Dharani Sugars and Chemicals Limited

Regd. Office : "PGP HOUSE", (Old No.57) New No.59, Sterling Road, Nungambakkam,
Chennai - 600 034. Tel. : 28311313, 28254176, Fax : 28232074, 28232076
Email : commercial@pgpgroup.in, finance@pgpgroup.in, secretarial@pgpgroup.in
Website : www.dharanisugars.in
CIN No.: L15421TN1987PLC014454 TIN No.: 33061502443 CST No.: 818529/19.11.87

PGP GROUP

DSCL/Reg-30 LODR/2019

November 25, 2019

National Stock Exchange of India Limited
Exchange Plaze, 5th Floor, Plot NO.C/1, G-Block
Bandra Kurla Complex
Bandra East, Mumbai-400 051.

Dear Sir,

Sub: Disclosure Under Regulation 30 of LODR – brief details of litigation of viz., - Reg.

With reference to your mail dated 21th November 2019 on the above, we furnish below the details/clarifications requested for.

1. Brief details of litigation/petition:

The Indian Sugar Industry has been facing serious financial crises during the last few years due to glut in sugar and consequent reduction in sugar selling price. In addition, the sugar units in Tamil Nadu were facing continuous drought during the last few years affecting the performance of the Sugar Mills. On account of the drought, the cane availability has come down and this has affected the capacity utilisation. Most of the sugar companies in India particularly in Tamil Nadu including Dharani Sugars and Chemicals Limited have incurred huge losses during the last few years. This has resulted in this Company not being able to service the debts despite its best efforts. Consequent to this, the Company's debts have been classified as NPA by the lenders in August 2018. The same has been advised to Stock Exchanges vide our letter Ref. NO.DSCL/FIN/2018 dated 01-09-2018. In the meantime Bank of India referred the matter of non-payment to NCLT Chennai and this was informed to the Stock Exchanges vide our letter: DSCL/Regulation 30/2019 dated 25th September 2019.

The Company has submitted Resolution Plan to the lenders during August 2018 which was subsequently revised. The Company has also submitted proposal for One Time Settlement (OTS) to the banks and the same is under consideration. In the mean time, Bank of India has chosen to refer it to DRT II Chennai.

The Govt. of India and Tamil Nadu State Government have taken lot of supportive measures during the last one year to revive the Sugar industry. Based on the representation from the South Indian Sugar Mills Association (SISMA), the Ministry of Finance had organised a joint meeting of the Senior Officers from Reserve Bank of India, Ministry of Finance, Food Ministry, Banks, Tamil Nadu State Government, Farmers Association and South Indian Sugar Mills Association to discuss and arrive at a solution for the revival of the sugar industry in Tamil Nadu. The meeting was held on 24th September 2019 wherein the Tamil Nadu State Government and South Indian Sugar Mills Association have presented a detailed note about the various problems faced by the Tamil Nadu Sugar Units due to drought and the need for restructuring the accounts. The South Indian Sugar Mills Association has also requested the banks to keep all the Recovery Proceedings under SARFAESI/NCLT/DRT in abeyance till a final decision is taken on the restructuring proposal.

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The State Level Banking Committee (SLBC) is discussing on the proposal and is waiting for the recommendation from SLBC.

These were explained to the NCLT, Chennai. The petition in NCLT has not yet been admitted.

While their petition is pending admission with NCLT, Bank of India has filed an application with Debt Recovery Tribunal –II, Chennai under SARFAESI Act for recovery of the dues.

2. **Exepected financial implications due to compensation/penalty:**

There is no extra compensation/penalty to the company excepting the outstanding Term loans and interest from Bank of India.

3. **Quantum of claims:**

The total claim towards principal, interest and penal interest is Rs 32,09,22,216.09 as on 22nd August 2019.

Thanking you,

Yours faithfully,
For Dharani Sugars and Chemicals Limited

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

E.P Sakthivel
Company Secretary

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