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 Reg-33 \2019

14.08.2019

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,

Sub: Unaudited Financial Results for the Quarter ended 30th June 2019.
Ref : BSE- Scrip Code – 507442 (BSE) – NSE- DHARSUGAR(NSE).

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 14th August 2019.

1. Unaudited Financial Results for the Quarter ended 30th June 2019 along with segment wise report.
2. Auditors Limited Review Report.

The Meeting of the Board of Directors of the Company commenced at 10.30 a.m. and concluded at 2.15 p.m.

This above Result is also available at the website of the Company (www.dharanisugars.in) 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

Dharani Nagar, Vasudevanallur,
Tirunelveli District - 627 760
Ph : (04636) 241370/371/372
Fax : (04636) 241578
Email : dharani1@dharanisugars-pgp.com

Karaipoondi Village, Polur,
Tiruvannamalai District - 606 803.
Ph : (04181) 223161, 223162, 223170
Fax : (04181) 223330
Email : dharani2@dharanisugars-pgp.com

Kalayanallur Village, Thiyagadurugam,
Pallangacherry Post, Kallakurichi Via,
Villupuram District - 606 206
Mobile : 0451-248208
Email : dharani3@dharanisugars-pgp.com

Dharani Sugars and Chemicals Limited

Regd. Office: "PGP House", New No.59 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 ended June 30, 2019 under Ind AS

(Rs in Lakhs)

S.No	Particulars	Quarter ended			Year ended
		June 30, 2019 (Unaudited)	Mar 31, 2019 (Audited)	June 30, 2018 (Unaudited)	March 31, 2019 (Audited)
	Income from Operations				
1	Net Sales/ Revenue from operations	6,068.33	10,573.57	11,405.90	31,569.73
2	Other Income (Net)	23.56	309.93	33.92	365.51
3	**Total Income (1+2)**	**6,091.89**	**10,883.50**	**11,439.82**	**31,935.24**
4	**Expenses**				
	Cost of materials consumed	3,331.60	7,544.25	2,731.74	15,627.69
	Changes in inventories of finished goods, work in progress and stock in trade	1,236.04	1,466.42	7,480.43	12,139.90
	Employees benefits expense	567.87	576.46	601.03	2,377.92
	Depreciation and amortisation expense	561.36	565.06	563.05	2,259.42
	Finance Cost	1,904.75	1,864.92	1,894.11	7,454.97
	Other expenses	747.39	2,486.39	1,040.42	5,165.05
	Total Expenses	**8,349.01**	**14,503.50**	**14,310.78**	**45,024.95**
5	Profit/ (Loss)before exceptional items and tax (3-4)	**(2,257.12)**	**(3,620.00)**	**(2,870.96)**	**(13,089.71)**
6	Exceptional items	-			-
7	**Profit/ (Loss) before tax (5+6)**	**(2,257.12)**	**(3,620.00)**	**(2,870.96)**	**(13,089.71)**
8	**Tax expense**				
	Current tax	-	-	-	(1.18)
	MAT credit reversal	-	-	-	(1,577.56)
	Deferred tax Asset/(Liability)	-	-	-	(264.47)
	Total tax expenses	-	-	-	(1,843.21)
9	Profit/ (Loss) for the period from continuing operations (7-8)	**(2,257.12)**	**(3,620.00)**	**(2,870.96)**	**(14,932.92)**
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)**	**(2,257.12)**	**(3,620.00)**	**(2,870.96)**	**(14,932.92)**
14	Other comprehensive income, net of income tax				
	(a) (i) items that will not be reclassified to profit or loss	13.63	19.70	(11.61)	54.53
	(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	13.63	19.70	(11.61)	54.53
15	**Total comprehensive income/(loss) for the period (13+14)**	**(2,243.49)**	**(3,600.30)**	**(2,882.57)**	**(14,878.39)**
16	Paid-up equity share capital	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
17	Earning per share (Rs) (not annualised)				
	- Basic	(6.80)	(10.90)	(8.65)	(44.98)
	- Diluted	(6.80)	(10.90)	(8.65)	(44.98)

Notes:

1. The above results for the quarter ended June 30, 2019 as reviewed and recommended by the audit committee of the Board, has been approved by the Board of Directors at its meeting held on August 14, 2019.

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.

4. The Company has defaulted in repayment of interest and principal on loans taken from the banks and financial institutions, due to general slow down in the sugar industry. Consequently, the lending institutions have declared the loan accounts as NPA in September 2018. In June 2019, the banks have recalled the entire loan amounts. The company is in discussions with the Banks for one-time settlement

5. Sugar Industry being seasonal in nature, the Quarterly results cannot be taken as an indicator of the full year's working results

