Dharani Sugars and Chemicals Limited

Regd. Office: "PGP HOUSE", (Old No.57) New No.59, Sterling Road, Nungambakkam, Chennai - 600 034.
Tel : 28234000, 28311313, 28254176, Fax : 28232074, 28232076
Email : accounts@dharanisugars-pgp.com, commercial @pgpgroup.in, secretarial@dharanisugars-pgp.com
GST No : 33AAACD1281F1Z7 | TIN NO:33061502443 | CST No : 818529/19.11.87
CIN No : L15421TN1987PLC014454, Website : www.dharanisugars.in

DSCL/FIN/2019 **Date: 08-10-2019**

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

Dear Sir,

Sub: Reference to NCLT by Bank of India – Reg.

With reference to your mail dated 7th October 2019 on the above, we furnish below the details/clarifications requested for.

1. Reasons for such a reference/petition:

The Indian Sugar Industry has been facing serious financial crises during the last few years due to glut in sugar and consequent reduction in sugar selling price. In addition, the sugar units in Tamil Nadu were facing continuous drought during the last four years affecting the performance of the Sugar Mills. On account of the drought, the cane availability has come down and this has affected the capacity utilisation. Most of the sugar companies in India particularly in Tamil Nadu have incurred huge losses during the last few years. This has resulted the company not being able to service the debts despite its best efforts. Consequent to this, the Company's debts have been classified as NPA by the lenders in August 2018. The same has also been advised to Stock Exchanges vide our letter Ref. NO.DSCL/FIN/2018 dated 01-09-2018.

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

2. Impact of such a reference/petition:

The Govt. of India and Tamil Nadu State Government have taken lot of supportive measures during the last one year to revive the Sugar industry. Based on the representation from the South Indian Sugar Mills Association (SISMA), the Ministry of Finance had organised a joint meeting of the Senior Officers from Reserve Bank of India, Ministry of Finance, Food Ministry, Banks, Tamil Nadu State Government, Farmers Association and South Indian Sugar Mills Association to discuss and arrive at a solution for the revival of the sugar industry in Tamil Nadu. The meeting was held on 24th September 2019 wherein the

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Tamil Nadu State Government and South Indian Sugar Mills Association have presented a detailed note about the various problems faced by the Tamil Nadu Sugar Units due to drought and the need for restructuring the accounts. The South Indian Sugar Mills Association has also requested the banks to keep all the Recovery Proceedings under SARFAESI/NCLT/DRT in abeyance till a final decision is taken on the restructuring proposal.

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

Thanking you,

Yours faithfully,
For Dharani Sugars and Chemicals Limited

DHARANI SUGARS AND CHEMICALS LIMITED
57, Sterling Road, Nungambakkam, Chennai-600 034.

M.P.Kaliannan
President (Corporate Finance)

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