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 Mar2021/Reg-33 /2021

30.07.2021

BSE Ltd Corporate Relationship Department, First Floor, New Trading Ring, Rotunda Building, Floor No: 25 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: Audited Financial Results for the Quarter and year ended 31st March 2021.
Ref : BSE- Scrip Code – 507442 (BSE) – NSE- DHARSUGAR.

In accordance with Regulation 33 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following items were discussed and approved in the Meeting of the Board of Directors held on 30.07.2021.

1. Audited Financial Results for the Quarter and Year ended 31st March 2021 along with segment wise report and Cash flow statement.
2. Statement of Assets & Liabilities.
3. Independent Auditors Report.
4. Statement on impact of Audit Qualifications.
5. Dr K C Reddy and Mrs Visalakshi Periasamy appointed as directors who is attaining the age of 75 years' and their appointment is subject to Shareholders approval through special resolution in the ensuing Annual General Meeting.

The Meeting of the Board of Directors of the Company commenced at 4.30 p.m. and concluded at 6.30 p.m.

This above Result 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

E P Sakthivel
Company Secretary

Encl.: as above

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Tirunelveli District - 627 760
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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 audited financial results for the quarter and year ended March 31, 2021 under Ind AS

(Rs in Lakhs)

S.No	Particulars	Quarter ended			Year ended	
		March 31, 2021 (Audited)	Dec 31, 2020 (Unaudited)	March 31, 2020 (Audited)	March 31, 2021 (Audited)	March 31, 2020 (Audited)
	Income from Operations					
1	(a) Net Sales/ Revenue from operations	23.23	16.01	217.14	3,108.99	10,996.75
2	(b) Other Income (Net)	6.37	4.21	10.22	582.52	43.17
3	**Total Income (1+2)**	**29.60**	**20.22**	**227.36**	**3,691.51**	**11,039.92**
4	**Expenses**					
	(a) Cost of materials consumed	147.94	1.35	220.11	2,519.94	6,597.74
	(b) Changes in inventories of finished goods, work in progress and stock in trade	(108.67)	11.40	(33.87)	(20.15)	1,808.49
	(c) Employees benefits expense	307.88	335.37	507.78	1,367.24	2,161.73
	(d) Finance Cost	208.29	1.52	(1,948.18)	210.78	215.40
	(e) Depreciation and amortisation expense	584.98	585.00	581.45	2,339.96	2,245.52
	(f) Other expenses	265.52	192.48	872.42	1,077.55	4,816.70
	Total Expenses	**1,403.64**	**1127.12**	**179.71**	**7,495.33**	**17,845.58**
5	Profit/ (Loss)before exceptional items and tax (3-4)	(1,374.24)	(1,106.90)	47.65	(3,803.82)	(6,805.66)
6	Exceptional items	-	-	3,477.86	-	3,477.86
7	**Profit/ (Loss) before tax (5+6)**	**(1,374.24)**	**(1,106.90)**	**3,525.51**	**(3,803.82)**	**(3,327.80)**
8	**Tax expense**					
	Current tax	-	-	-	-	-
	Current tax for earlier years	-	-	-	-	-
	MAT credit reversal	-	-	-	-	-
	Deferred tax Asset/(Liability)	-	-	339.66	-	339.66
	Total tax expenses	-	-	**339.66**	-	339.66
9	Profit/ (Loss) for the period from continuing operations (7-8)	(1,374.24)	(1,106.90)	3,865.19	(3,803.82)	(2,988.12)
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)**	(1,374.24)	(1,106.90)	3,865.19	(3,803.82)	(2,988.12)
14	Other comprehensive income, net of income tax					
	(a) (i) Items that will not be reclassified to profit or loss	78.35	(4.12)	(73.85)	57.75	(32.95)
	(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	**78.35**	**(4.12)**	**(73.85)**	**57.75**	**(32.95)**
15	**Total comprehensive income/(loss) for the period (13+14)**	**(1,295.89)**	**(1,111.02)**	**3,791.34**	**(3,746.07)**	**(3,021.07)**
16	Paid-up equity share capital	3320.00	3320.00	3320.00	3,320.00	3,320.00
	Face value per share (Rs)	10.00	10.00	10.00	10.00	10.00
17	Earning per share (Rs) (not annualised)					
	- Basic	(4.14)	(3.33)	11.64	(11.46)	(9.00)
	- Diluted	(4.14)	(3.33)	11.64	(11.46)	(9.00)

Notes:

1. The above results for the quarter and Year ended March 31, 2021 as reviewed and recommended by the audit committee of the Board, has been approved by the Board of Directors at its meeting held on July 30, 2021. The Statutory auditors of the Company have issued a modified opinion on the unaudited results.

