PGP GROUP

# Dharani Sugars and Chemicals Limited

Regd. Office : "PGP HOUSE", (Old No.57) New No. 59, Sterling Road, Nungambakkam, Chennai - 600034.
Tel : 2831 1313, 28254176, 28234000 Website: www.dharanisugars.in
E-mail : accounts@dharanisugars-pgp.com, commercial@pgpgroup.in, secretarial@dharanisugars-pgp.com
GST No : 33AAACD1281F1Z7 / TIN No : 33061502443 / CSTNo : 818529/19.11.87 / CIN No: L15421TN1987PLC014454.

DSCL/SE/Reg34(1)Annual Report/AGM/2025-26 September 1, 2026

To

| | |
|---|---|
| BSE Limited<br>P J Towers, Dalal Street<br>Mumbai – 400 001<br><br>**Scrip Code : 507442** | National Stock Exchange of Indian Limited<br>Exchange Plaza<br>Bandra Kurla Complex, Bandra (E)<br>Mumbai – 400 051<br>**Symbol : DHARSUGAR** |

Dear Sir/Madam,

**Sub.: Notice of 39th Annual General Meeting and Annual Report for the Financial Year 2025-26.**

The Company informed that the 39th Annual General Meeting ("AGM") of the Company is scheduled to be held on Friday, September 25, 2026, at 11.00 a.m. through Video Conferencing / Other Audio-Visual means, in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India ("SEBI").

In terms of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2025-26 and the Notice of 39th AGM, which is being sent through electronic mode to those members whose e-mail addresses are registered with the Registrar & Share Transfer Agent / Depository Participants.

Further, pursuant to Regulation 36(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a letter providing the web-link of the Annual Report, being sent to those members who have not registered their e-mail address, is also attached and available on the Company's website at www.dharanisugars.com

The Annual report containing the Notice of 39th AGM is also uploaded on the Company's website at https://www.dharanisugars.com/pdf/AR2025-26.pdf and the same shall also be available on the website of CDSL at www.evoting.cdsl.com

Other relevant details with regard to the 39th AGM are as follows:

| | |
|---|---|
| Cut-off date for determining the eligibility of shareholders for remote e-voting or voting during the AGM | Friday, 18 September 2026 |
| Closure of Register of Members & Share Transfer Books | From Saturday, September 19, 2026 to Friday, September 25, 2026 (both days inclusive) for the purposes of holding 39th AGM. |
| Period of Remote e-voting to enable the shareholders as on the cut-off date i.e., Friday, September 18, 2026 to cast their votes on proposed resolutions electronically | The remote e-voting period will commence at 09:00 A.M. (IST) Tuesday, September 22, 2026, and end at 5.00 P.M. (IST) on Thursday, September 24, 2026 |

This is for your information & records.

Thanking you,

Yours faithfully,
for Dharani Sugars and Chemicals Limited

E.P.S

E P Sakthivel
Company Secretary

Encl.: as above

# DHARANI SUGARS
# AND
# CHEMICALS LIMITED

PGP GROUP

# 39th
# ANNUAL REPORT
# 2025-2026

## BOARD OF DIRECTORS

| | |
|---|---|
| Dr Palani G Periasamy | Executive Chairman |
| Mr M Ramalingam | Managing Director |
| Mr A Sennimalai | Director |
| Mrs Visalakshi Periasamy | Director |
| Mr M Ganapathy IFS (Retd) | Independent Director |
| Dr E Thiyagarajan | Independent Director |
| Mr Mahalingam Venkatachalam | Independent Director (From 29.05.2025) |
| Mr P Sakthivel | Independent Director (From14.08.2025) |
| Mr P Selvam IAS (Retd) | Independent Director (Till 27.09.2025) |
| Mr E P Sakthivel | Company Secretary |
| Mr M P Kaliannan | Chief Financial Officer |
| Statutory Auditors | Srivatsan & Associates, Chartered Accountants.<br>Chennai 600004 |
| Secretarial Auditor | M Damodaran & Associates, Company Secretaries,<br>Chennai 600028 |
| Internal Auditor | Srinivasan & Shankar, Chartered Accountants,<br>Chennai 600004 |
| Banks and Public Financial Institution | Indian Bank<br>National Asset Reconstruction Company Limited<br>State Bank of India<br>The Federal Bank Limited<br>The Central Bank of India<br>IndusInd Bank Limited<br>Sugar Development Fund |
| Registered Office | PGP House,<br>New No. 59 (Old No.57) Sterling Road,<br>Nungambakkam, Chennai 600 034<br>CIN No: L15421TN1987PLC014454 |
| Phone Nos.<br>Email & Website | 91-44-28311313<br>secretarial@dharanisugars-pgp.com<br>www.dharanisugars.com |
| Factories | Dharani –I , Dharani Nagar,<br>Tenkasi Dist – 627 760 , Tamil Nadu,<br>Mobile No. 91-93857 45113<br>dharani1@dharanisugars-pgp.com |
| | Dharani –II, Karaipoondi Village, Chetpet,<br>Polur Taluk<br>Thiruvenamali Dist – Tamil Nadu<br>Phone No. 04181-223162<br>dharani2@dharanisugars-pgp.com |
| | Dharani –III, Kalayanallur Village,<br>Sankarapuram Taluk.<br>Kallakurichi Dist – 606206,Tamil Nadu<br>Mobile No.: 91-94422 56141<br>dharani3@dharanisugars-pgp.com |

| CONTENTS | Page Nos. |
|---|---|
|  |

## NOTICE TO SHAREHOLDERS

Notice is hereby given that the 39th Annual General Meeting of the Company will be held on Friday, the 25th September 2026 at 11.00 a.m. thro' Video Conference / Other Audio-Visual Means (VC / OAVM) to transact the following business:

### ORDINARY BUSINESS

1. **Adoption of Financial Statements**

   **To consider, and if thought fit to pass with or without modification, the following resolution as ORDINARY RESOLUTION.**

   **"RESOLVED THAT** the Audited Financial Statements including Balance sheet, Profit and Loss account and cash flow statements for the year ended 31 st March 2026, and the report of the Board of Directors and Auditors thereon be hereby considered and adopted."

2. **To re- appoint a director in the place of Mrs Visalakshi Periasamy (DIN No.00064517) who has crossed the age of 80 years, retires by rotation and being eligible offers herself for re-appointment.**

   **To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION.**

   **"RESOLVED THAT** pursuant to SEBI (LODR) 17 (1(a)) and other applicable provisions of the Companies Act, 2013 and the rules made there under ( including any statutory modification( s) or re-enactment thereof for the time being in force) Mrs Visalakshi Periasamy (DIN: 00064517) Non-Executive Director who has attained the age of 80 years and whose tenure comes to close in the ensuing Annual General meeting be and is hereby appointed as Non-Executive Director liable to retire by rotation."

### SPECIAL BUSINESS

3. **Ratification of Remuneration to Cost Auditor.**

   **To consider, and if thought fit to pass with or without modification, the following resolution as ORDINARY RESOLUTION.**

   **"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions , if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, (Including any statutory modification (s) or re-enactment thereof for the time being in force), the remuneration payable to M/s SRR Associates, Cost Accountants (FRN: 000992), appointed by the Board of Directors on the recommendations of the Audit Committee, as the Cost Auditors of the Company to conduct the audit of the Cost records of the Company for the financial year 2026-27 at sum not exceeding Rs.1,50,000/- (Rupees one lakh and fifty thousand only) plus reimbursement to travel and out of pocket expenses incurred for purpose of such audit be and is hereby ratified."

   **RESOLVED FURTHER THAT** the Board of Directors (including any committee thereof), be and is hereby authorised to decide and finalise the terms and conditions of appointment, including the remuneration of the Cost Auditor and to do all other acts, matters, deeds and things as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto."

4. **To approve the Related Party Transactions Limits with M/s. Dharani Developers Private Limited ('DDPL')**

   **To consider, and if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION:**

   **"RESOLVED THAT** pursuant to Regulations 2(1)(zc), 23(4) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the applicable provisions of the Companies Act, 2013 read with the related rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable laws/ statutory provisions, if any, and the Company's Policy on Related Party Transactions, each as amended from time to time, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee constituted/empowered/ to be constituted by the Board from time to time to exercise its powers conferred by this resolution) to enter into and/ or carry out arrangement( s)/ transaction( s) ( whether by way of loan( s), intercorporate deposit(s), advance(s) or any other form of borrowing), whether secured or unsecured, with Dharani Developers Private Limited, a related party of the Company, for an aggregate amount not exceeding Rs. 3,00,00,00,000 (Rupees Three Hundred Crores only), during the period commencing from the conclusion of the 39th Annual General Meeting till the conclusion of the 40th Annual General Meeting, on such terms and conditions as may be mutually agreed between the Company and the said related party.

   **RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary and expedient, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents, including contract(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental authorities in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director(s) or Chief Financial Officer or Company Secretary or any other Officer(s)/Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board, or any person so authorized by the Board, in connection with any matter referred to or contemplated in the foregoing resolution, be and are hereby approved, ratified and confirmed in all respects."

5. **To approve the Related Party Transactions limits with Promoter Dr. Palani G Periasamy**

**To consider, and if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to Regulations 2(1)(zc), 23(4) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the applicable provisions of the Companies Act, 2013 read with the related rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable laws/ statutory provisions, if any, and the Company's Policy on Related Party Transactions, each as amended from time to time, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee constituted/empowered/ to be constituted by the Board from time to time to exercise its powers conferred by this resolution) to enter into and/or carry out arrangement(s)/ transaction(s) (whether by way of loan(s), intercorporate deposit(s), advance(s) or any other form of borrowing), whether secured or unsecured, with Dr Palani G Periasamy, a related party of the Company, for an aggregate amount not exceeding Rs. 25,00,00,000 (Rupees Twenty-Five Crores only), during the period commencing from the conclusion of the 39th Annual General Meeting till the conclusion of the 40th Annual General Meeting, on such terms and conditions as may be mutually agreed between the Company and the said related party.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary and expedient, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents, including contract(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental authorities in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director(s) or Chief Financial Officer or Company Secretary or any other Officer(s)/Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board, or any person so authorized by the Board, in connection with any matter referred to or contemplated in the foregoing resolution, be and are hereby approved, ratified and confirmed in all respects".

**By order of the Board**

**For Dharani Sugars and Chemicals Limited**

Place: Chennai
Date: 16th May 2026

**E P Sakthivel**
**Company Secretary**

**NOTES:**

1. The Ministry of Corporate Affairs, Government of India ("MCA") has, vide its circular No. 9/2024 dated September 19, 2024, read with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 28, 2022 and September 25, 2023 (collectively referred to as "MCA Circulars"), allowed inter-alia the conducting of AGMs through Video Conferencing/Other Audio-Visual Means ("VC/OAVM") facilities until further orders 03/2025 dated 22.09.2025, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular dated May 5, 2020. The Securities and Exchange Board of India ("SEBI") has also, vide its Circular No. SEBI/HO/CFD/CFDPoD-2/P/CIR/2024/133 dated October 3, 2024 ("SEBI Circular"), provided certain relaxations from compliance with certain provisions of the SEBI Listing Regulations. In compliance with these Circulars, the provisions of the Act and SEBI Listing Regulations, the 39th AGM of the Company is being conducted through the VC/OAVM facility without the physical presence of members at a common venue. The deemed venue for the 39th AGM shall be the Registered Office of the Company. As the AGM is conducted through VC/OAVM, the facility for the appointment of a proxy by the members is not available for this AGM and hence the Proxy Form and Attendance Slip including the Route Map, are not annexed to this Notice

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to certain ordinary business and the special businesses to be transacted at the 39th AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to secretarial@dharanisugars-pgp.com.

Since the 39th AGM is being held through VC/ OAVM, the route map of the venue of the Meeting is not annexed to this Notice.

As per the provisions under the MCA Circulars, Members attending the 39th AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. The Company has appointed M/s. M Damodaran & Associates, LLP, Practicing Company Secretaries to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.

A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a shareholder of the company. However, as this AGM is being held through VC / OAVM, physical attendance of shareholders is dispensed with. Accordingly, the Facility for appointment of proxies by the shareholders is not applicable for this e-AGM. Hence the proxy form and attendance slip are not being annexed to this Notice and the resultant requirement for submission of proxy forms does not arise.

The presence of shareholders through VC / OAVM will be reckoned for the purpose of quorum under Section 103 of the Act. Corporate shareholders entitled to appoint authorized representatives are requested to send a duly certified copy of Board Resolution authorizing their representative(s) to attend the e-AGM, and cast their votes through e-voting. Pursuant to Section 113 of the Companies Act, 2013.

The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The result of e-voting will be declared within 48 hours of the conclusion of the Meeting and the same, along with the consolidated scrutinizer's Report will be placed on the website of the Company www.dharanisugars.com and on the website of CDSL at https://evoting.india.com. The results will simultaneously be communicated to the stock exchanges.

The Register of Members and Share Transfer books will remain closed from 19th September 2026 to 25th September 2026 (both days inclusive).As per the provisions of Section 125(2) of the Companies Act, 2013

Unpaid Dividend for over 7 years will be transferred to the Investor Education and Protection Fund. There was no dividend declared and paid last year.

a Pursuant to Section 124 & 125 of the Companies Act, 2013, dividend remaining unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government.

b. Accordingly, as at 31st March 2026, the Company do not have any dividend remaining unpaid or unclaimed and in respect of earlier years' amount lying in the unpaid or unclaimed dividend was transferred to the Investor Education and Protection Fund of the Central Government.

c. MCA by notification GSR 352 ( E) dated 10.05.2012 has stipulated publication of details of unclaimed/unpaid dividend in the Company website and MCA website. This will enable investors track unclaimed dividend/ shares by checking the status online and real time

Particulars of Directors seeking re-appointment pursuant to Regulation 36(3) of the Listing Regulations is given in Annexures that forms part of this Notice.

Members may note that pursuant to the General Circular No. 20/2020 dated May 5, 2020 issued by the MCA, the Company has enabled a process for the limited purpose of receiving the Company's Annual Report and Notice for the Annual General Meeting (including remote e-voting instructions) electronically, and Members may temporarily update their email address by sending email at investor@cameoindia.com.

After due verification and receipt of email address updating request, the Company will send the annual report at your registered email address.

You can also update your mobile number and email id in the user profile details of the folio which may be used for sending further communication(s).

Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or its Registrar and Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the Members after making requisite changes, thereon. Members are requested to use the share transfer form SH-4 for this purpose.

In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.

Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be: -

a) the change in the residential status on return to India for permanent settlement, and

b) the particulars of the NRE account with a Bank in India, if not furnished earlier.

Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Share Transfer Agent or the Secretarial Department of the Company at its registered office.

The following documents will be available for inspection by the Members electronically during the 39th AGM:

(a) Register of Directors and Key Managerial Personnel and their shareholding, and

(b) the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013.

Members seeking to inspect such documents can send an email to secretarial@dharanisugars-pgp.com

In case of any queries regarding the Annual Report, the Members may write to secretarial@dharanisugars-pgp.com to receive an email response.

The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.dharanisugars.com The Notice can also be accessed from the website of the Stock Exchange viz, BSE Limited www.bseindia.com and National Stock Exchange of India Limited www.nseindia.com

The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the Annual General Meeting i.e., www.evotingindia.com.

**DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**

In compliance with the MCA Circulars and SEBI Circulars the notice of the 39th AGM along with the Annual Report 2025-26 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2025-26 will also be available on the Company's Website at http://www.dharanisugars.com website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and NSE Limited at www.nseindia.com.

Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, Cameo Corporate Services Limited, Subramanian Building, No.1 Club House Road, Chennai-600 002, Tamilnadu at investor@cameoindia.com

**THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/ OAVM ARE AS UNDER:**

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies ( Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI Listing Regulations, the Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting (“remote e-voting") and e-voting during the AGM.

1. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
2. The voting period begins on 22nd September 2026 at 9.00 a.m. and ends on 24thSeptember 2026 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 18th September 2026 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
3. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholder resolutions. However, it has been observed that the participation by the public non-institutional shareholder's/ retail shareholders is at a negligible level.
4. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facilities to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
5. In order to increase the effciency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
6. In terms of SEBI circular no. SEBI/HO/CFD /CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

8. **Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meeting is given below:**
**For Individual shareholders holding securities in Demat mode:**

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | i. Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting p a g e without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/ myeasi / home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.<br>ii. After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ CAMEO / LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.<br>iii. If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration / Easi Registration.<br>iv. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM. |
| Individual Shareholders holding securities in demat mode with **NSDL** | i. If you are already registered for the NSDL IDeAS facility, please visit the e-Services website of NSDL. Open a web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting " under e-Voting services and you will be able to see the e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>ii. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click athttps://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>iii. Visit the e-Voting website of NSDL. Open a web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| Individual Shareholders (holding securities in demat mode) Login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting options. Once you click on the e-Voting option, you will be redirected to the NSDL/CDSL Depository site after successful authentication, wherein you can see the e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

| **Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL Login type** | **Helpdesk details** |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL** | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with **NSDL** | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

**For non-individual shareholders and physical shareholders**

(a) The shareholders should log on to the e-voting website www.evotingindia.com.

(b) Click on Shareholders.

(c) Now enter your User ID

  i. For CDSL: 16 digits beneficiary ID,

  ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID

  iii. Members holding shares in Physical Form should enter Folio Number registered with the company.

(d) Next enter the Image Verification as displayed and Click on Login.

(e) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(f) If you are a first-time user follow the steps given below:

| **For Members holding shares in Demat Form and Physical Form** | |
|---|---|
| PAN | i. Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>ii. Shareholders who have not updated their PAN with the Company /Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | i. i. Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>ii. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

After entering these details appropriately, click on “SUBMIT” tab.

(g) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(h) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(i) Click on the EVSN for the DHARANI SUGARS AND CHEMICALS LIMITED on which you choose to vote.

(j) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(k) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(l) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(m) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(n) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(o) If a Demat account holder has forgotten the login password, then enter the User ID and the image Verification code and click on Forgot Password & enter the details as prompted by the system.

**Facility for Non – Individual Shareholders and Custodians –Remote Voting**

1. Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
3. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
4. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
5. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
6. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; secretarial@dharanisugars-pgp.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**I. INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC/ OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

The procedure for attending meetings & e-Voting on the day of the AGM is the same as the instructions mentioned above for Remote e-voting

1. The link for VC/OAVM to attend the meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
2. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further shareholders will be required to allow cameras and use the Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance at least Seven (7) days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at secretarial@dharanisugars-pgp.com . The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance Seven (7) days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at secretarial@dharanisugars-pgp.com . These queries will be replied to by the company suitably by mail.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
8. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
9. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**II. PROCESS FOR THOSE WHO' S EMAIL ADDRESS IN NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDITIALS FOR E-VOTING FOR FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to secretarial @dharanisugars-pgp.com .

2. For Demat shareholders -Please update your email id & mobile no. with your respective Depository Participant (DP).

   For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meeting through Depository.

3. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk. Voting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

**By order of the Board**
**For Dharani Sugars and Chemicals Limited**

Place: Chennai
Date: 16th May 2026

**E P Sakthivel**
**Company Secretary**

**APPENDEX – A**

**INFORMATION ABOUT THE DIRECTOR SEEKING RE-APPOINTMENT IN THIS ANNUAL GENERAL MEETING IS FURNISHED HERE UNDER REGULATION 36(3) (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015.**

**Item No.2 Retirement of Director by Rotation**

| | |
|---|---|
| Name of the Director & DIN | Mrs. Visalakshi Periasamy & 00064517 |
| Date of Birth & Age | 12.08.1946 (80 years) |
| Date of 1st Appointment on the Board | 12.11.2014 |
| Qualification | BBA., |
| Experience in specific functional areas | She has vast experience in the general management and Administration. She has been the Vice Chairman of Appu Hotels Limited and Director of Dharani Finance Limited. and has more than 40 years' experience in General Management and Administration. |
| Terms and Conditions of Re-appointment | Re-appointment as Non –Executive Director liable to retire by rotation |
| Remuneration last drawn (2025-26) | Sitting Fees Rs.10000/- |
| Remuneration proposed to be paid | Sitting Fees as decided by the Board of Directors |
| Chairman/Member of the Committee of Director of the Company he/she is a Director | 1. Vice Chairman - Appu Hotels Limited<br>2. Director – Dharani Finance Limited<br>3. Director – Dharani Credit and Finance Private Limited |
| Number of Shares held in the Company (both own or held by / for other persons on a beneficial basis) as on March 31, 2026 | 1200101 Equity Shares (3.61%) |
| Relationship between directors inter - se | She is the Spouse of Dr. Palani G Periasamy (Executive Chairman) |

**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013.**

**Item No. 2 Re-Appointment of Director**

Pursuant to the provisions of Section 152(6) of the Act, minimum two third of the total number of directors, excluding Independent Director, shall be the directors who are liable to retire by rotation and one third of such directors who are liable to retire by rotation shall retire at every Annual General Meeting (“AGM”). Accordingly, Mrs. Visalakshi Periasamy (DIN: 00064517), shall retire by rotation at this AGM and he, being eligible, offers himself for re-appointment. Pursuant to the provisions of Regulation 17(1A) of the SEBI Listing Regulations, 2015, approval of members by way of a special resolution is required for appointing and continuation of directorship of a person who has attained the age of 75 years. Since, Mrs. Visalakshi Periasamy is proposed to be re-appointed by way of rotation, approval of the shareholders by way of special resolution is also sought in terms of Regulation 17(1A) of SEBI Listing Regulations, 2015.

The Board of Directors recommends the resolution set forth at Item No. 2 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and relatives thereof, other than Dr Palani G Periasamy and their relatives are concerned or interested, financially or otherwise in the resolution at Item No. 2 of this Notice

**Item No. 3: Remuneration to Cost Auditor**

The Company is engaged in three business segments viz., Sugar, Co-generation of Power and Distillery products. The Company is maintaining cost accounting records as per Companies (Cost records and audit) Rules, 2014 and get them audited under the provisions of the Companies Act, 2013 (the Act). While the remuneration for audit of cost records is determined by the Board of Directors on the recommendation of Audit Committee, it will have to be ratified by the shareholders at the Annual General Meeting.

The Board of directors have appointed M/s SRR Associates Cost Accountants (Firm No:000992), as cost auditor to audit the cost records for the financial year 2026-27 pertaining to Sugar, Cogeneration of power and Distillery segments and determined the remuneration of Rs.1,50,000/- plus out of pocket expenses on the recommendation of the Audit committee. It is now placed for the approval of shareholders in accordance with Section 148 (3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules 2014.

No director or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in this item of business.

**Item No.4 & 5**

**Related Party Transactions Limits with M/s. Dharani Developers Private Limited (‘DDPL’) & Dr Palani G Periasamy, Whole Time Director**

As per the provisions of Section 188 of the Companies Act, 2013 (“Act”), transactions with related parties which are on an arm’s length basis and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of shareholders. Pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, a related party transaction shall be considered material if, individually or when taken together with previous transactions entered into with the same related party during a financial year, it exceeds the prescribed materiality threshold.

In the case of the Company, since its annual consolidated turnover is below ₹20,000 crore, the applicable materiality threshold is 10% of the annual consolidated turnover of the Company, as per its last audited consolidated financial statements. Accordingly, any related party transaction(s) that, individually or in aggregate with previous transactions during the financial year, exceed this threshold shall require the prior approval of the shareholders by way of an ordinary resolution.

Following its successful exit from the Corporate Insolvency Resolution Process ("CIRP"), the Company is in the process of reviving its business operations and has not yet commenced commercial operations. During this interim period, the Company requires financial support to meet its liquidity requirements, statutory obligations, administrative expenses, and other operational readiness costs pending the recommencement of its business activities.

Accordingly, the Company may, from time to time, avail financial assistance, including borrowings, from its related parties on an arm's length basis and in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In view of the foregoing, approval of the Members is being sought under Resolution No. 4&5 pursuant to Regulation 23 of the SEBI Listing Regulations for the proposed material related party transactions relating to borrowings and other financial assistance to be entered into by the Company. The approval, if granted, shall remain valid from the date of the 39th Annual General Meeting until the date of the 40th Annual General Meeting, in accordance with the applicable provisions of the SEBI Listing Regulations and the SEBI Circulars.

The details of transactions as required under Regulation 23(4) of the Listing Regulations read with Section IIIB of the SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 ("SEBI Master Circular") and Para 5 of SEBI Industry standards vide SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/93 dated June 26, 2025 are set forth below:

| S.No | Particulars | Details for Item nos. 4 & 5 |
|---|---|---|
| 1. | Information as placed before the Audit Committee in the format as specified in the RPT Industry Standards, to the extent applicable | Please refer Annexure-I |
| 2. | Justification as to why the proposed transaction is in the interest of the listed entity, basis for determination of price and other material terms and conditions of RPT | The Company is in the process of reviving its business operations and has not yet commenced commercial operations. During this interim period, the Company requires financial support to meet its liquidity requirements, statutory obligations, administrative expenses, and other operational readiness costs pending the recommencement of its business activities. |
| 3. | Disclose the fact that the Audit Committee has reviewed the certificates provided by the CEO/ Managing Director/ Whole Time Director/ Manager and CFO of the Listed Entity as required under the RPT Industry Standards. | The Audit Committee has reviewed the certificates issued by the Managing Director and CFO of the Company, as required under the RPT Industry Standards. |
| 4. | Disclosure that the material RPT or any material modification thereto, has been approved by the Audit Committee and the Board of Directors recommends the proposed transaction to the shareholders for approval | The transaction with Material RPT has been approved by the Audit Committee in its meeting held on 16 th May 2026 and the Board of Directors recommended the proposed transaction to the shareholders for approval. |
| 5. | Provide web-link and QR Code, through which shareholders can access the valuation report or other reports of external party, if any, considered by Audit Committee while approving the RPT. | Not Applicable |
| 6. | The Audit Committee and Board of Directors, while providing information to the shareholders, can approve reduction of commercial secrets and such other information that would affect competitive position of listed entity and affirm that, in its assessment, the reduced disclosures still provides all the necessary information to the public shareholders for informed decision-making | Not Applicable |
| 7. | Any other information that may be relevant. | All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice. |

Pursuant to the provisions of Regulation 23 of SEBI Listing Regulations, no related party shall vote on above resolution.

Except Dr Palani G Periasamy, Ms. Visalakshi Periasamy and their relatives, none of the other Directors / Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested, financially or otherwise, in the said transactions.

Accordingly, the Board recommends passing of the Resolution(s) set out in Item No. 4 & 5 of the accompanying Notice as an Ordinary Resolution(s).

