended Powers) Under the chairmanship of one of the director Dr.Palani G Periasamy held today i.e., on Monday 14th February 2022.The Interim Resolution Professional (IRP) appointed by the Hon'ble NCLT vide order No.IBA/976/2019 dated 29.07.2021 also participated in this meeting.

The Unaudited financial results of the company for the quarter and Nine Months ended 31st December 2021 were reviewed by the Audit Committee and thereafter approved by the suspended Board of Directors and the same was taken on record by IRP. The Statutory Auditors have carried out a Limited Review of the unaudited Financial Results for the quarter and Nine Months ended 31st December 2021.

In compliance with Regulations 33 & 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We are enclosing herewith a copy of the Un-Audited Financial Results for the Quarter & Nine Months ended 31st December 2021 and Limited Review Report of the Statutory Auditors of the Company.

The Meeting of the Board of Directors of the company commenced at 12.30 P.M and concluded at 1.05 P.M

This above Results is also available at the website of the company (www.dharanisugars.com) and at the websites of the Stock Exchanges where the equity shares of the company 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

Dharani Sugars and Chemicals Limited Chennai-34

E P Sakthivel
Company Secretary

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Dharani Sugars and Chemicals Limited

Regd. Office: "PGP House", New No.59 (Old No.57) Sterling Road, Nungambakkam, Chennai 600 034
Tel.No.91-44-28311313, Fax No.091-44-28232074, CIN - L15421TN1987PLC014454
Email: secretarial@dharanisugars-pgp.com, Website: www.dharanisugars.in

Statement of Standalone Unaudited financial results for the quarter and nine months ended December 31, 2021

Rs. in Lakhs

S.No	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2021 (Unaudited)	September 30, 2021 (Unaudited)	December 31, 2020 (Unaudited)	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)	March 31, 2021 (Audited)
	Income from Operations						
1	(a) Net Sales/ Revenue from operations	-	1,022.57	16.01	3,967.26	3,085.76	3,108.99
2	(b) Other Income (Net)	4.88	75.01	4.21	96.54	576.15	582.52
3	**Total Income (1+2)**	4.88	1,097.58	20.22	4,063.80	3,661.91	3,691.51
4	**Expenses**						
	(a) Cost of materials consumed	0.75	683.35	1.35	3,198.30	2,372.00	2,519.94
	(b) Changes in inventories of finished goods, work in progress and stock in trade	-	172.17	11.40	113.03	88.72	(20.15)
	(c) Employees benefits expense	299.15	296.51	335.37	963.09	1,059.36	1,367.24
	(d) Finance Cost	120.31	110.05	1.52	339.67	4.49	210.78
	(e) Depreciation and amortisation expense	584.26	584.26	585.00	1,752.78	1,754.98	2,339.96
	(f) Other expenses	174.01	614.13	192.48	1,041.65	811.94	1,077.56
	Total Expenses	1,178.48	2,460.47	1,127.12	7,408.52	6,091.49	7,495.33
5	Profit/ (Loss)before exceptional items and tax (3-4)	(1,173.60)	(1,362.89)	(1,106.90)	(3,344.72)	(2,429.58)	(3,803.82)
6	Exceptional items				-		
7	**Profit/ (Loss) before tax (5+6)**	(1,173.60)	(1,362.89)	(1,106.90)	(3,344.72)	(2,429.58)	(3,803.82)
8	Tax expense						
	Current tax				-	-	-
	Deferred tax Asset/(Liability)				-	-	-
	Total tax expenses				-	-	-
9	Profit/ (Loss) for the period from continuing operations (7-8)	(1,173.60)	(1,362.89)	(1,106.90)	(3,344.72)	(2,429.58)	(3,803.82)
10	Profit/ (Loss) from discontinued operations				-	-	-
11	Tax expense of discontinued operations				-	-	-
12	**Profit/ (Loss) from discontinued operations (after tax) (10-11)**				-	-	-
13	**Profit/ (Loss) for the period (11+12)**	(1,173.60)	(1,362.89)	(1,106.90)	(3,344.72)	(2,429.58)	(3,803.82)
14	Other comprehensive income, net of income tax						
	(a) (i) items that will not be reclassified to profit or loss	14.44	14.44	(4.12)	43.32	(20.60)	57.75
	(ii) income tax relating to the above items				-	-	-
	(b) (i) items that will be reclassified to profit or loss				-	-	-
	(ii) income tax relating to the above items				-	-	-
	Total other comprehensive income, net of income tax	14.44	14.44	(4.12)	43.32	(20.60)	57.75
15	**Total comprehensive income/(loss) for the period (13+14)**	(1,159.16)	(1,348.45)	(1,111.02)	(3,301.40)	(2,450.18)	(3,746.07)
16	Paid-up equity share capital	3,320.00	3,320.00	3,320.00	3,320.00	3,320.00	3,320.00
	Face value per share (Rs)	10.00	10.00	10.00	10.00	10.00	10.00
17	Earning per share (Rs) (not annualised)						
	- Basic	(3.53)	(4.11)	(3.33)	(10.07)	(7.32)	(11.46)
	- Diluted	(3.53)	(4.11)	(3.33)	(10.07)	(7.32)	(11.46)

Notes:

1 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 CIRP applicant and IRP to file return submission/ status report respectively and the next hearing has been listed for March 10, 2022.