2. The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

3. The format for audited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with the requirements of SEBI's circular dated July 5 2016, Ind AS and Schedule III (Part II) to the Companies Act, 2013, which are applicable to companies that are required to comply with Ind AS.

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4	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.
5	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. The Company approached the consortium of bankers for an One Time Settlement (OTS)/ restructuring which is under negotiation. The Company is conficent of a turnaround, if the OTS/ restructuring has been approved by the banks and financial institutions. It may also be noted that the poor performance of the Company is mainly due to low availability of sugarcane for crushing as planting areas are being continuously reduced due to continuous draught and the general slowdown in sugar industry due to factors like failure of monsoon, varietal degeneration, reduced recovery, decline in area under cultivation and the resultant reduction in capacity utilisation of sugar mills. This being a general industry issue, a formal representation was made by the South Indian Sugar Mills Association (SISMA), in which the Company is a member, to the Hon'ble Prime Minister and the Chief Minister of Tamil Nadu for announcing revival packages for the sugar industry. SISMA expects that its demands will be considered by the Central and State Governments favourably. In the meeting with the Hon'ble Union Finance Minister, SISMA has submitted a request for restructuring of loans to sugar mills considering the status of Sugar industry in Tamilnadu. Pursuant to the directions of the Hon'ble Union Finance Minister, the Ministry of Finance had organised a joint meeting of the senior officers of Reserve Bank of India (RBI), Ministry of Finance, Food Ministry, Tamilnadu State Government, Farmers' Associations and SISMA. The meeting was held on September 24, 2019 and deliberated on the supportive measures including restructuring of accounts required for the revival of sugar units in Tamilnadu. SISMA has also sent a letter to the State Level Bankers Committee (SLBC) and requested to keep in abeyance the recovery proceedings initiated against sugar units in Tamilnadu, including proceeding before the SARFAESI, Hon'ble National Company Law Tribunal (NCLT) and Debt Recovery Tribunal (DRT), considering the discussions arising out of the above meeting. The Hon'ble Chief Minister of Tamilnadu has also communicated with the Hon'ble Union Finance Minister requesting to direct the bankers to restructure of loans given to the sugar industry and not to take any harsh measures under SARFAESI, Insolvency and Bankruptcy Code and DRT vide D.O letter dated October 24, 2019 and press release No.725 dated October 26, 2019, until the sugar sector is revived. SISMA representatives again met the Hon'ble Chief Minister of Tamil Nadu to express the further distress faced by the sugar industry coupled with the Covid'19 and accumulating dues from TANGEDCO. Based on the representations, the Government of Tamilnadu ordered for release of outstanding TANGEDCO dues to the sugar mills by granting subsidy and advance subsidy for 2020-21 to TANGEDCO. This is expected to give a reasonable relief to the sugar mills to manage the working capital requirements. SISMA made another representation to the Hon'ble Union Finance Minister vide its letter No.GS7/ 43/ 2020 dated July 21, 2020 highlighing the fact that out of 25 private sugar mills in the State of Tamil Nadu, 12 mills remain closed during the current season leading to widespread job losses while the banks have initiated aggressive recovery measures by referring the accounts of the above mills to Hon'ble NCLT/ DRT. SISMA requested to implement support measures like restructuring of debts availed from banks/ financial institutions/ sugar development funds, keeping in abeyance the recovery proceedings initiated against financially stressed mills before NCLT/ DRT till such a revival package is implemented, extending soft loans under credit guarantee scheme, direct subsidy to cane farmers towards FRP payment for the portion of FRP which has become unaffordable to the mills due to low sugar recovery, advising banks to liberally disburse crop loans to farmers etc. SISMA expects that considering the possibility of rural community job losses, loss of livelihood of the rural population and the massive adverse impact on the rural economy, the Union Finance Ministry will implement the revival packages as requested in the immediate near future. In the interim, in the meeting of the Consortium of Banks was held on May 5, 2021, the Consortium of Banks have agreed for the OTS proposal of settling 55% of the total amount of borrowings outstanding with certain conditions. The company has deposited Rs.2631 Lakhs as per the terms of the OTS and is in the process of complying with the other conditions of the OTS.