**By order of the Board**

**For Dharani Sugars and Chemicals Limited**

Place: Chennai
Date: 16th May 2026

**E P Sakthivel**
**Company Secretary**

**Annexure - I to the Notice**

**The details of transactions as required under Regulation 23(4) of the Listing Regulations read with Section III-B of the SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 ("SEBI Master Circular") and SEBI/HO/CFD-PoD-2/P/CIR/2025/93 dated June 26, 2025 are set forth below:**

| S. No. | Particulars of the information | Information provided by the management | |
|---|---|---|---|
| **A. Details of the related party and transactions with the related party** | | | |
| **A (1). Basic details of the related party** | | | |
| 1. | Name of the related party | Dharani Developers Private Limited | Dr Palani G Periasamy |
| 2. | Country of incorporation of the related party | India | Not Applicable |
| 3. | Nature of business of the related party | Construction activities | Service |
| **A (2). Relationship and ownership of the related party** | | | |
| | Relationship between the listed entity/ subsidiary (in case of transaction involving the subsidiary) and the related party – including nature of its concern (financial or otherwise) and the following:<br>● Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party.<br>● Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/ subsidiary (in case of transaction involving the subsidiary).<br>● Shareholding of the related party, whether direct or indirect, in the listed entity/ subsidiary (in case of transaction involving the subsidiary). Explanation: Indirect shareholding shall mean shareholding held through any person, over which the listed entity/Subsidiary/ related party has control. While calculating indirect shareholding shareholding held by relatives shall also be considered. | Holding 19.83% in Dharani Sugars and Chemicals Ltd<br><br>Private Limited<br><br>Shareholding of the related party is through Direct holding | Holding 10.85% in Dharani Sugars and Chemicals Ltd.<br><br>Promoter and Director<br><br>Shareholding of the related party is through Direct holding |
| | | | |

<table>
<tr><td colspan="4">A (3). Details of previous transactions with the related party</td></tr>
<tr><td></td><td>Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year.</td>
<td><table><tr><th>S.No</th><th>Nature of Transaction</th><th>Upto 30th June 2026</th></tr><tr><td>1</td><td>Inter Corporate Loan</td><td>Rs.199.40 Crs</td></tr></table></td>
<td><table><tr><th>S.No</th><th>Nature of Transaction</th><th>Upto 30th June 2026</th></tr><tr><td>1</td><td>Unsecured Loan</td><td>Rs.15.83 Crs</td></tr></table></td></tr>
<tr><td></td><td>Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.</td>
<td><table><tr><th>S.No</th><th>Nature of Transaction</th><th>Upto 30th June 2026</th></tr><tr><td>1</td><td>Inter Corporate Loan</td><td>Rs.199.40 Crs</td></tr></table></td>
<td><table><tr><th>S.No</th><th>Nature of Transaction</th><th>Upto 30th June 2026</th></tr><tr><td>1</td><td>Unsecured Loan</td><td>Rs.15.83 Crs</td></tr></table></td></tr>
<tr><td></td><td>Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year</td><td>Nil</td><td>Nil</td></tr>
<tr><td colspan="4">A (4). Amount of the proposed transaction(s)</td></tr>
<tr><td>1.</td><td>Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/ shareholders</td><td>Rs. 300.00 Crs</td><td>Rs.25.00 Crs</td></tr>
<tr><td>2.</td><td>Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?</td><td>Yes</td><td>Yes</td></tr>
<tr><td>3.</td><td>Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year</td><td colspan="2">Not applicable – due to the Company has not started the cane crushing operations in the factory.</td></tr>
<tr><td>4.</td><td>Value of the proposed transactions as a percentage of subsidiary' s annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction)</td><td>NA</td><td>NA</td></tr>
<tr><td>5</td><td>Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available.</td><td>NA</td><td>NA</td></tr>
<tr><td>6.</td><td>Financial performance of the related party for the immediately preceding financial year</td>
<td><table><tr><th>Particulars</th><th>FY 2024-25</th></tr><tr><td>Turnover</td><td>Rs.7.65 crs</td></tr><tr><td>PAT</td><td>Rs.4.26 crs</td></tr><tr><td>Net Worth</td><td>Rs.68.00 crs</td></tr></table></td>
<td>NA</td></tr>
</table>

| A(5). Basic details of the proposed transaction | | | |
|---|---|---|---|
| 1. | Specific type of the proposed transaction (e.g. sale of goods/services, purchase of goods/services, giving loan, borrowing etc.) | Borrowing Loan | Borrowing Loan |
| 2. | Details of each type of the proposed transaction | Borrowing Inter Corporate Loan | Borrowing Unsecured Loan |
| 3. | Tenure of the proposed transaction (tenure in number of years or months to be specified) | Repayable on or before 31st March 2028 | Repayable on or before 31st March 2028 |
| 4. | Whether omnibus approval is being sought? | Yes | Yes |
| 5 | Value of the proposed transaction during a financial year. If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise. | Rs.300 Crs | Rs.25 Crs |
| 6. | Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity | Based on the settlement proposal submitted by the Promoter U/s 12 A of IBC 2016, the CoC and NCLT has approved the proposal and ordered the withdrawal of the CIRP process and restored the powers of the Board vide its order No. IA (IBC)/825/ CHE/2024 in IBA/976/2019 dated 9th May 2024.<br>During the CIRP period and after the CIRP period the Company has received Inter Corporate Deposits/Loans from Company including Directors/Associates Companies to meet the loan obligations/settlement of loans, expenses of Salary, Electricity charges, materials for overhauling machineries, Security charges and other essential expenses | |
| 7. | Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly.<br>a. Name of the director / KMP<br>b. Shareholding of the director / KMP, whether direct or indirect, in the related party. | Nil<br>NA | Holding 10.85% in Dharani Sugars and Chemicals Limited<br>NA |
| 8. | copy of the valuation or other external party report, if any, shall be placed before the Audit Committee. | NA | NA |
| 9. | Other information relevant for decision making | Nil | Nil |

**PART B**

**Information to be provided only if a specific type of RPT as mentioned below is proposed to be undertaken and is in addition to Part A**

**B(5) Disclosure only in case of transactions relating to borrowings by the listed entity or its subsidiary**

| S. No. | Particulars of the information | Information provided by the management | |
|---|---|---|---|
| 1. | Material covenants of the proposed transaction | Repayable on or before 31st March 2028 | Repayable on or before 31st March 2028 |
| 2. | Interest rate (in terms of numerical value or base rate and applicable spread) | 10% p.a. | 10% p.a. |
| 3. | Cost of borrowing | Rs.30 Crs p.a. | Rs.2.5 Crs p.a. |
| 4. | Maturity / due date | 31.03.2028 | 31.03.2028 |
| 5. | Repayment schedule & terms | Repayable on or before 31st March 2028 | Repayable on or before 31st March 2028 |
| 6. | Whether secured or unsecured | Unsecured | Unsecured |
| 7. | If secured, the nature of security & security coverage ratio | NA | NA |
| 8. | The purpose for which the funds will be utilized by the listed entity / subsidiary | Company need funds to service the loan and for operational expenses. | |

**PART C**

**Information to be provided only if a specific type of RPT mentioned below proposed to be undertaken is a material RPT and is in addition to Part A and B**

**C (4). Disclosure only in case of transactions relating to borrowings by the listed entity or its subsidiary**

| S. No. | Particulars of the information | Information provided by the management |
|---|---|---|
| 1. | Debt to Equity Ratio of the listed entity or its subsidiary based on last audited financial statements<br>a Before transaction<br>b After transaction | **Not Applicable.**<br>**Due to negative net worth of the Company** |
| 2. | Debt Service Coverage Ratio of the listed entity or its subsidiary based on last audited financial statements<br>a Before transaction<br>b After transaction | **Not Applicable.**<br>**Due to the Company has not started the cane crushing operations in the factory** |

**BOARD'S REPORT**

**Dear Members,**

Your Board of Directors are pleased to present the 39th Annual General Meeting on the operations of the Company and the Audited Statement of accounts for the year ended 31st March 2026

**FINANCIAL PERFORMANCE**

**Rs. in Crores**

| Particulars | Year Ended 31.03.2026 | Year Ended 31.03.2025 |
|---|---|---|
| Total Revenue | 2.41 | 0.72 |
| Profit/(Loss) before Interest, Depreciation and Tax | (21.69) | (20.89) |
| Interest and Finance Charges | 39.09 | 41.92 |
| Cash Profit/ (Loss) | (60.78) | (62.81) |
| Depreciation | 21.99 | 22.10 |
| Profit/ (Loss) before Tax | (82.77) | (84.91) |
| Deferred Tax -Asset/ (Liability)/ Exceptional Items | (16.79) | (10.91) |
| Profit / (Loss) After Tax | (99.56) | (95.82) |
| Profit / (Loss) brought forward from last year | (204.80 | (108.98) |
| Profit / (Loss) carried forward | (304.36) | (204.80) |

The financial statements have been prepared in compliance with the Indian Accounting Standards.

**OPERATIONAL PERFORMANCE**

Sugar, Alcohol and Power: During this period under review, the Company was unable to commence cane crushing operation at any of its units owing to the non-payment of the cane price arrears relating to sugar season 2018-19.

The Company has successfully exited the CIRP on 09.05.2024 pursuant to the approval and implementation of the Resolution Plan. Since then, the management has been undertaking various operational, financial and statutory initiatives to revive and stabilize the Company's business operations. The Company is actively pursuing the necessary measures for the commencement of its sugar, distillery and cogeneration power operations and is making efforts to commence operations during the ensuing sugar season, subject to the fulfilment of the requisite operational, regulatory and financial requirements.

**TRANSFER TO GENERAL RESERVES**

In the view of accumulated loss incurred during the financial year under review, your directors do not propose to transfer any amount to General Reserves account.

**DIVIDEND**

In view of the losses incurred by the Company, directors do not recommend the declaration of any dividend for the financial year 2025-26.

Further, pursuant to Regulation 43A of SEBI (LODR) Regulation 2015, the provision related to Dividend Distribution Policy are not applicable to the Company.

**SHARE CAPITAL**

There was no change in the authorised share capital of the Company during the financial year. the Authorised Share Capital of the Company stood at Rs. 60 Crores, comprising 5,00,00,000 Equity Shares of Rs. 10/- each aggregating to Rs. 50 crore and 1,00,00,000 Preference Shares of Rs. 10/- each aggregating to Rs. 10 Crore.

During the year 2024-25, the Company has allotted 83,14,328 equity shares of Rs. 10/- each on a preferential basis to National Asset Reconstruction Company Limited (NARCL) pursuant to the approval of the Board of Directors at its meeting held on 11 September 2024.

However, the shares could not be credited to the allottee as the requisite in-principle approval from the National Stock Exchange of India Limited (NSE) and BSE Limited were awaited. The Company is taking effective steps to get the in-principle approval from stock Exchanges.

During the year under review, the company has not issued shares with differential voting rights nor granted stock options or sweat equity or bonus shares. The Company has not bought back any of its securities during the year under review.

**SUBSIDIARY, JOINT ARRANGEMENTS AND ASSOCIATE COMPANIES**

During the year under review, your company has no subsidiary, associate companies or joint ventures.

**MEETING OF BOARD**

During the period under review, the Board of Directors held four (4) meetings on 29.05.2025, 14.08.2025, 13.11. 2025, and 12.02.2026. The details of the meetings and attendance of the Directors are provided in the Report on Corporate Governance, which forms an integral part of this Report.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the financial year under review, the details regarding the composition of the Board of Directors, category of Directors, and other related disclosures are provided in the Corporate Governance Report forming part of this Annual Report.

During the financial year under review, the following changes took place in the composition of the Board of Directors:

**A. Appointments**

Following directors have been appointed as Additional Director ( Non- Executive, Independent) on 29th May 2025 and on 14th August 2025 respectively . Subsequently, the Members of the Company approved their appointment as a Non-Executive Independent Directors at the 38th Annual General Meeting of the Company

**Mr. Mahalingam Venkatachalam (DIN: 10954304)**

**Mr. Sakthivel P (DIN: 11240429)**

**B. Cessation:**

Mr. Selvam Palani (DIN: 01351493), Non-Executive, Independent Director of the Company, ceased to hold office as an Independent Director with effect from 27th September 2025 upon completion of his second consecutive term of office.

**C. Reappointment:**

Mrs. Visalakshi Periasamy (DIN: 00064517), Non-Executive Director, who has attained the age of 80 years, retires by rotation at the ensuing Annual General Meeting ("AGM") and, being eligible, has offered herself for re-appointment.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, having considered her rich experience, expertise, and valuable contribution to the Company, recommends her re-appointment to the Members at the ensuing AGM by way of a Special Resolution, in compliance with Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

**COMMITTEES OF THE BOARD**

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. The following Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility
- Stakeholders' Relationship Committee

Details of composition, terms of reference and number of meetings held in financial year ended March 31, 2026 for the aforementioned committees are given in the Report on Corporate Governance, which forms a part of this Report.

Further, during the year under review, all recommendations made by the various committees have been considered and accepted by the Board.

**STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS**

In terms of Section 149 of the Act and the SEBI Listing Regulations, the Independent Directors of the Company as on date of this Report have given declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfil the conditions specified in the Act as well as the Rules made thereunder and are independent of the Management.

**CORPORATE GOVERNANCE**

Your Company has complied the Corporate Governance regulations as laid out in SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 with minor deviation. A report on Corporate Governance in line with SEBI prescribed format incorporated in the Listing Obligations and Requirement Regulations, is attached herewith. A certificate from the Practicing Company Secretary on compliance of conditions of Corporate Governance has been obtained and copy enclosed to this report.

**BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation is carried out is based on criteria approved by the Board which is available on the Company's Website.

**ANNUAL RETURN**

The Form MGT -7 for the year 2024-25 shall be filed with Registrar of Companies within the prescribed time after the date of 38th Annual General Meeting (AGM) of your Company. This also available in web address of the Company i.e., www.dharanisugars.com .

**DIRECTOR'S RESPONSIBILITY STATEMENT**

In terms of Section 134 (5) of the Companies Act, 2013, the directors state that: -

- In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same.
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The directors have prepared the annual accounts on a going concern basis.
- The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**LOANS, GUARANTEES OR INVESTMENTS.**

Pursuant to Section 186 of Companies Act, 2013, disclosure on particulars relating to loans, advances, guarantees, and investments are provided as part of the financial statement

**CONTRACTS, ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1).**

All transactions entered into by the Company with Related Parties were in the Ordinary Course of Business and at arm's Length pricing basis. The Audit Committee granted Omni bus approval for the transactions (which are repetitive in nature) and the same was reviewed by the Audit Committee and the Board of Directors. There were no materially significant transactions with Related Parties during the financial year 2025-26 which were in conflict with the interest of the Company or which requires the approval of shareholders. Suitable disclosures as required under IND AS-24 have been made in Note. 47 of the Notes to the financial statements. Details of the transactions are provided in Form AOC-2 which is attached as Annexure-III to this Report.

**MATERIAL CHANGES AND COMMITMENTS**

There were no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of the report. All the Banks/Financial Institutions except SDF Loan and IREDA loan had assigned their loans to NARCL vide their letter dated 09.10.2023. IREDA loan was settled through OTS settlement on 06.08.2024.

**FOREIGN EXCHANGE EARNINGS AND OUT-GO, CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

The details of measures taken for Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are given in the Annexure iv.

**CORPORATE SOCIAL RESPONSIBILITY**

As per Section 135 of the Companies Act, a Corporate Social Responsibility (CSR) Committee has been formed. CSR policy has been framed and is available on the Website.

However, as the average of the net profits for the last 3 years is negative, no CSR expenditure has been earmarked on this account.

**RISK MANAGEMENT POLICY**

The Company has developed a risk management policy. Pursuant to Section 134 (3) (n) of the Companies Act, 2013 details of the Policy are disclosed in the Company's Website.

At present the Company has not identified any element of risk which may threaten the existence of the Company.

**PUBLIC DEPOSITS**

During the financial year the Company has not accepted deposits as defined in Section 73 and 74 of Chapter V of the Companies Act, 2013.

**SIGNIFICANT AND MATERIAL ORDERS**

During the financial year under review, there are no significant material orders passed by the Regulators/Courts or Tribunal, which could impact the going concern status of the Company and its future operation. However, Company has received notices from lenders against the default in certain obligations.

**INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined by this Audit Committee. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board & to the Chairman of the Company. the Internal Audit Department monitors and evaluates the efficiency and adequacy of internal financial control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal auditor Company undertakes corrective action in their respective areas and thereby strengthens the financial controls. Significant audit observations, if any, and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

**PARTICULARS OF EMPLOYEES**

In accordance with the provisions of Section197 (12) of the Companies Act,2013, read with Rules 5(1),5(2) and 5(3), of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, the name and other particulars of employees are to be set out in the “Annexure –I' forming part of the Annual Report.

**POLICY ON APPOINTMENT OF DIRECTORS AND REMUNERATION**

The Company's policy on Directors, Senior Management appointment and remuneration and other matters provided in Section 178 (3) of the Companies Act, 2013.

Its core objective is to ensure that the remuneration structure is reasonable, competitive, and aligned with the company's performance. It aims to attract, retain, and motivate highly competent individuals while striking a balance between short-term and long-term goals to drive sustainable growth. The policy is available for reference on the company's official website at the following link: www.dharanisugars.com

**OTHER DISCLOSURES**

Details of frauds reported by auditors under subsection (12) of section 143 other than those which are reportable to the central government. NIL

Changes in the nature of Business; if any. No change in the nature of Business

Statement by the company with respect to the compliance of the provisions relating to the Maternity Benefit Act 1961; Not Applicable.

Disclosures in respect of voting rights not exercised directly by the employees in respect of shares to which the scheme relates shall be made in the Board's report in such manner as may be prescribed buy back of shares. Not Applicable.

When there is voluntary revision of the financial statements and the Board report, the detailed reasons for revision of such financial statement or report. Not Applicable.

**STATUTORY AUDITOR & AUDIT REPORT**

Pursuant to the provisions of Sections 139 of the Companies Act, 2013, M/s Srivatsan & Associates, Chartered Accountants, Chennai (FRN: 014921S) was appointed as Statutory Auditors for a period of 5 years from the conclusion of the 36th Annual General Meeting until the conclusion of the 41st Annual General Meeting for the year ending 31st March 2028.

The Statutory Auditors of the Company have issued a qualified opinion on the Audited Standalone Financial Statements for the financial year ended 31 March 2026. The Management's response to the audit qualification is provided in the Statement on Impact of Audit Qualifications, which is annexed to the Audited Standalone Financial Results as at 31 March 2026.

**SECRETARIAL AUDITOR & AUDIT REPORT**

During the period under review, pursuant to the Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (LODR) Regulations, M/ s. M Damodaran & Associates LLP, ( FRN: L2019TN006000) a peer reviewed firm of Company Secretaries in Practice, were appointed as Secretarial auditors of the Company for audit period of five consecutive years commencing from 2025-26 till 2029-30.

The Report of the Secretarial Auditor for the financial years 2025-26 is annexed herewith as Annexure VI. The said Secretarial Audit Report contain the following observations:

| Secretarial audit Observation | Management reply |
|---|---|
| During the period from April 01, 2025 to May 28, 2025, half of the Board of Directors of the listed entity did not comprise independent directors, as required under Regulation 17(1)(b) of the SEBI LODR. | Subsequently, the listed entity had appointed one more Independent Director on the Board w.e.f. May 29, 2025 and complied with the requirement of provisions u/r 17 (1) (b) of SEBI LODR. |
| There was 26 days delay in obtaining approval of shareholders for appointment of Mr. M Mahalingam Venkatachalam (DIN-10954304) as an Additional Director (Non-Executive Independent Director).<br>Date of appointment by Board – May 29, 2025.<br>Date of shareholders' approval - September 25, 2025.<br>Hence the listed entity has not complied with regulation 17(1C) (a) of SEBI LODR. | The listed entity has taken sufficient steps to comply this regulation in future. |
| The listed entity submitted the Annual Secretarial Compliance Report for the Financial Year ended March 31, 2025 to the stock exchanges with a delay of one day. | The listed entity has taken sufficient steps to comply this regulation in future. |
| The listed entity has submitted the required disclosures to the stock exchanges regarding default in payment of interest/principal amount due to financial institutions, with a minor delay.<br>Date of default – December 31, 2025<br>Date of disclosure – February 10, 2026 | The listed entity has taken sufficient steps to comply this regulation in future. |

**INTERNAL AUDIT**

Pursuant to Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014 and all other applicable provisions (including any amendment thereof) of the Companies Act, 2013, M/s. Srinivasan & Shankar, Chartered Accountants, Chennai (FRN: 005093S) were appointed as the Internal Auditors of the company for the Financial Year 2025-26.

**COST AUDIT**

As the Company has not commenced its production activities during the financial year, the provisions relating to conducting cost audit/maintenance of cost records and applicable disclosures under Section 148 of the Companies Act, 2013 are not applicable to the Company.

**DEPOSITS**

During the period under review, your company has not accepted any deposits as specified in section 73 and 74 of Chapter V of Companies Act, 2013

**COMPLIANCE WITH SECRETARIAL STANDARDS**

During the year under review, the provisions of Secretarial Standard – 1 (Board Meetings) and 2 (General Meetings) issued by the Institute of Company Secretaries of India (ICSI) were adhered to while conducting the respective Meetings.

**VIGIL MECHANISM FOR DIRECTORS & EMPLOYEES**

Pursuant to Section 177(9) and 177(10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Obligation and Disclosure Requirement Regulations 2015, the Board of Directors had approved a Policy on Vigil Mechanism/ Whistle Blower and the same is hosted on the website of the Company. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no Directors/ Employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

**RESTRUCTURING OF SUGAR DEVELOPMENT LOAN**

During the year, the One Time Settlement ("OTS") sanctioned by the Government of India in respect of the Sugar Development Fund ("SDF") Loan was revoked due to non-payment of the settlement amount within the extended timeline permitted up to April 06, 2026. Accordingly, the concessions and reliefs granted under the OTS arrangement, including waiver of interest, cease to be applicable.

Hence, the previously waived interest amounting to INR 2,195.66 Lakhs has been reinstated and recognised as an exceptional item in the Statement of Profit and Loss for the year ended March 31, 2026.

The aforesaid amount represents reversal of interest waiver granted under the OTS arrangement and consequent reinstatement of the original liability pursuant to cancellation of the settlement terms.

**STATUS ON THE RESTORATION OF TRADING OF THE COMPANY'S EQUITY SHARES IN BSE AND NSE TERMINAL.**

Company's situation took an unexpected turn when it was admitted into the Corporate Insolvency Resolution Process (CIRP) w.e.f 29.07.2021 by the Hon'ble National Company Law Tribunal, Chennai Bench (Hon'ble NCLT) on the application filed by Bank of India. This led to the appointment of an Interim Resolution Professional /Resolution Professional to manage the Company's affairs. Subsequently, the Company was admitted into the liquidation process on 28.06.2023 by the Hon'ble NCLT, and the Liquidator was appointed to manage the Company's liquidation process. These developments were intimated to stock exchanges then and there. Under these circumstances, including suspending the board of directors' powers, made it impossible for us to comply with various provisions of the Companies Act, 2013, SEBI Regulations and other applicable laws.

As Per the IBC, 2016, and MCA Circular, the IRP/RP/Liquidator is responsible and shall file all compliances with ROC, Stock Exchanges, and other regulating authorities during the IBC process. As you well know, due to the persistent efforts of the promoter, the Hon'ble Supreme Court allowed the promoters to settle the dues with Creditors; the Company made debt restructuring with lead lender National Asset Reconstruction Company Limited (NARCL), which resulted in releasing the Company from the Liquidation proceedings vide Order of NCLT dated 09.05.2024.

The management would like to clarify that noncompliance with filing financial results and other complaints was not done maliciously. They occurred from 29.07.2021 to 09.05.2024 due to the CIRP/ Liquidation process under the provisions of IBC, 2016. For such a period, IRP/RP/Liquidator should have complied with all requirements under LODR. After releasing the Company from the IBC process and reinstating the Board of Directors, the Company started to regularize all pending compliances. This swift action demonstrates our dedication to regularizing all pending compliances and maintaining transparency. The Company has not done anything maliciously.

The following SOP Fines were levied by the Stock Exchanges during this CIRP Period from 29.07.2021 – 09.05.2024.

1. BSE – Rs.42,95,200.00
2. NSE – Rs. 43,31,780.00

The Company has paid SOP fines on 6th August 2025. We have also filed application for revocation of suspension of trading of our equity share on 18-03-2025.

The entire dues including the SOP Fines have been fully paid on 6th August 2025 to the both Stock Exchanges.

NSE officials from Chennai Office has also completed the inspection at our Corporate Office at No.59 Sterling Road, Nungambakkam, Chennai on 25th August 2025 and we understand that the Officer has already sent his report to their NSE, Mumbai office.

BSE officials from Chennai Office has also completed the inspection at our Corporate Office at No.59 Sterling Road, Nungambakkam, Chennai on 31 st December 2025 and we understand that the Officer has already sent his report to their BSE, Mumbai office.

The Company has made effective steps to restore the trading of shares to protect the interest of 20000 shareholders of the Company. We hope to restore the trading of shares shortly.

**PREVENTION OF SEXUAL HARASSMENT**

The Company has in place an Anti-Sexual harassment policy in line with the requirements of the Section 4 of the Sexual harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received about sexual harassment. All employees are covered under this policy. Details have been displayed prominently in the work place and also in the Company's Website. No complaints were received during the year.

**DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.**

During the financial year under review, there were no proceedings pending against the Company under the provisions of the Insolvency and Bankruptcy Code, 2016. However, the Company had previously been admitted into the Corporate Insolvency Resolution Process and subsequently exited the CIRP pursuant to the order of the Hon'ble National Company Law Tribunal ("NCLT") dated 09.05.2024.

**DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

During the year under review, there was no instance of one-time settlement with any Banks or Financial Institutions

**ACKNOWLEDGEMENTS**

The Board of Directors places on record its appreciation of the support, assistance and co-operation received from the Central Government, Government of Tamil Nadu, various governmental agencies, Banks/Financial Institutions.

The Board of Directors also wishes to place on record its appreciation for the cane growers, without whose help and support it could not have achieved the progress that has been made so far. With our encouragement and their initiative, we hope for improved cane availability for the ensuing years.

Your Directors are thankful to the employees of the Company for their wholehearted co-operation and unstinted dedication to duty leading to cordial industrial relations during the year under review.

The Board is thankful and grateful for the continuing cooperation to the management from the shareholder's family since inception and is confident that this partnership will sustain forever.

**By order of the Board**
**For Dharani Sugars and Chemicals Limited**

**Dr Palani G Periasamy**
**Executive Chairman**
**(DIN No.00081002)**

Place: Chennai
Date: 16th May 2026

**Annexure I to Boards Report**

**Disclosures pursuant to Section 197(12) and Rule 5(1) of the Companies (Appointment and Remunerationof Managerial Personnel) Rules, 2014.Statement of particulars of remuneration as per Rules 5(1).**

| S.No | Description | Designation |
|---|---|---|
| 1 | The ratio of the remuneration of each director to the median of the employees of the company for the financial year. | Managing Director – NA<br>Executive Chairman – NA |
| 2. | The percentage increase in remuneration of each director, Officer, Chief Executive Officer, Company Secretary of Manager, if any, in the financial year | Managing Director -NA<br>Executive Chairman -NA<br>Chief Financial Officer -NA.<br>Company Secretary - 33.42% |
| 3. | The Percentage increase in the median remuneration of employees in the financial year | Nil |
| 4. | The number of permanent employees on the rolls of company | 415 |
| 5. | Average percentile increases already made in the salaries other than the managerial personnel in the last financial year. Its comparison with the percentile increases in the managerial remuneration.<br>Justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration | 5% |
| 6. | Affirmation that the remuneration is as per the remuneration policy to the company. | As per the remuneration policy of the Company. |

**By order of the Board**

**For Dharani Sugars and Chemicals Limited**

**Dr Palani G Periasamy**
**Executive Chairman**
**(DIN No.00081002)**

Place: Chennai
Date: 16th May 2026

**Annexure II to Boards Report**

**MANAGERIAL REMUNERATION for the year 2025-26**

| S.No | Description | Designation | | |
|---|---|---|---|---|
| 1 | Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Applicable to Listed Company) | No salary increase was given from the year 2019. | | |
| 2 | Details of every employee of the Company as required pursuant to 5(2) of the Companies ( Appointment and Remuneration of Managerial Personnel) Rules, 2014 | The information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. However as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(2) of the Rules, the Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule5(2) (first part). Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company. There are no employees falling within the requirements of rule 5(2) (Second part) of the said rules. | | |
| 3 | Any director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report | Nil | | |
| 4 | The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statements as per Schedule V, Part II Section II of the Companies Act, 2013. | **Particulars** | **Dr Palani G Periasamy –** Executive Chairman | **M Ramalingam –** Managing Director |
| 5 | (i) all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors; | Salary<br>Perquisites<br>HRA<br>LTA<br>Medical<br>Total | Salary not provided due to default in repayment of National Asset Reconstruction Company Limited and Default of Sugar Development Fund for One Time Settlement. | |
| 6 | (ii) details of fixed component and performance linked incentive along with the performance criteria | | | |
| 7 | (iii) service contracts, notice period, service fees; | | 5 Years<br>3 Months<br>Nil | 5 Years<br>3 Months<br>Nil |
| 8 | (iv) stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable | | Nil | Nil |

During the year the Company has incurred loss and Chairman and Managing Director remuneration not provided for the FY 2025-26. During the year the Company was in default of SDF Loan. Hence, remuneration will be paid after getting approval of the Secured lenders and shareholders in accordance with Schedule V Part II Section II of the Companies Act, 2013.

