



DHARANI FINANCE LIMITED

Regd. & Admn. Office :

"PGP HOUSE", (Old No.57) New No.59, Sterling Road, Nungambakkam, Chennai - 600 034.

Tel. : 044-28254176, 28254609, 28311313, 28207482, Fax : 044-28232074

Email : pgp_dfl@yahoo.com / secretarial@dharanifinance.in

Website : www.dharanifinance.in CIN No.: L65191TN1990PLC019152

DFL/SE/AR 2019-20/AGM/2020

September 4, 2020

To
BSE Limited
P J Towers, Dalal Street
Mumbai – 400 001

Sub: Notice of the 30th Annual General Meeting and Annual Report for the Financial Year 2019-20.
Ref: Dharani Finance Limited - Scrip Code – 511451.

Dear Sirs,

Pursuant to the Provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform the following:

1. The 30th Annual General Meeting ('AGM') of the Members of Dharani Finance Limited (the "Company") will be held on **Monday, 28th September 2020 at 11:00 A.M (IST) through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM')** in accordance with General Circular from the Ministry of Corporate Affairs ("MCA") vide Circulars No.14/2020 dated April 08, 2020, No.17/2020 dated April 13, 2020 and No.20/2020 dated May 05, 2020 and the Securities and Exchange Board of India ("SEBI") vide its Circular No.SEBI/ HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020.
2. Pursuant to the said Circulars AGM Notice and Annual Report for the Financial Year 2019-20 have been sent to all the members of the Company whose email addresses are registered with the Company / Depository participant(s).
3. The Company has provided the facility to vote by electronic means (remote e-voting as well as e-voting at the AGM) on all the resolutions set out in the AGM notice to the members, who are holding shares on the Cut-off date i.e., Monday, 21st September 2020. The remote e-voting will commence **Friday the 25th September 2020, (9.00 AM) (IST) and ends on Sunday the 27th September 2020 (5.00 PM).(IST)**. Detailed instructions for registering email addresses(s) and voting / attendance at the AGM are given in the AGM Notice.
4. We also enclose the following documents for your record.
 - (i) Notice convening the 30th AGM of the Company and
 - (ii) Annual Report of the Company for the Finance Year 2019-20.

Kindly take the same on your record.

Yours faithfully,
For Dharani Finance Limited

Dr S Kuppan
Company Secretary



Copy to :

1. National Depository Services India Limited, Mumbai ,
2. Central Depository Services (India) Limited, Mumbai
3. M/s Cameo Corporate Services Ltd, Chennai. (RTA)

DHARANI FINANCE LIMITED



30th
ANNUAL REPORT
2019-2020



DHARANI FINANCE LIMITED

BOARD OF DIRECTORS

Chairman	:	Dr Palani G Periasamy
Directors	:	Mrs Visalakshi Periasamy Dr S Muthu -Independent Director Mr M Ganapathy - Independent Director
Managing Director	:	Mr K Kandasamy
Chief Financial Officer	:	Mr N Sivabalan (Appointed from 27.05.2019)
Company Secretary	:	Dr S Kuppan (Appointed from 11.07.2019)
Auditors	:	M/s CNGSN & Associates LLP Flat No.6 First Floor, Vignesh Apartment, North Avenue, Sri Nagar Colony, Little Mount, Chennai 600 015. Firm Regn. No.004915S/S200036
Internal Auditors	:	R Balachandran & Co., Flat-3B, 3rd Floor, 3rd Block, Bajaj Apartments, 7/4, Nandanam Extension, Main Road, Nandanam, Chennai-600035. Firm Regn No.000323S
Bankers	:	Indian Bank, Sterling Road Branch, Nungambakkam, Chennai – 600 034.
Registered Office	:	“PGP House” No.59 Sterling Road, Nungambakkam, Chennai – 600 034. Phone Nos. 044-2831 1313, 2831 1414 Fax No. 044 – 2823 2074 Email: secretarial@dharanifinance.in Website : www.dharanifinance.in CIN – L65191TN1990PLC019152



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NOTICE TO SHAREHOLDERS

Notice is hereby given that the 30th Annual General Meeting ('AGM') of the Members of Dharani Finance Limited (the "Company") will be held on **Monday, 28th September 2020 at 11:00 A.M (IST) through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM')** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements including Balance Sheet as at 31st March 2020, the Statement of Profit & Loss and Cash Flow Statements for the year ended on that date and consider the reports of the Board and Auditors.
2. To appoint a Director in place of Mrs Visalakshi Periasamy, (DIN No.00064517) who retires by rotation and being eligible offers herself for re-appointment.

by order of the Board

For Dharani Finance Limited
Dr. S Kuppam
Company Secretary

PLACE: CHENNAI
DATE : 28th July 2020

NOTES:

1. AGM through VC/OAVM: In view of the outbreak of COVID-19 pandemic and the consequent restrictions and requirements like social distancing, the Ministry of Corporate Affairs ("MCA") vide Circulars No.14/2020 dated April 08, 2020, No.17/2020 dated April 13, 2020 and No.20/2020 dated May 05, 2020 and the Securities and Exchange Board of India ("SEBI") vide its Circular No.SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, have allowed companies to hold their Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") during the calendar year 2020. In terms of the said circulars read with the applicable provisions of the Companies Act, 2013, the 30th AGM of the Company will be held through VC/OAVM (e-AGM) and the shareholders can attend and participate in the e-AGM through VC/OAVM only. The deemed venue of the e-AGM will be the registered office of the Company.
2. Quorum/Proxyform/Attendance slip: A shareholder entitled to attend and vote at the AGM 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 u/s 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 and vote at the e-AGM, pursuant to Section 113 of the Companies Act, 2013 ("the Act").