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

CNGSN & ASSOCIATES LLP CHENNAI CHARTERED ACCOUNTANTS

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

(Rs.in Lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2019(Unaudited)	Mar 31, 2019(Audited)	June 30, 2018(Unaudited)	March 31, 2019(Audited)
Segment Revenue				
(a) Sugar	3,707.05	10,322.31	10,019.08	28,029.15
(b) Distillery	2,739.21	1,028.12	1,525.58	4,923.36
(c) Power	13.78	1,096.25	-	1,768.91
(d) Unallocated	23.56	309.93	33.92	365.51
Total	**6,483.60**	**12,756.61**	**11,578.58**	**35,086.93**
Less: Inter Segment Revenue	391.71	1,873.09	138.76	3,151.69
Revenue from operations (Net)	**6,091.89**	**10,883.52**	**11,439.82**	**31,935.24**
Segment Results				
Profit (+) / Loss (-) before tax and finance cost				
(a) Sugar	(739.07)	(2,275.43)	(1,118.52)	(6,191.10)
(b) Distillery	548.00	408.50	278.35	792.66
(c) Power	(184.86)	(198.08)	(170.60)	(601.81)
(d) Unallocated	23.56	309.93	33.92	365.51
Total	**(352.37)**	**(1,755.08)**	**(976.85)**	**(5,634.74)**
Add/ Less : Finance Cost	1,904.75	1,864.92	1,894.11	7,454.97
Profit/ (Loss) from continuing operations	-			-
Profit/ (Loss) from discontinuing operations	-			-
Profit/ (Loss) Before Tax	**(2,257.12)**	**(3,620.00)**	**(2,870.96)**	**(13,089.71)**
Segment Assets				
(a) Sugar	40,888.04	42,585.15	48,046.23	42,585.15
(b) Distillery	14,150.23	13,887.54	14,812.68	13,887.54
(c) Power	13,027.49	12,797.77	13,205.93	12,797.77
(d) Other unallocable corporate assets	124.29	119.57	287.00	119.57
Total assets	**68,190.05**	**69,390.03**	**76,351.84**	**69,390.03**
Segment Liabilities				
(a) Sugar	57,106.34	56,511.62	36,436.37	56,511.62
(b) Distillery	5,100.44	5,063.78	3,056.50	5,063.78
(c) Power	11,111.41	12,039.44	7,573.20	12,039.44
(d) Other unallocable corporate liabilities	-	1,678.14		1,678.14
Total liabilities	**73,318.19**	**75,292.98**	**47,066.07**	**75,292.98**
Capital Employed (Segment assets-Segment liabilities)				
(a) Sugar	(16,218.31)	(13,926.47)	11,609.86	(13,926.47)
(b) Distillery	9,049.79	8,823.76	11,756.18	8,823.76
(c) Power	1,916.08	758.33	5,632.73	758.33
Total capital employed in segments	**(5,252.42)**	**(4,344.38)**	**28,998.77**	**(4,344.38)**
Add: Loans	33,804.75	15,507.11	22,687.95	15,507.11
Other unallocable corporate assets less Coroporate liabilities	124.29	(1,558.57)	287.00	(1,558.57)
Total Capital Employed	**28,676.62**	**9,604.16**	**51,973.72**	**9,604.16**

Dr Palani G Periasamy
Executive Chairman
DIN : 00081002

Place: Chennai
Date : August 14, 2019

Initialled for identification purpose

CNGSN & ASSOCIATES LLP ★ CHENNAI ★ CHARTERED ACCOUNTANTS

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

CNGSN & ASSOCIATES LLP
CHARTERED ACCOUNTANTS

Flat No.6, First Floor, Vignesh Apartments, North Avenue,
Sri Nagar Colony, Little Mount, Chennai - 600 015.
Tel : +91-44-22301251 ; Fax : +91-44-4554 1482
Web : www.cngsn.com ; Email : cg@cngsn.com

Dr. C.N. GANGADARAN
B.Com., FCA, MBIM (Lond.), Ph.d.

S. NEELAKANTAN
B.Com., FCA

R. THIRUMALMARUGAN
M.Com., FCA

B. RAMAKRISHNAN
B.Com., Grad. CWA, FCA

V. VIVEK ANAND
B.Com., FCA

CHINNSAMY GANESAN
B.Com., FCA, DISA (ICAI)

D. KALAIALAGAN
B.Com., FCA, DISA (ICAI)

K. PARTHASARATHY
B.Com., FCA

NYAPATHY SRILATHA
M.Com., FCA, PGDFM

E.K. SRIVATSAN
B.Com., FCA

Limited Review Report on Unaudited Financial Results for the quarter ended June 30, 2019 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

1. We have reviewed the unaudited financial results of Dharani Sugars and Chemicals Limited (the "Company") for the quarter ended June 30, 2019 which are included in the accompanying 'Statement of Unaudited Financial Results for the quarter ended June 30, 2019' 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, read with SEBI Circular No.CIR/ CFD/ CMD1/ 44/ 2019 dated March 29, 2019 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 Standards (Ind AS) 34, "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. The Statement has also been approved by its board of directors.

   Our responsibility is to issue a report on the Statement based on our review.

2. We 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 re quires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.

3. 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.



4. Based on our review conducted as 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, read with SEBI Circular No.CIR/ CFD/ CMD1/ 44/ 2019 dated March 29, 2019 including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. **Significant uncertainty relating to going concern**

Without qualifying our opinion, we draw attention to the following:

a) The Company's net worth is negative and the borrowings from banks and financial institutions have been classified by the lenders as non-performing assets and all the consortium banks have recalled the entire loans outstanding. 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) 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".

c) 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. We were informed that the Company is also in the process of identifying alternative plans to initiate the OTS with the banks. We were further informed that the bankers have requested to increase the initial OTS offer made by the Company and the Company is evaluating the aforesaid request of the bankers. Pending submission of the OTS/ other alternative resolution plans, a decision is yet to be taken by the lenders regarding restructuring of the Company's borrowings.

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

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

(CHINNSAMY GANESAN)
Partner
Membership No. 027501
UDIN : 19027501AAAAAE5181
Place: Chennai
Date: August 14, 2019

CNGSN & ASSOCIATES LLP * CHENNAI * CHARTERED ACCOUNTANTS