In view of pendency of the CIRP, and in view of suspension of the powers of the board of directors, IRP is taking on record the unaudited financial results. The IRP has relied upon the assistance provided by the management in the review of the unaudited financial results and the representations, clarifications and explanations provided by the Managing Director, Chief Financial Officer, other directors, key management personnel of the Company in reviewing the unaudited financial results

Taken on record

for Dharani Sugars and Chemicals Limited

Dr Palani G Periasamy
Executive Chairman

14/2/22

CNGSN & ASSOCIATES LLP
CHENNAI
CHARTERED ACCOUNTANTS

Dharani Sugars and Chemicals Limited

Statement of Standalone Unaudited financial results for the quarter and nine months ended December 31, 2021 (Contd..)

The unaudited financial results have been reviewed and recommended by the board of directors of the Company (powers of whom stand suspended in accordance its IBC) and accordingly, the IRP, in reliance of such examination by the directors of the Company and the aforesaid representations, clarifications and explanations has taken on record the above unaudited results. It is clarified that the IRP has not conducted an independent verification of these unaudited 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.

2 These unaudited results have been prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules,2015, as amended from time to time.

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

4 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. 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 Company had deposited Rs. 6,453.30 lakhs as on date as stipulated by the consortium of bankers/ financial institutions for the OTS. The said amount paid by the promoters and their group is kept in separate escrow accounts by the consortium banks. Due to the pendency of CIRP and as per the legal advice obtained by the promoters, out of the above amount, Rs.3,952.80 lakhs paid during the current quarter is yet to be recorded in the books as loan from the promoters' group. This will be recorded after the withdrawal of the CIRP. The Company has also obtained an in-principle approval of loan from a lender to pay off the entire amount due as per OTS. On an appeal filed by a director of the company, the Hon'ble NCLAT has directed the CIRP applicant and IRP to file return/ submission/ status report respectively and the next hearing has been listed for March 10, 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. This is a matter of qualification by the auditors.

5 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, 2021 is Rs. 1,455.53 Lakhs.

The Hon'ble NCLT on July 15, 2021 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 investments made by the promoters and their related group companies by the successful resolution applicant. However, in the opinion of the management 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. Further, in the opinion of the promoters of the company, the resolution professional has not followed the due process of CIRP and accordingly, the resolution plan approved is not proper as per law. The investee has also filed an application before the Hon'ble NCLAT praying for quashing the order of the Hon'ble NCLT and the said order was stayed by the Hon'ble NCLAT. The last hearing was on December 15, 2021 and the judgement was reserved.

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.

Taken on record,

14/2/22.

for Dharani Sugars and Chemicals Limited

Dr Palani G Periasamy
Executive Chairman

CNGSN & ASSOCIATES LLP
CHENNAI
CHARTERED ACCOUNTANTS

6 The Company has organised the business into three segments viz. Sugar, Distillery and Power. This reporting complies with Ind AS 108 "Operating Segments"