3. Mailing of AGM Notice & Annual Report In compliance with relevant MCA/SEBI circulars, the Notice of AGM and Annual Report for 2019-20 are being sent in electronic mode to shareholders whose email address is registered with the Depository Participants (DP) or the Registrar & Transfer Agent (RTA). Shareholders holding shares in physical/demat form who have not registered their email address with the Company can get the same registered as per the procedure given in SI No.10.

The AGM Notice and Annual Report are available on the websites of the Company www.dharanifinance.in, Stock Exchange. i.e. BSE Limited www.bseindia.com. The AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility and e-Voting System during the AGM) www.evotingindia.com.

4. Particulars of Directors : Particulars of Directors seeking re-appointment pursuant to Regulation 36 (3) of the Listing Regulations is given in Appendix-A that forms part of this Notice.
5. Book Closure: The Register of Members and the Share Transfer Books of the Company will remain closed from **Tuesday the 22nd September 2020 to Monday the 28th September 2020 (both days inclusive)**.
6. Unpaid Dividend : Unpaid Dividend lying unclaimed for over 7 years will be transferred to the Investor Education and Protection Fund.

Shareholders may refer to page 10 of the Annual Report and lodge their claim, if any, immediately.



Shares in respect of which dividend has not been paid or claimed for seven consecutive years or more had been transferred to Investor Education and Protection Fund. Shareholders may refer to page 10 of the Annual report for details.

7. Attending e-AGM

For the purpose of conducting the e-AGM, the Company has appointed Central Depository Services (India) Limited (CDSL), to provide VC/OAVM facility. The detailed procedure for participating in e-AGM through VC/OAVM is given in Appendix-B.

8. Voting Process Shareholders can cast their votes through Remote e-Voting or at the AGM through e-Voting. The detailed process and instructions are given in Appendix-C.

9. Procedure for obtaining the Annual Report, AGM Notice and e-Voting instructions by the shareholders whose email addresses are not registered with the DPs/RTA Shareholders are advised to register/ Update their email address and mobile number immediately, in case they have not done so earlier:

- In case of shares held in demat mode, with their respective DPs.
- In case of shares held in physical mode, by accessing the link <https://investors.cameoindia.com> or by email to the RTA at investor@cameoindia.com with details of Folio number and attaching a self-attested copy of PAN card.
- After due verification, the Company/ RTA will send login credentials for attending the AGM and voting through Video Conference to the registered email address.
- Any person who becomes a shareholder of the company after dispatch of the AGM Notice and holding shares as on the cut-off date may obtain the user Id and password in the manner provided in the AGM Notice.

10. Inspection of documents The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred in notice will be available for inspection in electronic mode. Shareholders can send an email for the purpose to secretarial@dharanifinance.in

Procedure for participation in the 30th AGM through VC/OAVM

1. The company has engaged CDSL to provide VC/OAVM facility to its shareholders for participation in the e-AGM.
2. Shareholders will be able to attend the e-AGM by using their e-Voting login credentials and are advised to follow the procedure given below:
 - (i) Launch internet browser by typing the URL '<https://www.evotingindia.com>'
 - (ii) Enter the login credentials (ie. user ID and password for e-Voting).
 - (iii) In case the login credentials are not available or forgotten, retrieve the same by following the procedure given in the e-Voting instructions.
 - (iv) After login, click on 'Live Streaming' link.
 - (v) Enable the camera in your computer/other devices in the 'settings' menu.
3. Shareholders will be allowed to attend the e-AGM on first come, first served basis.
4. Facility to join the meeting will open 30 minutes before the scheduled time of the e-AGM and will be kept open throughout the proceedings of the e-AGM.
5. Shareholders who need assistance before or during the e-AGM may contact:
Mr Rakesh Dalvi- Manager
Central Depository Services (India) Limited,
P J Towers, 16th Floor, Dalal Street,
Fort, Mumbai 400001
E-mail:helpdesk.evoting@cdsiindia.com
Phone: 022-2305 8542/8543/8738, 1800 200 5533

Procedure for participation in the 30th AGM through VC/ OAVM

6. Shareholders desiring to express their views/ ask questions during the meeting may register themselves as a speaker. Request for this may be made to secretarial@dharanifinance.in on or before 25th September 2020 (5.00 PM).
7. Only those shareholders who have registered themselves as a speaker will be allowed to express their views or ask questions at the e-AGM. The company reserves the right to restrict the number of questions and number of speakers depending upon the availability of time for conduct of the e-AGM.



8. Shareholders who do not wish to speak during the AGM but have queries or views may send the same in advance to the company in the same manner stated above. Their queries will be replied suitably by the company through email.
9. Shareholders are advised to quote their name and DP ID-Client ID/Folio No. in all their communications.
10. Recorded transcript of the e-AGM will be made available on the website of the Company as soon as possible.