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Dharani Sugars and Chemicals Limited

Statement of standalone audited financial results for the quarter and year ended March 31, 2021 under Ind AS (contd..)

6	Despite the above matters relating to industry issues requiring policy decisions at various levels and submissions being under consideration by the Central and State Governments to revive the sugar units in Tamilnadu, one of the bank has filed an insolvency petition with Hon'ble NCLT for corporate insolvency resolution process on August 14, 2019. The Company has replied stating that the entire sugar industry in Tamilnadu is passing through a distressing period and that the Bank has failed to adhere to the Prudential Framework for Resolution of Stressed Assets and that the bank has ignored the consortium arrangement and independently proceeded for recovery of its portion of debt. Bank of India has also sent, in parallel, an intimation letter for scheme of One Time Settlement (BOI OTS 2019) dated October 31, 2019 received by the Company on November 8, 2019. The Company replied to Bank of India offering an OTS proposal vide letter dated December 17, 2019 and January 21, 2020 and the same is under negotiation. During the hearings held on February 10, 2020 and March 3, 2020, Bank of India informed the Hon'ble NCLT about the OTS proposal submitted by the company along with the initial deposit as per the OTS proposal and sought time for its decision to review the OTS proposal. Accordingly, the Hon'ble NCLT posted the case for further hearing. The next hearing is postponed to February 15, 2021. Another bank, during the previous year, has invoked the guarantee given by the Company for the farmers' loan and issued notice to the Company to repay the entire guaranteed amount. The Company has repaid the guarantee invoked liability to the bank during the current year. On the hearing held on February 15, 2021, the Hon'ble NCLT posted the case for further hearing on July 20, 2021. On the hearing held on July 20, 2021 the Company was asked to submit a written summary of the hearings held so far regarding the case. The Company has also received summons from the Debt Recovery Tribunal, Chennai based on an application filed by another bank for recovery of dues. The Tribunal has posted the hearing for November 25, 2020 for filing the return submission and personal appearance by the Company and also imposed a restriction on the Company not to sell any of its secured assets and properties. The Company is in the process of responding to the above summons. On November 6, 2020, Indian Renewable Energy Development Authority (IREDA) has filed an insolvency petition with Hon'ble NCLT for corporate insolvency resolution process which is yet to be admitted. On January 27, 2021, the leader of the consortium banks has issued possession notice of all immovable properties belonging to the Company under the SARFAESI Act, 2002. The Company contemplating to file a stay petition against the above notice. Considering the fact that all the banks/ financial institutions have declared the loans are non-performing asset (NPA) and issued recall notices, the Company stopped providing interest on the outstanding borrowings from banks and financial institutions, not restated the foreign currency loans and also reversed the interest provided during the earlier quarters/ years in respect of periods after the NPA date. In the opinion of the management, in view of the one-time settlement of the loans sought by the Company and the also due to the present developments at Hon'ble NCLT, there will be no further interest liability on the Company from the NPA date. However, the application filed for CIRP was admitted on July 29, 2021 by the Hon'ble NCLT and an interim resolution professional was also appointed. No official communication has been received as on date from the Hon'ble NCLT and the Company will respond appropriately considering the One Time Settlement (OTS) under negotiation towards which the Company has already deposited Rs.2,631 Lakhs as stipulated by the consortium of bankers/ financial institution. Pending resolution of the above uncertainties, which is depended upon future events, the company has prepared the financial statements on a going concern basis and has not considered any impairment in the carrying value of non-financial and financial assets. This is a matter of qualification by the auditors.
7	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 National Company Law Tribunal, 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. Subsequent to the balance sheet date, 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 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, 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 National Company Law Appellate Tribunal praying for quashing the order of the Hon'ble NCLT and a decision is yet to be made by the Hon'ble National Company Law Appellate Tribunal. Accordingly, in the opinion of the management, the Company will still able to recover the entire carrying amount of the investee, 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 investment. This is a matter of qualification by the auditors.

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Dharani Sugars and Chemicals Limited

Statement of standalone audited financial results for the quarter and year ended March 31, 2021 under Ind AS (contd..)