**By order of the Board**
**For Dharani Sugars and Chemicals Limited**

**Dr Palani G Periasamy**
**Executive Chairman**
**(DIN No.00081002)**

Place: Chennai
Date: 16th May 2026

**Management Discussion and Analysis Report 2025-26**

**Cautionary Statement:**

Statements made in this report describing industry outlook as well as Company's plans, projections and expectations may constitute 'forward looking statements'. Actual results may differ materially from those either expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

**World Sugar Scenario:**

In 2025/26, global sugar production rises to 189-190 million tonnes, up from around 182 million tonnes in the previous season. Global consumption is estimated at 177-178 million tonnes, an increase of 1-1.5% year-on-year, clearly slower than the rate of supply growth. As a result, the global balance sheet shows a production surplus of 11-12 million tonnes.

The effect of this surplus is to rebuild ending stocks to around 44-45 million tonnes, a significant change from the 2022/23 and 2023/24 seasons, when global stocks declined steadily, increasing the market's vulnerability to weather and logistics shocks. The current level of stocks improves the physical security of the market, but does not imply full neutralisation of price risk.

The majority of 80% of sugar production is derived from Sugar Cane and remaining 20% from Sugar beets. In developed countries, sugar consumption remains stable or slightly declining, influenced by changes in consumer preferences and health regulations. Demand growth is concentrated in Asia and Africa, but its scale is not sufficient to absorb the global oversupply in a single season.

**Indian Sugar Scenario:**

India's annual sugar consumption is estimated at around 280 lakhs tonnes, while production generally ranges between 300 lakhs and 325 lakhs tonnes, resulting in surplus supplies that have kept prices under pressure in recent years.

The industry's biggest cost component is sugarcane procurement. The Fair and Remunerative Price (FRP) of sugarcane has increased steadily from Rs 2,850 per ton in the 2020-21 season to Rs 3,650 per ton for the 2026-27 season. In contrast, the MSP for sugar has remained unchanged at Rs 3,100 per quintal since February 2019.

The Government Allowed 1.5 Million Tonnes of Sugar Exports for The 2025–26 Season this decision helps prevent a domestic price collapse amid a bumper crop. However, that international sugar prices remain weak and that exports may not be profitable immediately. Industry need for a hike in MSP and ethanol prices to ensure the industry's long-term health.

Industry bodies, including the National Federation of Cooperative Sugar Factories (NFCSF) and the Indian Sugar & Bio-energy Manufacturers Association (ISMA), have repeatedly urged the central government to raise the MSP to Rs 4,100-4,200 per quintal, arguing that higher cane and production costs have eroded mill.

Mills are required to pay farmers within a fixed window. But mills themselves often wait longer to collect money from sugar and ethanol sales. Sugarcane alone eats up early 70% of what it costs to sugar then we have labour cost, maintenance cost and finance cost.

The industry maintains that an increase in the MSP is necessary to improve the financial viability of sugar mills, ensure timely payments to sugarcane farmers and support investment in the sector. Industry officials said the Centre's decision on the long-pending demand will be crucial as mills prepare for the 2026-27 crushing season.

**Government Policies:**

The Government of India and the State Government continue to support the Sugar Industry. The Government of India had allowed substantial quantity of exports which has brought down the level of Sugar Inventory in the Country resulting in substantial saving in inventory carrying cost. However, the long awaited revision in the minimum selling price is yet to be announced. Hope the Government of India will announce this minimum price shortly which will help the Industry to sustain its performance which will help them to clear the cane price on time.

**Financial Performance:**

During the year under review the total income was Rs. 2.41 Crores as against the total income of Rs.0.72 Crores in the previous year. The company was not able start the cane crushing operation in all the three units as the company has not cleared the cane arrears relating to sugar season 2018-19. The gross operating loss works out to Rs. 21.69 Crores as against the loss of Rs.20.89 Crores in the previous year. During the year, the company has charged interest Rs 64.04 crores towards banks and financial institutions loans as against Rs 41.92 crores in the previous year. The cash loss works out to Rs 82.73 Crores as against the cash loss of Rs.62.81 Crores in the previous year. The net loss after depreciation and exceptional items works out to Rs.99.56 Crores as against the profit of Rs.95.82 crores in the previous year.

**Summary of the financial Performance for year ended is given below:**

**Rs. in Crores**

| Particulars | Year Ended 31.03.2026 | Year Ended 31.03.2025 |
|---|---|---|
| Total Revenue | 2.41 | 0.72 |
| Profit/(Loss) before Interest, Depreciation and Tax | (21.69) | (20.89) |
| Interest and Finance charges | 39.09 | 41.92 |
| Cash Profit/(Loss) | (60.78) | (62.81) |
| Depreciation | 21.99 | 22.10 |
| Profit/ (Loss) before Tax | (82.77) | (84.91) |
| Deferred Tax- Asset / (Liability) / Exceptional Items | (16.79) | (10.91) |
| Profit/(Loss) after Tax | (99.56) | (95.82) |
| Profit/(Loss) Brought forward from last year | (204.80) | (108.98) |
| Profit/(Loss) carried forward to Balance Sheet | (304.36) | (204.80) |

**Sugar, Alcohol and Power:**

During this period under review, the Company was not able to start the cane crushing operations and Alcohol production as the company has not yet cleared the cane arrears relating to sugar season 2018-19.

**Ethanol:**

Private distilleries' ethanol supply to OMCs rose over 2.4 times in five years. Ethanol supplied by private distilleries to public sector Oil Marketing Companies (OMCs) rose from 418.73 crore litres in ethanol Supply Year (ESY) 2021-22 to a peak of 1,040.09 crore litres in ESY 2024-25.

According to the data shared, supply stood at 506.42 crore litres in ESY 2022-23 and 679.01 crore litres in ESY 2023-24, before climbing sharply in ESY 2024-25. For the ongoing ESY 2025-26, supply totalled 717.29 crore litres up to June 30, 2026, a figure that covers only part of the year and is not directly comparable with the full-year totals of previous years. Government says over 23 crore vehicles running on E20 blends without verified engine failures.

The EBP Program has already delivered benefit of more than Rs 1.97 lakh crore in foreign exchange savings, Substitution of over 316 lakhs metric tonnes of crude oil imports, Reduction of more than 950 lakhs metric tonnes of $CO_2$ emissions; and Over Rs 1.66 lakh crore in payments to farmers and distillers, creating a stable domestic market for agricultural produce.

The purpose of ethanol blending is to reduce India's dependence on imported crude oil, which still meets nearly 88% of our oil requirement. It is an insurance policy against global oil shocks and not a day-to-day price competition.

**Opportunities and Threats:**

India is the largest consumer of sugar in the world. Still the average per capital consumption of sugar in India is less as compared to the developed countries. While the land availability is likely to shrink for cane cultivation, the cane production needs to be increased to meet the ever increasing demand for sugar, power and ethanol. The ethanol blending programme may also help the Sugar Industry. However, the agro climatic conditions and competition from other crops play a great role in the availability of cane.

**Risks and Concerns:**

Risks and Concerns given by the management below are not exhaustive and only highlight some of the salientamong them. The investors are advised to exercise their due diligence in assessing the various risk factorsassociated with industry and your Company. The sugarindustry is still highly regulated with the Governmentexercising control over pricing of sugar cane, allocation ofarea for sugar units, movement of molasses, Alcohol andpricing of Power. Some of the inherent business risks andthe mitigation measures initiated by your Company aregiven as under.

a) **Raw Material Risk:** Cane is the basic raw material for sugar industry and the efficient operation of the Sugar Plant as well as Distillery depends upon theavailability of adequate cane and molasses. Sugar industry beingcyclical in nature is affected by the vagaries of the monsoon. Substantial increase in the price of alternate crops as compared to sugarcane and increase in the harvesting charges for the cane hasresulted in the farmers switching to other crops whichare more profitable. However, various steps including incentives are given by the Sugar Industry to retain/increase the Cane cultivation.

b) **Product Risks:** Sugar being the main product, its Minimum Selling Price (MSP) is fixed by Government of India. Increasing health consciousness among the general public, the average increase in the consumption of sugar is likely to be low in the coming years. Alcohol is highly regulated and the price of the same is directly/indirectly controlled by the State Government through import from neighbouring states. Further there is undue delay in the realisation of power dues. To mitigate the product related risks, the Company has been taking efforts to make its operation as integrated one comprising of Sugar, Power and alcohol including fuel Ethanol.

c) **Forex Risk:** Import and Export of Raw Sugar/ Whitesugar and funding of project for manufacture of sugar involves foreign exchange component. Any wide fluctuation in the value of Rupee against US Dollar may impact the profitability of the Company. The Company is closely monitoring the movement and taking appropriate action.

d) **Financing Risk:** The Sugar industry being capital intensive in nature requires huge capital investment, having high debt component. The Sugar Industry being seasonal in nature, the Company needs to hold substantial inventory over longer period incurring very high interest cost on working capital borrowing, besides other carrying costs. Further, the droughts during the years 2016 to 2018 had affected the availability of the cane and consequently, the performance of the Sugar Units in Tamilnadu were affected adversely.

e) **Regulatory Risks:** The Sugar Sector continuous to be controlledby Governments. Sugar cane prices and sugar selling price are fixed by Government of India. Alcohol and molasses are subject to inter-state movement control. The Company through its Industry Association has been representing to the Central and State Governments for new policy changes to support the Sugar Industry.

**Outlook for 2026-27**

However, your Company is yet to clear the Cane arrears and the Company hopes to clear the same and start the crushing operations from season 2026-27.

Mills are required to pay farmers within a fixed window. But mills themselves often wait longer to collect money from sugar and ethanol sales.

**Financial Performance:**

Please refer disclosures in the Director's Report and the financial statements.

**Human Resources:** The Industrial relations at your Company continue to be cordial. There are about 415 employees as on 31.03.2026 and are working on the overhaul of the machineries.

**Annexure III to Boards Report**

**Form No. AOC-2**
**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis-NIL-**
2. **Details of material contracts or arrangement or transactions at arm's length basis**

| Name(s) of the related party | PGP Educational & Welfare Society | Appu Hotels Ltd |
|---|---|---|
| Nature of relationship | Associates | Associates |
| Nature of contracts/ arrangements / transactions | Leasing of Land for School | NA |
| Duration of the contracts / arrangements/ transactions | 29 years (up to 31.10.2051) | NA |
| Salient terms of the contracts or arrangements or transactions including the value, if any | Rs.0.42 lakhs | NA |
| Date(s) of approval by the Board, if any: | 16.05.2024 | Nil |
| Amount paid as advances, if any | Nil | Nil |

| Nature of relationship party | Dr. Palani G Periasamy | | Mrs. Visalakshi Periasamy | M Ramalingam | A Sennimalai |
|---|---|---|---|---|---|
| Nature of relationship | Executive Chairman | | Director | Managing Director | Director |
| Nature of Contracts / arrangements / transactions | Rent | Salary | Sitting Fees | Salary | Sitting Fees |
| Duration of the contracts / arrangements/transactions | 3 years w.e.f 16.05.2024 | 5 years w.e.f 25.06.2024 | - | 5 years w.e.f 01.04.2023 | - |
| Salient terms of the contracts or arrangements or transactions including the value, if any | Rs. 4.53 lakhs per month | Nil | Rs.0.10 lakhs | Nil | Rs.0.35 lakhs |
| Date(s) of approval by the Board, if any: | 16.05.2024 | 16.05.2024 | NA | 16.05.2024 | NA |
| Amount paid as advances, if any | Nil | NA | Nil | Nil | Nil |

**By order of the Board**
**For Dharani Sugars and Chemicals Limited**

**Dr Palani G Periasamy**
**Executive Chairman**
**(DIN No.00081002)**

Place: Chennai
Date: 16th May 2026

**Annexure IV to Boards Report**

**Information as required under Section 134(3)(m) of the Companies Act, 2013 and with rule 8(3) of the Companies (Accounts) Rules 2014.**

| | | |
|---|---|---|
| A. | Energy Conservation Measures | Nil |
| B. | Technology absorption and Innovation | Nil |

**Foreign Exchange / Earnings & Outgo**

| Particulars | 2025-26 | 2024-25 |
|---|---|---|
| Foreign Exchange Earned | Nil | Nil |
| Foreign Exchange Outgo | Nil | Nil |

**By order of the Board**
**For Dharani Sugars and Chemicals Limited**

**Dr Palani G Periasamy**
**Executive Chairman**
**(DIN No.00081002)**

Place: Chennai
Date: 16th May 2026

---

**Annexure V to Boards Report**

**Sstatement 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, 2026**

**(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) |
|---|---|---|---|
| a | Turnover/ Total Income | 241.33 | 241.33 |
| b | Total Expenditure | 10196.86 | 10196.86 |
| c | Net Profit/ (Loss) | (9955.53) | (9955.53) |
| d | Earnings Per share | (25.23) | (25.23) |
| e | Total Assets | 44866.36 | 44866.36 |
| f | Total Liabilities | 44866.36 | 44866.36 |
| g | Net Worth | (26283.67) | (26283.67) |
| h | Any other financial item(s) as felt appropriate by the Management) | - | |
| **II** | **Audit Qualifications** | | |
| a | Details of Audit Qualifications | 1. We draw your attention to Note 1 of the Financial Results. The Company has incurred substantial losses and has accumulated losses resulting in erosion of net worth as at March 31, 2026. Further, the manufacturing facilities and operations of the Company have remained non-operational for a prolonged period and the Company has defaulted in repayment of significant borrowings, settlement obligations and statutory dues.<br>The manufacturing plants and major fixed assets of the Company have remained idle for a prolonged period. The Company's ability to recommence operations is also dependent upon mobilisation of substantial working capital, settlement of overdue farmer dues and availability of adequate sugarcane for the ensuing crushing seasons.<br>Further, pursuant to withdrawal of CIRP proceedings, the Company had entered into a Master Restructuring Agreement ("MRA") dated May 24, 2024 with India Debt | |

| | |
|---|---|
| | Resolution Company Limited ("IDRCL"), acting as trustee on behalf of National Asset Reconstruction Company Limited ("NARCL"), for restructuring of the outstanding borrowings of the Company. During the year, the Company committed breaches of repayment obligations and financial covenants stipulated under the MRA, including non-payment of instalments falling due under the agreed repayment schedule, non-fulfilment of security related conditions precedent, non-creation of Debit Service Reserve Account ("DSRA"), delays in operationalisation of monitoring mechanisms, non-payment of farmer dues and availing of additional indebtedness without prior lender approval. Consequently, IDRCL, through its legal counsel, issued a Default Notice dated February 07, 2026 granting time for one month to cure the subsisting Events of Default and also reserved its rights to initiate recovery proceedings before the Hon'ble Debt Recovery Tribunal ("DRT"). However, the Company could not remedy the defaults within the stipulated timeline and accordingly, the restructuring arrangement likely to be cancelled and the concessions and reliefs granted thereunder may be withdrawn. However, the lender has not recalled the loan till the date of our audit report.<br><br>Further, the Sugar Development Fund ("SDF") Loan secured by the fixed assets of Unit-III (excluding refinery assets and harvester machines) was covered under a One Time Settlement ("OTS") sanctioned by the Government of India for an amount of INR 6,111 Lakhs and vide letter dated October 13, 2025, the repayment timeline under the OTS was extended up to April 06, 2026. However, the Company defaulted in repayment within the extended timeline. Consequently, the administrative approval for the OTS arrangement stands revoked and the original liabilities together with applicable interest and other charges have become repayable by the Company.<br><br>The aforesaid events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. |
| | 2. We draw your attention to Note 2 & 3 of the Financial Results, The Company continues to face significant liquidity and cash flow constraints which adversely impact its ability to recommence operations, and meet its financial and operational obligations in a timely manner. The manufacturing plants and major fixed assets of the Company have remained idle and non-operational for a prolonged period.<br><br>Further, the sugar manufacturing business is inherently dependent upon availability of sugarcane, which is a seasonal agricultural crop influenced by various factors including climatic conditions, cultivation patterns, recovery levels and cane availability in the command area. The ability of the Company to successfully recommence and sustain operations is dependent upon timely availability and procurement of adequate sugarcane supplies during the relevant crushing seasons, apart from availability of adequate working capital and operational funding.<br><br>The Company is presently engaged in discussions and negotiations with existing lenders and other stakeholders in relation to restructuring, settlement and revival arrangements. |
| | 3. We draw attention to Note 4 of the financial statements, which discloses borrowings from directors & Intercorporate Loans from related parties. The Company has not provided for interest expense on these borrowings as per the agreed terms. In our view, the omission of such provision has resulted in an understatement of finance costs and current liabilities. The total outstanding from Directors and Related parties stands at INR 21410.18 Lakhs as on 31 st March 2026. |
| | 4. We further draw attention to the settlement obligations payable to sugarcane farmers pursuant to the settlement arrangement approved under the restructuring framework. As per the terms of the arrangement, the second and final instalment aggregating to INR 36.08 Crores payable to the Ryots remained unpaid as at March 31, 2026. |
| | 5. We draw attention to Note No. 5 of the financial statements, wherein the Company has defaulted in repayment of a loan availed from I Heart Properties Private Limited amounting to INR 2,863.19 Lakhs, including accrued interest of INR 393.19 Lakhs, which remained overdue as at 31st March 2026. |

| | |
|---|---|
| | 6. We draw attention to Note No.6 to the financial statements which explains the Company's investment in the Appu Hotels Private Limited ("investee Company"). The carrying amount of investment as at 31st March 2026 is INR 1455.39 Lakhs. In the opinion of the management the carrying amount of investments is reflective of fair value of investments and is recoverable; thus no adjustment were made in the carrying value of investments in financial statements. In our opinion the carrying value of investments is not reflective of fair value of investments as per the "IND AS 113 - Fair Value Measurements".<br>7. We were not provided with balance confirmations as at 31st March 2026 for trade receivables, trade payables, advances received/ paid and for deposits received/ paid. Based on the above we are unable to report the impact on standalone financial statements due to non-receipt of confirmations.<br>8. The equity shares of the Company were suspended from trading on the National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE) with effect from 3rd July 2023, pursuant to initiation of liquidation proceedings by the Hon'ble National Company Law Tribunal, (NCLT) Chennai Bench, vide order IA(IBC)380/CHE/2023 in IBA/976/2019 dated June 27, 2023. Further, vide NSE Circular Ref.No.0815/2023 dated June 30,2023, the Exchange notified suspension of trading in the equity shares of the Company. |
| 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 | Mentioned below on each item. |
| 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. Going Concern basis:**<br>Frequency of qualification. 3rd time, from the financial year 2023-24 Company has come out of the CIRP process during year 2024-25 vide Honourable National Company Law Tribunal (NCLT) vide order dated 9th May 2024. Now, the Company is carrying out the maintenance works at all the Three units and it will be completed as per the schedule. Company is confident of starting the cane-crushing season by November 2026. The Company is having sufficient cane for crushing for the Sugar Season 2026-27. The Company is presently engaged in discussion with the existing Lenders and other stakeholders for restructuring and raising of required funds to meet the commitments and start the operations. Therefore, there is a significant possibility of the company to continue as going concern.<br>2. **SDF OTS Order Not settled and NARCL default of Repayment:**<br>Frequency of qualification 1 st time from the financial year 2025-26. The company has defaulted repayment of NARCL and SDF OTS settlement Order. Company has reinstated the original SDF liabilities in the books. The Company is presently engaged in discussion with the Lenders in relation to restructuring of the settlements and for revival of the operation. Also, in the process of raising sufficient funding for the operations. |

| | |
|---|---|
| | **3. Interest not provided on the borrowing from Director & Inter Corporate Loans.**<br>Frequency of qualification. 3rd time, from the financial year 2023-24 The Company has not provided for interest expense on these borrowings as specified in the terms of the Master Restructuring Agreement (MRA) with NARCL. Once we started our cane crushing operation, the Company will take efforts to get the approval from NARCL to account for the interest on the borrowing from the Directors and Inter Corporate Loans for the future years. |
| | **4. Sugar Cane payment Rs.36.08 crores not paid.**<br>Frequency of qualification. 1st time, from the financial year 2025-26 Company is arranging funds from external sources to settle the farmer dues within in a period of six months and start the Cane crushing operations in the Coming Sugar season 2026-27. |
| | **5. I heart Properties Private Limited - Unsecured loans defaulted repayment and Interest.**<br>Frequency of qualification. 1st time, from the financial year 2025-26. Company is arranging Funds to clear this unsecured loans within a period of 6 months. |
| | **Opinion - Not Modified.**<br>**6. Appu Hotels Limited – Value of Investment: -**<br>Frequency of qualification. 7 th time, from financial year 2019-20. Based on the settlement proposal submitted by the Promoter under section 12A of the IBC 2016, the NCLT Chennai had approved the withdrawal of the CIRP process effective from 20th Dec. 2023 and the powers of the Board have been restored. As per the settlement proposal the entire secured and un secured financial creditors have been fully settled. The company's performance has substantially improved and the company has already reduced its debts substantially by selling the Non-Core Assets. Further, the Company's fixed asset values are very high as compared to the loans. As such, the management is confident of realising the value of investment in the books as on 31st Mar 2026. |
| | **7. Confirmation of Balance:**<br>Frequency of qualification. 7 th time, from financial year 2019-20.<br>As the company was in CIRP / Liquidation process till 8th May 2024 and there were no transactions during the year. Hence, the confirmation could not be received for the financial year 2025-26 Once the operation is started, we will get the Confirmation of balance for receivables and payables. There may not any impact on the financial statements for the year 2025-26. |
| | **8. Suspension of Trading of shares in the Stock Exchanges Viz., BSE and NSE.**<br>Frequency of qualification. 1st time, from the financial year 2025-26.<br>The Company has applied to NSE and BSE to restore the trading of the shares. All the pending SOP fines have been paid. Following with NSE and BSE. |
| 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 |

| | | | |
|---|---|---|---|
| **//sd//**<br>**M Ramalingam**<br>**Managing Director** | **//sd//**<br>**M P Kaliannan**<br>**Chief Financial Officer** | **//sd//**<br>**V Mahalingam**<br>**Audit Committee Chairman** | **//sd//**<br>**N Srivatsan**<br>**For Srivatsan & Associates**<br>**Statutory Auditors** |

Place: Chennai

Date: 16th May 2026

**Annexure VI to Boards Report**

**FORM No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To,

The Members,
**DHARANI SUGARS AND CHEMICALS LIMITED**
(CIN: L15421TN1987PLC014454)
PGP House, 59, Sterling Road, Nungambakkam,
Chennai – 600 034.

We, M Damodaran & Associates LLP, Practicing Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. DHARANI SUGARS AND CHEMICALS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion there on.

Based on our verification of **M/s. DHARANI SUGARS AND CHEMICALS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2026** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made herein after:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2026** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client

(vi) As per information and documents provided by the management of the Company, we report that there is an adequate system and process to monitor and for ensuring compliance of following Labour & Industrial Laws specifically applicable to the Company, as amended from time to time;

1) The Factories Act, 1948
2) The Sugar Cess Act, 1982
3) The Sugarcane Control (Order), 1966
4) The Sugar (Packing and Marking) Order, 1970
5) Sugar Development Fund Act, 1982
6) Food safety and standards Act, 2006
7) The Boiler Act, 1923
8) The Legal Metrology Act, 2009
9) Environmental Protection Act, 1986
10) Essential Commodities Act, 1955, and orders issued thereunder
11) The Tamilnadu Molasses Control and Regulation Rules, 1958
12) The Tamilnadu Sugarcane (Regulation of Purchase Price) Act, 2018
13) Tamilnadu Tax on consumption or sale of Electricity Act, 2003

14) The Contract Labour (Regulation and Abolition) Act, 1970
15) The Employees Compensation Act, 1923
16) The Employees' Provident Funds & Miscellaneous Provisions Act, 1952
17) The Employees' State Insurance Act, 1948
18) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
19) The Equal Remuneration Act, 1976 and The Equal Remuneration Rules, 1976
20) The Industrial Disputes Act, 1947
21) The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
22) The Maternity Benefit Act, 1961
23) The Minimum Wages Act, 1948
24) The Payment of Bonus Act, 1965
25) The Payment of Gratuity Act, 1972
26) The Payment of Wages Act, 1936
27) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
28) The Tamil Nadu Industrial Establishments (Conferment of Permanent Status to Workmen) Act, 1981
29) The Tamil Nadu Labour Welfare Fund Act, 1972
30) The Tamil Nadu Payment of Subsistence Allowance Act, 1981
31) The Tamil Nadu Shops and Establishments Act, 1947
32) The Tamil Nadu Tax on Professions, Trades & Callings and Employments Act, 1992
33) The Electricity Act, 2003 and the rules made thereunder, with respect to co-generation of power.

We have also examined compliance with the applicable Regulations and Standards of the following:

(i) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(ii) The Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Circulars, Notifications, Standards, etc. mentioned above except the following Observations:

a. During the period from April 01, 2025 to May 28, 2025, half of the Board of Directors of the listed entity did not comprise independent directors, as required under Regulation 17(1)(b) of the SEBI LODR.

b. There was 26 days delay in obtaining approval of shareholders for appointment of Mr. M Mahalingam Venkatachalam (DIN-10954304) as an Additional Director (Non-Executive Independent Director) as required under Regulation 17 (1C) (a) of the SEBI LODR.

c. The listed entity submitted the Annual Secretarial Compliance Report for the Financial Year ended March 31, 2025, under Regulation 24A (2) of the SEBI LODR, to the stock exchanges with a delay of one day.

d. The listed entity submitted the required disclosures to the stock exchanges regarding default in payment of interest/principal amount due to financial institutions, as required under Regulation 30 of the SEBI LODR, with a minor delay.

**We further report that** the Board of Directors of the Company was constituted with Executive Director, Non-Executive Directors and Independent Directors and there were changes in the composition of the Board of Directors during the period under review.

Notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice with the consent of all the Directors, and a System exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that,** during the audit period, there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: Chennai
Date: 15, May 2026

For **M DAMODARAN & ASSOCIATES LLP**

**KALAIYARASI JANAKIRAMAN**
Partner
Membership No.: 29861 COP. No.: 19385
FRN: L2019TN006000
PR 3847/2023
ICSI UDIN:A029861H000371807

*Annexure – 1*

To,

The Members,

**DHARANI SUGARS AND CHEMICALS LIMITED,**

(CIN: L15421TN1987PLC014454)
PGP House, 59, Sterling Road, Nungambakkam,
Chennai – 600 034.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit conducted by us.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chennai
Date: 15, May 2026

For **M DAMODARAN & ASSOCIATES LLP**

**KALAIYARASI JANAKIRAMAN**
Partner
Membership No.: 29861 COP. No.: 19385
FRN: L2019TN006000
PR 3847/2023
ICSI UDIN:A029861H000371807

## CORPORATE GOVERNANCE

1. **Corporate Governance Philosophy:** Company's philosophy is to achieve excellence in its entire activities serve the interest of the community and the shareholders, stakeholders and the society in general, thereby contributing to the welfare of the nation. The Company continues to be transparent in all its dealings and present a complete picture of the operations of the Company to the public at large and the shareholders and stakeholders in particular. The Company has always believed in fair business and corporate practices while dealing with the shareholders, employees, customers, farmers, creditors, lenders and others. The Company is prompt in discharging its statutory obligations and duties.

   The Company has laid down a Code of Conduct for observance by Directors and senior management. Affirmation of Compliance to this code has been obtained from all of them and the Executive Chairman has furnished a declaration to this effect.