A) Remote e-Voting

Remote e-Voting facility

1. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to provide to its shareholders the facility to exercise their right to vote at the 30th Annual General Meeting (AGM) on resolutions proposed to be considered thereat by electronic means. For this purpose, "remote e-Voting" facility is offered whereby a shareholder can cast his vote using an electronic system from a place of his choice.
2. The Remote e-Voting facility is offered through e-Voting services provided by Central Depository Services (India) Limited (CDSL).
3. Remote e-Voting commences on **Friday the 25th September 2020, (9.00 AM) and ends on Sunday the 27th September 2020 (5.00 PM)**. The e-Voting portal will thereafter be blocked by CDSL.

Manner of e-Voting

4. Instructions for Remote e-Voting for shareholders receiving an email from Company/RTA pursuant to their email IDs having been registered with the Depository Participants/RTA:
 - i) User ID and password are required for e-Voting. If you are holding shares in Demat form and logged on to www.evotingindia.com and cast your vote earlier for EVSN of any company, then your existing login ID and password are to be used. Else, follow clause (v) to (vii) for login.
 - ii) Launch the internet browser during the voting period. Type the URL www.evotingindia.com in the address bar. Home screen opens.

- (iii) Click on "Shareholders" tab to cast your vote.
- iv) Now, select the Electronic Voting Sequence Number - "EVSNS" for the company name, i.e. Dharani Finance Limited from the drop down menu and click on "SUBMIT"

Voting Process & Instructions

- (v) Now, fill in the following details in the appropriate boxes:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>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. 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 (iv).</p>

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name in block letters and the sequence number (8 digits) given in the email to enter in the PAN field. # Please enter any one of the details in order to login.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then reach directly to the voting screen. However, shareholders holding shares in demat form will now reach 'Password Change' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@ # \$ %&*)



Kindly note that this password is also to be 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.

- (viii) Select EVSN (Electronic Voting Sequence number) of Dharani Finance Limited.
- (ix) On the voting page, you will see Resolution description and against the same the option "YES/NO" for voting. Select the option as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xi) 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.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
5. In case of shareholders whose e-mail IDs are not registered with the Depository Participants/ RTA: Please follow the procedure given in page no 3 (sl. no. 11) of the Annual Report.
6. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
7. During the voting period, security holders can login any number of times till they have voted on all the resolutions. They can also decide to vote only on some of the resolutions.
8. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or send an email to helpdesk.evoting@cdslindia.com.
9. Person responsible to address the grievances connected with the facility for remote E-Voting and E-voting at AGM:
- Name : Mr Rakesh Dalvi
Designation : Manager
Address :
Central Depository Services (India) Ltd
P J Towers, 16th Floor, Dalal Street,
Fort, Mumbai 400001
Email ID : helpdesk.evoting@cdslindia.com
Phone No. : 022-2305 8542/8543/8738,
1800 200 5533

B) Voting at e-AGM

- a) Shareholders who could not vote through remote e-Voting may avail the e-Voting system provided at the e-AGM by CDSL.
- b) Only those shareholders, who are present in the e-AGM and who have not cast their e-vote through remote e-Voting are eligible to vote at the e-AGM.
- c) If a shareholder casts his vote in the e-AGM without being present, his vote will be treated invalid.
- d) In case of joint holders attending the meeting, only the joint holder who is higher in the order of names will be entitled to vote at the e-AGM.
- e) Shareholders who have voted through Remote e-Voting are eligible to attend the e-AGM, however, they will not be eligible to vote at the meeting.
- f) Voting process is the same as stated in Part A.

C) General Instructions

1. The cut-off date for the purpose of e-voting has been fixed as Monday the 21st September 2020. Shareholders holding shares as on this date alone are entitled to vote under either mode.
2. In case of persons who have acquired shares and become shareholders of the company after the dispatch of e-AGM Notice, the company would be mailing the 30th Annual Report for 2019-20 to their registered email address as and when they become shareholders. They may follow the same procedure for e-voting.
3. Voting rights of shareholders shall be in proportion to their shareholding in the company as on the cut-off date of 21st September 2020.



DHARANI FINANCE LIMITED

4. In case a shareholder by inadvertence or otherwise has voted under both options, his voting by Remote e-Voting only will be considered.
5. Mr M Damodaran, Practicing Company Secretary (Membership No. 005837) has been appointed as the Scrutinizer.
6. The Scrutinizer will after the conclusion of voting at the e-AGM:
 - (i) First unblock and count the votes cast at the e-AGM through e-voting.
 - (ii) Then unblock the votes cast through Remote e-Voting.
 - (iii) Both the above will be done in the presence of two witnesses not in the employment of the company.
 - (iv) Make a consolidated Scrutinizer's report (integrating the votes cast at the meeting & through Remote e-Voting) of the total votes cast in favour or against, to the Chairman.
- (v) The Scrutinizer's report as above would be made soon after the conclusion of AGM and in any event not later than three days from the conclusion of the meeting.
7. Voting Results
 - i) The Chairman or a person authorized by him in writing will authenticate the result of the voting based on the Scrutinizer's report and have it declared.
 - ii) The results declared along with the scrutinizer's report will be placed on the company's website www.dharanifinance.in and on the website of CDSL www.evotingindia.com immediately after the result is declared and also communicated to NSE and BSE.
 - iii) Subject to receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of e-AGM.

By Order of the Board

For Dharani Finance Limited

Place : Chennai

Dr S Kuppan

Date : 28th July 2020

Company Secretary

Appendix A

Information about the Directors Seeking Appointment/ Re-appointment in this Annual General Meeting is furnished here under Regulation (36(3) and 17(1A) Listing Obligations and Disclosure Requirements) Regulation 2015

Item No : 2

Re-appointment of Mrs Visalakshi Periasamy, Director.