8 Statement of assets and liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
Assets		
Non-current assets		
Property, plant and equipment	53,785.54	55,780.05
Financial assets		
Investments	1,463.15	1,460.35
Other financial assets	43.01	43.07
Other non-current assets	112.48	259.53
Total Non-current assets	**55,404.18**	**57,543.00**
Current assets		
Inventories	189.79	562.74
Financial assets		
Trade receivables	511.04	1,713.43
Cash and cash equivalents	580.09	58.99
Bank balances other than above	-	5.33
Other financial assets	3.00	3.00
Other current assets	57.09	322.44
Current Tax Assets	17.53	24.38
Total Current assets	**1,358.54**	**2,711.31**
Total Assets	**58,762.72**	**60,254.31**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	3,320.00	3,320.00
Other Equity	(15,990.09)	(12,244.02)
Total equity	**(12,670.09)**	**(8,924.02)**
Liabilities		
Non-Current Liabilities		
Financial liabilities		
Borrowings	615.35	75.21
Other financial liabilities	15.79	23.12
Deferred tax liabilities (net)	1,338.46	1,338.46
Provisions	564.02	559.74
Total Non-Current Liabilities	**2,533.62**	**1,996.53**
Current liabilities		
Financial liabilities		
Borrowings	52,996.74	51,114.05
Trade payables	8,651.78	9,210.16
Other financial liabilities	21.51	2,049.66
Other current liabilities	5,106.85	4,674.27
Short Term Provisions	122.30	133.66
Total Current liabilities	**66,899.19**	**67,181.80**
Total Liabilities	**69,432.81**	**69,178.33**
Total Equity and Liabilities	**58,762.72**	**60,254.31**

CNGSN & ASSOCIATES LLP CHENNAI CHARTERED ACCOUNTANTS

Dharani Sugars and Chemicals Limited

Statement of standalone audited financial results for the quarter and year ended March 31, 2021 under Ind AS (contd..)

9 The Company has organised the business into three segments viz. Sugar, Distillery and Power. This reporting complies with the Ind AS segment reporting principles.

(Rs.in Lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2021 (Audited)	Dec 31, 2020 (Unaudited)	March 31, 2020 (Audited)	March 31, 2021 (Audited)	March 31, 2020 (Audited)
Segment Revenue					
(a) Sugar	23.23	13.42	164.69	3045.44	7,595.01
(b) Distillery	0.00	2.59	85.38	63.55	4,657.52
(c) Power	-	-	240.34	-	335.36
(d) Unallocated	6.37	4.21	10.22	582.52	43.17
Total	**29.60**	**20.22**	**500.63**	**3691.51**	**12,632.06**
Less: Inter Segment Revenue	-	-	273.65	-	1,592.15
Revenue from operations (Net)	**29.60**	**20.22**	**226.98**	**3691.51**	**11,039.91**
Segment Results					
Profit (+) / Loss (-) before tax and finance cost					
(a) Sugar	(877.54)	(775.50)	1,889.01	(2,884.17)	(1,367.47)
(b) Distillery	(205.47)	(225.45)	(114.70)	(870.96)	272.12
(c) Power	(91.20)	(108.21)	132.48	(420.44)	(1,720.54)
(d) Unallocated	5.36	4.22	10.22	582.52	43.17
Total	**(1,167.95)**	**(1,105.36)**	**1,917.01**	**(3,593.04)**	**(2,772.72)**
Add/ (Less) : Finance Cost	205.29	1.52	(1,548.18)	210.78	215.40
Profit/ (Loss) from continuing operations	(1,374.24)	(1,106.90)	3,865.19	(3,803.82)	(2,988.12)
Profit/ (Loss) from discontinuing operations	-	-	-	-	-
Profit/ (Loss) Before Tax	**(1,374.24)**	**(1,106.90)**	**3,865.19**	**(3,803.82)**	**(2,988.12)**
Segment Assets					
(a) Sugar	32,982.04	33,450.25	36,458.53	32,982.04	36,458.53
(b) Distillery	12,545.07	12,923.76	12,560.57	12,545.07	12,560.57
(c) Power	11,118.70	11,254.59	11,118.31	11,118.70	11,118.31
(d) Other unallocable corporate assets	116.91	116.76	116.90	116.91	116.90
Total assets	**56,762.72**	**57,757.36**	**60,254.31**	**56,762.72**	**60,254.31**
Segment Liabilities					
(a) Sugar	53,587.34	53,273.23	53,329.94	53,587.34	53,329.94
(b) Distillery	4,817.61	4,823.26	4,819.87	4,817.61	4,819.87
(c) Power	11,027.86	11,035.12	11,028.52	11,027.86	11,028.52
(d) Other unallocable corporate liabilities	-	-	-	-	-
Total liabilities	**69,432.81**	**69,131.61**	**69,178.33**	**69,432.81**	**69,178.33**
Capital Employed (Segment assets-Segment liabilities)					
(a) Sugar	(20,605.30)	(19,822.98)	(16,871.41)	(20,605.30)	(16,871.41)
Add : Loans	23,529.39	22,989.02	23,076.58	23,529.39	23,076.58
Capital Employed Sugar segment	**2,924.09**	**3,166.04**	**6,205.17**	**2,924.09**	**6,205.17**
(b) Distillery	7,727.46	8,100.52	7,740.70	7,727.46	7,740.70
Add : Loans	3,243.80	3,243.80	3,243.79	3,243.80	3,243.79
Capital Employed Distillery segment	**10,971.26**	**11,344.32**	**10,984.49**	**10,971.26**	**10,984.49**
(c) Power	90.84	229.47	89.79	90.84	89.79
Add : Loans	7,375.55	7,375.55	7,375.56	7,375.55	7,375.56
Capital Employed power segment	**7,466.39**	**7,605.02**	**7,465.35**	**7,466.39**	**7,465.35**
Total capital employed in segments	**21,361.74**	**22,115.38**	**24,655.01**	**21,361.74**	**24,655.01**
Other unallocable corporate assets less Corporate liabilities	116.91	118.76	116.90	116.91	116.90
Total Capital Employed	**21,478.65**	**22,234.14**	**24,771.91**	**21,478.65**	**24,771.91**