2. **BOARD OF DIRECTORS**

   A. **Composition/Category of Directors:** During the year under review, the Board of Directors comprised 9 Directors, of whom 4 belonged to the Promoter Group. The composition of the Board provided an optimum balance of Executive and Non-Executive Directors.

   As on the date of this Report, the Board consists of 8 Directors, comprising 2 Executive Directors and 6 Non-Executive Directors. Of the 6 Non-Executive Directors, 4 are Independent Directors, 1 is a Non-Executive Non-Independent Woman Director, and 1 is a Non-Executive Non-Independent Director.

   Constitution of Board of Directors of the Company is in full compliance with Regulation 17 of the LODR Regulations 2015 and the Company has taken effective steps to comply with the applicable provisions of the Companies Act, 2013.

   B. **Attendance at Meetings/ Directorships and Committee Memberships in other companies during 2025-26.**

| Name of the Director | No. of Board Meetings attended | No of Directorship held in other Companies | | Member or Chairman of Committees | | | | Last AGM Attended YES/ NO |
|---|---|---|---|---|---|---|---|---|
| | | Pub. | Pvt. | Mgt. | Audit | NRC. | SRC. | |
| Dr Palani G Periasamy<br>Whole Time Director -Executive Chairman | 4 | 2 | 1 | Chm | - | - | - | **Yes** |
| Mr. A Sennimalai<br>Non-Executive Director | 3 | 1 | 1 | Mem | Mem | Mem | Mem | **Yes** |
| Mr. M Ramalingam<br>Managing Director | 4 | Nil | Nil | Mem | - | - | Mem | **Yes** |
| Mrs Visalakshi Periasamy<br>Non-Executive Director | 2 | 2 | 1 | - | - | - | - | **Yes** |
| Mr P Selvam<br>Non-Executive Independent Director<br>**(Tenure Completed on 27.09.2025)** | 2 | - | Nil | - | - | - | - | **Yes** |
| Mr M Ganapathy<br>Non-Executive Independent Director | 4 | 1 | Nil | - | Mem | Chm | Chm | **Yes** |
| Mr. V Mahalingam<br>Non-Executive Independent Director<br>**(Appt w.e.f 29.05.2025)** | 3 | Nil | Nil | - | Chm | - | - | **Yes** |
| Dr E Thiyagarajan<br>Non-Executive Independent Director | 4 | Nil | Nil | - | Mem | Mem | Mem | **Yes** |
| Mr. P Sakthivel<br>Non-Executive Independent Director<br>**(Appt w.e.f 14.08.2025)** | 2 | Nil | Nil | - | - | - | - | **Yes** |

MC - Management Committee, SRC– Stakeholders Relationship Committee, NRC – Nomination & Remuneration Committee, AC- Audit Committee.

**C Directorship in other Listed Companies as on 31.03.2026.**

| S.No | Name of the Director | Name of the Company | Category |
|---|---|---|---|
| 01 | Dr. Palani G Periasamy | • Dharani Finance Limited | Non- Executive Director, Chairman |
| 02 | Mrs. Visalakshi Periasamy | • Dharani Finance Limited | Non- Executive Director |

**D. Number of Board Meetings held during the year 2025-26 and dates on which held:**

Notice of each Board Meeting is generally circulated to all Directors at least seven days in advance. During the year under review, four (4) Board Meetings were held on 29.05.2025, 14.08.2025, 13.11.2025, and 12 .02.2026.

The Company complied with the statutory requirement of holding a minimum of four Board Meetings during the year, and the gap between any two consecutive meetings did not exceed 120 days, in accordance with the provisions of the Companies Act, 2013 and the applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**E. Disclosure of relationships between directors inter-se:**

Mrs. Visalakshi Periasamy is the spouse of Dr. Palani G. Periasamy.

**F. Number of shares and convertible instruments held by Non- Executive Directors as at 31st March 2026:**

| S.No | Name of the Director | No of Shares | % |
|---|---|---|---|
| 1 | Mrs. Visalakshi Periasamy | 12,00,101 | 3.61 |
| 2 | Mr. A Sennimalai | 21,682 | 0.65 |
| 3 | Mr. M Ganapathy | Nil | Nil |
| 4 | Dr. E Thiyagarajan | Nil | Nil |
| 5 | Mr. V Mahalingam | Nil | Nil |
| 6 | Mr. P Sakthivel | Nil | Nil |

**G. Web link where details of familiarisation programmes imparted to independent directors is disclosed:**

As a part of familiarization programme as required under Listing Regulations, the Directors have been appraised during the Board Meetings about the amendments to the various enactments viz., Companies Act, 2013 (the Act), Listing Regulations, Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information etc., Since these being information about the enactment / updates in the laws/regulations, no separate material has been uploaded in the website at www.dharanisugars.com

**H. Chart or a matrix setting out the skills/expertise/competence of the board of directors specifying the following**

| core skills/expertise /competencies | Dr Palani G Periasamy | Visalakshi Periasamy | M. Ramalingam | A. Sennimalai | V Mahalingam | M. Ganapathy | E . Thiyagarajan | P Sakthivel |
|---|---|---|---|---|---|---|---|---|
| Skills attributable to the Industry / Sector, in which the Company operates | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Financial Management Skills | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Administrative Skills | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Leadership Skills | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Technical / Professional skills in relation to Company's Business Operations | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Business Strategy & Sales & Marketing | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Corporate Governance | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Communication Skills and public relations | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Decision making skills | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

**I Confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. A formal letter of appointment to Independent Directors as provided in the Companies Act, 2013 has been issued.

**J. Detailed reasons for the resignation of an independent director who resigns before the expiry of his/ her tenure along with a confirmation by such director that there are no other material reasons other than those provided.**

During the year under review, there was no instance of resignation by any Independent Director. However, Mr. P. Selvam ceased to hold office as an Independent Director with effect from 27th September 2025 upon completion of his tenure.

**3. AUDIT COMMITTEE OF DIRECTORS:**

**A. Brief description of term of reference:**

- The Audit Committee acts in accordance with the terms of reference given by the Board pursuant to Section 177 of the Act and Regulation 18 of the Listing Regulations. The terms of reference are briefly described below: -
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, appointment, re-appointment, replacement or removal (in the event of necessity) of Statutory Auditors, Cost Auditors including fixation of remuneration;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Review of the functioning of the whistle blower mechanism.
- The Chairman of the Audit Committee was present at the last Annual General Meeting.

**B. Composition, name of members & Chairperson.**

The Audit Committee comprises of 4 directors out of whom 3 are Independent Directors, and one Non-Executive Director. The Chairman is a Non- executive and Independent Director

**C. Number of Audit Committee Meetings held during the year and attendance at meetings.**

During the year 4 (Four) Audit Committee meetings were held on 29.05.2025, 14.08.2025, 13.11.2025 and 12.02.2026.

| S.No. | Name of Directors | Category | No. of Meetings held | No of Meetings attended |
|---|---|---|---|---|
| 01 | Mr V Mahalingam (Appointed on 29.05.2025) | Chairman | 4 | 2 |
| 02 | Mr A Sennimalai | Member | 4 | 3 |
| 03 | Mr M Ganapathy | Member | 4 | 4 |
| 04 | Dr E Thiyagarajan | Member | 4 | 4 |
| 05 | Mr P Selvam (Till 27.09.2025) | Member | 4 | 2 |

Mr. E P Sakthivel, Company Secretary is the Secretary to this Committee.

## 4. NOMINATION AND REMUNERATION COMMITTEE OF DIRETORS.

**A. Terms of Reference**

- The terms of reference and Role of the Nomination and Remuneration Committee are as per the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.
- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- The policy is framed by the Nomination and Remuneration Committee and approved by the Board.

  The terms and conditions of appointment are disclosed in the website of the Company at www.dharanisugars.com

**B. Composition, name of members & Chairperson.**

The Nomination and Remuneration Committee presently consists of 4 Non-executive Directors, 3 being independent. The Chairman is a Non-Executive and Independent Director.

**C. Nomination and Remuneration Committee Meetings held during the year and attendance at meetings.**

During the year 2 (Two) Nomination and Remuneration Committee Meetings were held on 29.05.2025 and 14.08.2025.

The composition of the Nomination and Remuneration Committee as on 31st March 2026 and the attendance of the members at the meetings held during the Financial Year 2025-26 were as follows. Performance evaluations are carried out as per criteria posted on the web site.

| S.No. | Name of Directors | Category | No. of Meetings held | No of Meetings attended |
|---|---|---|---|---|
| 01 | Mr M Ganapathy | Chairman | 2 | 2 |
| 02 | Mr A Sennimalai | Member | 2 | 1 |
| 03 | Dr E Thiyagarajan | Member | 2 | 2 |
| 04 | Mr V Mahalingam | Member | - | - |
| 05 | Mr P Selvam (Till 27.09.2025) | Member | 2 | 2 |

Mr E P Sakthivel, Company Secretary is the Secretary to this Committee.

**D. Criteria for evaluation of the performance of the Independent Directors:**

The criteria for evaluation of the performance of Independent Directors include their qualification, experience, competency, knowledge, understanding of respective roles (as Independent Director and as a member of the Committees of which they are Members/Chairpersons), adherence to Codes and ethics, conduct, attendance and participation in the meetings,

**The Independent Directors,** who are from diverse fields of expertise and have long standing experience and expert knowledge in their respective fields are very relevant as well as of considerable value for the Company's business. As a part of familiarization programme as required under Listing Regulations, the Directors have been appraised during the Board Meetings about the amendments to the various enactments viz., Companies Act, 2013 (the Act), Listing Regulations, Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information etc., Since these being information about the enactment / updates in the laws/regulations, no separate material has been uploaded in the website.

During the year no Independent Director resigned before the expiry of the Tenure.

**Qualified Independent Directors:**

(i) Board of Directors identified and felt satisfied with the Company that the Directors are qualified and have experience in Administration/Marketing/Finance/Accounts /Technical core skills which are required to run the business of the Company.

(ii) Board of Directors confirmed that the Independent Directors fulfil the conditions specified in these regulations and are Independent of the Management.

| Name of the Independent Director | Area of Specialization | Tenure of Appointment / Re-appointment |
|---|---|---|
| Mr M Ganapathy | Administration – Retd IFS Officer | 12.08.2024 to 11.08.2029 |
| Dr E Thiyagarajan | Medical Services | 12.08.2024 to 11.08.2029 |
| Mr V Mahalingam | Administration – Retd IFS Officer | 29.05.2025 to 28.05.2030 |
| Mr P Sakthivel | Administration | 14.08.2025 to 13.08.2030 |

Appropriate familiarization programme for Independent Directors as required under the Listing Regulations are undertaken from time to time.

**Performance evaluation criteria for independent directors. Evaluation Criteria:**

- Understanding of nature and role of independent directors' position.
- Understanding of risks associated with the business
- Application of knowledge for rendering advice to Management for resolution of business issues.
- Offer constructive challenge to Management strategies and proposals
- Active engagement with the Management and attentiveness to progress of decisions taken
- Non-partisan appraisal of issues
- Own recommendations given professionally without tending to majority or popular views
- Heading Board Sub Committees
- Driving any function or identified initiative based on domain knowledge and experience
- Commitment to role & fiduciary responsibilities as a board member
- Attendance and active participation and not done perfunctorily
- Proactive, strategic and lateral thinking.

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE OF DIRECTORS.

During the year One Stakeholders Relationship Committee Meeting was held on 29.05.2025. Stakeholders Relationship Committee consists of 3 (three) Directors, out of which 3 are non-executive directors. Composition and attendance are given hereunder.

| S.No. | Name of Directors | Category | No. of Meetings held | No of Meetings attended |
|---|---|---|---|---|
| 01 | Mr M Ganapathy | Chairman | 1 | 1 |
| 02 | Mr A Sennimalai | Member | 1 | 0 |
| 03 | Dr E Thiyagarajan | Member | 1 | 1 |
| 04 | Mr P Selvam (Till 27.09.2025) | Member | 1 | 1 |

Mr E P Sakthivel, Company Secretary is the Secretary to this Committee.

With regard to investor grievances, All the investor grievances / correspondences have been promptly attended to within 7 days from the date of their receipt. Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Mr E P Sakthivel, Company Secretary and Compliance Officer is the contact person.

The details of investors' complaints received and resolved during the financial year 2025-26 are as under:

| During the Quarter | No. of investor complaints pending at the beginning of Quarter | No. of investor complaints received during the Quarter | No. of investor complaints disposed off during the Quarter | No. of investor complaints those remaining unresolved at the end of the Quarter |
|---|---|---|---|---|
| April- June | Nil | Nil | Nil | Nil |
| July-September | Nil | Nil | Nil | Nil |
| October-December | Nil | Nil | Nil | Nil |
| January- March | Nil | 3 | 3 | 0 |

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF DIRECTORS.

As per Section 135 of the Companies Act, a Corporate Social Responsibility (CSR) Committee has been formed. CSR policy has been framed and is available on the Website. Members of the Committee are:

| S.No. | Name of Directors | Category | No. of Meetings held | No of Meetings attended |
|---|---|---|---|---|
| 01 | Dr E Thiyagarajan | Chairman | Nil | Nil |
| 02 | Mr A Sennimalai | Member | Nil | Nil |
| 03 | Mr M Ramalingam | Member | Nil | Nil |

However, as the average of the net profits for the last 3 years is negative, no CSR expenditure has been earmarked on this account.

**7. Details of remuneration to all the Directors paid during the Financial Year 2025-26.**

| S. No. | Name of the Directors | Sitting Fees | Salary | Commission / Bonus | Stock Option | Pension |
|---|---|---|---|---|---|---|
| 01 | Dr Palani G Periasamy | Nil | Nil | Nil | Nil | Nil |
| 02 | Mrs Visalakshi Periasamy | 10,000 | Nil | Nil | Nil | Nil |
| 03 | Mr M Ramalingam | Nil | Nil | Nil | Nil | Nil |
| 04 | Mr A Sennimalai | 35,000 | Nil | Nil | Nil | Nil |
| 05 | Mr M Ganapathy | 55,000 | Nil | Nil | Nil | Nil |
| 06 | Mr V Mahalingam | 25,000 | Nil | Nil | Nil | Nil |
| 07 | Dr E Thiyagarajan | 55,000 | Nil | Nil | Nil | Nil |
| 08 | Mr P Sakthivel | 10,000 | Nil | Nil | Nil | Nil |
| 09 | Mr P Selvam | 35,000 | Nil | Nil | Nil | Nil |

No remuneration is paid to Non-Executive Directors, except sitting fees for attending the Board/ Committee meetings. Sitting fees are paid within the limits prescribed in the Companies Act, 2013. There is no other pecuniary relationship between Non-Executive Directors and the Company.

**a) Fixed Component / Performance Linked Incentive / Criteria:**

During the year no performance related Bonus is payable to the Executive Chairman.

**b) Service Contract / Notice Period / Severance Fees:**

(i) The Contract of Service entered into by the Company with Mr. M Ramalingam, the Managing Director, provides, a term of 5 years and also provides that the Company and the Managing Director shall be entitled to terminate the agreement by giving 90 days' notice in writing on either side.

(ii) No severance fee is payable by the Company to the Managing Director on termination of the agreement/s.

**c) Stock Option:** The Company does not have any stock option scheme.

**8. GENERAL BODY MEETINGS:**

**a. Location and time, where last three Annual General Meetings held and the special resolutions passed thereat are as follows:**

| Financial year, Date & Time | Venue | Whether any Special Resolution Passed (Purpose) |
|---|---|---|
| 2024-25,<br>38th AGM<br>25.09.2025<br>at 11.00 a.m. | Through Video Conference / Other Audio-Visual Means (VC / OAVM) at the registered office of the company. | 1. To re-appointed a director in the place of Mr Arunachalam Sennimalai (DIN No.00062791) who has crossed the age of 84 years, retires by rotation and being eligible offers himself for re- appointment<br>2. Appointment of Mr M Mahalingam Venkatachalam, (DIN 10954304) as an Independent Director – Non- Executive<br>3. Appointment of Mr P. Sakthivel (DIN 11240429) as an Independent Director – Non- Executive |
| 2023-24,<br>37th AGM<br>10.09.2024<br>at 03.00 p.m. | Through Video Conference / Other Audio-Visual Means (VC / OAVM) at the registered office of the company. | 1. To re-appointed a director in the place of Mrs Visalakshi Periasamy (DIN 00064517) who has crossed the age limit of 78 years, retires by rotation and being eligible offers herself for reappointment.<br>2. Re-appointment of Mr M Ramalingam (DIN 00278025), asManaging Director<br>3. Re-appointment of Dr Palani G Periasamy, (DIN 00081002) as Whole Time Director designated as Executive Chairman with effect from 25.06.2024.<br>4. To approve the issue of equity shares of the Company on a preferential basis to the lender pursuant to the restructuring of debt of the Company: |

| Financial year, Date & Time | Venue | Whether any Special Resolution Passed (Purpose) |
|---|---|---|
| | | 5. Approval of the issue of non-convertible debentures of the Company on a preferential basis to the lender pursuant to restructuring the Company's debt<br>6. To appointment of Mr M Ganapathy, Independent Director – Non-Executive<br>7. To appointment of Dr Thiyagarajan, Independent Director – Non-Executive |
| 2022-23, 36th AGM 10.09.2024 at 11.00 a.m. | Through Video Conference / Other Audio-Visual Means (VC / OAVM) at the registered office of the company. | 1. To re-appointed a Director (Non-Executive) in the place of Mr A Sennimalai (DIN 00062791) who has crossed the age limit of 82 years, retires by rotation and being eligible offers himself for reappointment |

**b. Whether any special resolution passed last year through postal ballot – details of voting pattern;**

During the period under review, your company has not passed any special resolution through postal ballot

**c. Person who conducted the postal ballot exercise;** NA

**d. whether any special resolution is proposed to be conducted through postal ballot;**

As at the circumstance today, Your Company does not propose any special resolution to be conducted through postal ballot

**e. Procedure for postal ballot:** NA

## 9. MEANS OF COMMUNICATION

(a) Quarterly results: During the year under review, Company submits the quarterly financial results to the Stock Exchange within the stipulated time. The details are as follows:

| Period | Date of Board meeting | Date of disseminating financial results |
|---|---|---|
| Q1 – Apr – Jun 2025 | 29.05.2025 | 29.05.2025 |
| Q2 – Jul – Sep 2025 | 14.08.2025 | 14.08.2025 |
| Q3 – Oct – Dec 2025 | 13.11.2025 | 13.11.2025 |
| Q4 – Jan – Mar 2026 | 12.02.2026 | 12.02.2026 |

(b) The quarterly/half-yearly/annual financial results are published in English daily 'Financial Express' and in Tamil 'Makkal Kural'.

(c) The financial results are placed on the Company's website at www.dharanisugars.com

(d) Other than this, there have been no official news releases.

(e) No presentation was made to the institutional investors or to the analysts.

## 10. GENERAL SHAREHOLDER INFORMATION

| | | |
|---|---|---|
| a. | Time, Date and Venue of the Annual General Meting | 39th Annual General Meeting (AGM) of the Company will be held on Friday, the 25th September 2026 at 11.00 a.m. through' Video Conference / Other Audio-Visual Means (VC / OAVM) at No.59 Sterling Road, Nungambakkam, Chennai 600034 |
| b | Financial year | April – March every year |
| c | Date of Book Closure | 19th September 2026 to 25th September 2026 |
| d | Dividend if any | Nil |
| e | Listing on Stock Exchange | BSE and NSE |

| | | |
|---|---|---|
| f | Listing Fees | Yes, paid on 13.06.2025 |
| g | Registrar and Transfer Agent | M/s Cameo Corporate Services Limited “Subramanian Building, 5th Floor No 1 Club House Road, Chennai 600 002. Phone No 91-44-28460390/28460718 E-mail:cameo@cameoindia.com / Investor@cameoindia.com SEBI Registration No: INR000003753 |
| h | In case the securities are suspended from trading, the directors report shall explain there as on thereof; | The equity shares of the Company are presently under suspension from trading due to procedural reasons. The Company is taking all necessary steps to facilitate the revocation of the suspension and restoration of trading of its equity shares at the earliest. |

i. Share Transfer System

- The Company's shares being in compulsory demat list, are transferable only through the depository system. In order to expedite the process, the Board of Directors has delegated the authority to the Company Secretary to approve the share transfers and accordingly, the Company Secretary approves the transfer/transmission of shares generally on a weekly basis. The share transfer progress is placed in the meeting of the Board of Directors every quarter.
- Transfer/Transmission of shares can be affected by sending the required documents to the General Manager, Cameo Corporate Services Limited, Chennai at the above address.
- Market Price data: Trading was suspended due to Liquidation Order dated 28.06.2023, Hence, market price was not available.

j. Shareholdings Details

i. Shareholdings Pattern

| S.No | Category | No of Shares | % |
|---|---|---|---|
| 01 | Promoter & Promoter Group | 2,04,36,006 | 61.55 |
| 02 | Banks/Financial Institutions/Central and State Governments/ Non-Institutions | 3,150 | 0.01 |
| 03 | Bodies Corporate/ Clearing Members | 87,054 | 0.26 |
| 04 | HUF/Trust/LLP | 2,85,587 | 0.86 |
| 05 | Investor Education Protection Fund (IEPF) | 5,05,333 | 1.52 |
| 06 | NRIs | 36,25,382 | 10.92 |
| 07 | Indian Public | 82,57,218 | 24.88 |
| | **Total** | **3,32,00,000** | **100.00** |

ii. Distribution of Shareholdings

| Shareholding of Nominal value of Rs. | Shareholders | | Share Amount | |
|---|---|---|---|---|
| | Number | % to Total | In Rs | % to Total |
| 10-5000 | 16,993 | 85.03 | 2,02,85,930 | 6.11 |
| 5001-10000 | 1,456 | 7.29 | 1,19,00,370 | 3.58 |
| 10001-20000 | 740 | 3.70 | 1,14,89,320 | 3.46 |
| 20001-30000 | 268 | 1.34 | 68,03,490 | 2.05 |
| 30001-40000 | 115 | 0.58 | 41,63,530 | 1.25 |
| 40001-50000 | 113 | 0.57 | 53,04,390 | 1.60 |
| 50001-100000 | 149 | 0.75 | 1,05,32,260 | 3.17 |
| 100001- and above | 148 | 0.74 | 26,15,20,710 | 78.78 |
| Total | 19,982 | 100.00 | 33,20,00,000 | 100.00 |

k. Dematerialization of Shares and liquidity.

i. The Company's Equity Shares already stand dematerialized with ISIN: INE988C01014. Trading of equity shares in the stock exchanges is done only in dematerialized form. Details as on 31st March 2026.

| Sl. No. | Particulars | No of Holders | No of Shares | % |
|---|---|---|---|---|
| 01 | Physical | 2,795 | 11,57,226 | 3.49 |
| 02 | CDSL | 10,696 | 45,59,132 | 13.73 |
| 03 | NSDL | 6,491 | 2,74,83,642 | 82.78 |
| 04 | Total | 1,99,982 | 3,32,00,000 | 100.00 |

The status of allotment of 83,14,328 equity shares to NARCL

The Company has issued 83,14,328 equity shares of Rs.10/- each under the preferential allotment to NARCL approved in the Board Meeting held on 11.09.2024. But shares were not credited NARCL due to in-principle approval pending with NSE and BSE. The Company is taking effective steps to get the in-principle approval from stock Exchanges.

l. Outstanding GDRS/ ADRS/ Warrants or Any Convertible Instruments, Conversion Date And Likely Impact On Equity

As on date, the Company has not issued GDRs, ADRs or any other Convertible Instruments and as such, there is no impact on the equity share capital of the Company.

m. Commodity Price Risk / Foreign Exchange Risk And Hedging Activities

The Company is exposed to foreign exchange risk on account of import and export transactions entered. Hedging policy is available.

The Company is proactively mitigating these risks by entering into commensurate hedging transactions with banks as per applicable guidelines and group risk management instructions.

n. Plant Location

| PLANT & ADDRESS | CAPACITY |
|---|---|
| Unit – I, Dharani Nagar, Vasudevanallur, Tenkasi Dt. – 627760 | 2500 TCD |
| Unit – II, Karaipoondi Village, Polur, Tiruvannamalai Dt – 606803 | 4000 TCD |
| Unit-III, Kalayanallur Village, Sankarapuram Taluk, Kallakurchi Dt. – 606206 | 3500 TCD |
| Distillery in Unit – I, Dharani Nagar, Vasudevanallur, Tenkasi Dt. – 627760 | 60 KLPD |
| Distillery in Unit – III, Kalayanallur Village, Sankarapuram Taluk, Kallakurchi Dt. – 606206 | 100 KLPD |
| Co-generation Power at Unit-II, Karaipoondi Village, Polur, Tiruvannamalai Dt. – 606803 | 15 MW |
| Co-generation Power at Unit-III, Kalayanallur Village, Sankarapuram Taluk, Kallakurchi Dt. – 606206 | 22 MW |

**TCD – Ton crushed per day and KLPD – Kilo Litre Per Day.**

o. Address For Correspondence

**Dharani Sugars and Chemicals Limited**
**“PGP House” ,**
**No.59,Sterling Road, Nungambakkam, Chennai – 600 034. Phone No. 91-44-2831 1313**
CIN – L15421TN1987PLC014454 ,
Email: secretarial@dharanisugars-pgp.com, Website: www.dharanisugars.com

p. Credit ratings:

During the year under review, The Company has not obtained any such credit ratings.

**11. OTHER DISCLOSURES.**

a. Disclosures on materially significant related party transactions.

There was no materially significant related party transaction during the year having potential conflict with the interests of the Company.

Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in the notes to accounts annexed to the financial statements.

Policy on determining Related Party Transactions can be viewed in the Company's website at www.dharanisugars.com.

b. Details of non-compliance by the listed entity During the year under review, Company was not levied any fine, penalties, strictures by stock exchanges/ SEBI and other authorities related to Capital Markets

c. Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee

Whistle Blower Policy and vigil mechanism affirmation that no personnel have been denied access to the Audit Committee.

The Company has adopted Whistle Blower Policy where it has a mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct/Business Ethics. It is confirmed that no personnel have been denied access to the Chairman of the Audit Committee, making complaint on any Integrity issue. This policy is hosted on the company's website.

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements; During the year, the Company has fully complied with the mandatory requirements as stipulated in Listing Regulations.

e. web link where policies are disclosed;

| Particulars | Remarks |
|---|---|
| Weblink where policy for determining' Material subsidiaries is disclosed. | www.dharanisugars.com |
| Web link where policy on dealing with related party transactions | www.dharanisugars.com |
| Disclosures of commodity price risk and commodity hedging activities | Not Applicable |
| Details of utilization of funds raised through preferential allotment or qualified institutions placement as Specified under Regulation 32(7A) | During the year under review, Company had not raised funds thru preferential allotment or QIB. |
| The Company has received the certificate from a Company secretary in practice that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority. | The Company has received Non-Dis-Qualification Certificate from Secretarial Auditor of the Company for the year. |
| During the year there is no instance where the board had not accepted any recommendation of any committee of the board which is mandatorily required | All the recommendations made by the Committees of the Board were duly considered and accepted by the Board of Directors. There were no instances during the year under review where any recommendation of a Committee was not accepted by the Board. |
| Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part | The Statutory auditor of the company is being paid for a sum of Rs. 7.25 Lakhs. |

| Particulars | Remarks |
|---|---|
| The Company has in place an Anti-Sexual harassment policy in line with the requirements of the Section 4 of the Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received about sexual harassment. All employees are covered under this policy. Details have been displayed prominently in the work place and also in the Company's Website. | No such complaints were received during the year.<br>There was no complaint as on the beginning of the year |
| Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount': | During the year under review, there were no instances of loans and advances in the nature of loans granted by the Company or its subsidiaries to any fi rms or companies in which the Directors of the Company are interested. |
| Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries. | The Company do not have any subsidiaries. |
| Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed. | The Company has complied with the requirement of corporate governance report of sub-Para (2) to (10) of the Schedule V of the Listing Regulations |
| The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted. | - The quarterly financial results are published in the newspapers of wide circulation. Further the financial results are available on the website of the Company and of Stock Exchanges where the shares of the Company are listed i.e. BSE Ltd and National Stock Exchange of India Limited. Hence they are not sent to individual shareholders.<br>- The Auditors' Opinion on the Financial Statements is modified.<br>- Internal Auditor reports directly submitted to the Chairman of the Audit Committee |
| The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report | The Company has complied with the corporate governance requirements specified in regulation of 27 and clauses (b) to (i) of sub – regulation (2) of regulation 46. |

**Disclosures with respect to demat suspense account/ unclaimed suspense account**

The disclosure relating to the Demat Suspense Account / Unclaimed Suspense Account is not applicable to the Company, as there were no shares lying in the Demat Suspense Account or Unclaimed Suspense Account during the year under review.