1	Name & DIN No.	Mrs Visalakshi Periasamy (00064517)
2	Age	73
3	Qualification	B.B.A.,
4	Date of Appointment	10.05.1990
5	Experience	29 years
6	Other Directorships	1. Appu Hotels Limited 2. Dharani Credit & Finance (P) Limited 3. Dharani Sugars and Chemicals Limited 4. PGP Educational & Welfare Society
7	Member of Committee	Management Committee, Nomination & Remuneration Committee
8	No of Shares held in the Company & %	145198 & 2.92%
9	Inter-se Relationship	She is the spouse of Dr Palani G Periasamy, Chairman

By Order of the Board
For Dharani Finance Limited

Place: Chennai
Date: 28th July 2020

Dr S Kuppan
Company Secretary

**BOARD'S REPORT**

Dear Members,

The Board of Directors present herein the 30th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2020.

FINANCIAL SUMMARY

The Financial results for the year ended 31st March 2020 are briefly as follows: -

Rs.in Lakhs

Particulars	For the year Ended 31.03.2020	For the year Ended 31.03.2019
Income through Travel Operations, Finance Services and others	106.01	110.54
Expenditure (Employee & Administrative Expenses)	66.79	90.65
Profit	39.22	109.89
Depreciation	14.65	7.23
Interest & Bank Charges	2.58	5.85
Profit after depreciation & Interest	21.99	6.81
Provision for Income Tax - Current	43.74	9.24
- Deferred	6.33	0.72
Profit/(Loss) after Tax	(28.08)	(3.15)
Surplus brought forward	314.45	315.54
Profit available for appropriation	309.11	317.89
APPROPRIATIONS		
Transfer to Statutory Reserves	2.68	3.44
Proposed Dividend	-	-
Dividend Distribution Tax	-	-
Net Surplus carried over	306.43	314.45

PERFORMANCE

The total revenue was Rs 106.01 lakhs as against Rs 110.54 lakhs in the previous year. The income this year consists mainly of interest on loans granted to two Companies. Besides interest, the Company also received a sum of Rs.27.30 lakhs as lease charges for the vehicles given on lease to a Group Company. Dividend income has come up from Rs.0.11 lakhs to Rs.0.22 lakhs. The Company has incurred a net loss of Rs.28.08 lakhs after adjusting for Depreciation and tax.

OUTLOOK

Your company is also exploring the possibility of increasing its resources by additional capital or borrowings though it has not been able to do so during 2019-20. In addition, by using its surplus, your Company proposes to increase its financial services activities.

RESERVES

A sum of Rs.2.68 lakhs is being transferred to the Statutory Reserves, as required by RBI regulations. With this, total Statutory Reserves comes to Rs. 151.53 lakhs.

DIVIDEND

There being no profits for the year your directors are not able to propose to recommend any dividend.

SHARE CAPITAL

There is no change in the Share Capital of the Company- either the Authorized Capital or the Issued Capital. The paid up equity capital as on March 31, 2020 continues to remain at Rs.4,99,44,000.00. The Company has not issued any shares during the period.

EXTRACT OF ANNUAL RETURN

This is available in web address of the Company.

BOARD MEETINGS

1. Board consists of five directors including one Woman Director, as given below.
2. During the year 2019-20 FIVE Board Meetings were held on 27.05.2019, 11.07.2019, 13.08.2019, 13.11.2019 and 13.02.2020. Attendance at these meeting is given below.

Sl. No	Name of the Director	Category of Directorship	No of Board Meeting Attended
1	Dr Palani G Periasamy (DIN 00081002)	Chairman (Non-Executive) - Promoter	5
2	Mrs. Visalakshi Periasamy (DIN 00064517)	Non Executive - Promoter	3
3	Mr K Kandasamy (DIN 00277906)	Executive - Promoter	5
4	Mr M Ganapathy (DIN 00234337)	Non Executive - Independent Director	5
5	Dr S Muthu (DIN 03331664)	Non Executive - Independent Director	5

The following Committees are in existence. Audit/ Nomination and Remuneration/Stakeholders and Risk Management Committee.



From 01.04.2019 transfer of shares can be only in demat form and Shareholders have been advised.

MANAGEMENT COMMITTEE

No Management Committee meeting was conducted during this period.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) 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.
- iii) 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.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) 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.
- vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

The new accounting standards, viz., Ind AS has become applicable to your Company with effect from the year 2019-20.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have given their declarations as per Section 149 (6) to the effect that they meet the criteria of Independence.

LOANS, GUARANTEES OR INVESTMENTS

During the year 2019-20, the company has not given any loans or provided any guarantees covered under the provisions of section 186 of the Companies Act, 2013.

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

All related party transactions that were entered into during the financial year were in the ordinary course of business and were on arm's length basis. The statement in form AOC 2 is attached as Annexure-II. There are no materially significant related party transactions entered into by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large.

STATUTORY AUDITORS

M/s. CNGSN & Associates LLP, Chartered Accountants (Firm Regn. No. 004915S/S200036), Chennai, appointed in the Annual General Meeting held on 26th September 2017 will continue as, Statutory Auditors.

AUDITOR'S REPORT

The observations made in the Auditors' Report read together with relevant notes thereon are self-explanatory and do not call for any further comments under Section 134(3)f of the Companies Act, 2013. Statement on impact of Audit Qualification is attached.