CHENNAI

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Dharani Sugars and Chemicals Limited

Statement of standalone audited financial results for the quarter and year ended March 31, 2021 under Ind AS (contd..)

10 Statement of Cash Flows

(Rs.in Lakhs)

Particulars	Year ended March 31, 2021 (Audited)	Year ended March 31, 2020 (Audited)
Cash Flow From Operating Activities		
Profit before income tax	(3,803.87)	(3,327.80)
Adjustments for		
Depreciation and amortisation expense	2,339.96	2,245.52
(Gain)/ loss on disposal of property, plant and equipment	(38.63)	-
Unamortised Finance income	(8.20)	(7.22)
Unamortised interest expense and rent	49.48	172.66
Allowance for expected credit loss	374.40	2,756.41
Interest income	(12.97)	(12.40)
Reversal of interest accrued accounted as exceptional item	-	(3,477.85)
Finance costs	210.78	215.40
Changes in fair value of investments	(2.80)	206.59
	(900.80)	(1,229.70)
Change in operating assets and liabilities		
(Increase)/ decrease in other financial assets	(40.42)	4.41
(Increase)/ decrease in inventories	42.25	1,881.42
(Increase)/ decrease in trade receivables	827.98	(258.12)
(Increase)/ decrease in other assets	412.40	1,748.26
Increase/ (decrease) in provisions and other liabilities	(1,140.58)	(26.59)
Increase/ (decrease) in trade payables	(558.36)	(1,422.77)
Cash generated from operations	(1,357.95)	694.91
Less: Income taxes paid/ (refunds)	(6.85)	0.63
Net cash from operating activities (A)	**(1,351.10)**	**694.28**
Cash Flows From Investing Activities		
Payments for property, plant and equipment	-	(2.48)
Proceeds from sale of property, plant and equipment	43.88	-
(Purchase)/ disposal proceeds of investments (non-current)	(0.00)	0.35
Realisation of/ (investment in) fixed deposits with banks	6.33	15.50
Interest received	12.97	12.56
Net cash used in investing activities (B)	**63.18**	**25.93**
Cash Flows From Financing Activities		
Proceeds from/ (repayment of) short term borrowings (net)	2,198.88	(303.26)
Proceeds from/ (repayment of) long term borrowings (net)	608.54	(270.26)
Interest paid	(996.40)	(297.01)
Net cash from/ (used in) financing activities (C)	**1,809.02**	**(870.52)**
Net increase/ (decrease) in cash and cash equivalents(A+B+C)	521.10	(150.31)
Cash and cash equivalents at the beginning of the financial year	58.99	209.30
Cash and cash equivalents at end of the year	**580.09**	**58.99**

CHENNAI

CHOKSHI & ASSOCIATES LLP CHARTERED ACCOUNTANTS

Dharani Sugars and Chemicals Limited

Statement of standalone audited financial results for the quarter and year ended March 31, 2021 under Ind AS (contd..)