**By order of the Board**
**For Dharani Sugars and Chemicals Limited**

**Dr Palani G Periasamy**
**Executive Chairman**
**(DIN No.00081002)**

Place: Chennai
Date: 16th May 2026

---

Annexure I to Corporate Governance Report

**DECLARATION BY THE CEO UNDER PARA D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT**

In accordance with Para D Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulations,2015, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance with their respective Codes of Conduct as applicable to them, for the financial year ended March 31, 2026.

For Dharani Sugars and Chemicals Limited

**Dr Palani G Periasamy**
**Executive Chairman**
**(DIN No.00081002)**

**Place: Chennai**
**Date:** 16th May 2026

Annexure II to Corporate Governance Report

## Managing Director / CFO Certificate

(Pursuant to Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

To

**The Board of Directors**
**Dharani Sugars and Chemicals Limited.**
**Chennai.**

We certify that;

We the undersigned, in our respective capacities as Mr. M Ramalingam, Managing Director and Mr. M P Kaliannan, Chief financial officer of the Company to the best of our knowledge and belief certify that:

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. They have indicated to the auditors and the Audit committee

   (1) significant changes in internal control over financial reporting during the year;

   (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

| | | |
|---|---|---|
| Place: Chennai-34<br>Date: 16th May 202**6** | **M P Kaliannan**<br>President (Corp.Finance)<br>& Chief Financial Officer | **M Ramalingam**<br>Managing Director |

**Annexure III to Corporate Governance Report**

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

**The Board of Directors**
**Dharani Sugars and Chemicals Limited**

We, M Damodaran & Associates LLP, Practicing Company Secretaries have examined the compliance of the conditions of Corporate Governance by Dharani Sugars and Chemicals Limited, Chennai for the year ended on March 31, 2026, as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2), and paragraphs C, D and E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended March 31, 2026 with some deviations.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai
Date: May 15, 2026

**For M DAMODARAN & ASSOCIATES LLP**

**KALAIYARASI JANAKIRAMAN**
Partner,
Membership No.29861
Cop No.19385
FRN No.L2019TN006000
PR 3847/2023
ICS UDIN:A029861H000371873

**Annexure IV to Corporate Governance Report**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i)
of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

**To**

**The Members of DHARANI SUGARS AND CHEMICALS LIMITED**
**(CIN - L15421TN1987PLC014454)**
PGP House 59, Sterling Road, Nungambakkam,
Chennai, Tamil Nadu - 600 034.

We, M Damodaran & Associates LLP, Practicing Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **DHARANI SUGARS AND CHEMICALS LIMITED having (CIN No. L15421TN1987PLC014454)** and having registered office at PGP House, 59, Sterling Road, Nungambakkam, Chennai, Tamil Nadu 600034 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No | Name of Director | DIN | Date of appointment in Company |
|---|---|---|---|
| 1. | Mr. Arunachalam Sennimalai | 00062791 | 04/06/1987 |
| 2. | Ms. Visalakshi Periasamy | 00064517 | 12/11/2014 |
| 3. | Mr. Ramalingam Muthusamy | 00278025 | 25/06/1994 |
| 4. | Dr. Palani Gounder Periasamy | 00081002 | 04/06/1987 |
| 5. | Mr. Ganapathy Gounder Muthusamy | 00234337 | 12/08/2024 |
| 6. | Dr. Thiyagarajan | 03136982 | 12/08/2024 |
| 7. | Mr. Mahalingam Venkatachalam | 10954304 | 29/05/2025 |
| 8. | Mr. Ponnusamy Sakthivel | 11240429 | 14/08/2025 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

**For M DAMODARAN & ASSOCIATES LLP**

Place: Chennai
Date: May 15, 2026

**KALAIYARASI JANAKIRAMAN**
Partner,
Membership No.29861
Cop No.19385
FRN No.L2019TN006000
PR 3847/2023
ICS UDIN:A029861H000371895

## INDEPENDENT AUDITOR'S REPORT

### To The Members Of Dharani Sugars And Chemicals Limited

### Qualified Opinion

We have audited the accompanying standalone financial statements of Dharani Sugars and Chemicals Limited ("the Company"),which comprise the Balance Sheet as of 31st March 2026, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended 31st March 2026 and notes to financial statements, including summary of material accounting policies and other explanatory information ("hereinafter referred to as the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion in our report, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31 2026, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

We draw attention to the following matters:

1. The Company has incurred substantial losses and has accumulated losses resulting in erosion of net worth as at March 31, 2026. Further, the manufacturing facilities and operations of the Company have remained non-operational for a prolonged period and the Company has defaulted in repayment of significant borrowings, settlement obligations and statutory dues.

   The manufacturing plants and major fixed assets of the Company have remained idle for a prolonged period. The Company's ability to recommence operations is dependent upon mobilisation of substantial working capital, settlement of overdue farmer dues and availability of adequate sugarcane for the ensuing crushing seasons.

   Further, pursuant to withdrawal of CIRP proceedings, the Company had entered into a Master Restructuring Agreement ("MRA") dated May 24, 2024 with India Debt Resolution Company Limited ("IDRCL"), acting as trustee on behalf of National Asset Reconstruction Company Limited ("NARCL"), for restructuring of the outstanding borrowings of the Company. During the year, the Company committed breaches of repayment obligations and financial covenants stipulated under the MRA, including non-payment of instalments falling due under the agreed repayment schedule, non-fulfilment of security related conditions precedent, non-creation of Debit Service Reserve Account ("DSRA"), delays in operationalisation of monitoring mechanisms, non-payment of farmer dues and availing of additional indebtedness without prior lender approval. Consequently, IDRCL, through its legal counsel, issued a Default Notice dated February 07, 2026 granting time for one month to cure the subsisting Events of Default and also reserved its rights to initiate recovery proceedings before the Hon'ble Debt Recovery Tribunal ("DRT"). However, the Company could not remedy the defaults within the stipulated timeline and accordingly, the restructuring arrangement may be cancelled and the concessions and reliefs granted thereunder may be withdrawn. However, the lender has not recalled the loan till the date of our audit report

   Further, the Sugar Development Fund ("SDF") Loan secured by the fixed assets of Unit-III (excluding refinery assets and harvester machines) was covered under a One Time Settlement ("OTS") sanctioned by the Government of India for an amount of INR 6,111 Lakhs and vide letter dated October 13, 2025, the repayment timeline under the OTS was extended up to April 06, 2026. However, the Company defaulted in repayment within the extended timeline. Consequently, the administrative approval for the OTS arrangement stands revoked and the original liabilities together with applicable interest and other charges have become repayable by the Company.

   The aforesaid events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

2. The Company continues to face significant liquidity and cash flow constraints which adversely impact its ability to recommence operations and meet its financial and operational obligations in a timely manner. The manufacturing plants and major fixed assets of the Company have remained idle and non-operational for a prolonged period.

   Further, the sugar manufacturing business is inherently dependent upon availability of sugarcane, which is a seasonal agricultural crop influenced by various factors including climatic conditions, cultivation patterns, recovery levels and cane availability in the command area. The ability of the Company to successfully recommence and sustain operations is dependent upon timely availability and procurement of adequate sugarcane supplies during the relevant crushing seasons, apart from availability of adequate working capital and operational funding.

According to the explanations provided to us, the Company is presently engaged in discussions and negotiations with existing lenders and other stakeholders in relation to restructuring, settlement and revival arrangements.

3. We draw attention to Note 16 of the financial statements, which discloses borrowings from directors & Intercorporate Loans from related parties. The Company has not provided for interest expense on these borrowings as per the agreed terms. In our view, the omission of such provision has resulted in an understatement of finance costs and current liabilities. The total outstanding from Directors and Related parties stands at INR 21410.18 Lakhs as on 31st March 2026.

4. We further draw attention to the settlement obligations payable to sugarcane farmers pursuant to the settlement arrangement approved under the restructuring framework. As per the terms of the arrangement, the second and final instalment aggregating to INR 36.08 Crores payable to the Ryots remained unpaid as at March 31, 2026.

5. The Company has defaulted in repayment of a loan availed from I Heart Properties Private Limited amounting to INR 2,863.19 Lakhs, including accrued interest of INR 393.19 Lakhs, which remained overdue as at March 31, 2026.

6. We draw attention to Note No.5 to the financial statements which explains the Company's investment in Appu Hotels Private Limited (“investee Company”). The carrying amount of investment as at 31st March 2026 is INR 1455.39 Lakhs. In the opinion of the management the carrying amount of investments is reflective of fair value of investments and is recoverable; thus no adjustment were made in the carrying value of investments in financial statements. In our opinion the carrying value of investments is not reflective of fair value of investments as per the “IND AS 113 - Fair Value Measurements”.

7. We were not provided with balance confirmations as at 31st March 2026 for trade receivables, trade payables, advances received/ paid and for deposits received/ paid. Based on the above we are unable to report the impact on standalone financial statements due to non-receipt of confirmations.

8. The equity shares of the Company were suspended from trading on the National Stock Exchange of India and Bombay Stock Exchange (BSE) with effect from July 03, 2023, pursuant to initiation of liquidation proceedings by the Hon'ble National Company Law Tribunal, Chennai Bench, vide Order IA (IBC)/380/CHE/2023 in IBA/976/2019 dated June 27, 2023. Further, vide NSE Circular Ref. No. 0815/2023 dated June 30, 2023, the Exchange notified suspension of trading in the equity shares of the Company.

The Company has made application to NSE and BSE for restoration of the trading of its Equity Shares.

We conducted our audit of the Financial Statements 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 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 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In our opinion and based on the information and explanations given to us, there are no other key audit matters to be communicated in our report, other than those more fully described in the Basis for Qualified Opinion section of our report on the standalone financial statements.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to Board's Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statement**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors is 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, management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 these Standalone Financial Statements.

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's 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 Standalone Financial Statements 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 and outcome of revival plan may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements 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 Statements.

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 financial controls 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.

**Report on Other Legal and Regulatory Requirements**

1. The Companies (Auditor's Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act is applicable for the company. (Refer “Annexure – A” to the Independent Auditor's Report).

2. As required by section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, except for the matters referred to in the basis for qualified opinion section of this report.

   e. On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note 41 – Commitments and Contingent Liability to the financial statements;

      i. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      ii. There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Company;

      iii. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts;

      a. no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities 'Intermediaries', with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

b. no funds have been received by the company from any person(s) or entity(ies), including foreign entities 'Funding Parties', with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on audit procedures carried out by us, that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us believe that the representations under sub-clause (a) and (b) contain any material misstatement.

iv. The Company has not declared or paid any dividends during the year and accordingly reporting on the compliance with section 123 of the Companies Act, 2013 is not applicable for the year under consideration.

v. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining the Books of Accounts using accounting software which has a feature of recording Audit Trail (edit log) facility is applicable to the company with effect from 1st April 2023 and accordingly reporting under Rule 11(g) of Companies (Audit and Auditors) Rules 2014 is applicable for the financial year ended 31st March 2026.

**For Srivatsan & Associates**
**Chartered Accountants**
Firm Registration No: 014921S

**N.Srivatsan**
**Proprietor**
Membership No. 230195
UDIN: 26230195EREKRU8828

Place: Chennai
Date: 16th, May 2026

**"Annexure A" to the Independent Auditors' Report**

**(Referred to in Paragraph 1 under Report on Other Legal and Regulatory Requirements' section of our report to the members of Dharani Sugars and Chemicals Limited of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that

(i) In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has carried out physical verification of Property, Plant and Equipment and right-of-use assets during the year and no material discrepancies were reported to us. However, the manufacturing facilities and major fixed assets of the Company have remained non-operational and idle for a prolonged period.

(c) Based on our examination of the property tax receipts, sale deed/transfer deed/ conveyance deed provided to us, we report that, the title in respect of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

In respect of immovable properties given as collateral for loans from banks and financial institutions, the title deeds were deposited with the said banks/ financial institutions and the Company is in the process of obtaining a confirmation from the said banks that the title deeds are in the name of the Company.

(d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year. Accordingly, clause 3 (i) (d) of the Order is not applicable.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) Based on our examination of the records of the Company, physical verification of inventory has been conducted by the company during the financial year but the company has not undertaken any commercial operations during the year.

(b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) The Company has not made investments in, Companies and granted unsecured loans to other parties, during the year, in respect of which:

(a) The Company has not provided any loans or advances in the nature of loan or stood guarantee or provided security to any other entity during the year. Hence reporting under clause 3(iii)(a) of the Order is not applicable.

(b) In our opinion, the company has not made investments granted loans, during the year.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally regular as per stipulation.

(d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under clause 3(iii)(f) is not applicable.

The Company has not made investments in Firms and Limited Liability Partnerships during the year. Further the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company is not applicable for the year. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

(a) In our opinion, the Company has not been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. Consequently, there are statutory outstanding dues for more than six months and those are listed in **Annexure 1**.

(b) Details of statutory dues which have not been deposited as on March 31, 2026, on account of disputes are given in **Annexure 2**.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) a. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has defaulted in repayment of dues to banks, financial institutions and other lenders. The borrowings had earlier been classified as Non-Performing Assets (“NPA”) by the respective lenders and the consortium of banks had assigned the loans to National Asset Reconstruction Company Limited (“NARCL”). Pursuant thereto, a Master Restructuring Agreement (“MRA”) dated May 24, 2024 was entered into between the Company and India Debt Resolution Company Limited (“IDRCL”), acting on behalf of NARCL as trustee.

During the previous financial year, as part of the restructuring arrangement under the MRA, the Company had issued 1,708 Secured Non-Convertible Debentures (“NCDs”) aggregating to INR 1,708 Lakhs, carrying interest at 12% per annum compounded annually and redeemable on May 21, 2029, towards the unsustainable debt portion. The said NCDs were issued for consideration other than cash.

Further, unsustainable debt amounting to INR 33,465 Lakhs was disclosed under contingent liabilities pursuant to the terms of the MRA. However, during the current year, the Company breached the repayment obligations and financial covenants stipulated under the MRA, including non-payment of instalments falling due under the agreed repayment schedule. Consequently, the restructuring arrangement may be cancelled and the concessions and reliefs granted thereunder may be withdrawn. Accordingly, the liabilities covered under the restructuring arrangement, including the aforesaid unsustainable debt, may become repayable by the Company. However, the lender has not recalled the loan till the date of our audit report. Hence the unsustainable debt is continuing to be disclosed as contingent liability.

Further, the Sugar Development Fund (“SDF”) Loan secured by the fixed assets of Unit-III (excluding refinery assets and harvester machines) was covered under a One Time Settlement (“OTS”) sanctioned by the Government of India for an amount of INR 6,111 Lakhs. The repayment timeline under the OTS was extended up to April 06, 2026 vide letter dated October 13, 2025. However, the Company defaulted in repayment within the extended timeline, resulting in withdrawal of the concessions granted under the OTS arrangement and reinstatement of the original liability together with applicable interest and other related charges. The authority via letter dated 22nd April 2026, has informed the company about the cancellation of OTS arrangement.

b. In our opinion, and according to the information and explanations given to us, the company has not been declared as a wilful defaulter.

c. In our opinion and according to the information and explanations given to us, no term loans have been obtained during the year. Also refer the basis for qualification section of our report on the standalone financial statements.

d. In our opinion and according to the information and explanations given to us and subject to our comments in the basis for qualification section of our report on the standalone financial statements, funds raised on short term basis have not been utilised for long term purposes.

e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f. The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b. The Company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year under review. Accordingly, reporting under clause 3(x)(b) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.

However, as on 31st March 2026, the said shares had not been issued in dematerialised form and were pending in-principle approval from the stock exchanges. Consequently, the share capital issued against the debt remains neither dematerialised nor listed as on the reporting date.

In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of Sections 42 and 62 of the Companies Act, 2013 in respect of the said allotment, except for the pending listing and dematerialization due to regulatory approval.

(xi) a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c. According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards subject to the qualification made in the Audit Report.

(xiv) a. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b. We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

b. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The company has incurred cash losses of INR 6077.46 lakhs during the financial year INR and the cash losses during the immediately preceding previous year is INR 6281.94.

(xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3 (xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, we draw attention to the Basis for Qualified Opinion section of our report.

The matters described therein indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to meet its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. Our reporting is based on the facts existing up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

(xx) The provisions of section 135 of the Act are not applicable to the Company during the year and accordingly, clause 3 (xx) of the Order is not applicable.

(xxi) In our opinion and according to the information and explanations given to us, the Company does not have investments in subsidiaries/associates or joint venture companies. Accordingly, clause 3 (xxi) of the Order is not applicable.

**For Srivatsan & Associates**
Chartered Accountants
Firm Registration No: 014921S

**N.Srivatsan**
**Proprietor**

Membership No. 230195
UDIN: 26230195EREKRU8828

Place: Cheenai
Date:16th, May 2026

---

**Annexure 1**

| Name of the statute | Nature of Dues | INR in Lakhs | Period |
|---|---|---|---|
| Employees Provident Fund Scheme,1952 | Provident Fund | 670.10 | November 2019 till March 2026 |
| Employees State Insurance Act,1948 | ESI dues | 1.16 | April 2021 till March 2026 |
| Income Tax Act, 1961 | Tax deducted at source | 143.04 | April 2020 till March, 2026 |
| Tamilnadu Tax on Consumption or Sale of Electricity Act, 2003 | Power Generation Tax | 496.76 | November 2018 till March 2026 |
| The Tamilnadu Profession Tax on Profession, Calling, Trade and Employment Act, 1992 | Profession Tax | 52.04 | November 2018 till March 2026 |

**Annexure 2**

| Statute | Nature of Dues | Amount (in lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Central Excise Act, 1944 | CENVAT credit on Capital goods | 53.66 | Sep 2008 to Feb 2010 | CESTAT – Chennai |
| Goods & Services Act,2017 | Reversal of Input Tax credit | 115.92 | April 2017 to June 2017 | ACIT – GST & Central Excise - Chennai |
| Civil Case | Delay in Cane Payment | 0.19 | Year 2005 | High Court of Madras |
| Civil Case | Delay in Transport Payment & interest due | 0.33 | Year 2000 | Civil Court - Aarani |
| Civil Case | Delay in Transport Payment | 45.00 | Feb 1995 to Sep 1996 | High Court of Madras |
| Civil Case | Labour Wages Overdue | 15.81 | Year 2009 | High Court of Madras |
| Tamilnadu Tax on Consumption or Sale of Electricity Act | Tariff change claims by TANGEDCO under dispute | 818.19 | Dec. 2017 to Jan. 2020 | Hon'ble High Court of Madras |
| Tamilnadu Tax on Consumption or Sale of Electricity Act, 2003 | TNEB Parallel charges | 194.64 | May 2014 to Jan. 2020 | Hon'ble High Court of Madras |
| Goods & Services Act,2017 | Reversal of Excess Input Tax credit And Payment of RCM Input (FY23-24) | 12.25 | April 2023 to May 2024 | Office of Assistant Commissioner |
| Goods & Services Act,2017 | Reversal of Excess Input Tax credit and Interest Thereon | 26.02 | April 2021 to May 2022 | Office of Assistant Commissioner |

## “ANNEXURE B” TO THE INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of Dharani Sugars and Chemicals Limited of even date)**

**Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the Internal Financial Controls over Financial Reporting of “Dharani Sugars and Chemicals Limited (“the Company”) as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal

Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that,

(1) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For Srivatsan & Associates**
Chartered Accountants
Firm Registration No: 014921S

**N.Srivatsan**
**Proprietor**

Place: Cheenai
Date:16th, May 2026

Membership No. 230195
UDIN: 26230195EREKRU8828

**Balance Sheet as at March 31, 2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

| Particulars | Notes | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 4 | 42,488.54 | 44,800.59 |
| Intangible assets | 4 | - | - |
| Financial assets | | | |
| Investments | 5 | 1,467.63 | 1,471.21 |
| Other financial assets | 6 | 41.95 | 41.90 |
| Non-Current tax assets (net) | 7 | 23.16 | 17.36 |
| Other non-current assets | 8 | 55.92 | 53.63 |
| **Total non-current assets** | | **44,077.20** | **46,384.69** |
| **Current assets** | | | |
| Inventories | 9 | 37.82 | 31.67 |
| Financial assets | | | |
| Trade receivables | 10 | 457.74 | 450.21 |
| Cash and cash equivalents | 11 | 13.50 | 20.62 |
| Other financial assets | 12 | 10.55 | 10.55 |
| Other current assets | 13 | 269.55 | 212.86 |
| **Total current assets** | | **789.16** | **725.91** |
| **Total Assets** | | **44,866.36** | **47,110.60** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 14 | 4,151.43 | 4,151.43 |
| Other equity | 15 | (30,435.10) | (20,479.57) |
| **Total equity** | | **(26,283.67)** | **(16,328.14)** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 16 | 37,474.64 | 36,148.21 |
| Other financial liabilities | 17 | 4,093.91 | 3,286.01 |
| Deferred tax liabilities (net) | 19 | 1,338.46 | 1,338.46 |
| Provisions | 18 | 816.90 | 828.99 |
| **Total non-current liabilities** | | **43,723.91** | **41,601.67** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 20 | 1,693.62 | 7,413.30 |
| Trade payables | 21 | | |
| Dues to Micro and Small Enterprises | | 74.81 | 74.18 |
| Dues to enterprises other than Micro and Small Enterprises | | 5,112.99 | 5,134.74 |
| Other financial liabilities | 22 | 17,186.40 | 6,098.65 |
| Other current liabilities | 23 | 3,269.47 | 3,015.24 |
| Short Term Provisions | 24 | 88.83 | 100.96 |
| **Total current liabilities** | | **27,426.12** | **21,837.07** |
| **Total liabilities** | | **71,150.03** | **63,438.74** |
| **Total Equity and Liabilities** | | **44,866.36** | **47,110.60** |

As per our report of even date attached

**For SRIVATSAN & ASSOCIATES**
Chartered Accountants
Firm Registration No.014921S

**N.SRIVATSAN**
Proprietor
Membership No.230195

UDIN: 26230195EREKRU8828
Place: Chennai
Date : 16th May 2026

**For and on behalf of the board**
**Dharani Sugars and Chemicals Limited**

**Dr. PALANI.G. PERIASAMY**
Executive Chairman
DIN : 00081002

**M. RAMALINGAM**
Managing Director
DIN : 00278025

**E P SAKTHIVEL**
Company Secretary

**M P KALIANNAN**
Chief Financial Officer

**Statement of profit and loss for the Year ended March 31, 2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

| Particulars | Notes | For the Year ended March 31, 2026 | For the Year ended March 31, 2025 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 25 | - | - |
| Other income | 26 | 241.33 | 71.52 |
| **Total Income** | | **241.33** | **71.52** |
| **Expenses** | | | |
| Cost of materials consumed | 27 | - | - |
| Changes in inventories of finished goods & work-in-progress | 28 | - | - |
| Employee benefits expense | 29 | 1,732.02 | 1,114.16 |
| Depreciation and amortisation expense | 30 | 2,199.05 | 2,209.89 |
| Finance costs | 31 | 3,908.68 | 4,192.15 |
| Other expenses | 32 | 678.09 | 1,047.15 |
| **Total Expenses** | | **8,517.84** | **8,563.35** |
| **Profit / (Loss) before exceptional items and tax** | | **(8,276.51)** | **(8,491.83)** |
| Exceptional items | | 2,195.56 | 807.70 |
| Profit / (Loss)Loss before tax from continuing operations | | (10,472.07) | (9,299.53) |
| Income tax expense | 33 | | |
| Current tax | | - | - |
| Deferred tax asset/ (liability) | | - | - |
| **Profit / (Loss) for the period** | | **(10,472.07)** | **(9,299.53)** |
| **Other comprehensive income** | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of post employment benefit obligations | | 516.54 | (282.49) |
| Income tax relating to these items | | - | - |
| **Other comprehensive income for the period, net of tax** | | **516.54** | **(282.49)** |
| **Total comprehensive Profit/(Loss) for the period** | | **(9,955.53)** | **(9,582.02)** |
| **Earnings per equity share** | | | |
| Basic earnings per share | | (25.23) | (24.60) |
| Diluted earnings per share | | (25.23) | (24.60) |

As per our report of even date attached

The accompanying notes form an integral part of the financial statements

**For SRIVATSAN & ASSOCIATES**
Chartered Accountants
Firm Registration No.014921S

**N.SRIVATSAN**
Proprietor
Membership No.230195

UDIN: 26230195EREKRU8828
Place: Chennai
Date : 16th May 2026

**For and on behalf of the board**
**Dharani Sugars and Chemicals Limited**

**Dr. PALANI.G. PERIASAMY**
Executive Chairman
DIN : 00081002

**M. RAMALINGAM**
Managing Director
DIN : 00278025

**E P SAKTHIVEL**
Company Secretary

**M P KALIANNAN**
Chief Financial Officer

**Statement of cash flows for the Year ended March 31, 2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

| Particulars | For the Year ended March 31, 2026 | For the Year ended March 31, 2025 |
|---|---|---|
| **Cash Flow From Operating Activities** | | |
| Profit / (Loss) before income tax | (10,472.07) | (9,299.53) |
| Adjustments for | | |
| Depreciation and amortisation expense | 2,199.05 | 2,209.89 |
| Unamortised finance income | - | (3.28) |
| Interest income | (0.90) | (7.24) |
| Accumulated Depreciation reversal on Sale of Asset | (125.77) | |
| Finance costs | 3,908.67 | 4,192.15 |
| Changes in fair value of investments | 3.58 | (8.09) |
| | **(4,487.44)** | **(2,916.10)** |
| **Change in operating assets and liabilities** | | |
| (Increase)/ decrease in other financial assets | (0.05) | (3.19) |
| (Increase)/ decrease in inventories | (6.15) | 10.89 |
| (Increase)/ decrease in trade receivables | (7.53) | 0.93 |
| (Increase)/ decrease in other assets | (58.98) | (90.01) |
| Increase/ (decrease) in provisions and other liabilities | 12,642.20 | 7,143.57 |
| Increase/ (decrease) in trade payables | (21.12) | (3,543.74) |
| Cash generated from operations | 8,060.93 | 602.35 |
| Less: Income taxes paid/ (refunds) | 5.80 | (0.74) |
| **Net cash from operating activities (A)** | **8,055.13** | **603.09** |
| **Cash Flows From Investing Activities** | | |
| Purchase of property, plant and equipment | - | (5.10) |
| Proceeds from Sale of Property , Plant and Equipment | 238.75 | |
| Interest received | 0.90 | 7.24 |
| **Net cash used in investing activities (B)** | **239.65** | **2.14** |
| **Cash Flows From Financing Activities** | | |
| Proceeds from/ (repayment of) short term borrowings (net) | 25.92 | (792.24) |
| Proceeds from/ (repayment of) long term borrowings (net) | (4,419.15) | 4,357.52 |
| Interest paid | (3,908.66) | (4,192.16) |
| **Net cash from/ (used in) financing activities (C)** | **(8,301.89)** | **(626.88)** |
| **Net increase/ (decrease) in cash and cash equivalents(A+B+C)** | **(7.12)** | **(21.65)** |
| Cash and cash equivalents at the beginning of the financial year | 20.62 | 42.27 |
| **Cash and cash equivalents at end of the year** | **13.50** | **20.62** |
| **Notes:** | | |
| 1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements". | | |
| 2. Components of cash and cash equivalents | | |
| Balances with banks | | |
| - in current accounts | 4.92 | 19.57 |
| Cash on hand | 8.58 | 1.05 |
| **Total** | **13.50** | **20.62** |

As per our report of even date attached
The accompanying notes form an integral part of the financial statements

**For SRIVATSAN & ASSOCIATES**
Chartered Accountants
Firm Registration No.014921S

**N.SRIVATSAN**
Proprietor
Membership No.230195

**For and on behalf of the board**
**Dharani Sugars and Chemicals Limited**

**Dr. PALANI.G. PERIASAMY**
Executive Chairman
DIN : 00081002

**M. RAMALINGAM**
Managing Director
DIN : 00278025

**E P SAKTHIVEL**
Company Secretary

**M P KALIANNAN**
Chief Financial Officer

UDIN: 26230195EREKRU8828
Place: Chennai
Date : 16th May 2026

**Statement of changes in equity for the Year ended March 31, 2026**
(All amounts are in INR Lakhs, except share data and unless otherwise stated)

**(A) Equity Share Capital**

| | |
|---|---|
| **Balance at the end of April 1, 2024** | **3,320.00** |
| Changes in equity share capital due to prior period errors | - |
| Changes in equity share capital during the year | 831.43 |
| **Balance at the end of March 31, 2025** | **4,151.43** |
| Changes in equity share capital due to prior period errors | - |
| Changes in equity share capital during the year | - |
| **Balance at the end of March 31, 2026** | **4,151.43** |

| | Capital Reserve | Securities premium | General Reserve | Other Comprehensive Income | Retained Earnings | Total |
|---|---|---|---|---|---|---|
| **Balance as at April 1, 2024** | **0.86** | **3,114.72** | **1,000.00** | **-** | **(15,013.13)** | **(10,897.55)** |
| Changes due to prior period errors | - | - | - | - | - | - |
| Additions/ (deductions) during the year | - | - | - | (282.49) | (9,299.53) | (9,582.02) |
| Total Comprehensive Income for the year | - | - | - | - | - | - |
| **Balance as at March 31, 2025** | **0.86** | **3,114.72** | **1,000.00** | **(282.49)** | **(24,312.66)** | **(20,479.57)** |
| Changes due to prior period errors | - | - | - | - | - | - |
| Additions/ (deductions) during the year | - | - | - | 516.54 | - | 516.54 |
| Total Comprehensive Income for the year | - | - | - | - | (10,472.07) | (10,472.07) |
| **Balance as at March 31, 2026** | **0.86** | **3,114.72** | **1,000.00** | **234.05** | **(34,784.73)** | **(30,435.10)** |

The accompanying notes form an integral part of the financial statements

**For SRIVATSAN & ASSOCIATES**
Chartered Accountants
Firm Registration No.014921S

**For and on behalf of the board**
**Dharani Sugars and Chemicals Limited**

**N.SRIVATSAN**
Proprietor
Membership No.230195

**Dr. PALANI.G. PERIASAMY**
Executive Chairman
DIN : 00081002

**M. RAMALINGAM**
Managing Director
DIN : 00278025

**E P SAKTHIVEL**
Company Secretary

**M P KALIANNAN**
Chief Financial Officer

UDIN: 26230195EREKRU8828
Place: Chennai
Date : 16th May 2026

**Notes to Financial Statements for the Year ended March 31, 2026**

**1. Corporate Information**

Dharani Sugars and Chemicals Limited, is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 and has its registered office in Chennai. The Company is engaged in the business of manufacturing white sugar, generation of electricity and production of industrial alcohol.