The following qualification was mentioned in the audit report as of 31st March 2020 by the statutory auditors.

Statement on impact of Audit Qualifications for the Financial year ended 31st March 2020

(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	106.01	106.01
	b	Total Expenditure	114.03	114.03
	c	Net Profit/ (Loss)	(8.02)	(8.02)
	d	Earnings Per share	(0.56)	(0.56)
	e	Total Assets	886.47	886.47
	f	Total Liabilities	80.32	80.32
	g	Net Worth	806.15	806.15
	h	Any other financial item(s) as felt appropriate by the Management)	-	-
II	Audit Qualification (each audit qualification / Disclaimer of Opinion/ Adverse Qualification)			
	a	Details of Audit Qualifications.	Based on audit evidence obtained, there exists a material uncertainty that casts a significant doubt on the company's ability to continue as a going concern. Our opinion is modified in respect of this matter.	
	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	Appeared First Time	
	d	for Audit Qualification(s) where the impact is quantified by the auditor, Management's views:	Not Quantified	
	e	for Audit Qualification(s) where the impact is not quantified by the auditor:		
	i.	Management's estimation on the impact of audit qualification.	CIRP development is subsequent to reporting date. Further in the Managements opinion, the amount due from the major customer is only Rs.5.43 crs which is a small amount compared to their assets and liquidation value even under extreme circumstances, is far higher than all the dues and possibility of not being able to recover this amount from the liquidation value is non-existent as can be seen from valuation report recently obtained i.e., Rs. 1618 crs.	
	ii.	Management's is unable to estimate the impact, reasons for the same:	NA	
	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.	



SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Mr M Damodaran and Associates, Company Secretaries in practice have carried out the Secretarial Audit of the Company. Their Audit report as on 31.03.2020 is annexed as "Annexure – III.

It is declared that Company has complied with all the applicable Secretarial Standards.

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.

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

- A. During the year there were no Foreign Exchange Earnings & Outflow.
- B. Conservation of Energy & Technology absorption. These guidelines are not applicable to this Company.

SUBSIDIARY COMPANIES

The Company does not have any subsidiary or any associate Company

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. In this context, report against heading 'Material Changes of Commitments' given above may be referred to.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mrs Visalakshi Periasamy, (DIN 00064517) retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment.

Dr S Kuppan, has joined as Company Secretary on 11.07.2019 and Mr N Sivabalan has been appointed CFO with effect from 25.07.2019.

SIGNIFICANT AND MATERIAL ORDERS

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

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 in the assignment order. 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 Board. The Internal Audit monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal auditor, management undertakes corrective action and thereby strengthen the controls. Significant audit observations wherever made and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

DEPOSITS

The Company does not hold any public deposits as on 31st March 2020. Your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

The Company has stopped collecting public deposits and had got its Licence amended by Reserve Bank of India to indicate that it is a non deposit taking NBFC. Your Company does not propose to collect public deposits in the coming year.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Your Company does not fall within the parameters as per Section 135 of the Companies Act and hence not mandated to formulate a Corporate Social Responsibility Policy or spend the prescribed amounts.

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.

VIGIL MECHANISM FOR DIRECTORS & EMPLOYEES

A competent Vigil mechanism has been established and a whistle blower policy has been designed to help Directors and Employees to report genuine concerns. The complete mechanism is given in the company's website.



CORPORATE GOVERNANCE

This requirement is not applicable to this Company at present, as per Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements), as its paid up capital is less than Rs. 10 crores and Net worth less than Rs.25 crores.

The above is also to be treated as Management discussion and analysis. Related Party disclosures are available in Note 42 to the accounts.

PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE

The Company has in place an Anti Sexual harassment policy in line with the requirements of 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 as 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 2019-20.

CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company.

The Code has been posted on the Company's website: www.dharanifinance.in

UNCLAIMED DIVIDEND

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.

The Company transferred the following amounts of unclaimed dividend to the IEPF of the Central Government during this period. Reminders are sent to the shareholders as per records every year, for the unpaid dividends.

Year	% of Dividend	Date of declaration	Amount	Transferred to IEPF on
2011-12	7%	15.10.2012	Rs.7,55,444.50	24.10.2019

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 by checking the status online and real time. Our company has already uploaded the requisite

details that will get updated every year within 90 days of Annual General Meeting.

Transfer of Unpaid Dividend and corresponding Shares to the Investor Education and Protection Fund.

- During the financial year 2019-20, 203079 Equity Shares in respect of which dividend entitlements to the extent of Rs. 7,55,444.50 for the year 2011-12 remained unclaimed for seven consecutive years or more, have been transferred by the Company to the Investor Education and Protection Fund established by the Central Government (IEPF), pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The unclaimed dividend amount was already transferred to IEPF Account during 2018-19.

Shareholders may claim their unclaimed dividend for the years prior to and including the financial year 2011-12 and the corresponding shares, from the IEPF Authority by applying in the prescribed Form No. IEPF-5. This Form can be downloaded from the website of the IEPF Authority www.iepf.gov.in.

- While the unclaimed dividend for the financial year 2011-12 has been transferred, the corresponding shares will be transferred by the Company to IEPF Account. Communication has been sent to the concerned Shareholders advising them to write to the Company or Registrar of Transfer Agent to claim their dividend. Notices in this regard have also been published in newspapers. Details of such unclaimed dividend and corresponding shares are available on the Company's corporate website.