Rs.in Lakhs

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2021(Unaudited)	September 30, 2021(Unaudited)	December 31, 2020(Unaudited)	December 31, 2021(Unaudited)	December 31, 2020(Unaudited)	March 31, 2021(Audited)
Segment Revenue						
(a) Sugar	-	1,022.57	13.42	3,967.26	3,022.21	3,045.44
(b) Distillery	-	-	2.59	-	63.55	63.55
(c) Power	-	-	-	-	-	-
(d) Unallocated	4.88	75.01	4.21	96.54	576.15	582.52
Total	4.88	1,097.58	20.22	4,063.80	3,661.91	3,691.51
Less: Inter Segment Revenue	-	-	-	-	-	-
Revenue from operations (Net)	4.88	1,097.58	20.22	4,063.80	3,661.91	3,691.51
Segment Results						
Profit (+) / Loss (-) before tax and finance cost						
(a) Sugar	(720.84)	(944.10)	(775.90)	(2,027.18)	(2,006.53)	(2,884.17)
(b) Distillery	(227.23)	(259.30)	(225.49)	(729.39)	(665.48)	(870.95)
(c) Power	(110.10)	(124.45)	(108.21)	(345.02)	(329.24)	(420.44)
(d) Unallocated	4.88	75.01	4.22	96.54	576.16	582.52
Total	(1,053.29)	(1,252.84)	(1,105.38)	(3,005.05)	(2,425.09)	(3,593.04)
Add/ (Less) : Finance Cost	120.31	110.05	1.52	339.67	4.49	210.78
Profit/ (Loss) from continuing operations	(1,173.60)	(1,362.89)	(1,106.90)	(3,344.72)	(2,429.58)	(3,803.82)
Profit/ (Loss) from discontinuing operations	-	-	-	-	-	-
Profit/ (Loss) Before Tax	(1,173.60)	(1,362.89)	(1,106.90)	(3,344.72)	(2,429.58)	(3,803.82)
Segment Assets						
(a) Sugar	34,319.01	34,719.99	33,450.25	34,319.01	33,450.25	32,982.04
(b) Distillery	12,734.72	12,925.21	12,923.78	12,734.72	12,923.78	12,545.07
(c) Power	9,504.29	9,577.23	11,264.59	9,504.29	11,264.59	11,118.70
(d) Other unallocable corporate assets	118.26	119.06	118.76	118.26	118.76	116.91
Total assets	56,676.28	57,341.49	57,757.38	56,676.28	57,757.38	56,762.72
Segment Liabilities						
(a) Sugar	58,112.09	57,616.03	53,273.23	58,112.09	53,273.23	53,587.34
(b) Distillery	4,815.98	4,818.33	4,823.26	4,815.98	4,823.26	4,817.61
(c) Power	9,719.70	9,719.46	11,035.12	9,719.70	11,035.12	11,027.86
(d) Other unallocable corporate liabilities	-	-	-	-	-	-
Total liabilities	72,647.77	72,153.82	69,131.61	72,647.77	69,131.61	69,432.81
Capital Employed (Segment assets-Segment liabilities)						
(a) Sugar	(23,793.08)	(22,896.04)	(19,822.98)	(23,793.08)	(19,822.98)	(20,605.30)
Add : Loans	23,562.40	23,548.29	22,989.02	23,562.40	22,989.02	23,529.39
Capital Employed Sugar segment	(230.68)	652.25	3,166.04	(230.68)	3,166.04	2,924.09
(b) Distillery	7,918.74	8,106.88	8,100.52	7,918.74	8,100.52	7,727.46
Add : Loans	3,243.43	3,243.80	3,243.80	3,243.43	3,243.80	3,243.80
Capital Employed Distillery segment	11,162.17	11,350.68	11,344.32	11,162.17	11,344.32	10,971.26
(c) Power	(215.41)	(142.23)	229.47	(215.41)	229.47	90.84
Add : Loans	7,375.55	7,375.55	7,375.55	7,375.55	7,375.55	7,375.55
Capital Employed power segment	7,160.14	7,233.32	7,605.02	7,160.14	7,605.02	7,466.39
Total capital employed in segments	18,091.63	19,236.25	22,115.38	18,091.63	22,115.38	21,361.74
Other unallocable corporate assets less Corporate liabilities	118.26	119.06	118.76	118.26	118.76	116.91
Total Capital Employed	18,209.89	19,355.31	22,234.14	18,209.89	22,234.14	21,478.65

CNGSN & ASSOCIATES LLP CHENNAI CHARTERED ACCOUNTANTS

for Dharani Sugars and Chemicals Limited

Dr Palani G Periasamy
Executive Chairman

14/2/22

7	During the quarter ended September 30, 2021 the Company has received certain employee/ other claims for the earlier periods aggregating to Rs.468.04 Lakhs. The same has been provided for in arriving at the aforesaid unaudited results for the nine months ended December 31, 2021. The same is subject to approval of the IRP and a matter of qualification by the auditors.
8	Sugar Industry being seasonal in nature, the Quarterly results cannot be taken as an indicator of the full year's working results
9	Previous period figures have been regrouped/ reclassified, where necessary.

For Dharani Sugars and Chemicals Limited

Dr Palani G Periasamy
Executive Chairman
DIN: 00081002

Taken on Record

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

Place: Chennai
Date : February 14, 2022

Initialled for identification purposes

CNGSN & ASSOCIATES LLP
CHENNAI
CHARTERED ACCOUNTANTS

For DHARANI SUGARS AND CHEMICALS LIMITED

14/2/22.

