



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/FR/June/Sep/Dec2023&Mar2024/

22nd July 2024

BSE Ltd Corporate Relationship Department, First Floor, New Trading Ring, Rotunda Building, Floor No: 25 P J Towers, Dalal Street, Fort, Mumbai 400 001	National Stock Exchange of India Limited Exchange Plaza, 5 th Floor Plot No.C/1 G Block Bandra – Kurla Complex Bandra East, Mumbai 400 051
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Dear Sir/Madam,

Sub: Outcome- Unaudited Financial Results for the Q/E 30th June 2023, 30th September 2023, 31st December 2023 and Audited Financial Results for the Quarter and year ended 31st March 2024.

Ref : BSE- Scrip Code – 507442 (BSE) – NSE- DHARSUGAR.

In accordance with Regulation 33 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following items were discussed and approved in the Meeting of the Board of Directors held on 22.07.2024.

1. Unaudited Financial Results for the Q/E 30th June 2023, 30th September 2023, 31st December 2023 and Audited Financial Results for the Quarter and year ended 31st March 2024 along with Segment wise report, Statement of Assets and Liabilities, Cash flow Statement, Independent Audit Report and Audit Qualification Statement.
2. Board of Directors approved the Conversion of a portion of unsustainable debt of NARCL into 8314328 equity shares in compliance with the Master Restructuring Agreement dated 24.05.2024 subject to the approval of shareholders in the ensuing Annual General Meeting.
3. Board of Directors approved the Conversion of a portion of unsustainable debt of NARCL in to Secured NCDs with aggregate face value of INR 17.08 crs shall be issued to NARCL in compliance with the Master Restructuring Agreement dated 24.05.2024.subject to the approval of shareholders in the ensuing Annual General Meeting.

The Meeting of the Board of Directors of the Company commenced at 5.30 p.m. and concluded at 8.00 p.m.

This above Result is also available at the website of the Company (www.dharanisugars.com) and at the websites of the Stock Exchanges where the equity shares of the Company are listed: BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com).

This is for your information and record.

Thanking You,

**Yours faithfully,
for Dharani Sugars and Chemicals Limited**


**E P Sakthivel
Company Secretary**

Dharani Nagar, Vasudivandhar,
Tirunelveli District - 627 760

Ph : (04636) 241370/371/372

Fax : (04636) 241578

Email : dharani1@dharanisugars-pgp.com

Karaipoondi Village, Polur,

Tiruvannamalai District - 606 803.

Ph : (04181) 223161, 223162, 223170

Fax : (04181) 223330

Email : dharani2@dharanisugars-pgp.com

Kalayanallur Village, Thiyagadurugam,

Pallangacherry Post, Kallakurichi Via,

Villupuram District - 606 206

Mobile : 0451-248208

Email : dharani3@dharanisugars-pgp.com

Dharani Sugars and Chemicals Limited

Regd. Office: "PGP House", New No.59 (Old No.57) Sterling Road, Nungambakkam, Chennai 600 034

Tel.No.91-44-28311313, Fax No.091-44-28252074, CIN - L15421TN1987PLC014454

Email: secretarial@dharanisugars-pgp.com, Website: www.dharanisugars.in

Statement of standalone Unaudited financial results for the Year ended March 31, 2024