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation of the services rendered by the Staff and Executives of your Company. Your Directors also thank the shareholders who have continued to repose their confidence in the Company and its management.

For and on behalf of the Board of Directors

For Dharani Finance Limited
Dr. PALANI G PERIASAMY

CHAIRMAN
(DIN 00081002)

PLACE: CHENNAI
DATE : 28th July 2020

**BOARD'S REPORT**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**I REGISTRATION & OTHER DETAILS:**

i	CIN	L65191TN1990PLC019152
ii	Registration Date	10.05.1990
iii	Name of the Company	Dharani Finance Limited
iv	Category/Sub-category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	No.59, Sterling Road, Nungambakkam, Chennai - 600 034. Phone No.44-28311313, secretarial@dharanifinance.in
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Cameo Corporate Services Ltd, No.1 Club House Road, Subramanian Building, Chennai - 600 001. Phone No.044-28461832,28460718

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated.

SL No	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the Company
1	Other Financial Service activities except Insurance	64990	100%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES - NIL**IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****Category code**

Sl. No.	Category of Shareholder	No. of shares held at the beginning of the year 01.04.2019				No. of shares held at the end of the year 31.03.2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
1.	INDIAN									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	815283	0	815283	16.32	815283	0	815283	16.32	0.00
b.	CENTRAL / STATE GOVERNMENT(S)	0	0	0	0.00	0	0	0	0.00	0.00
c.	BODIES CORPORATE	595119	0	595119	11.92	595119	0	595119	11.92	0.00
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.00	0	0	0	0.00	0.00
e.	ANY OTHER	0	0	0	0.00	0	0	0	0.00	0.00
	SUB - TOTAL (A)(1)	1410402	0	1410402	28.24	1410402	0	1410402	28.24	0.00


V SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Sl. No.	Category of Shareholder	No. of shares held at the beginning of the year 01.04.2019				No. of shares held at the end of the year 31.03.2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	FOREIGN									
a.	INDIVIDUALS (NON- RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0.00	0	0	0	0.00	0.00
b.	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
c.	INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
e.	ANY OTHER	0	0	0	0.00	0	0	0	0.00	0.00
	SUB - TOTAL (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)	1410402	0	1410402	28.24	1410402	0	1410402	28.24	0.00
B.	PUBLIC SHAREHOLDING									
1.	INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
a.	MUTUAL FUNDS/UTI	0	0	0	0.00	0	0	0	0.00	0.00
b.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.00	0	0	0	0.00	0.00
c.	CENTRAL / STATE GOVERNMENT(S)	0	0	0	0.00	0	0	0	0.00	0.00
d.	VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
e.	INSURANCE COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
i.	ANY OTHER	0	0	0	0.00	0	0	0	0.00	0.00
	SUB - TOTAL (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
2.	NON-INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
a.	BODIES CORPORATE	131703	400	132103	2.64	115300	300	115600	2.31	0.33
b.	INDIVIDUALS -									
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	1086527	1131360	2217887	44.41	1035644	883666	1919310	38.43	-5.98
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	385471	94400	479871	9.61	397300	94400	491700	9.84	0.24
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0	0.00
d.	ANY OTHER	0	0	0	0	0	0	0	0	0
	CLEARING MEMBERS	0	0	0	0	21	0	21	0.00	0.00
	HINDU UNDIVIDED FAMILIES	59304	400	59704	1.19	59747	300	60047	1.20	0.00
	IEPF	567740	0	567740	11.36	882840	0	88240	17.68	6.31
	NON RESIDENT INDIANS	58243	68350	126593	2.53	46030	68350	114380	2.29	-0.24
	TRUSTS	100	0	100	0.00	100	0	100	0.00	0.00
	Total	685387	68750	754137	15.09	988738	68650	1057388	21.17	6.07
	SUB - TOTAL (B)(2)	2289088	1294910	3583998	71.76	2536982	1047016	3583998	71.76	0.00
	TOTAL PUBLIC SHAREHOLDING (B) = B)(1)+(B)(2)	2289088	1294910	3583998	71.76	2536982	1047016	3583998	71.76	0.00
	TOTAL (A)+(B)	3699490	1294910	4994400	100	3947384	1047016	4994400	100.00	0.00



DHARANI FINANCE LIMITED

C.	SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
	Public	0	0	0	0.00	0	0	0	0.00	0.00
	TOTAL CUSTODIAN (C)	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	3699490	1294910	4994400	100	3947384	1047016	4994400	100.00	0.00

IV SHARE HOLDING PATTERN PROMOTERS

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	DHARANI CREDIT & FINANCE (P) LTD	229133	4.59	-	229133	4.59	-	0.00
2	DHARANI DEVELOPERS PRIVATE LTD	226986	4.54	-	226986	4.54	-	0.00
3	DHARANI SUGARS & CHEMICALS LTD	139000	2.78	-	139000	2.78	-	0.00
4	K VIJAYALAKSHMI	101568	2.03	-	101568	2.03	-	0.00
5	K KANDASAMY	82990	1.66	-	82990	1.66	-	0.00
6	VISALAKSHI PERIASAMY	145198	2.91	-	145198	2.91	-	0.00
7	PALANI G PERIASAMY	354112	7.09	-	354112	7.09	-	0.00
8	R MURUGAVEL	21283	0.43	-	21283	0.43	-	0.00
9	ANANTHI PERIASAMY	30044	0.60	-	30044	0.60	-	0.00
10	SANTHI PERIASAMY	30044	0.60	-	30044	0.60	-	0.00
11	NALINI PERIASAMY	30044	0.60	-	30044	0.60	-	0.00
12	JAYANTHI PERIASAMY	20000	0.40	-	20000	0.40	-	0.00
	Total	1410402	28.24	-	1410402	28.24	-	0.00

iii. Change in Promoters' Shareholding (please specify, if there is no change) – There is no change