The Company was admitted in Corporate Insolvency Resolution Process ("CIRP") process on 29th July 2021. As no viable resolution plan was arrived at, the Hon'ble National Company Law Tribunal ("NCLT") passed liquidation order on 27th June 2023.Subsequently,the outstanding debts held by the company as on date from all the banks put together ("consortium"), assigned their respective debts to National Asset Reconstruction Company Limited ("NARCL") for settlement, through a Joint assignment agreement dated 30th September 2023.On further appeal by the promoters of the Company the liquidation order as referred above was set aside by the Hon'ble Supreme Court of India and the Hon'ble Supreme Court remitted the matter to Hon'ble NCLT vide its order date 18th March 2024. Consequently on the 17th Committee of Creditors (CoC) meeting held on 22nd April 2024, CoC has approved the resolution plan being submitted. On its submission, the Hon'ble NCLT has approved the application filed under section 12A of the IBC, 2016 and thereby the CIRP initiated against the Company stands with drawn vide order dated 9th May 2024.

The Company has not commenced the commercial production activities during the financial year. However, the management is taking necessary steps and measures to commence the commercial production in the forseeable future.

**Statement of compliance**

The Financial Statements of the Company which comprise the Balance Sheet as at 31st March, 2026, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2026, and a summary of the material accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements") have been prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards)Rules, 2015, as amended from time to time, the provisions of the Companies Act, 2013 ("the Act") to the extent notified, guidelines issued by the Securities and Exchange Board of India (SEBI) and other accounting principles generally accepted in India. The Financial Statements have been approved by the Board of Directors in its meeting held on 16th May, 2026.

**2. Basis of preparation and presentation**

The Financial Statements are prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies given below which are consistently followed except where a new accounting standard or amendment to the existing accounting standards requires a change in the policy hitherto applied. Presentation requirements of Division II of Schedule III to the Companies Act, 2013,"as amended," as applicable to the Financial Statements have been followed. The Standalone Financial Statements are presented in Indian Rupees (''INR'') in Lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013.

The financial statements of the Company have been prepared on a going concern basis following the withdrawal from Corporate Insolvency Resolution Process (CIRP). As at 31st March 2026, the accumulated losses of the company, the company has accumulated losses of INR 30435.10 lakhs (Previous Year: 31st March 2025 INR 20,479.57 lakhs) and it indicates that the Company has negative networth of INR 26,283.67 lakhs (Previous Year: 31st March 2025 INR 16,328.14 lakhs). In view of the Company's future operation plans, the financial position of the Company will improve upon implementation of resolution plan approved by H'ble NCLT vide order dated 9th May 2024. The management has also expressed a firm intention to recommence commercial operations, by restoring the production capabilities, ensuring the company's ability to meet its obligations and sustain its business activities in the foreseeable future.

The management is actively undertaking various revival and recommencement measures for restoration of the Company's operations, including arrangements for working capital and operational funding and discussions with lenders and other stakeholders. Management is also evaluating various options for external funding and infusion of financial support for recommencement of operations and meeting working capital requirements. Management

**Notes to Financial Statements for the Year ended March 31, 2026**

is positive about the revival and recommencement of the Company's operations and expects improvement in the operational and financial position of the Company in the foreseeable future.

**Use of estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

**2A Critical accounting estimates and management judgments**

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

**Property, Plant and Equipment and Intangible Assets**

The residual values and estimated useful life of PPEs and Intangible Assets are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/ amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

**Current tax**

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

**Deferred Tax Assets (including MAT Credit Entitlement)**

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Fair value**

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**Impairment of Trade Receivables**

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

**Impairment of Non-financial assets (Property, plant and equipment/ Intangible Assets)**

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management's judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

**Notes to Financial Statements for the Year ended March 31, 2026**

**Defined Benefit Plans and Other long term benefits**

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

**Provisions and contingencies**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at the end of each reporting period.

**2B Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2026, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**Significant Accounting Policies**

**a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle;
ii) Held primarily for the purpose of trading;
iii) Expected to be realised within twelve months after the reporting period; or
iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

i) It is expected to be settled in normal operating cycle;
ii) It is held primarily for the purpose of trading;
iii) It is due to be settled within twelve months after the reporting period; or
iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

**b) Fair value measurement**

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) In the principal market for the asset or liability;
ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities; Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non-recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

**c) Revenue Recognition**

**Sale of goods**

Revenue is recognised when the company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset., which generally coincides with the dispatch of the goods or as per the inco-terms agreed with the customers.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods including excise duty and after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

**Sale of Power**

Sale of power is recognised at the point of generation of power from the plant and stock points. The monetary values of such power generated that are captively consumed are not recognised as revenue.

**Export entitlements**

Export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

**Notes to Financial Statements for the Year ended March 31, 2026**

**Interest Income**

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**Dividend income**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

**Rental Income**

Rental income arising from operating leases is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term, unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Rental income is recognised when the right to receive the same is established and collection is reasonably certain.

**Profit / Loss on Sale of Assets**

Profit or loss arising on disposal or retirement of property, plant and equipment and other non-current assets is recognised in the Statement of Profit and Loss upon derecognition of the asset. The gain or loss is measured as the difference between the net disposal proceeds and the carrying amount of the asset at the date of disposal.

**Fair Value Changes in Investments**

Investments classified as Fair Value Through Profit or Loss ("FVTPL") are measured at fair value at each reporting date. Net gain or loss arising from changes in fair value, including related interest or dividend income, is recognised in the Statement of Profit and Loss in the period in which such changes arise.

**Other Income**

Other income is recognised on accrual basis when there is reasonable certainty of ultimate collection and when no significant uncertainty exists regarding the measurement of the amount, in accordance with the applicable accounting standards and the substance of the underlying arrangements

**d. Property, plant and equipment**

**Presentation**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

**Component Cost**

All material/ significant components have been identified for our plant and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

**Derecognition**

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**Depreciation on property, plant and equipment**

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013 except for the following items, where useful life estimated on technical assessment and past trends differ from those provided in Schedule II of the Companies Act, 2013.

| Assets Category | Estimated useful life (in years) |
|---|---|
| Buildings | 30 |
| Plant and Machinery | 15 |
| Furniture and fixtures | 10 |
| Vehicles | 10 |
| Office Equipment | 5 |

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing Rs.5,000 each or less are fully depreciated retaining its residual value.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**f. Intangible assets**

**Intangible assets acquired separately**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

**Useful life and amortisation of intangible assets**

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

All intangible assets are amortized during earlier years. There is no balance as on 31st March, 2026 of Intangible Asset.

**Notes to Financial Statements for the Year ended March 31, 2026**

**Inventories**

Inventories are carried at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average method.

In respect of work in progress and finished goods, cost also includes conversion costs, appropriate share of production overheads.

h) **Financial Instruments**

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

**Initial recognition and measurement**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair

value through profit and loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

**Financial assets are classified into the following categories:**

- Financial instruments (other than equity instruments) at amortised cost
- Financial Instruments (other than equity instruments) at fair value through other comprehensive income (FVTOCI)
- Other Financial Instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Financial instruments (other than equity instruments) at amortised cost**

The Company classifies a financial instruments (other than equity instruments) at amortised cost, if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

**Financial instruments (other than equity instruments) at FVTOCI**

The Company classifies a financial instrument (other than equity instrument) at FVTOCI, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent solely payments of principal and interest (SPPI).

**Notes to Financial Statements for the Year ended March 31, 2026**

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Financial instruments (other than equity instruments) at FVTPL**

The Company classifies all other financial instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**Equity investments**

All equity investments in scope of Ind AS 109, "Financial Instruments" are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in other comprehensive income, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

| Classification | Name of the financial asset |
|---|---|
| Amortised cost | Trade receivables, Loans to employees and related parties, deposits, interest receivable and other advances recoverable in cash |
| FVTOCI | Equity investments in companies other than subsidiaries and associates as an option exercised at the time of initial recognition. |
| FVTPL | Other investments in equity instruments, forward exchange contracts. (to the extent not designated as hedging instrument) |

**Derecognition**

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company’s continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

**Notes to Financial Statements for the Year ended March 31, 2026**

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

In accordance with Ind AS 109, "Financial Instruments" the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets that are debt instruments and are measured at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, "Revenue from contracts with customers"

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116, "Lease"

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss, net of lien available on securities held against the receivables. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation for various financial instruments is described below:

- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.For assessing increase in credit risk and impairment loss, the

company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

**Notes to Financial Statements for the Year ended March 31, 2026**

| Name of the financial asset | Impairment Testing Methodology |
|---|---|
| Trade Receivables | Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets. |
| Other financial assets | When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL. |

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at FVTPL**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109, "Financial Instruments". Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

**Notes to Financial Statements for the Year ended March 31, 2026**

**Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

| S.No | Original classification | Revised classification | Accounting treatment |
|---|---|---|---|
| 1 | Amortised Cost | FVTPL | Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L. |
| 2 | FVTPL | Amortised Cost | Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount. |
| 3 | Amortised Cost | FVTOCI | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification. |
| 4 | FVTOCI | Amortised Cost | Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost. |
| 5 | FVTPL | FVTOCI | Fair value at reclassification date becomes its new carrying amount. No other adjustment is required. |
| 6 | FVTOCI | FVTPL | Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date. |

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) **Foreign currency transactions and translations**

**Transactions and balances**

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

**j) Borrowing Costs**

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction and production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

**k) Government grants**

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under “Other operating revenue” or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under “Other Financial Assets”. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under “Other Financial Assets”.

Government grants related to assets, are adjusted in the carrying amount of the related assets.

**l) Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**m) Retirement and other employee benefits**

**Short-term employee benefits**

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

**Defined contribution plans**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and super annuation fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

**Defined benefit plans**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

**Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

**Other long term employee benefits**

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

**n) Leases**

The Company has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

**As a lessee**

**a)Initial measurement**

Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid. Right-of-use asset is recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by the lessee.

**(b) Subsequent measurement**

The lease liability is measured in subsequent periods using the effective interest rate method. Right-of-use asset is depreciated in accordance with requirements in Ind AS 16, Property, Plant and equipment.

**o) Impairment of non financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**p) Provisions, contingent liabilities and contingent asset**

**Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made if realisation of money is doubtful in the judgement of the management.

**Contingent liability**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

**Contingent assets**

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect. Contingent assets are disclosed but not recognised in the financial statements.

**q) Cash and cash equivalents**

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

**r) Cash Flow Statement**

Cash flows are presented using indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

**s) Exceptional Items**

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the company is treated as an exceptional item and the same is disclosed in the notes to accounts.

**t) Earnings per share**

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

**Notes to Financial Statements for the Year ended March 31, 2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

| Particulars | Tangible Assets | | | | | | | Intangible Assets | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Land | Buildings | Plant and Machinery | Furniture and fixtures | Vehicles | Office Equipment | Total | | |
| Cost as at April 1, 2024 | 13,192.71 | 24,608.44 | 50,042.79 | 105.01 | 288.02 | 94.20 | 88,331.17 | 5.13 | 88,336.30 |
| Additions | - | - | - | - | - | 5.10 | 5.10 | - | 5.10 |
| Disposals | - | - | - | - | - | - | - | - | - |
| **Cost as at March 31, 2025** | **13,192.71** | **24,608.44** | **50,042.79** | **105.01** | **288.02** | **99.30** | **88,336.27** | **5.13** | **88,341.40** |
| Additions | - | - | - | - | - | - | - | - | - |
| Disposals | 11.26 | 221.63 | | | 5.17 | 0.69 | 238.75 | | 238.75 |
| **Cost as at March 31, 2026** | **13,181.45** | **24,386.81** | **50,042.79** | **105.01** | **282.85** | **98.61** | **88,097.52** | **5.13** | **88,102.65** |
| **Depreciation/Amortisation** | | | | | | | | | |
| **As at April 1 2024** | **-** | **9,262.14** | **31,610.14** | **100.09** | **269.54** | **83.90** | **41,325.81** | **5.13** | **41,330.94** |
| Charge for the year | - | 649.24 | 1,554.95 | 0.01 | 4.00 | 1.69 | 2,209.89 | - | 2,209.89 |
| Disposals | - | - | - | - | - | - | - | - | |
| **As at March 31, 2025** | **-** | **9,911.38** | **33,165.09** | **100.10** | **273.54** | **85.59** | **43,535.70** | **5.13** | **43,540.83** |
| Charge for the period | - | 646.15 | 1,550.49 | 0.01 | 0.19 | 2.21 | 2,199.05 | - | 2,199.05 |
| Disposals | - | 120.23 | - | - | 4.92 | 0.62 | 125.77 | - | 125.77 |
| **As at March 31, 2026** | **-** | **10,437.30** | **34,715.58** | **100.11** | **268.81** | **87.18** | **45,608.98** | **5.13** | **45,614.11** |
| **Net Block** | | | | | | | | | |
| As at March 31, 2025 | 13,192.71 | 14,697.07 | 16,877.71 | 4.91 | 14.48 | 13.71 | 44,800.59 | - | 44,800.59 |
| As at March 31, 2026 | 13,181.45 | 13,949.44 | 15,327.21 | 4.90 | 14.04 | 11.50 | 42,488.54 | - | 42,488.54 |

**Note:**

The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company. In respect of immovable properties given as collateral for loans from banks and financial institutions, the title deeds were deposited with the said banks/ financial institutions and the Company is in the process of obtaining a confirmation from the said banks that the title deeds are in the name of the Company.

The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Asset) during the year, since the Company has adopted cost model as itsaccounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.ing the year, since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

| Note | Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| 5 | **Non-current investments** | | |
| | Investments Measured at Fair Value Through Profit & Loss (FVTPL) | | |
| | Investments in Equity shares of other companies | | |
| | **Trade - Quoted** | | |
| | 1,39,000 (31st March 2026: 1,39,000 ) equity shares of Rs.10/-each (31st March 2025: Rs.10/- each) in Dharani Finance Limited - fully paid up | 12.24 | 15.82 |
| | **Trade - Unquoted** | | |
| | 51,21,500 (31st March 2026: 51,21,500 ) equity shares of Rs.10/-each (31st March 2025: Rs.10/- each) in Appu Hotels Limited -- fully paid up | 1,455.39 | 1,455.39 |
| | **Total** | **1,467.63** | **1,471.21** |
| | Aggregate amount of quoted investments | 12.23 | 15.82 |
| | Aggregate market value of quoted investments | 12.23 | 15.82 |
| | Aggregate cost of unquoted investments | 1,455.39 | 1,455.39 |
| | Aggregate amount of impairment in value of investments | - | - |

In the opinion of the company the entire carrying amount of investments is recoverable and consequently no adjustment has been made to the fair value of the investments of the investee.

| Note | Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| 6 | **Other non current financial assets** | | |
| | Unsecured, considered good | | |
| | Rent and Other advances | 41.95 | 41.90 |
| | Loans and receivables - Credit impaired | 508.33 | 508.33 |
| | | **550.28** | **550.23** |
| | Less : Allowance for expected credit loss | (508.33) | (508.33) |
| | **Total** | **41.95** | **41.90** |
| 7 | **Non-Current tax assets (net)** | | |
| | Advance Income tax (net) | 23.16 | 17.36 |
| | **Total** | **23.16** | **17.36** |

| Note | Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| 8 | **Other Non-current assets** | | |
| | Unsecured, considered good | | |
| | Security deposits | 59.12 | 57.13 |
| | Unsecured, considered doubtful | | |
| | Other advances and receivable | 186.04 | 185.74 |
| | | 245.16 | 242.87 |
| | Less : Allowance for expected credit loss | (189.24) | (189.24) |
| | **Total** | **55.92** | **53.63** |

**Note :**

The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans and advances given during the pre-CIRP period have been fully provided for.

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

| Note | Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| 9 | **Inventories** | | |
| | Stores, spares and consumable tools | 37.82 | 31.67 |
| | Work-in -progress | 9.74 | 9.74 |
| | Finished goods | 10.00 | 10.00 |
| | | **57.56** | **51.41** |
| | Less : Allowance for slow moving and non moving inventories | (19.74) | (19.74) |
| | **Total** | **37.82** | **31.67** |
| | **Inventory comprise of** | | |
| | **Work-in-progress** | | |
| | Sugar | 9.74 | 9.74 |
| | Molasses | - | - |
| | **Total** | **9.74** | **9.74** |
| | **Finished goods** | | |
| | Sugar | 1.31 | 1.31 |
| | Molasses | - | - |
| | Bagasse | 4.22 | 4.22 |
| | Rectified Spirit & IS | 0.40 | 0.40 |
| | AA (Ethanol) | 0.53 | 0.53 |
| | ENA | 3.54 | 3.54 |
| | **Total** | **10.00** | **10.00** |

**Note :**

Inventories are valued at the lower of cost and net realizable value, in accordance with Ind AS 2 – Inventories. Cost comprises all costs of purchase, conversion costs, and other costs incurred in bringing the inventories to their present location and condition.

The cost of raw materials, stores and spares is determined on the First-In First-Out (FIFO) basis. Work-in-progress and finished goods include an appropriate proportion of overheads based on normal operating capacity. Finished goods and work-in-progress are valued at cost or net realizable

| Note | Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| 10 | **Trade receivables** | | |
| | Trade receivable - unsecured, considered good | 457.74 | 450.21 |
| | Trade receivable which have Significant risk increase in credit risk | 2,949.74 | 2,949.74 |
| | Trade receivable Credit impaired | - | - |
| | | 3,407.48 | 3,399.95 |
| | Less : Allowance for expected credit loss | (2,949.74) | (2,949.74) |
| | **Total** | **457.74** | **450.21** |

**Note :**

Trade receivables are neither due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member. The credit impaired trade receivables of the pre-CIRP period have been fully provided for, except a portion of receivable from the state government undertakings, which is are expected to be realised by the Company.

Refer Note No. 49 (i) for the ageing schedule of trade receivables.

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

| Note | Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| 11 | **Cash and cash equivalents** | | |
| | Cash on hand | 8.58 | 1.05 |
| | **Balances with banks** | | |
| | - in current accounts | 4.92 | 19.57 |
| | **Total** | **13.50** | **20.62** |
| 12 | **Other current financial assets** | | |
| | **Unsecured, considered good** | | |
| | Advances other than Capital Advances | | |
| | Security deposits | 10.55 | 10.55 |
| | **Unsecured, considered doubtful** | | |
| | Security deposits which have significant risk increase in credit risk | 82.01 | 82.01 |
| | | **92.56** | **92.56** |
| | Less : Allowance for expected credit loss | (82.01) | (82.01) |
| | **Total** | **10.55** | **10.55** |
| 13 | **Other current assets** | | |
| | **Unsecured, considered good** | | |
| | Advances to employees | 12.55 | 0.91 |
| | Prepaid expenses | 19.37 | 16.85 |
| | Balances with government authorities | 160.88 | 145.46 |
| | Others | 3.40 | 2.64 |
| | **Advances to Suppliers** | | |
| | Unsecured Considered good | 73.73 | 47.38 |
| | Unsecured Considered doubtful | 60.74 | 60.74 |
| | | 330.67 | 273.98 |
| | Less : Allowance for expected credit loss | (61.12) | (61.12) |
| | **Total** | **269.55** | **212.86** |

**Note :**

The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans and advances given during the pre-CIRP period have been fully provided for..

| Note | Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| 14 | **Equity Share Capital** | | |
| | **Authorised Shares** | | |
| | 5,00,00,000 (31st March 2025: 5,00,00,000) Equity shares of Rs. 10/- each | 5,000.00 | 5,000.0 |
| | 1,00,00,000 (31st March 2025: 1,00,00,000) Preference Shares of Rs.10/- each | 1,000.00 | 1,000.00 |
| | **Total** | **6,000.00** | **6,000.00** |
| | **Issued** | | |
| | 4,15,14,328 (31st March 2025 : 4,15,14,328) Equity shares of Rs. 10/- each | **4,151.43** | **4,151.43** |
| | **Subscribed and fully paid up** | | |
| | 4,15,14,328 (31st March 2025 : 4,15,14,328) Equity shares of Rs.10/- each | **4,151.43** | **4,151.43** |

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

**Notes:**

**(a) Reconciliation of number of equity shares subscribed**

| | | |
|---|---|---|
| Balance as at the beginning of the year | **4,15,14,328** | **3,32,00,000** |
| **Add:** Shares issued during the year | **-** | **83,14,328** |
| Balance as at the end of the year | **4,15,14,328** | **4,15,14,328** |

During the financial year 2024-25, 83,14,328 equity shares of ₹ 10 each were issued for consideration other than cash pursuant to a debt resolution agreement with National Asset Reconstruction Company Limited (NARCL), as detailed in note (b). But as on 31st March 2026, the same has not been issued in dematerialised form as stipulated by the said agreement and also pending for inprinciple approval from stock exchanges. Consequently the share capital issued against debt is not dematerialised or listed as on 31st March 2026.

**(b) Shares issued for consideration other than cash during the last five years:**

**(i) Aggregate number and class of shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash**

During the year, the Company issued 83,14,328 fully paid-up equity shares of ₹ 10 each, aggregating to ₹ 8,31,43,280, for consideration other than cash. These shares were issued pursuant to a Master Restructuring Agreement ("MRA") dated 24th May 2024, was executed between the Company and India Debt Resolution Company Limited ("IDRCL") acting as trustee of National Asset Reconstruction Company Limited (NARCL), under which a portion of outstanding debt was converted into equity.

**Key details of the issuance are as follows:**

Number of shares issued: 83,14,328

Face value per share: ₹ 10

Date of allotment: 11th September 2024

Nature of consideration: Settlement of outstanding debt

Basis of allotment: Allotment made pursuant to a resolution passed by the Board of Directors and approved by shareholders under Section 62(1)(c) of the Companies Act, 2013

This allotment was made in compliance with applicable provisions of the Companies Act, 2013.

**(ii) Aggregate number and class of shares allotted as fully paid-up by way of bonus shares.**

**(iii) Aggregate number and class of shares bought back.**

**(c) The Company does not have any holding, Subsidiary or Associate Company.**

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

**(d) Shares held by Promoters / Promoters Group of the Company**

| Name of the Promoters / Promoters Group | At the beginning of the year | | At the end of the year | | % change during the year* |
|---|---|---|---|---|---|
| | Number of Shares | % of Total Shares | Number of Shares | % of Total Shares | |
| Dharani Developers (P) Ltd | 65,84,242 | 15.86% | 65,84,242 | 15.86% | - |
| Dharani Credit & Finance (P) Ltd | 37,54,440 | 9.04% | 37,54,440 | 9.04% | - |
| Dr.Palani.G.Periasamy | 36,02,775 | 8.68% | 36,02,775 | 8.68% | - |
| Mrs Visalakshi Periasamy | 12,00,101 | 2.89% | 12,00,101 | 2.89% | - |
| Ananthi Developers Limited | 10,00,000 | 2.41% | 10,00,000 | 2.41% | - |
| Mrs Jayanthi Periasamy | 8,86,016 | 2.13% | 8,86,016 | 2.13% | - |
| Mrs Ananthi Periasamy | 8,85,293 | 2.13% | 8,85,293 | 2.13% | - |
| Mrs Santhi Periasamy | 8,85,142 | 2.13% | 8,85,142 | 2.13% | - |
| Mrs Nalini Periasamy | 8,82,492 | 2.13% | 8,82,492 | 2.13% | - |
| Mr K. Kandasamy | 4,79,968 | 1.16% | 4,79,968 | 1.16% | - |
| Dharani Finance Limited | 2,68,182 | 0.65% | 2,68,182 | 0.65% | - |
| Mrs K. Vijayalakshmi | 7,205 | 0.02% | 7,205 | 0.02% | - |
| Mr R. Murugavel | 150 | 0.00% | 150 | 0.00% | - |

**(e) The Details of Shareholders holding more than 5% Shares:**

| Name of the share holder | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | No of Shares Held | % of holding in that class of shares | No of Shares Held | % of holding in that class of shares |
| National Asset Reconstruction Company Limited (”NARCL”) | 83,14,328 | 20.03% | 83,14,328 | 20.03% |
| Dharani Developers (P) Ltd | 65,84,242 | 15.86% | 65,84,242 | 15.86% |
| Dharani Credit & Finance (P) Ltd | 37,54,440 | 9.04% | 37,54,440 | 9.04% |
| Dr.Palani.G.Periasamy | 36,02,775 | 8.68% | 36,02,775 | 8.68% |

**(f) Rights, preferences and restrictions in respect of equity shares issued by the Company**

The Company has only one class of equity shares having face value of Rs. 10 each. The holder of the equity share is entitled to dividend right and voting rights in the same proportion as the capital paid-up on such equity share bears to the total paid-up equity share capital of the Company. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in the same proportion as the capital paid-up on the equity shares held by them bears to the total paid-up equity share capital of the Company.