11	Exceptional items presented in the above financial results for the year ended March 31, 2020 represent reversal of interest on loans from banks and financial institutions post NPA date, as more fully explained in note 6 above
12	The figures for the quarter ended March 31, 2021 represents the balancing figure between the audited results for the year ended March 31, 2021 and the unaudited figures for the nine months ended December 31, 2020.
13	Sugar industry being seasonal in nature, the Quarterly results cannot be taken as an indicator of the full year's working results

For and on behalf of the Board

Place: Chennai
Date : July 30, 2021

Dr Palani G Periasamy
Executive Chairman
DIN : 00061002

Initialled for identification purposes

CHOKSHI & CHOKSHI LLP * CHENNAI * CHARTERED ACCOUNTANTS

CNGSN & ASSOCIATES LLP
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Independent Auditors' Report
on quarter and year to date Standalone financial results for the quarter and year ended March 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 Board of Directors
Dharani Sugars and Chemicals Limited
Chennai

Report on the audit of the Standalone Financial Results

Qualified Opinion

We have audited the accompanying standalone quarterly financial results of Dharani Sugars and Chemicals Limited (the "Company") for the quarter and the year ended March 31, 2021 ("Statement"), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, subject to the effects of the matters described in the Basis for Qualified Opinion section of our report, the Statement:

(a) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

(b) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter and year ended March 31, 2021.

Basis for Qualified Opinion

We draw attention to the following matters:

a) Note 5 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 more fully explained in Note 6 to the Statement, the Company (a) stopped providing interest on the outstanding borrowings from banks and financial institutions, (b) not restated the foreign currency loans and (c) reversed the interest provided

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during the earlier quarters/ years in respect of periods after the NPA date. In the opinion of the management, in view of the one-time settlement of the loans sought by the Company, there will be no further interest liability on the Company from the NPA date.

The application filed for Corporate Insolvency Resolution Process (CIRP) was admitted on July 29, 2021 by the Honourable National Company Law Tribunal ("NCLT") and an interim resolution professional was also appointed. However, we were informed that no official communication has been received as on date from the Hon'ble NCLT and the Company will respond appropriately considering the One Time Settlement (OTS) under negotiation towards which the Company has already deposited Rs.2,631 Lakhs as stipulated by the consortium of bankers/ financial institution.

In the absence any specific confirmation of balances received from the banks/ financial institutions, we are unable to comment on the appropriateness of the aforesaid reversal of interest and its impact on the financial results is not presently determinable.

b) Note 7 to the Statement which explains that during June,2020 quarter, a CIRP and the appointment of a 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.

Subsequent to the balance sheet date, 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 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 praying for quashing the order of the Hon'ble NCLT and a decision is yet to be made by the Hon'ble National Company Law Appellate Tribunal.

Accordingly, in the opinion of the management, the Company will still able to recover the entire carrying amount of the investee, 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 investment.

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 our report on the Statement, there is significant doubt about the Company's ability to continue as going concern and the consequential impairment on the carrying value of the financial and non-financial assets of the Company. 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.

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d) Our audit report on the Statement is qualified in respect of matters referred to clauses (a) to (c) above. The above matters have been subject matters of qualification in the earlier quarterly limited review/ audit reports as well as the statutory audit of the earlier years.

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

Material Uncertainty Related to Going Concern

We draw attention to the following

(a) The Company's net worth is negative and it continue to incur huge losses in its operations. We understand from the management that the poor performance of the Company is mainly due to low availability of sugarcane for crushing as planting areas are being continuously reduced due to continuous draught and the general slowdown in sugar industry due to factors like failure of monsoon, varietal degeneration, reduced recovery, decline in area under cultivation and the resultant reduction in capacity utilisation of sugar mills.