Rs. in Lakhs

S.No	Particulars	Quarter ended			Year ended	
		March 31, 2024 (audited)	December 31, 2023 (Unaudited)	March 31, 2023 (audited)	March 31, 2024 (Audited)	March 31, 2023 (Audited)
	Income from Operations					
1	(a) Net Sales/ Revenue from operations	-	-	82.15	-	82.15
2	(b) Other Income (Net)	3.78	0.08	2.75	18.11	13.62
3	Total Income (1+2)	3.78	0.08	84.90	18.11	95.77
4	Expenses					
	(a) Cost of materials consumed	-	-	-0.31	-	-0.83
	(b) Changes in inventories of finished goods, work in progress and stock in trade	-	-	-	-	-
	(c) Employees benefits expense	46.75	13.66	96.13	143.23	417.35
	(d) Finance Cost	598.53	0.35	0.38	599.34	0.95
	(e) Depreciation and amortisation expense	554.42	554.45	556.17	2,217.75	2,224.97
	(f) Other expenses	156.55	111.95	172.85	515.45	589.04
	Total Expenses	1,356.25	680.41	825.22	3,475.77	3,231.48
5	Profit (Loss) before exceptional items and tax (3-4)	-1,352.47	-680.33	-740.32	-3,457.66	-3,135.71
6	Exceptional items	3,632.85	11,957.20	-	15,590.05	-
7	Profit (Loss) before tax (5+6)	2,280.38	11,276.87	-740.32	12,132.39	-3,135.71
8	Tax expense					
	Current tax	-	-	-	-	-
	Deferred tax Asset/(Liability)	-	-	-	-	-
	Total tax expenses					
9	Profit (Loss) for the period from continuing operations (7-8)	2,280.38	11,276.87	-740.32	12,132.39	-3,135.71
10	Profit (Loss) from discontinued operations	-	-	-	-	-
11	Tax expense of discontinued operations	-	-	-	-	-
12	Profit (Loss) from discontinued operations (after tax) (10+11)	-	-	-	-	-
13	Profit (Loss) for the period (11+12)	2,280.38	11,276.87	-740.32	12,132.39	-3,135.71
14	Other comprehensive income, net of income tax					
	(a) (i) items that will not be reclassified to profit or loss	-	-	14.44	-	57.76
	(ii) income tax relating to the above items	-	-	-	-	-
	(b) (i) items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) income tax relating to the above items	-	-	-	-	-
	Total other comprehensive income, net of income tax	-	-	14.44	-	57.76
15	Total comprehensive Profit (loss) for the period (13+14)	2,280.38	11,276.87	-725.88	12,132.39	-3,077.95
16	Paid-up equity share capital	3,320.00	3,320.00	3,320.00	3,320.00	3,320.00
	Face value per share (Rs)	10.00	10.00	10.00	10.00	10.00
17	Earning per share (Rs) (not annualised)					
	- Basic	6.87	33.97	-2.23	36.54	-9.44
	- Diluted	6.87	33.97	-2.23	36.54	-9.44



For DHARANI SUGARS AND CHEMICALS LTD.

Dr. Palani G Periasamy
Chairman

Particulars	Quarter ended				
	March 31, 2024 (audited)	December 31, 2023 (Unaudited)	March 31, 2023 (audited)	March 31, 2024 (Audited)	As at March 31, 2023 (Audited)
Segment Revenue					
(a) Sugar	-	-	82.15	-	82.15
(b) Distillery	-	-	-	-	-
(c) Power	-	-	-	-	-
(d) Unallocated	3.78	0.08	2.75	18.11	13.62
Total	3.78	0.08	84.90	18.11	95.77
Less: Inter Segment Revenue	-	-	-	-	-
Revenue from operations (Net)	3.78	0.08	84.90	18.11	95.77
Segment Results					
Profit (+) / Loss (-) before tax and finance cost					
(a) Sugar	-511.44	-511.44	-426.99	13,274.62	-1,939.42
(b) Distillery	-201.11	-201.11	-206.15	-797.50	-814.22
(c) Power	-95.25	-95.25	-107.42	-362.36	-392.61
(d) Unallocated	3.78	0.08	2.75	18.11	13.62
Total	-804.02	-807.72	-737.81	12,132.87	-3,132.63
Add/ (Less) : Finance Cost	0.95	0.35	0.38	599.34	0.95
Loss from continuing operations	-804.97	-808.08	-738.19	11,533.53	-3,133.58
Loss from discontinuing operations	-	-	-	-	-
Loss Before Tax	-804.97	-808.08	-738.19	11,533.53	-3,133.58
Segment Assets					
(a) Sugar	28,343.39	28,611.62	30,983.18	28,343.39	30,983.18
(b) Distillery	11,773.41	11,963.51	11,488.84	11,773.41	11,488.84
(c) Power	9,139.63	9,212.56	9,161.56	9,139.63	9,161.56
(d) Other unallocable corporate assets	114.36	108.14	114.36	114.36	114.36
Total assets	49,370.79	49,895.83	51,747.94	49,370.79	51,747.94
Segment Liabilities					
(a) Sugar	17,114.15	48,553.29	57,362.98	17,114.15	57,362.98
(b) Distillery	4,819.20	3,536.55	4,838.48	4,819.20	4,838.48
(c) Power	7,971.56	7,665.77	9,256.43	7,971.56	9,256.43
(d) Other unallocable corporate liabilities	-	-	-	-	-
Total liabilities	29,904.91	59,755.61	71,457.89	29,904.91	71,457.89
Capital Employed (Segment assets-Segment liabilities)					
(a) Sugar	11,229.24	-19,941.67	-26,379.80	11,229.24	-26,379.80
Add : Loans	32,539.27	26,172.31	23,521.51	32,539.27	23,521.51
Capital Employed Sugar segment	43,768.51	6,230.64	-2,858.29	43,768.51	-2,858.29
(b) Distillery	6,954.21	8,426.96	6,650.36	6,954.21	6,650.36
Add : Loans	3,160.66	3,243.43	3,243.45	3,160.66	3,243.45
Capital Employed Distillery segment	10,114.87	11,670.39	9,893.81	10,114.87	9,893.81
(c) Power	1,168.07	1,546.79	-94.87	1,168.07	-94.87
Add : Loans	5,557.49	7,665.77	7,375.54	5,557.49	7,375.54
Capital Employed power segment	6,725.56	9,212.56	7,280.67	6,725.56	7,280.67
Total capital employed in segments	60,608.94	27,113.59	14,316.19	60,608.94	14,316.19
Other unallocable corporate assets less Corporate liabilities	114.36	108.14	114.36	114.36	114.36
Total Capital Employed	60,723.30	27,221.73	14,430.55	60,723.30	14,430.55