Sl. No.		Shareholding at the beginning of the year- 01.04.2019		Cumulative Shareholding during the year-31.03.2020	
		No. of shares	%	No. of shares	%
	Total Promoters' Shareholding				
	At the beginning of the year 01.04.2019	1410402	28.24		
	At the end of the Year 31-Mar-2020			1410402	28.24


iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs):

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year 31.03.2020	
		No. of shares	%	No. of shares	%
1	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS				
	At the beginning of the year 01-Apr-2019	567740	11.37	-	-
	Purchase – 11-Oct-2019	110017	2.20	677757	13.57
	Purchase – 18-Oct-2019	2004	0.04	679761	13.61
	Purchase – 21-Feb-2020	203079	4.06	882840	17.67
	At the end of the year 31-Mar-2020	-	-	882840	17.67
2	SONAL SAWHNEY				
	At the beginning of the year 01-Apr-2019	92625	1.85	-	-
	At the end of the year 31-Mar-2020	-	-	92625	1.85
3	NOKHA TRADING LLP				
	At the beginning of the year 01-Apr-2019	71247	1.43	-	-
	At the end of the year 31-Mar-2020	-	-	71247	1.43
4	GARREPALLY HEMANTH KUMAR				
	At the beginning of the year 01-Apr-2019	39573	0.79	-	-
	At the end of the year 31-Mar-2020	-	-	39573	0.79
5	JAGANATHAN M				
	At the beginning of the year 01-Apr-2019	35166	0.70	-	-
	At the end of the year 31-Mar-2020	-	-	35166	0.70
6	DINESH KUMAR MURARKA				
	At the beginning of the year 01-Apr-2019	30000	0.60	-	-
	At the end of the year 31-Mar-2020	-	-	30000	0.60
7	LEELA KANWAR				
	At the beginning of the year 01-Apr-2019	24200	0.48	-	-
	At the end of the year 31-Mar-2020	-	-	24200	0.48
8	AJIT BABURAO VANKUDRE				
	At the beginning of the year 01-Apr-2019	21000	0.42	-	-
	At the end of the year 31-Mar-2020	-	-	21000	0.42
9	SAGARIKA INFRASTRUCTURE PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2019	20472	0.40	-	-
	At the end of the year 31-Mar-2020	-	-	20472	0.40
10	VIJAY JANAKIRAMAN JT1:MALLIGA JANAKIRAMAN				
	At the beginning of the year 01-Apr-2019	20032	0.40	-	-
	At the end of the year 31-Mar-2020	-	-	20032	0.40



DHARANI FINANCE LIMITED

v Shareholding of Directors and Key Managerial Personnel:

Sl. No		Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year 31.03.2020	
		No of shares	%	No of shares	%
	For Each of the Directors & KMP				
Directors					
1	Dr Palani G Periasamy	354112	7.09	354112	7.09
2	Mrs Visalakshi Periasamy	145198	2.91	145198	2.91
3	Mr K Kandasamy	82990	1.66	82990	1.66
4	Mr M Ganapathy	-	-	-	-
5	Dr S Muthu	-	-	-	-
	Total A	582500	11.66	582500	11.66
Key Managerial Personnel					
1	Dr S Kuppan	-	-	-	-
2	Mr N Sivabalan	-	-	-	-
	At the beginning of the year	582500	11.66	582500	11.66
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	582500	11.66	582500	11.66

V INDEBTEDNESS

In lakhs

Indebtedness of the Company including interest outstanding/accrued but not due for payment			
	Secured Loans excluding deposits	Unsecured Loans	Deposits
Indebtedness at the beginning of the financial year	11.30	-	-
i) Principal Amount	-	-	-
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	11.30	-	-
Change in Indebtedness during the financial year			
Additions	-	-	-
Reduction	9.62	-	-
Net Change	-	-	-
Indebtedness at the end of the financial year			
i) Principal Amount	1.68	-	-
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	1.68	-	-


VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.
(a) Remuneration to Managing Director, Whole time director and/or Manager:

In Rupees

SI. No	Particulars of Remuneration	Name of the MD/WTD/Manager	
		K Kandasamy	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	-	-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission as % of Profit	-	-
5	others (specify) – Gratuity, Provident Fund, superannuation Fund	-	-
	Total (A)	-	-
	Ceiling as per the Act	60,00,000.00	60,00,000.00

VI.REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.,
(b) Remuneration to other directors:

In Rupees

Name of the Directors	Dr Palani G Periasamy (Non-Executive Director)	Mrs Visalakshi Periasamy (Non-Executive Director)	Dr S Muthu Independent Director	M Ganapathy Independent Director	Total Amount
(a) Fee for attending board committee meetings	5000.00	5000.00	12000.00	11000.00	33000.00
(b) Commission	-	-	-	-	-
(c) Others, please specify	-	-	-	-	-
Total	5000.00	5000.00	12000.00	11000.00	33000.00
Overall Ceiling as per the Act	NA				

(c) Remuneration to Key Managerial Personnel Other than Managing Director/ Manager / Whole Time Director.