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

(b) We were informed that

(1) in the meeting with the Hon'ble Union Finance Minister, SISMA has submitted a request for restructuring of loans to sugar mills considering the status of Sugar industry in Tamilnadu. Pursuant to the directions of the Hon'ble Union Finance Minister, the Ministry of Finance had organised a joint meeting of the senior officers of Reserve Bank of India (RBI), Ministry of Finance, Food Ministry, Tamilnadu State Government, Farmers' Associations and SISMA. The meeting was held on September 24, 2019 and deliberated on the supportive measures including restructuring of accounts required for the revival of sugar units in Tamilnadu;

(2) SISMA has also sent a letter to the State Level Bankers Committee (SLBC) and requested to keep in abeyance the recovery proceedings initiated against sugar units in Tamilnadu, including proceeding before the SARFAESI, Hon'ble National Company Law Tribunal (NCLT) and Debt Recovery Tribunal (DRT), considering the discussions arising out of the above meeting;

(3) the Hon'ble Chief Minister of Tamilnadu has also sent a communication to the Hon'ble Union Finance Minister requesting to direct the bankers to restructure of loans given to the sugar industry and not to take any harsh measures under SARFAESI, Insolvency and Bankruptcy Code and DRT vide D.O letter dated October 24, 2019 and press release No.725 dated October 26, 2019, until the sugar sector is revived;

(4) SISMA has written on January 28, 2020, to The Joint Secretary - Sugar, Department of Food and PD, seeking rescheduling of SDF loans availed by TN Sugar Mills;

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(5) on a petition filed by the Company and others, the Hon'ble Supreme Court of India on April 2, 2019 declared the RBI circular dated February 12, 2018, as "ultra-vires, Section 35AA of the Banking Regulation Act". Further, the Company has submitted a resolution plan to the consortium of banks for restructuring the loans. The resolution plan was rejected by the consortium of banks in the Joint Lender's Meeting held on May 22, 2019;

(6) SISMA representatives again met the Hon'ble Chief Minister of Tamil Nadu to express the further distress faced by the sugar industry coupled with Covid'19 and accumulating dues from TANGEDCO. Based on the representations, the Government of Tamilnadu ordered for release of outstanding TANGEDCO dues to the sugar mills by granting subsidy and advance subsidy for 2020-21 to TANGEDCO. This is expected to give a reasonable relief to the sugar mills to manage the working capital requirements;

(7) SISMA has made another representation to the Hon'ble Union Finance Minister vide its letter No.GS7/ 43/ 2020 dated July 21, 2020 highlighting the fact that out of 25 private sugar mills in the State of Tamil Nadu, 12 mills remain closed during the current season leading to widespread job losses while the banks have initiated aggressive recovery measures by referring the accounts of the above mills to Hon'ble NCLT/ DRT. SISMA requested to implement support measures like restructuring of debts availed from banks/ financial institutions/ sugar development funds, keeping in abeyance the recovery proceedings initiated against financially stressed mills before NCLT/ DRT till such a revival package is implemented, extending soft loans under credit guarantee scheme, direct subsidy to cane farmers towards FRP payment for the portion of FRP which has become unaffordable to the mills due to low sugar recovery, advising banks to liberally disburse crop loans to farmers etc. SISMA expects that considering the possibility of rural community job losses, loss of livelihood of the rural population and the massive adverse impact on the rural economy, the Union Finance Ministry will implement the revival packages as requested in the immediate near future;

(8) Despite the above matters relating to industry issues requiring policy decisions at various levels and submissions being under consideration by the Central and State Governments to revive the sugar units in Tamilnadu, one of the bankers has filed an insolvency petition with Hon'ble NCLT for corporate insolvency resolution process on August 14, 2019. The Company has replied stating that the entire sugar Industry in Tamilnadu is passing through a distressing period and that the Bank has failed to adhere to the Prudential Framework for Resolution of Stressed Assets and that the bank has ignored the consortium arrangement and independently proceeded for recovery of its portion of debt. The said Bank has also sent, in parallel, an intimation letter for scheme of One Time Settlement (BOI OTS 2019) dated October 31, 2019 received by the Company on November 8, 2019. The Company replied to the Bank offering an OTS proposal vide letter dated December 17, 2019 and January 21, 2020 and the same is under negotiation. During the hearings held on February 10, 2020 and March 3, 2020, the said Bank informed the Hon'ble NCLT about the OTS proposal submitted by the Company along with the initial deposit as per the OTS proposal and sought time for its decision to review the OTS proposal. Accordingly, the Hon'ble NCLT posted the case for further hearing. The next hearing is postponed to February 15, 2021. On the hearing held on February 15, 2021, the Hon'ble NCLT posted the case for further hearing on July 20, 2021. On the hearing held on July 20, 2021 the Company was asked to submit a written summary of the hearings held so far regarding the Case. Time limit for submission of the same was not yet communicated to the Company.