For Dharani Sugars and Chemicals Limited

DR PALANI G PERIASAMY

Executive Chairman

DIN: 00081002

Place: Chennai

Date : 22nd July 2024



Statement of Assets and Liabilities

(Rs. in Lakhs)

Particulars	As at	
	March 31, 2024 (Audited)	March 31, 2023 (Audited)
Assets		
Non-current assets		
Property, plant and equipment	47,005.36	49,223.11
Financial assets		
Investments	1,463.12	1,464.97
Other financial assets	38.70	39.33
Non-current tax assets (net)	18.10	17.37
Other non-current assets	52.93	52.58
Total non-current assets	48,578.21	50,797.36
Current assets		
Inventories	42.56	42.56
Financial assets		
Trade receivables	451.14	451.14
Cash and cash equivalents	42.27	65.31
Other financial assets	10.56	310.56
Other current assets	123.55	81.01
Current Tax Assets (Net)	-	-
Total current assets	670.08	950.58
Total Assets	49,248.29	51,747.94
EQUITY AND LIABILITIES		
Equity		
Equity share capital	3,320.00	3,320.00
Other equity	-10,897.55	-23,029.94
Total equity	-7,577.55	-19,709.94
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	28,665.38	608.20
Other financial liabilities	3.28	7.45
Deferred tax liabilities (net)	564.02	1,338.46
Provisions	1,338.46	563.12
Total non-current liabilities	30,571.14	2,517.23
Current liabilities		
Financial liabilities		
Borrowings	13,191.29	53,314.19
Trade payables		
Dues to Micro and Small Enterprises	26.87	26.87
Dues to enterprises other than Micro and Small Enterprises	8,725.79	8,699.17
Other financial liabilities	1,400.81	319.28
Other current liabilities	2,728.76	6,399.05
Provisions	181.19	182.09
Total current liabilities	26,254.71	68,940.65
Total liabilities	56,825.84	71,457.88
Total Equity and Liabilities	49,248.29	51,747.94

The Company has organised the business into three segments viz. Sugar, Distillery and Power. This reporting complies with Ind AS 108 "Operating