**(g) terms of any securities convertible into equity/preference shares issued along with the earliest date of \conversion in descending order starting from the farthest such date;** - Nil

**(h) calls unpaid (showing aggregate value of calls unpaid by directors and officers)** - Nil

**(i) forfeited shares (amount originally paid-up)** - Nil

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

| Note | Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| 15 | **Other Equity** | | |
| | Capital Reserve | 0.86 | 0.86 |
| | Securities premium reserve | 3,114.72 | 3,114.72 |
| | General Reserve | 1,000.00 | 1,000.00 |
| | Other Comprehensive Income | 234.05 | (282.49) |
| | Retained earnings | (34,784.73) | (24,312.66) |
| | **Total** | **(30,435.10)** | **(20,479.57)** |
| | **a) Capital Reserve** | | |
| | Opening balance | 0.86 | 0.86 |
| | Movement in capital reserve (net) during the year | - | - |
| | Closing balance | **0.86** | **0.86** |
| | Capital reserve was created in the earlier years in respect of business acquired by the Company. The Company can use this reserve for issuing fully paid up Bonus shares. | | |
| | **b) Securities Premium Reserve** | | |
| | Opening balance | 3,114.72 | 3,114.72 |
| | Movement in securities premium (net) during the year | - | - |
| | Closing balance | **3,114.72** | **3,114.72** |
| | Securities premium is used to record the premium on issue of equity shares. The same is utilised in accordance with the provisions of the act | | |
| | **c) General Reserve** | | |
| | Opening balance | **1,000.00** | **1,000.00** |
| | Movement in general reserve (net) during the year | **-** | **-** |
| | Closing balance | **1,000.00** | **1,000.00** |
| | **d) Other Comprehensive Income** | | |
| | Opening balance | - | - |
| | Movement in OCI (net) during the year | (282.49) | - |
| | Reclassified to retained earnings | 516.54 | (282.49) |
| | Closing balance | **234.05** | **(282.49)** |
| | Other comprehensive income represents the balance in equity for items to be accounted in OtherComprehensive Income (OCI). Remeasurement gains/(losses) on defined benefit plans represent actuarial gains and losses arising from changes in financial and demographic assumptions, experience adjustments and return on plan assets excluding amounts included in net interest on the net defined benefit liability/(asset). In accordance with Ind AS 19 – Employee Benefits, such remeasurements are recognised in Other Comprehensive Income and are not subsequently reclassified to the Statement of Profit and Loss. | | |
| | **e) Retained Earnings** | | |
| | Opening balance | (24,312.66) | (15,013.13) |
| | Profit / loss for the year | (10,472.07) | (9,299.53) |
| | Reclassified from Other Comprehensive Income | - | - |
| | Closing balance | **(34,784.73)** | **(24,312.66)** |
| | Retained earnings represent the amount of accumulated earnings of the Company, re-measurement differences on defined benefits plans, and any transfer from general reserve and other comprehensive income | | |

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

| Note | Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| 16 | **Borrowings** | | |
| | **Secured - At Amortised cost** | | |
| | From banks and financial institutions (refer note below) | | |
| | Term Loans | 13,418.00 | 17,051.00 |
| | Secured Non Convertible Debentures | 1,708.00 | 1,708.00 |
| | **Unsecured - At Amortised Cost** | | |
| | **From Related parties** | | |
| | Inter Corporate Loans (ICL) | 19,532.70 | 12,926.46 |
| | Associates and Others | 184.16 | 1,992.75 |
| | **From Other Parties** | | |
| | Loans from Unrelated Parties | 2,631.78 | 2,470.00 |
| | **Total** | **37,474.64** | **36,148.21** |
| | The Loan from Associate and others has been accepted and accounted for as per the terms of the Agreement. However, the interest on the same hasnot been provided for in the Financial Statements. | | |
| | Refer Note 43 for repayment terms/ security details. | | |
| 17 | **Other financial liabilities** | | |
| | Unamortised finance income | - | - |
| | Interest accrued but not due on borrowings-NARCL | 3,343.51 | 3,110.25 |
| | Interest accrued but not due on secured non-convertible debentures-NARCL | 750.40 | 175.76 |
| | | **4,093.91** | **3,286.01** |
| 18 | **Provisions** | | |
| | **Provision for employee benefits** | | |
| | Compensated absences | 39.27 | 62.43 |
| | Gratuity | 777.63 | 766.56 |
| | **Total** | **816.90** | **828.99** |
| 19 | **Deferred Tax Liability/ (Asset) - Net** | | |
| | Deferred tax liability on property, plant and equipment | 6,947.12 | 6,947.12 |
| | Deferred tax asset on unabsorbed depreciation | (3,611.95) | (3,611.95) |
| | Deferred tax asset on expenses allowable for payment basis | (1,996.71) | (1,996.71) |
| | **Deferred tax liability/ (Asset)** | **1,338.46** | **1,338.46** |
| | Note: As of 31st March 2026, the company has decided not to recognize deferred tax asset due to the improbability of future taxable profits against which the deductible temporary differences can be utilized. The existing deferred tax liability continues to be carried forward on the balance sheet. | | |
| 20 | **Borrowings** | | |
| | **Secured at amortised cost** | | |
| | From banks and financial institutions | | |
| | Term loans | - | 5,745.60 |
| | Working Capital Loans | - | - |
| | **Unsecured at amortised cost** | | |
| | From Related parties | | |
| | Intercorporate Loans | - | - |
| | Loan from directors | 1,693.62 | 1,667.70 |
| | **Total** | **1,693.62** | **7,413.30** |
| | Note: The Loan From Directors and Intercorporate Loans has been accepted and accounted for as per the terms of the Agreement. However, the interest on the same has not been provided for in the Financial Statements. | | |
| | Refer Note 43 for repayment terms/ security details w.r.t secured loans. | | |

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

| Note | Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| **21** | **Trade payables *** | | |
| | Dues to Micro and Small Enterprises ** | 74.81 | 74.18 |
| | Dues to enterprises other than Micro and Small Enterprises | 5,112.99 | 5,134.74 |
| | **Total** | **5,187.80** | **5,208.92** |
| | * Refer note 47 for dues to related parties and note 49 (ii) for aging schedule of trade payables | | |
| | Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | 62.47 | 74.18 |
| | Amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| | Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006 | - | - |
| | Amount of interest accrued and remaining unpaid at the end of each accounting year | 12.64 | 11.71 |
| | Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006 | - | - |
| | ** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. The entire closing balance represents the principal amount payable to these enterprises. | | |
| **22** | **Other Financial liabilities** | | |
| | Security and other deposits | 19.22 | 19.27 |
| | Interest accrued and due on borrowings | 2,459.59 | 750.40 |
| | Capital creditors | | |
| | Dues to Micro and Small Enterprises | - | - |
| | Dues to enterprises other than Micro and Small Enterprises | 4.98 | 4.98 |
| | Current Maturities of Long Term Debt | 14,702.61 | 5,324.00 |
| | **Total** | **17,186.40** | **6,098.65** |
| **23** | **Other current liabilities** | | |
| | Statutory dues payable | 1,371.40 | 1,193.49 |
| | Advance from customers | 21.24 | 21.24 |
| | Other payables | 1,876.83 | 1,800.51 |
| | **Total** | **3,269.47** | **3,015.24** |
| **24** | **Provisions** | | |
| | Provision for employee benefits | | |
| | Compensated absences | 6.32 | 11.60 |
| | Gratuity | 82.51 | 89.36 |
| | **Total** | **88.83** | **100.96** |

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

| Note | Particulars | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|---|
| 25 | **Revenue from operations** | | |
| | Sale of products | | |
| | Sugar | - | - |
| | Industrial Alcohol | - | - |
| | Bagasse | - | - |
| | Molasses | - | - |
| | Bio Compost | - | - |
| | Fly Ash | - | - |
| | | - | - |
| | **Other operating revenues** | | |
| | MAEQ Sales | - | - |
| | Scrap sales | - | - |
| | Weighment charges | - | |
| | **Total** | **-** | **-** |
| 26 | **Other income** | | |
| | Interest income | 0.90 | 10.52 |
| | Profit on sale of assets | 145.95 | - |
| | Rent receipts | 67.96 | 3.30 |
| | Gain on Changes in Fair Value of Investment | 4.66 | 8.09 |
| | Other non-operating income | 21.86 | 49.61 |
| | **Total** | **241.33** | **71.52** |
| 27 | **Cost of materials consumed** | | |
| | Inventory at the beginning of the year | - | - |
| | Add: Purchases - Sugarcane | - | - |
| | Less: Inventory at the end of the year | - | - |
| | **Total** | **-** | **-** |
| 28 | **Changes in inventories of finished goods, work-in-progress and stock-in-trade** | | |
| | **Inventories at the end of the year** | | |
| | Work-in-progress | 9.74 | 9.74 |
| | Finished/ Traded goods | 10.00 | 10.00 |
| | **Total** | **19.74** | **19.74** |
| | **Inventories at the beginning of the year** | | |
| | Work-in-progress | 9.74 | 9.74 |
| | Finished/ Traded goods | 10.00 | 10.00 |
| | **Total** | **19.74** | **19.74** |
| | **Changes in inventories of finished goods, work-in-progress and stock-in-trade** | **-** | **-** |
| 29 | **Employee benefits expense** | | |
| | Salaries, wages and bonus | 1,630.86 | 1,010.42 |
| | Contribution to provident and other funds | 79.22 | 74.36 |
| | Staff welfare expenses | 21.94 | 29.38 |
| | **Total** | **1,732.02** | **1,114.16** |

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

| Note | Particulars | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|---|
| 30 | **Depreciation and amortisation expense** | | |
| | Depreciation of property, plant and equipment | 2,199.05 | 2,209.89 |
| | **Total** | **2,199.05** | **2,209.89** |
| 31 | **Finance Cost** | | |
| | Term Loan interest | 3,241.91 | 2,768.82 |
| | Other interest and financial charges | 666.77 | 1,423.33 |
| | **Total** | **3,908.68** | **4,192.15** |
| 32 | **Other expenses** | | |
| | Stores and Spares Consumed | 48.44 | 92.85 |
| | Power and Fuel | 327.42 | 331.82 |
| | Rent | 64.87 | 65.59 |
| | Rates & Taxes | 64.21 | 141.53 |
| | Insurance | 47.27 | 58.08 |
| | **Repairs and maintenance of** | | |
| | - Plant and Machinery | 6.70 | 93.61 |
| | - Building | 51.97 | 56.07 |
| | - Vehicle | 15.36 | 30.55 |
| | - Others | 6.26 | 7.20 |
| | Freight, Packing and Forwarding charges | 4.99 | - |
| | Director's Sitting Fees | 2.25 | 3.80 |
| | Executive Chairman & Managing Director Remuneration | - | 60.80 |
| | Auditors' Remuneration (Refer detail below) | 7.25 | 6.40 |
| | Travelling & Conveyance | 3.34 | 4.80 |
| | Office Expenses | 3.30 | 7.71 |
| | Postage, Telegram & Telephones | 1.74 | 3.18 |
| | Printing & Stationery | 3.53 | 6.08 |
| | Professional and Consultancy charges | 10.14 | 24.94 |
| | Bank charges | 0.36 | 0.64 |
| | CIRP Expenses | 0.45 | 51.50 |
| | Loss on remeasurement of Investment (FVTPL) | 8.24 | - |
| | **Total** | **678.09** | **1,047.15** |
| 32(a) | **Payment to auditors** | | |
| | Fees for Statutory Audit | 5.00 | 5.00 |
| | Fees for Limited review | 2.20 | 1.40 |
| | Fees for Certification | 0.05 | - |
| | Out of pocket expenses | - | - |
| | **Total** | **7.25** | **6.40** |
| 33 | **Income tax expense**<br>In view of the carried forward losses under the taxation laws, no provision for tax is created. | | |

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

| 34 | **Deferred Tax expense**<br>**a) Movement of deferred tax expense for the year ended March 31, 2026** | | | | |
|---|---|---|---|---|---|
| | **Particulars** | **Opening Balance** | **Recognised in profit or loss** | **Recognised in Other comprehensive income** | **Closing Balance** |
| | **Deferred tax (liabilities)/assets in relation to:**<br>On difference between tax base and book base of Property, plant, and equipment and Intangible assets | (6,947.12) | - | - | 6,947.12 |
| | On expenses allowable on payment basis | 1,996.71 | - | - | (1,996.71) |
| | On unabsorbed depreciation | 3,611.95 | - | - | (3,611.95) |
| | **Total** | **(1,338.46)** | **-** | **-** | **1,338.46** |

| | **b) Movement of deferred tax expense for the year ended March 31, 2025** | | | | |
|---|---|---|---|---|---|
| | **Particulars** | **Opening Balance** | **Recognised in profit or loss** | **Recognised in Other comprehensive income** | **Closing Balance** |
| | **Deferred tax (liabilities)/assets in relation to:**<br>On difference between tax base and book base of Property, plant, and equipment and Intangible assets | (6,947.12) | - | - | 6,947.12 |
| | On expenses allowable on payment basis | 1,996.71 | - | - | (1,996.71) |
| | On unabsorbed depreciation | 3,611.95 | - | - | (3,611.95) |
| | **Total** | **(1,338.46)** | **-** | **-** | **1,338.46** |

*Since he company has unabsorbed depreciation, it has scaled down the recognition of deferred tax asset to that extent it matches with the aggregate deferred tax liability arising on account of Property, Plant and Equipment and expenses allowable on payment basis. However, no deferred tax asset has been created in respect of carry forward business losses in the absence of convincing evidence that future taxable income will be available.

**35 Exceptional Items**

| **Particulars** | **Nature** | **year ended March 31, 2026** | **year ended March 31, 2025** |
|---|---|---|---|
| OTS to SDF | Loss/(Gain) | - | 1,005.25 |
| OTS to ICICI | Loss/(Gain) | - | 1.39 |
| OTS to Bank of India | Loss/(Gain) | - | (131.08) |
| Remission of Canecess Payable | Loss/(Gain) | - | (67.86) |
| Reinstatement of Interest on SDF loan | Loss/(Gain) | 2,195.56 | - |
| **Net Exceptional Loss** | | **2,195.56** | **807.70** |

**Year ended 31st March 2026**

**Note -1:** During the year, the One Time Settlement ("OTS") sanctioned by the Government of India in respect of the Sugar Development Fund ("SDF") Loan stood revoked consequent to non-payment of the settlement amount within the extended timeline permitted up to April 06, 2026. Accordingly, the concessions and reliefs granted under the OTS arrangement, including waiver of interest, stood withdrawn and the previously waived interest amounting to INR 2,195.66 Lakhs has been reinstated and recognised as an exceptional item in the Statement of Profit and Loss for the year ended March 31, 2026.The aforesaid amount represents reversal of interest waiver granted under the OTS arrangement and consequent reinstatement of the original liability pursuant to cancellation of the settlement terms.

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

**Year ended 31st March 2025**

**Note -1: Substantial Modification of Financial Liability:**

Under Ind AS 109, "Financial Instruments," a substantial modification in the terms of a financial liability is treated as an extinguishment of the original liability and recognition of a new one. The difference between the carrying amount of the extinguished liability and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss. Any costs or fees incurred during this process are included in the gain or loss on extinguishment if the modification is substantial, or they adjust the carrying amount of the liability if it is not substantial, and are amortized over the remaining term of the modified liability.Thereby, during the year ended 31st March 2025, the assignment of Debt by the Consoritum of Banks via Joint Assignment agreement and the One Time Settlement Agreement entered into with SDF, ICICI & Bank of India has been considered respectively as an existinguishment of financial liability and the difference between the carrying value and liabilities assumed and the consideration paid has been recognised as an exceptional item in the statement of profit or loss amounting to INR 875.57 Lakhs. These amounts have been disclosed as exceptional items in the Statement of Profit and Loss in accordance with Ind AS 1 – Presentation of Financial Statements, considering their nature, size, and incidence outside the ordinary course of business.

**Note 2:** Remission of Canecess Payable: The Company had an outstanding liability of ▯ 67.86 lakhs towards the Tamil Nadu Sugarcane Cess under the Tamil Nadu Sugarcane Cess (Validation) Act, 1963. However, pursuant to Notification No. 1/2017 under the GST Act and subsequent clarification received from the South Indian Sugar Mills Association, the liability towards the said cess is no longer applicable.Accordingly, the Company has reversed the said liability during the financial year ended 31st March 2025. The reversal has been presented as an exceptional item in the Statement of Profit and Loss.

| Note | Particulars | year ended March 31, 2026 | year ended March 31, 2025 |
|---|---|---|---|
| 36 | **Earnings per share** | | |
| | Profit attributable to equity holders of the Company | (10,472.07) | (9,299.53) |
| | Weighted average number of ordinary shares outstanding | 4,15,14,328 | 3,78,01,354 |
| | Face value per share | 10.00 | 10.00 |
| | Basic earnings per share (Rs) | (25.23) | (24.60) |
| | Diluted earnings per share (Rs) | (25.23) | (24.60) |
| | (I) Aggregate number and class of shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash | | |
| | (ii) Aggregate number and class of shares allotted as fully paid-up by way of bonus shares. | | |
| | (iii) Aggregate number and class of shares bought back. | | |
| | **Weighted average number of ordinary shares outstanding:** | | |
| | At the beginning of the year | 4,15,14,328 | 3,32,00,000 |
| | Shares issued during the year | - | 83,14,328.00 |
| | **Weighted average number of shares**** | **4,15,14,328** | **3,78,01,354** |
| | **Sharesssued to National Asset Reconstruction Company Limited (NARCL) on 11th September 2024 ,as per pursuant to a Master Restructuring Agreement (“MRA”) dated 24th May 2024. | | |
| 37 | **Earnings in foreign currency** | Nil | Nil |
| 38 | **Expenditure in foreign currency (actual payment basis)** | Nil | Nil |
| 39 | **CIF value of imports** | Nil | Nil |

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

**40 Value of Imported and Indigenous Raw material Consumed during the financial year and the percentage of each to the total consumption**

| Particulars | Year Ended March 31, 2026 | | Year Ended March 31, 2025 | |
|---|---|---|---|---|
| | Rs. In Lakhs | (%) | Rs. In Lakhs | (%) |
| **Raw Materials** | | | | |
| Imported | - | 0.00 | - | 0.00 |
| Others | - | 0.00 | - | 0.00 |
| | **-** | **0.00** | **-** | **0.00** |

**41 Commitments and Contingent Liability**

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| **Contingent Liability** | | |
| Claims against the company for excise duty not acknowledged as debts* | 53.66 | 53.66 |
| Claims against the company for GST Input tax credit not acknowledged as debts* | 115.92 | 113.83 |
| Claims against the company for service tax not acknowledged as debts | 61.33 | 61.33 |
| Tariff change claims by TANGEDCO under dispute | 818.19 | 818.19 |
| TNEB Parallel charges | 194.64 | 194.64 |
| Unsustainable Debt Portion | 33465.00 | 33465.00 |
| **Commitments** | | |
| Capital commitments (net of advances) not provided for | - | - |

**Note :** 1 Contingent liabilities in respect of show cause notices are considered only when converted into demand. Applicable Interest is not included in the contingent liability portion w.r.t. GST demand.

**Note 2:** Based on professional advice, the amount shown above represents to the best extent possible estimate made by the Company. The Company believes the outcome of these litigations would be favourable and hence no provision is considered necessary in the financial statements. The uncertainities and possible reimbursements are dependent on the outcome of various case proceedings which have been initiated by the Company or by the claimants, as the case may be, and therefore cannot be predicted accrurately.

**Note 3:** Pursuant to the Master Restructuring Agreement (“MRA”) dated May 24, 2024 entered into between the Company and India Debt Resolution Company Limited (“IDRCL”), acting on behalf of National Asset Reconstruction Company Limited (“NARCL”), unsustainable debt amounting to INR Lakhs was treated as contingent liability in accordance with the terms of the restructuring arrangement.

During the year, the Company committed breaches of repayment obligations and financial covenants stipulated under the MRA, consequent to which, the company has received legal notice dated 07.02.2026 from lender, stating the implication of default in repayment obligation and related course of action which may be taken by the lender as per the "Para E" of the said notice ,stating consequences of failure to cure the default within one month from the receipt of this notice.However, the management has taken necessary efforts to make good of the repayment as per the MRA, at the earliest. The management demonstrated through communication with the lender at various meetings, after the receipt of this notice.The management requested the lender to not take any adverse action against the company with immediate effect. Based on the above, the management is of the opinion that the lender shall not take any adverse action which might involve the crystallisation of contingent liability. Hence, no provision is made in the books for the said liability and the same is continued to be treated as contingent liability.

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

**42 Operating Segments**

The Company's operations predominantly relate to manufacture of Sugar, Co-generation of Power and production of Industrial Alcohol. Other business segments reported are Distillery and Power. Sugar segment includes molasses and other by-products.Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segment as also amounts allocated on a reasonable basis.

The expenses, which are not directly attributable to the business segment, are shown as unallocated corporate cost. Assets and Liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities Particulars

Inter Segment Transfer Pricing Policy – (i) The molasses supplied to Distillery segment is based on average market price. (ii) Power used by other segments is based on 90% of the market price.

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| **Segment Revenue** | | |
| a) Sugar Manufacturing | | |
| b) Distillery | - | - |
| c) Power | - | - |
| d) Unallocated | 241.33 | 71.52 |
| **Revenue from operations (Net)** | **241.33** | **71.52** |
| Less : Inter segment Revenue | - | - |
| Revenue from operations (Net) | **241.33** | **71.52** |
| **Segment Results** | | |
| Profit (+)/ Loss (-) before tax and finance cost | | |
| a) Sugar Manufacturing | (3,247.02) | (3,791.24) |
| b) Distillery | (862.80) | (878.98) |
| c) Power | (499.33) | (508.68) |
| d) Unallocated | 241.33 | 71.52 |
| **Total** | **(4,367.82)** | **(5,107.38)** |
| Less: Finance Cost | 3,908.68 | 4,192.15 |
| Profit (+)/ Loss (-) from continuing operations | (8,276.51) | (9,299.53) |
| Profit (+)/ Loss (-) from discontinuing operations | - | - |
| **Profit (+)/ Loss (-) before tax** | **(8,276.51)** | **(9,299.53)** |
| **Segment Revenue** | | |
| a) Sugar Manufacturing | 28,346.52 | 25,769.44 |
| b) Distillery | 7,960.91 | 11,494.95 |
| c) Power | 8,461.23 | 9,669.56 |
| d) Other unallocable corporate assets | 97.71 | 115.92 |
| **Total assets** | **44,866.37** | **47,049.87** |
| **Segment Liabilities** | | |
| a) Sugar Manufacturing | 58,248.07 | 52,046.01 |
| b) Distillery | 2,872.80 | 4,872.80 |
| c) Power | 10,029.15 | 7,171.78 |
| d) Other unallocable corporate liabilities | - | - |
| **Total liabilities** | **71,150.02** | **64,090.59** |

**Notes to Financial statement for the Year ended March 31,2026**
(All amounts are in INR Lakhs, except share data and unless otherwise stated)

| Particulars | Year Ended March 31, 2026 | Year Ended March 31, 2025 |
|---|---|---|
| **Capital Employed (Segment assets-Segment liabilities)** | | |
| a) Sugar | (29,901.55) | (26,276.57) |
| Add: Long Term Loans | 43,925.25 | 37,771.25 |
| **Net capital employed in Sugar Segment** | **14,023.70** | **11,494.68** |
| b) Distillery | 5,088.11 | 6,622.15 |
| Add: Long Term Loans | 2,872.80 | 2,000.00 |
| **Net capital employed in Distillery Segment** | **7,960.91** | **8,622.15** |
| c) Power | (1,567.92) | 2,497.78 |
| Add: Long Term Loans | 7,072.80 | 9,945.60 |
| **Net capital employed in Power Segment** | **5,504.88** | **12,443.38** |
| **Total capital employed in segments** | **27,489.49** | **32,560.22** |
| Unallocable corporate assets less corporate liabilities | 97.71 | 115.92 |
| **Total Capital Employed** | **27,587.20** | **32,676.14** |

**43 Terms and conditions of long term borrowings ***

The company was admitted into CIRP process dated 29th July 2021. The major secured and unsecured borrowings at the time of admission of CIRP were owed to the following:

1) Consortium of Banks – Indian Bank, State Bank of India, Central Bank of India, ICICI Bank, Bank of India, IDBI Banks Limited, Union Bank of India, The South Indian Bank Limited, Indian Overseas Bank, The Federal Bank.
2) Indian Renewable Energy Development Agency Limited (“IREDA”)
3) Sugar Development Fund (“SDF”)

The Company was out of CIRP Process vide the order passed by the Hon’ble National Company Law Tribunal (“NCLT”) on 9th May 2024 and the outcome of the CIRP Process with respect to the Borrowings are provided hereunder.

**Consortium of Banks:**

A debt to the extent of INR 61,904 Lakhs was acknowledged at the time of admission of CIRP Process. During the CIRP Process, the Consortium of Banks have assigned their respective portion of Debt to National Asset Reconstruction Company Limited (“NARCL”) vide an agreement dated 30th September 2023. As a result of such joint assignment agreement, the debts owed by the Company to the Consortium of Banks were assigned in favour of National Asset Reconstruction Company Limited and a Master Restructuring Agreement (“MRA”) was executed between the Company and India Debt Resolution Company Limited (“IDRCL”) acting as trustee of NARCL on 24th May 2024. As a result of such agreement, the amount owed by the company has been bifurcated into Sustainable Debt of INR 23,500 Lakhs with detailed repayment schedule annexed as part of the MRA with an interest rate of 12% per annum compounded quarterly and an Unsustainable Debt of INR 38,404 Lakhs. As per the MRA, out of the Unsustainable Debt the company is required to allot Non-Convertible Debentures (“NCD”) of INR 1,708 Lakhs which is to be repaid with a maturity of 5 years from the Issuance date at a coupon rate of 12% and further an allotment of Equity Shares for 20% paid up share capital of the company (approx. INR 831 Lakhs) on non-diluted basis.Equity shares under preferential allotment were alloted to NARCL on 11th of September 2024 for Rs 831.43 Lakhs (8314328 shares of Rs.10/- each), but awaiting inprinciple approval from stock exchanges for dematerialisation and Except for the above mentioned unsustainable debt, the balance unsustainable debt of INR 33,465 Lakhs has been disclosed as contingent liability (which iscontingent upon fulfilment terms of repayment as per MRA). Consequent to default in repayments during the year as per MRA,

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

Restructuring arrangment stands revoked and liability has to be reinstated in the books. Owing to ongoing discussions with NARCL, the Company is positive about the revocation of cancellation of MRA and thereby not provided for Liability to the extent of Rs.33,465 Lakhs.