In the interim, in the meeting of the Consortium of Banks was held on May 5, 2021, the Consortium of Banks have agreed for the OTS proposal of settling 55% of the total amount of borrowings outstanding with certain conditions. The company has deposited Rs.2631 Lakhs as per the terms of the OTS and is in the process of complying with the other conditions of the OTS.

However, the CIRP filed was admitted by the Hon'ble NCLT and an interim resolution professional was appointed on July 29, 2021, the official communication of which is yet to be received by the Company.

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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. This is qualified by us in the Basis for qualification section of our report on this Statement.

Emphasis of Matter

We draw attention to Note 4 to the Statement which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management.

Our opinion is not modified in respect of the above matter.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the Standalone annual financial statements. The Company's board of directors are responsible for the preparation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the board of directors are 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 the board of directors 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 Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the Statement.

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

We also carried out the following procedures as part of our audit:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient

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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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the board of directors' 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 Statement 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial results 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 standalone financial results.

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.

For CNGSN & ASSOCIATES LLP

Chartered Accountants
Firm Registration No.004915S/ S200036

(CHINNSAMY GANESAN)
Partner
Membership No. 027501
UDIN: 21027501AAAACW8974

CNGSN & ASSOCIATES LLP * CHENNAI * CHARTERED ACCOUNTANTS

Place: Chennai
Date: July 30, 2021

Dharani Sugars and Chemicals Limited

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CIN No : L15421TN1987PLC014454, Website : www.dharanisugars.in

Statement on Impact of Audit Qualifications (for Audit Report with modified opinion submitted) along with Audited Financial Results - (Standalone)

Statement on impact of Audit Qualifications for the Financial year ended March 31, 2021

(See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulation, 2016)

Sl.No		Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
			(Rs. lakhs)	
I	a	Turnover/ Total Income		
	b	Total Expenditure		
	c	Net Profit/ (Loss)		
	d	Earnings Per share		
	e	Total Assets		
	f	Total Liabilities		
	g	Net Worth		
	h	Any other financial item(s) as felt appropriate by the Management)		

Impact not presently determinable

II	Audit Qualification (each audit qualification)		
	a	Details of Audit Qualifications	1. The Company Stopped Providing Interest on the outstanding borrowings from banks and financial institutions. Not restated the foreign currency loan. Reversed the interest provided during the earlier quarter after NPA Date. Application filed for CIRP was admitted on 29-07-2021 by NCLT and IRP was appointed. 2. Appointment of RP was admitted in the case 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 is Rs.1455.53 Lakhs. 3. There exists material uncertainty that case a significant doubt on the company's ability to continue as a going concern.
	b	Type of Audit Qualifications: Qualified Opinion/ Disclaimer of Opinion / Adverse Opinion	Qualified Opinion
	c	Frequency of Qualifications: Whether appeared first time/ repetitive / since how long continuing	Appears for the First Time in the annual financial statements. However, item 1 and 3 is already appeared in the qualified in the Limited Review Reports for earlier quarters (since Quarter ended September 30, 2019)
	d	for Audit Qualification(s) where the impact is quantified by the auditor, Management's views:	Impact not presently quantifiable due to the various uncertainties involved.
	e	for Audit Qualification(s) where the impact is not quantified by the auditor:	
		i. Management's estimation on the impact of audit qualification.	1.Due to continues drought inn Tamil Nadu for the last four years, 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. Interest was originally provided as per norms, Subsequently the loans have become NPA in the books of the lenders. Company is discussing with them for a one-time settlement\ of the principal outstanding as on the NPA date. In view of this, interest for the period beyond the date of NPA need not be paid nor need to be provided, hence this provisions is withdrawn. Company is confident of settling the OTS with bankers. 2. Appu Hotel 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. 3.The Company has submitted the resolution plans to Banks for restricting/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.
		ii. Management's is unable to estimate the impact, reasons for the same:	Impact not presently quantifiable due to the various uncertainties involved.
		iii. Auditor's comments on (i) or (ii) above;	Refer" Basis for Qualified Opinion" in audit report read with relevant notes in the financial results the same is self-explanatory.

CEO/ Managing Director	(M Ramalingam) - //sd//
Chief Financial Officer	(M P Kaliannan) - //sd//
Audit Committee Chairman	(Dr.S.Muthu) - //sd//
Statutory Auditors	(Chinnsamy Ganesan) - //sd//

Place: Chennai
Date: July 30, 2021