For Dharani Sugars and Chemicals Limited



DR PALANI G PERIASAMY

Executive Chairman

DIN: 00081002

Place: Chennai

Date : 22nd July 2024



Statement of cash flows for the Year ended March 31, 2024

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash Flow From Operating Activities		
Profit before income tax	12,132.39	(3,135.71)
Adjustments for		
Depreciation and amortisation expense	2,217.75	2,224.97
Unamortised finance income	(4.17)	(7.45)
Interest income	(13.94)	(8.95)
Finance costs	599.34	0.95
Changes in fair value of investments	1.85	0.07
	<u>14,933.22</u>	<u>(926.12)</u>
Change in operating assets and liabilities		
(Increase)/ decrease in other financial assets	300.63	(306.59)
(Increase)/ decrease in inventories	-	0.13
(Increase)/ decrease in trade receivables	-	-
(Increase)/ decrease in other assets	(42.89)	(29.71)
Increase/ (decrease) in provisions and other liabilities	(2,588.76)	646.92
Increase/ (decrease) in trade payables	26.61	69.51
	<u>12,628.81</u>	<u>(545.86)</u>
Cash generated from operations	12,628.81	(545.86)
Less: Income taxes paid/ (refunds)	0.73	-
Net cash from operating activities (A)	<u>12,628.08</u>	<u>(545.86)</u>
Cash Flows From Investing Activities		
Proceeds from sale of property, plant and equipment	-	-
Realisation of/ (investment in) fixed deposits with banks	-	-
Interest received	13.94	8.95
	<u>13.94</u>	<u>8.95</u>
Net cash used in investing activities (B)	<u>13.94</u>	<u>8.95</u>
Cash Flows From Financing Activities		
Proceeds from/ (repayment of) short term borrowings (net)	(40,122.90)	586.23
Proceeds from/ (repayment of) long term borrowings (net)	28,057.18	2.21
Interest paid	(599.34)	(0.95)
	<u>(12,665.06)</u>	<u>587.49</u>
Net cash from/ (used in) financing activities (C)	<u>(12,665.06)</u>	<u>587.49</u>
Net increase/ (decrease) in cash and cash equivalents(A+B+C)	<u>(23.04)</u>	<u>50.58</u>
Cash and cash equivalents at the beginning of the financial year	65.31	14.73
Cash and cash equivalents at end of the year	<u>42.27</u>	<u>65.31</u>

For DHARANI SUGARS AND CHEMICALS LTD.

Dr. Palani G Periasamy
Chairman



Notes to the unaudited financial results for the quarter ended 31st March 2024:

1. The Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by a financial creditor of the Company and appointed an Interim Resolution Professional ("IRP"), in terms of the Insolvency and Bankruptcy Code, 2016 ("the Code") to manage the affairs of the Company vide order dated July 29, 2021 received by the Company on July 31, 2021.
2. Further as per the e-voting results dated 22nd September 2022 CoC approved the appointment of Mr. Mahalingam Suresh Kumar, Insolvency Professional as Resolution Professional. The appointment was confirmed by Hon'ble NCLT, Chennai vide order IA/1248(CHE)/2022 in IA/976/2019 dated 18th November 2022.
3. The Hon'ble NCLT had passed a liquidation order dated 28th June 2023.
4. Meanwhile, the following lenders (Consortium Banks) viz., Indian Bank, State Bank of India, Central Bank of India, IDBI Limited, The South Indian Bank Ltd, The Federal Bank Ltd, ICICI Bank, Bank of India, Union Bank of India and Indian Overseas Bank had assigned their loan to National Asset Reconstruction Company Limited ("NARCL") vide Joint Assignment Agreement dated 30th September 2023.
5. Considering the settlement arrived between the Promoter and the majority lenders of the Company, the Hon'ble Supreme set aside the Liquidation Process vide its order dated 28117/2023 dated 7th August 2023. Further the Hon'ble Supreme Court vide its order 150612/2023 dated 18th March 2024, remanded back to The Hon'ble National Company Law Tribunal (NCLT), Chennai Bench for consideration of withdrawal of IBC process initiated against the Company in terms of Section 12A of IBC, 2016 read with Regulation 30A of the IBBI(CIRP) Regulations., 2016.
6. 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.
7. The Appu Hotels Limited which was in corporate insolvency resolution process (CIRP) had exited the CIRP process as per the approval of the Hon'ble NCLT Chennai Bench-I vide its order dated 20/12/2023 approving the settlement proposal submitted by the Promoter u/s 12A of the IBC 2016. The carrying amount of the investments as at March 31, 2023 is INR 1,455.53 Lakhs.
8. A Master Restructuring Agreement ("MRA") was entered into between NARCL and India Debt Resolution Limited ("IDRCL" – acting as a trustee on behalf of NARCL) on 24th May 2024.
9. Based on the above information and explanations. The financial statements for the quarter ended 31st March 2024 has been prepared on going concern basis.
10. Previous period figures have been regrouped/reclassified, where applicable.