S.Rajendran
Interim Resolution Professional
Regn. No. IBBI/IPA-002/IP-N00098/2017-18/10241

CNGSN & ASSOCIATES LLP
CHARTERED ACCOUNTANTS

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NYAPATHY SRILATHA M.Com., FCA, PGDFM
V. VIVEK ANAND B.Com., FCA
E.K. SRIVATSAN B.Com., FCA

Limited Review Report
on the Unaudited Financial Results for the quarter and nine months ended December 31,2021 of M/s Dharani Sugars and Chemicals Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Interim Resolution Professional
Dharani Sugars and Chemicals Limited
Chennai

1. The Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by a financial creditor of Dharani Sugars and Chemicals Limited ("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.

   We were informed that the powers of adoption of this unaudited financial results vest with the IRP, in view of pendency of the CIRP and suspension of the powers of board of directors.

2. We have reviewed the unaudited financial results of the Company for the quarter and nine months ended December 31, 2021 which are included in the accompanying 'Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2021' together with the notes thereon (the "Statement"). The Statement has been prepared by the Company's management pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), as amended, which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's Management and has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

   Our responsibility is to express a conclusion on the Statement based on our review.

3. We have conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.

4. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

CNGSN & ASSOCIATES LLP ★ CHENNAI ★ CHARTERED ACCOUNTANTS

5. We draw attention to the following matters:

a) Note 4 to the Statement regarding the fact that the 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 as more fully explained in Note 1 to the Statement 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. On the other hand, the management informed us that the Company is in the process of filing application with the Hon'ble NCLT under section 12 A of the Insolvency and Bankruptcy Code, considering the OTS under negotiation towards which the Company has already deposited Rs. 6,453.30 lakhs as stipulated by the consortium of bankers/ financial institutions. We were informed that the said amount paid by the promoters and their group, is kept in separate escrow accounts and out of the above amount, Rs 3,952.80 lakhs is not recorded in the financial statements. It was informed to us that due to the pendency of CIRP, as per legal advice obtained by the promoters, this will be recorded as loan from the promoters' group after the withdrawal of CIRP. The management also confirmed that during the current period, the Company has obtained an in-principle approval of loan from a lender to pay off the entire amount due as per OTS. We were also informed that on an appeal filed by a director of the company, the Hon'ble National Company Law Appellate Tribunal ("NCLAT") has directed the CIRP applicant and IRP to file return submission/ status report respectively and the next hearing has been listed for March 10, 2022.

We have not received neither direct nor indirect confirmation for the balances in the escrow account aggregating to Rs 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.

Several uncertainties exist due to non-confirmation from the banks/ financial institutions for the outstanding borrowings as on December 31, 2021/ 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 aforesaid reversal of interest, (b) the impact of the non-confirmation of balances in escrow accounts in respect of amounts deposited towards OTS and in certain inoperative bank accounts, (c) non recording of further amounts deposited by the promoters in the books of the Company and (d) adjustments, that may be required, in the carrying amount of the financial and non-financial assets/ liabilities of the Company.

b) Note 5 to the Statement 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 December 31, 2021 is Rs. 1,455.53 Lakhs.

The Hon'ble NCLT on July 15, 2021 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 developments, the entire investments held by the Company in the aforesaid investee is considered to be not recoverable as per the approved resolution plan.

However, we were informed by the management that 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. It was also informed to us that 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 and the resolution plan was stayed by the Hon'ble NCLAT and the judgement is reserved.

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 about the Material Uncertainty Relating to Going Concern in paragraph 6 below, 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) During the quarter ended September 30, 2021, the Company has received certain employee/ other claims for the earlier periods aggregating to Rs.468.04 Lakhs and the same is included in determining the unaudited results of the Company for the nine months ended December 31, 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) Our opinion is modified in respect of matters referred in clauses 5 (a) to 5 (d) above. The matters referred in clause 5 (a) to 5 (d) have been qualified in our limited review reports of earlier quarters as well as the independent audit opinion for the earlier years.

6. Material uncertainty relating to Going Concern

The Company has very minimal operations during the quarter and nine months ended December 31, 2021. 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's ability to continue as a going concern depends on the possible decisions that may be taken on OTS/ CIRP 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. Pending resolution of the above uncertainties, the Company has prepared the aforesaid Statement on a going concern basis.

7. Based on our review conducted as above, except for matters stated in Paragraph 5 above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with Ind AS and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 as amended from time to time, read with SEBI Circular No. CIR/ CFD/ CMD1/ 80/ 2019 dated July 19, 2019, as amended from time to time, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

CNGSN & ASSOCIATES LLP ★ CHENNAI ★ CHARTERED ACCOUNTANTS

(CHINNSAMY GANESAN)
Partner
Membership No. 027501
UDIN: 22027501ABYJED5908

Place: Chennai
Date: February 14, 2022