**SDF:**

A debt to the extent of INR 5,720 Lakhs has been acknowledged by Resolution Professional (“RP”) at the time of admission to CIRP Process. However the Company has not agreed for the debt except upto INR 3170 Lakhs and has initiated the process of arriving One Time Settlement (“OTS”) of Debt with the Management of SDF. OTS was due on 06.04.2026 , but the company has defaulted in repayment. Consequently Waiver given for Interest on Loan has been accounted and included in the liability for Rs.2195.56 Lakhs. Further, the management is taking necessary steps for repayment of outstanding dues.

| Financial Institution | Loan Outstanding March 31,2025 | Nature of Loan | Security | Repayment terms |
|---|---|---|---|---|
| NARCL-Sustainable Debt | 19975.00 | Term Loan | All existing security over the immovable and movable assets excluding current assets charged for working capital facilities as agreed by IDRCL | Repayments are scheduled in quarterly instalments as per the repayment agreement with NARCL and yearwise due is as follows:<br>FY2026 - INR 4403 Lakhs<br>FY2027 - INR 6372 Lakhs<br>FY2028 - INR 7289 Lakhs<br>FY2029 - INR 6867 Lakhs<br>FY2030 - INR 5077 Lakhs<br>amounting to INR 31037 Lakhs including interest. |
| NARCL-Unsustainable Debt | 2400.00 | Term Loan | All existing security over the immovable and movable assets excluding current assets charged for working capital facilities as agreed by IDRCL | Unsustainable Debt - Rs 2400 Lakhs will' be repayable on or before 21.04.2029. |
| NARCL-Unsustainable Debt | 1708.00 | Secured Non Convertible Debentures | All existing security over the immovable and movable assets excluding current assets charged for working capital facilities as agreed by IDRCL | Redeemable at face value on 21.05.2029 |
| SDF Loan | 7806.41 | SDF Loan | Pari-passu 1st charge on fixed assets of Unit -III excluding refinery assets and harvester machines . | SDF Loan Rs. 5610.85 Lakhs originally due under OTS on 06.04.2026, defaulted by the company and consequently interest payable has been accounted and included in the other financial liabilities for Rs.2195.56 Lakhs. |

The Promoters and group companies have pledged 93,80,794 equity shares of the Company to the Banks/Financial Institutions on pari-passu basis for the facilities availed by the Company including working capital facilities. In addition, the Company has pledged 16,51,374 shares of the associates with the National Asset Reconstruction Company Limited ("NARCL") on exclusive basis for the ECB loan and Rupee Term Loan. Further pledge of 51,21,500 Equity Shares of Rs. 10/- each held by the Company in M/s Appu Hotels Limited to the Banks/ Financial Institutions for the Working Capital facilities and Term Loans.

*As per the Ministry of Corporate Affairs (MCA) records, the total secured borrowings amount to 3,368.06 crores due to duplication of charges. This duplication has occurred following the assignment of debts from various banks to the National Asset Reconstruction Company Limited (NARCL). The Company is yet to satisfy the charge records on the MCA portal post this transfer. Efforts are underway to rectify the records in coordination with the relevant stakeholders.

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

*The Sugar Development Fund ("SDF") Loan secured by the fixed assets of Unit-III (excluding refinery assets and harvester machines) was covered under a One Time Settlement ("OTS") sanctioned by the Government of India for an amount of INR 6,111 Lakhs. Vide letter dated October 13, 2025, the authority had granted extension for repayment of the aforesaid OTS amount up to April 06, 2026.

However, the Company has defaulted in repayment within the extended timeline. Consequently, the SDF Authority has issued a letter dated April 22,2026 stating the cancellation of OTS arrangement entered into with the company, the concessions and reliefs granted under the OTS arrangement stand withdrawn and the original liability together with applicable interest has become payable by the Company. The consequential financial impact arising on account of reinstatement of the original liability, including applicable interest and other related charges, is being evaluated by the management and necessary adjustments, wherever required, will be accounted for upon final determination.

The Company has made a fixed deposit as security against the SDF Loan to the extent of Rs.500 Lakhs. Due to the default in OTS made by the company, the aforesaid fixed deposit has been appropriated against penal/additional interest.

**(b) Secured Non Convertible Debentures**

| Particulars | Face Value per debenture | As at 31st March 2025 | Date of Allotment | Rate of Interest for the year | Terms of repayment |
|---|---|---|---|---|---|
| 1708 Secured Non Convertible Debentures | 1,00,000 | 17,08,00,000 | 11 September 2024 | 12% p.a. compounded annually | Redeemable at face value along with accrued interest at 12% on 21.05.2029 |

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

**44 Financial Instruments**

**Capital management**

The Company manages its capital to ensure that the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings.

For the purposes of Company's capital management, capital includes consists of net debt (borrowings as detailed in Note 42 offset by cash and bank balances) and total equity of the Company. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company

| **Gearing Ratio** | **As at March 31, 2026** | **As at March 31, 2025** |
|---|---|---|
| Debt | 39,168.25 | 43,561.51 |
| Less: Cash and bank balances | 13.50 | 20.62 |
| Net debt | 39,154.76 | 43,540.89 |
| Total equity | (26,283.67) | (16,328.14) |
| Gearing Ratio | **(148.97%)** | **(266.66%)** |

| **Categories of Financial Instruments** | **As at March 31, 2026** | **As at March 31, 2025** |
|---|---|---|
| **Financial assets** | | |
| **a. Measured at amortised cost** | | |
| Trade Receivables | 457.74 | 450.21 |
| Cash and cash equivalents | 13.50 | 20.62 |
| Other financial assets | 10.55 | 10.55 |
| **b. Mandatorily measured at fair value through profit or** loss | | |
| Investments | 1,467.63 | 1,471.21 |
| **Financial liabilities** | | |
| **a. Measured at amortised cost** | | |
| Borrowings (non-current) | 37,474.64 | 36,148.21 |
| Borrowings (current) | 1,693.62 | 7,413.30 |
| Interest accrued and due on borrowings | 2,459.59 | 750.40 |
| Trade Payables | 5,187.80 | 5,208.92 |
| Other financial liabilities | 4,093.91 | 3,286.01 |
| **b. Mandatorily measured at fair value through profit or loss** | Nil | Nil |

**Financial risk management objectives**

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

**Market risk**

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through a centralized treasury division. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

**Foreign currency risk management**

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

**Disclosure of hedged and unhedged foreign currency exposure**

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

**As on March 31, 2026**

| Currency | Liabilities | | | Assets | | | Net overall exposure on the currency - net assets / (net liabilities) (INR) |
|---|---|---|---|---|---|---|---|
| | Gross exposure (INR) | Exposure hedged using derivatives (INR) | Net liability exposure on the currency (INR) | Gross exposure (INR) | Exposure hedged using derivatives (INR) | Net liability exposure on the currency (INR) | |
| For the year ended March 31, 2026 - USD | - | - | - | - | - | - | - |
| For the year ended March 31, 2025 - USD | - | - | - | - | - | - | - |

**Foreign currency sensitivity analysis**

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The following table details the Company's sensitivity movement in the foreign currencies. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%. 2% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Company where the denomination of the loan is in a

| Particulars | USD Impact | |
|---|---|---|
| | March 31, 2026 | March 31, 2025 |
| Profit or (loss) | - | - |

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

**Interest rate risk management**

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

**Interest rate sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the  If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2026 would decrease/ increase by Rs.0 (March 31, 2025 : decrease/ increase by Rs.0). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

**Equity price risk**

Equity price risk is related to the change in market reference price of the investments in equity securities. The fair value of some of the Company’s investments in equity instruments exposes the Company to equity price risks. In general, these securities are not held for trading purposes.

**Equity price sensitivity analysis.**

The fair value of equity instruments as at March 31, 2026 and March 31, 2025 was Rs.1,467.63 lakhs and Rs.1,471.21 lakhs respectively. A 5% change in prices of equity instruments held as at March 31, 2026 and March 31, 2025, would result in an impact of Rs.73.38 Lakhs and Rs.73.56 Lakhs on equity, respectively.

**Credit risk management**

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, mutual fund investments and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

**(a) Trade Receivables**

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk. In respective dues from the Government, the Company has considered them as fully recoverable and no allowance for expected credit loss is required.

**(b) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposits**

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved financial institutions/ counterparty. Investments primarily include bank deposits, investment in units of quoted mutual funds issued by high investment grade funds etc. These bank deposits, mutual funds and counterparties have low credit risk. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposits, debt securities and mutual fund schemes of debt and arbitrage categories and restricts the exposure in equity markets.

**Offsetting related disclosures**

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

**Liquidity risk management**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

**Liquidity tables**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

| March 31, 2026 | Due in 1st year | Due in 2nd to 5th year | Due after 5th year | Carrying amount |
|---|---|---|---|---|
| Trade payables | 5,187.80 | - | - | 5,187.80 |
| Other financial liabilities(Non Current) | 4,093.91 | - | - | 4,093.91 |
| Borrowings (including interest accrued thereon up to the reporting date) | 26,501.85 | 15,126.00 | - | 41,627.85 |
| | **35,783.57** | **15,126.00** | **-** | **50,909.57** |

| March 31, 2025 | Due in 1st year | Due in 2nd to 5th year | Due after 5th year | Carrying amount |
|---|---|---|---|---|
| Trade payables | 5,208.92 | - | - | 5,208.92 |
| Other financial liabilities(Non Current) | 3,286.01 | - | - | 3,286.01 |
| Borrowings (including interest accrued thereon up to the reporting date) | 25,552.91 | 18,759.00 | - | 44,311.91 |
| | **34,047.84** | **18,759.00** | **-** | **52,806.84** |

**Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Investments in unquoted equity shares (classified as FVTPL) | 1,455.39 | 1,455.39 |

**Notes to Financial statement for the Year ended March 31,2026**
(All amounts are in INR Lakhs, except share data and unless otherwise stated)

**45 Trade Receivables from TANGEDCO**

Trade receivables includes Rs.2,800.78 Lakhs due from TANGEDCO is outstanding for more than 3 year. The Company is following up for recovery of the same and initiated the required steps. The Company also initiated steps through South Indian Sugar Mills Association (SISMA) to represent to the Government of Tamilnadu for instructing TANGEDCO to pay the dues. The Company has made provision for expected credit loss to the extent of Rs. 2,348.52 Lakhs against the said receivables. Since these are due from Government Undertakings and are arising from contractual obligation of those undertakings, in the opinion of the management, no further allowance for expected credit loss is considered necessary.

**46 Operating lease**

The Company has entered into operating lease arrangements for certain facilities with lease term ranging from 2 years to 3 years. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties. Accordingly, these leases will not qualify for recognising right of use assets and related lease liability as per Ind AS 116. The amount recognised in the statement of profit and loss as expenses for the year is Rs. 64.87 Lakhs (Previous year Rs.65.59 Lakhs).

**47 Related party disclosure**

a) Name of related parties and nature of relationship

| | |
|---|---|
| Companies/ entities in which key management personnel are interested | M/s Dharani Finance Limited<br>M/s Appu Hotels Limited<br>M/s Dharani Developers Private Limited<br>M/s Dharani Credit and Finance Private Limited<br>M/s Ananthi Developers Limited<br>PGP Educational and Welfare Society |
| Key management personnel and relatives of key managerial personnel | Dr Palani G Periasamy<br>Mr M Ramalingam<br>Mr A Sennimalai<br>Mrs Visalakshi Periasamy<br>Mr M P Kaliannan - Chief Financial Officer<br>Mr E P Sakthivel - Company Secretary |

**b) Transactions during the year**

| S. No. | Nature of transactions | Companies/ entities in which key management personnel are interested | | Key management personnel and their relatives | |
|---|---|---|---|---|---|
| | | March 31, 2026 | March 31, 2025 | March 31, 2026 | March 31, 2025 |
| 1 | Sales of goods | - | - | - | - |
| 2 | Sitting fees | - | - | 2.25 | 3.80 |
| 3 | Rent | - | - | 54.36 | 43.83 |
| 4 | Remuneration | - | - | - | 90.49 |
| 5 | Contribution to provident and other funds | - | - | 1.18 | 1.25 |
| 6 | Loans received from-DDPL | 4,797.65 | 6,937.92 | - - | |
| 7 | Lease Rent Income | 0.42 | 0.52 | - | - |

**Notes to Financial statement for the Year ended March 31,2026**
(All amounts are in INR Lakhs, except share data and unless otherwise stated)

**c) Balances at the end of the year**

| S. No. | Particulars | Companies/ entities in which key management personnel are interested | | Key management personnel and their relatives | |
|---|---|---|---|---|---|
| | | March 31, 2026 | March 31, 2025 | March 31, 2026 | March 31, 2025 |
| 1 | **Trade Receivables** | - | - | - | - |
| 2 | **Trade Payables** | | | | |
| | Appu Hotels Limited | - | 0.03 | - | |
| | Ananthi Developers Limited | 4.68 | 4.68 | - | - |
| 3 | **Unsecured Loans received-** Dharani Developres Private Limited | 19,716.86 | 14,924.38 | 1,668.62 | 1,637.53 |

**Material Related Party Transactions**

| Particulars | Year ended | |
|---|---|---|
| | March 31, 2026 | March 31, 2025 |
| **Sales of goods** | | |
| Appu Hotels Limited | - | - |
| **Rent Provided** | | |
| Dr. Palani G Periasamy | 54.36 | 43.83 |
| **Unsecured Loans received** | | |
| Dr. Palani G Periasamy | 25.92 | 34.50 |
| Mr.A.Sennimalai | - | 25.00 |
| Dharani Developers Private Limited | 4,797.65 | 6,937.92 |
| **Remuneration to Key management personnel (KMP)** | | |
| Dr Palani G Periasamy | - | 36.80 |
| M Ramalingam | - | 24.00 |
| M P Kaliannan | 23.32 | 23.32 |
| E P Sakthivel | 11.65 | 8.82 |
| **Contribution to provident and other funds for KMP** | | |
| M P Kaliannan | 0.83 | 0.83 |
| E P Sakthivel | 0.42 | 0.23 |
| **Lease Rent Income** | | |
| PGP Educational and Welfare Society | 0.42 | 0.52 |

**Material Related Party Balances**

| Particulars | As at | |
|---|---|---|
| | March 31, 2026 | March 31, 2025 |
| **Trade Payables** | | |
| Dr. Palani G Periasamy | 451.17 | 416.81 |
| M Ramalingam | 93.33 | 113.19 |
| Ananthi Developers Limited | 4.68 | 4.68 |
| Appu Hotels Limited | - | 0.03 |
| **Unsecured Loans Received** | | |
| Dharani Developers Pvt Ltd | 19,716.86 | 14,924.38 |
| Dr. Palani G. Periasamy | 1,668.62 | 1,637.53 |
| Mr. A Sennimalai | 25.00 | 25.00 |

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

**48 Retirement benefit plans**

**Defined contribution plans**

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the provident fund and pension fund of Government of India. The Company also has superannuation plan and contributions are funded with LIC.

The total expense recognised in profit or loss of Rs. 79.22 lakhs (for the year ended March 31, 2025: Rs. 74.36 lakhs) represents contribution payable to these plans by the Company at rates specified in the rules of the plan.

**Defined benefit plans**

**(a) Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company has not accounted for the liability for gratuity benefits payable in the future based on an actuarial valuation during the current financial year and accordingly, the related disclosure could not be presented in the financial statements.

**(b) Compensated absence**

The leave encashment scheme is a defined benefit plan under which employees are entitled to a lump-sum payment upon separation from the Company, in accordance with the terms of the scheme. The benefit is determined based on the employee's last drawn salary and the accumulated leave balance as at the date of separation and is settled in cash.

**(c) Risks associated with defined benefit plans**

The defined benefit plans typically expose the Company to actuarial risks such as investment risk, interest rate risk and salary

| | |
|---|---|
| **Investment risk** | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit. |
| **Interest risk** | A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments. |
| **Longevity risk** | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| **Salary risk** | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

**(d) Further disclosures in respect of Gratuity**

**(I) The principal assumptions used for the purposes of the actuarial valuations were as follows:**

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Discount Rate | 7.13% | 6.73% |
| Rate of increase in compensation level | 5.00% | 5.00% |
| Attrition Rate | 5.00% | 5.00% |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

**(ii) Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:**

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Current service cost | 43.96 | NA |
| Net interest expense | 57.60 | NA |
| Past service cost | 419.20 | - |
| Actuarial loss | - | (282.49) |
| Components of defined benefit costs recognised in the statement of profit or loss | **520.76** | **(282.49)** |

**(iii) Amount recognised in Other Comprehensive Income (OCI) for the year**

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Remeasurement on the net defined benefit liability comprising: | | |
| Actuarial (gains)/ losses arising from changes in financial assumptions | (18.14) | 282.49 |
| Actuarial (gains)/losses | | |
| Actuarial (gains)/ losses arising from experience adjustments | (498.40) | - |
| Return on plan assets (excluding amounts included in net interest expense) | - | - |
| Components of defined benefit costs recognised in other comprehensive income | (516.54) | 282.49 |

The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

**(iv) The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:**

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Present value of defined benefit obligation | (860.15) | (855.92) |
| Fair value of plan assets | - | - |
| Net liability arising from defined benefit obligation | **(860.15)** | **(855.92)** |
| Funded | - | - |
| Unfunded | (860.15) | (855.92) |
| | **(860.15)** | **-** |
| Presented under | | |
| Non-Current provision | (777.63) | (766.56) |
| Current provision | (82.51) | (89.36) |
| | **(860.14)** | **(855.92)** |

The above provisions are reflected under 'post retirement benefits' (long-term provisions) and 'post retirement benefits' (short-term provisions) [Refer notes 18 & 24].

Provision for the year ended 31st March 2026 has been accounted to the extent of INR 520.76 Lakhs and Actuarial Gains has been accounted to the extent of Rs.516.54 Lakhs , as per Management estimates.For the year ended 31st March 2026, Actuarial valuation report has been received from Independent actuarial valuer and Defined benefit Obligation for as at the end of the year is estimated at INR 860.15 Lakhs. Accordingly, provision has been provided for the year under audit.

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

**(v) Movements in the present value of the defined benefit obligation in the current year were as follows:**

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Opening defined benefit obligation | 855.92 | 494.87 |
| Current service cost | 43.96 | 45.25 |
| Interest cost | 57.60 | 33.31 |
| Past service cost | 419.20 | - |
| Actuarial (gains)/ losses arising from changes in demographic assumptions | - | - |
| Actuarial (gains)/ losses arising from changes in financial assumptions | (18.14) | 282.49 |
| Actuarial (gains)/losses | - | - |
| Actuarial (gains)/ losses arising from experience adjustments | (498.40) | - |
| Benefits paid | | |
| **Closing defined benefit obligation** | **860.14** | **855.92** |

**(vi) Movements in the fair value of the plan assets in the current year were as follows:**

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Opening fair value of plan assets | | |
| Interest Income | | |
| Return on plan assets (excluding amounts included in net interest expense) | NA | NA |
| Contributions | | |
| Benefits paid | | |
| Others | | |
| Closing fair value of plan assets | - | - |

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

**(vii) Sensitivity analysis**

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year..

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

**49 Additional regulatory and other information as required by the Schedule III to the Companies Act 2013**

**(I) Ageing Schedule of Trade Receivables**

**As at March 31, 2026**

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **Undisputed Trade Receivables** | | | | | | | |
| (i) Considered good | - | 7.53 | - | - | - | 450.21 | 457.74 |
| (ii) Which have significant increase in credit risk and considered doubtful | | - | - | - | - | - | - |
| (iii) Credit impaired | - | - | - | - | - | - | |
| **Disputed Trade Receivables** | | | | | | | |
| (i) Considered good | - | - | - | - | - | - | |
| (ii) Which have significant increase in credit risk and considered doubtful | - | - | - | - | - | - | |
| (iii) Credit impaired | - | - | - | - | - | - | |
| | **-** | **7.53** | **-** | **-** | **-** | **450.21** | **457.74** |

**As at March 31, 2025**

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **Undisputed Trade Receivables** | | | | | | | |
| (i) Considered good | | | | - | - | 450.21 | 450.21 |
| (ii) Which have significant increase in credit risk and considered doubtful | - | - | - | - | - | - | - |
| (iii) Credit impaired | | | | | | | |
| **Disputed Trade Receivables** | | | | | | | |
| (i) Considered good | - | - | - | - | - | - | |
| (ii) Which have significant increase in credit risk and considered doubtful | - | - | - | - | - | - | - |
| (iii) Credit impaired | - | - | - | - | - | | - |
| | **-** | **-** | **-** | **-** | **-** | **450.21** | **450.21** |

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

**(ii) Ageing Schedule of Trade Payables**

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not due | Les than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **As at March 31, 2026** | | | | | | |
| (i). MSME | - | 12.64 | | | 62.17 | 74.81 |
| (ii) Others | - | - | | 91.24 | 5021.75 | 5,112.99 |
| (iii). Disputed Dues - MSME | - | - | - | - | - | - |
| (iv). Disputed Dues - Others | - | - | - | - | - | - |
| (v). Unbilled Due | - | - | - | - | - | - |
| | **-** | **12.64** | **-** | **91.24** | **5083.92** | **5,187.80** |
| **As at March 31, 2025** | | | | | | |
| (i). MSME | - | - | - | | 62.47 | 62.47 |
| (ii) Others | - | - | 91.24 | - | 5,055.21 | 5,146.45 |
| (iii). Disputed Dues - MSME | - | - | - | - | - | - |
| (iv). Disputed Dues - Others | - | - | - | - | | - |
| (v). Unbilled Dues | - | - | - | - | - | - |
| | **-** | **-** | **91.24** | **-** | **5,117.68** | **5,208.92** |

**(iii) Borrowings from banks**

(a) The Company has been sanctioned working capital limit in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. However, the since the account became NPA, the Company has not filed any quarterly returns or statements with such banks or financial institutions. All Bank Loans in the name of the company (except SDF, ICICI & ECB has been transferred to NARCL under CIRP process vide NCLT order dated 9th May 2024. But the security charges against the assets is yet to filed with ROC for satisfaction of the same in the name of Banks.

**(iv) Key Financial Ratios**

| Particulars | Unit of Measurement | March 31, 2026 | March 31, 2025 | Variation in % |
|---|---|---|---|---|
| Current Ratio | In multiple | 0.04 | 0.05 | (20.00%) |
| Debt-Equity Ratio | In multiple | (1.43) | (2.67) | (46.44%) |
| Debt Service Coverage Ratio | In multiple | (0.26) | (0.50) | (48.00%) |
| Return on Equity Ratio | In % | 46.73% | 80.17% | (33.44%) |
| Inventory Turnover Ratio | In Days | NA | NA | NA |
| Trade receivables Turnover Ratio | In Days | NA | NA | NA |
| Trade payables Turnover Ratio | In Days | NA | NA | NA |
| Net Capital Turnover Ratio | In Days | NA | NA | NA |
| Net Profit Ratio | In % | NA | NA | NA |
| Return on Capital Employed | In % | (12.97%) | (9.01%) | (3.96%) |
| Return on Investment (Assets) | In % | (18.00%) | (15.82%) | (2.18%) |

**Formula adopted for above Ratios:**

Current Ratio = Current Assets / (Total Current Liabilities – Security Deposits payable on Demand – Current maturities of Long Term Debt)

Debt-Equity Ratio = Total Debt / Total Equity

Debt Service Coverage Ratio = (EBITDA – Current Tax) / (Principal Repayment + Gross Interest on term loans)

**Notes to Financial statement for the Year ended March 31,2026**

(All amounts are in INR Lakhs, except share data and unless otherwise stated)

Return on Equity Ratio = Total Comprehensive Income / Average Total Equity

Inventory Turnover Ratio (Average Inventory days) = 365 / (Net Revenue / Average Inventories)

Trade receivables Turnover Ratio (Average Receivables days) = 365 / (Net Revenue / Average Trade receivables)

Trade Payables Turnover Ratio (Average Payable days) = 365 / (Net Revenue / Average Trade payables)

Net Capital Turnover Ratio = (Inventory Turnover Ratio + Trade receivables turnover ratio – Trade payables turnover ratio)

Net Profit Ratio = Net Profit / Net Revenue

Return on Capital employed = (Total Comprehensive Income + Interest) / (Average of (Equity + Total Debt))

Return on Investment (Assets) = Total Comprehensive Income / Average Total Assets

**Reasons for Variation if more than 25%**

**Current Ratio**

The current liabilities have increased significantly during the year, since the Company could not repay them due to cash crunch and very minimal operations. This resulted in the decrease of current ratio.

**Inventory Turnover ratio**

During the year, there was very minimal production and the sales were effected using the previous year stockas well. Further the Company has made provision for work in progress and finished goods for slow moving and non moving inventory. This resulted in significant decease in inventory turnover ratio.

**Trade Receivables Turnover ratio**

The company has made additional provisions for expected credit losses, which resulted in decrease of tradereceivables. Since the ratio is calculated on a net basis, it looks like there is a significant decrease in the trade receivables turnover ratio.

**(v) Scheme of arrangements**

There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

**50** The Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench, vide order dated May 09, 2024, approved the application filed under Section 12A of the Insolvency and Bankruptcy Code, 2016 and consequently the Company exited from the Corporate Insolvency Resolution Process ("CIRP"). Pursuant to the aforesaid order, the powers of the Board of Directors were restored and the Resolution Professional stood discharged from his duties. Subsequently, the Company entered into a Master Restructuring Agreement ("MRA") dated May 24, 2024 with India Debt Resolution Company Limited ("IDRCL"), acting as trustee on behalf of NARCL Trust - 0006, for restructuring of the outstanding dues of the Company with the financial creditors.

During the current year, the Company committed breaches of repayment obligations and financial covenants stipulated under the MRA, including non-payment of instalments falling due under the agreed repayment schedule. Consequently, the restructuring arrangement stands cancelled and the concessions and reliefs granted thereunder stand withdrawn. Further, the Sugar Development Fund ("SDF") Loan covered under the One Time Settlement ("OTS") arrangement sanctioned by the Government of India was repayable on or before April 06, 2026. The Company has defaulted in repayment within the stipulated timeline resulting in withdrawal of the concessions and reliefs granted under the OTS arrangement and reinstatement of the original liability together with applicable interest and related charges. Management is presently engaged in ongoing discussions and negotiations with the lenders for restructuring of the repayment arrangements and has represented that the lenders are positively considering the same. Pending finalisation of the revised arrangements and based on the current stage of discussions with the lenders, the management has continued to disclose the unsustainable debt amounting to INR 33,465 Lakhs as contingent liability in the financial statements.

**Notes to Financial statement for the Year ended March 31,2026**
(All amounts are in INR Lakhs, except share data and unless otherwise stated)

**51 Comparative figures**

Previous year's figures have been reclassified/ regrouped wherever necessary to conform to the current year's classification.

**52 Corporate Social Responsibility**

The Company in view of losses incurred in the past years is not required to spend any amount towards Corporate Social Responsibility for the year ended March 31, 2025.

**53 Other statutory information**

(i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

(iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(vii) The Company was not declared as a wilful defaulter by any lenders.

(viii) The Company has certain charge modification/satisfaction filings pending with the Registrar of Companies (“ROC”) in respect of borrowings assigned by the consortium of lenders to National Asset Reconstruction Company Limited (“NARCL”). As per the records available on the Ministry of Corporate Affairs (“MCA”) portal, the aggregate secured borrowings reflected against the Company amount to INR 3,368.06 Crores due to duplication of charges arising pursuant to the aforesaid assignment of debts by the original lenders in favour of NARCL. The Company is in the process of completing the necessary charge satisfaction/modification filings and updating the charge records on the MCA portal in coordination with the respective lenders and other stakeholders.

(ix) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(x) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(xi) The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

(xii) The Company does not have any transactions with companies which are struck off.

As per our report of even date attached

**For SRIVATSAN & ASSOCIATES**
Chartered Accountants
Firm Registration No.014921S

**For and on behalf of the board**
**Dharani Sugars and Chemicals Limited**

**N.SRIVATSAN**
Proprietor
Membership No.230195

**Dr. PALANI.G. PERIASAMY**
Executive Chairman
DIN : 00081002

**M. RAMALINGAM**
Managing Director
DIN : 00278025

UDIN: 26230195EREKRU8828
Place: Chennai
Date : 16th May 2026

**E P SAKTHIVEL**
Company Secretary

**M P KALIANNAN**
Chief Financial Officer

Registered Book Post / Courier

To

PGP GROUP

If Undelivered, Please return to

**DHARANI SUGARS AND CHEMICALS LIMITED**

(Secretarial Division)

**"PGP HOUSE"**

New No. 59, (Old No. 57), Sterling Road, Nungambakkam, Chennai - 600 034.