FOR DHANU SUGARS AND CHEMICALS LTD.

HG


Dr. Palani G. Periasamy
Chairman



Independent Auditor's Report on the Annual Standalone Financial Results of Dharani Sugar and Chemicals Limited is pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Qualified Opinion

We have audited the accompanying standalone financial statements of Dharani Sugars and Chemicals Limited ("the Company"), which comprise the Balance Sheet at of 31st March 2024, 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 2024 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 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 2024, 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 being described in this report,

1. We draw attention to Note No 3 & Note No 8 & 9 in the financial statements, which indicates that the Company has been under the CIRP process during year of audit. We also draw attention that the Company has initiated necessary revival plan to recommence commercial operations by restoring and enhancing production capabilities, ensuring the company's ability to meet its obligations and sustain its business activities in the foreseeable future. The Company has accumulated losses and it indicates that the Company has negative net worth as on the balance sheet date and, as of that date. Except for these events or conditions, along with other matters as set forth in other Notes to financial statements the standalone financials are prepared on going concern basis. Our opinion is not modified in this matter.
2. AS 19 "Employee Benefits" requires provision towards gratuity and compensated absences based on actuarial valuation. However, the Company has not obtained any actuarial report and made provision for the liability. Accordingly, we are unable to comment on the provision made and the compliance with the related disclosure requirements of Ind AS 19.





3. We draw attention to Note No.7 to the standalone financial statements which explains the Company's the investment in Appu Hotels Private Limited ("investee Company"). The carrying amount of investment as at 31st March 2024 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".
4. We were not provided with balance confirmations as at 31st March 2024 for borrowings, 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.
5. The Company has not filed quarterly/ annual financial results with the stock exchange within stipulated time for certain quarters of the Financial Year 2021-22 & 2022-23. In the Financial Year 2023-24, the quarterly/ annual financial results with stock exchange has not been filed and also no provision were made in the financial statements towards penalty payable if any for the aforesaid non-compliances.
6. We draw attention to Note No.8, where in the balance unsustainable debt of 33,465 INR Lakhs has been disclosed as contingent liability (which is contingent upon remission of liability as per the fulfilment terms of repayment as provided MRA).

Management and Board of Director's Responsibilities for the Standalone financial results

This Statement which includes the Standalone financial results is the responsibility of the Company's Management and the Board of Directors and has been approved by them for issuance. The Standalone financial results for the year ended March 31, 2024, have been prepared from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone financial results for the quarter and year ended March 31, 2024, that give a true and fair view of the net profit, and other comprehensive income of the Company and other financial information in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of





adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness the accounting records, relevant to the preparation and presentation of the Standalone financial results, that give a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the Standalone financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern mid using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Standalone financial results

Our objectives are to obtain reasonable assurance about whether the Stand alone financial results 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 i.t exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Standalone financial results.

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 results, whether due to fraud or error, 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 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 financial statements in place and the operating effectiveness of such controls





- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors. • Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations. • Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the Standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the standalone financial results of the Company to express an opinion on the standalone financial results.

Materiality is the magnitude of misstatements in the Standalone financial results that, individually or in the aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone financial results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work, and (ii) to evaluate the effect of any identified misstatements in the Standalone financial results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.





Other Matters

The Standalone financial results include the results for the quarter that ended March 31, 2024. and the corresponding quarter that ended in the previous year as reported in these standalone financial results which are the balancing figures between the audited figures in respect of the full financial year and the published unaudited. Year-to-date figures up to the third quarter of the current and previous financial year respectively which were subject to limited review by us, as required under the Listing Regulations.

For Srivatsan & Associates
Chartered Accountants
FRN: 014921S

N. Srivatsan

N.Srivatsan
Partner
M.No.230195



Date: *22nd July 2024*
Place: *Chennai*
UDIN: *24230195BJZJVC5725*

Dharani Sugars and Chemicals Limited

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

Statement on impact of Audit Qualifications for the Financial year ended March 31, 2024

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

Sl.No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
(Rs. lakhs)			
I	a	Turnover/ Total Income	
	b	Total Expenditure	
	c	Net Profit/ (Loss)	
	d	Earnings Per share	Impact not presently determinable
	e	Total Assets	
	f	Total Liabilities	
	g	Net Worth	
	h	Any other financial item(s) as felt appropriate by the Management)	
II	Audit Qualification (each audit qualification)		
	a	Details of Audit Qualifications	<p>1. In the financial statements, which indicates that the Company has been under the CIRP process during year of audit. We also attention to Note No.50, which states that the Company has initiated necessary revival plan to recommence commercial operations by restoring and enhancing production capabilities, ensuring the company's ability to meet its obligations and sustain its business activities in the foreseeable future. As stated in Note No.2 the Company has accumulated losses and it indicates that the Company has negative net worth as on the balance sheet date and, as of that date. Except for these events or conditions, along with other matters as set forth in other Notes to financial statements the standalone financials are prepared on going concern basis. Our opinion is not modified in this matter.</p> <p>2. AS 19 "Employee Benefits" requires provision towards gratuity and compensated absences based on actuarial valuation. However, the Company has not obtained any actuarial report and made provision for the liability. Accordingly, we are unable to comment on the provision made and the compliance with the related disclosure requirements of Ind AS 19.</p>



P. S. D. Admin -

3. We draw attention to Note No.5 to the standalone financial statements which explains the Company's the investment in Appu Hotels Private Limited ("investee Company"). The carrying amount of investment as at 31st March 2024 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".
4. We were not provided with balance confirmations as at 31st March 2024 for borrowings, 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.
5. The Company has not filed quarterly/ annual financial results with the stock exchange within stipulated time for certain quarters of the Financial Year 2021-22 & 2022-23. In the Financial Year 2023-24, the quarterly/ annual financial results with stock exchange has not been filed and also no provision were made in the financial statements towards penalty payable if any for the aforesaid non-compliances.
6. We draw attention to Note No.43, where in the balance unsustainable debt of 33,465 INR Lakhs has been disclosed as contingent liability (which is contingent upon remission of liability as per the fulfilment terms of repayment as provided MRA).

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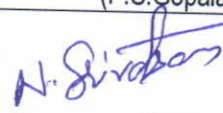




	b Type of Audit Qualifications: Qualified Opinion/ Disclaimer of Opinion / Adverse Opinion	Qualified Opinion
	c Frequency of Qualifications: Whether appeared first time/ repetitive / since how long continuing	First Time
	d for Audit Qualification(s) where the impact is quantified by the auditor, Management's 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.	<p>1. <u>Going Concern basis:</u> Not Modified modified opinion only.</p> <p>2. <u>Gratuity Valuation :</u> As the company was in CIRP / Liquidation process till 8th May 2024, could not be done for the financial year 2023-24.</p> <p>3. <u>Appu Hotels Limited – Value of Investment :-</u> 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 unsecured financial creditors have been fully settled. The company's performance has substantially improved and the company is also planning to reduce the loan substantially by selling the non-core assets. As such the management is confident of realising the value of investment in the books as on 31st Mar. 2024.</p> <p>4. <u>Confirmation of Balance :</u> As the company was in CIRP / Liquidation process till 8th May 2024 and there is no transaction during the year. Hence, the confirmation could not be received for the financial year 2023-24.</p> <p>5. <u>Delay in filing of Annual Financial Results for the FY 2021-22 & 2022-23</u> As the company was in CIRP / Liquidation process till 8th May 2024, the erstwhile IRP/RP have not filed the required returns in time. Hereafter all returns will be filed on time.</p> <p>6. <u>Unsustainable Debt Rs.334.65 Crores:</u> The unsustainable Debt of Rs.334.65 Crores will be given remission on completion of payment of the Loan as prescribed in the Master Restructuring Agreement dated 29.05.2024 with NARCL.</p>
	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.



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CEO/ Managing Director	 (M Ramalingam)
Chief Financial Officer	 (M P Kaliannan)
Audit Committee Chairman	 (P.S. Gopalakrishnan)
Statutory Auditors	 (N. Srivatsan)



Place: Chennai
Date: 22.07.2024