In Rupees

S. No.	Particulars of Remuneration	CFO from 27.05.2019	Company Secretary	Total
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2,60,231.00	6,07,419.00	8,67,650.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of Profit	-	-	-
5	Others, specify Superannuation, Provident Fund, Gratuity	-	-	-

**VII.PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal/ made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NIL

for Dharani Finance Limited

Dr. Palani G Periasamy
Chairman

DIN No:00081002

Place: Chennai
Date: 28th July 2020

Annexure -II

**Annexure to Board's 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.

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 and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any.	Date(s) of approval by the Board, if any.	Amount paid as advances, if any
Appu Hotels Ltd: (Directors hold more than 2% of the paid up Capital.)	Providing Travel Services – cars for the guests	One year from 01.04.2019	Rs. 3 crs p.a.	27.05.2019	-
Dr Palani G Periasamy - Chairman and Mrs Visalakshi Periasamy, Director	Taking on Rent for Registered Office Premises 1250 Sq.ft	3 years from 01.04.2019	Rs.10.00 lakhs p.a. Not exceeding Market rates	2705.2019	-
Dr Palani G Periasamy - Chairman and Mrs Visalakshi Periasamy, Director	Taking on Rent for Managing Director Residence Office 2020 Sq.ft	3 years from 01.04.2019	Rs.5.00 lakhs p.a. Not exceeding Market rates	27.05.2019	-

for Dharani Finance Limited

Dr. Palani G Periasamy
Chairman

DIN No:00081002

Place: Chennai
Date: 28th July 2020



Form No. MR-3

**SECRETARIAL AUDIT REPORT
For the financial year ended 31.03.2020****(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)**

To,
The Members,
DHARANI FINANCE LIMITED
CIN: L65191TN1990PLC019152
PGP House, No.57, Sterling Road,
Nungambakkam,
Chennai - 600 034.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. DHARANI FINANCE 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 FINANCE LIMITED's** 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 31.03.2020 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 here in after:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. DHARANI FINANCE LIMITED** ("the Company") for the financial year ended on 31.03.2020 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 (Issue and Listing of Debt Securities) Regulations, 2008;
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Reserve Bank of India Act, 1934 and Guidelines and Directions issued by the RBI as applicable to the NBFC Companies.

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

- (i) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as per the Listing Agreement entered into by the Company with Bombay Stock Exchange Limited; and
- (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, Standards, etc. mentioned above subject to the following observations:

- a. There was a delay in transfer of the unpaid and unclaimed dividend amount to Investor Education and Protection Fund as per section 124(5) of the Companies Act, 2013 read with rule 5(1) of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
- b. There was delay in transfer of shares pertaining to unpaid and unclaimed dividend to IEPF authority as per section 124(6) of the Companies Act, 2013 read with rule 6(1) of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
- c. There was delay in filing e-form IEPF - 4 as per rule 6(5) of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
- d. The Company has not informed the shareholders and published a notice in the news papers regarding transfer of shares within the period stipulated under rule 6(3) of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
- e. There was delay in filing e-form IEPF - 6 as per rule 8 of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
- f. As per regulation 46 of the SEBI (LODR) Regulations, 2015 the website of the company was updated with minor deviations.
- g. There was delay in submission of confirmation about the Company is not a large corporate



as per SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated 26.11.2018 and BSE Circular No. LIST/COMP/05/2019-20 dated 11.04.2019.

- h. The Company has complied with the regulation of SEBI (PIT) Regulations, 2015 for the closure of trading window for the approval of financial results for the period ended 31.12.2019 with minor deviation.
- i. The company has complied with the regulation 34 of SEBI (LODR) Regulations, 2015 in respect of submission of Annual Report for the financial year ended 31.03.2019 to the Stock Exchange with 2 days delay and the fine amount of Rs. 4,000/- @Rs. 2,000/- per day + 18% GST was paid by the company in order to comply the regulation. However, on representation made by the Company, the committee of stock exchange considered and withdrawn the fine levied for such minor deviation (BSE through email dated 07.01.2020). The fine amount already paid will be adjusted towards Annual Listing Fees/other pending charges/ fees payable to the stock exchange.
- j. There was delay in submission of disclosure to the Stock Exchange under regulation 30 of SEBI (LODR) Regulations, 2015 regarding appointment of Dr. S. Kuppan as Company Secretary of the Company.
- k. The Company has not made disclosure to the Stock Exchange under regulation 30 of SEBI (LODR) Regulations, 2015 with respect to re-appointment of Mr. Kandasamy Kolanda Gounder as Managing Director.
- l. The Company has not made disclosure to the Stock Exchange under regulation 30 of SEBI

(LODR) Regulations, 2015 with respect to re-appointment of Mr. Ganapathy Gounder Muthusamy and Mr. Muthu Sakkarakali Gounder as Independent Directors for the second term.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors and there were no changes in the composition of the Board of Directors during the period under review.

Adequate 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, 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 duly 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 was no major/specific events in the company.

For M DAMODARAN & ASSOCIATES LLP

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

Place: Chennai
Date: 29.08.2020

ICSI UDIN No.: F005837B000632870

To,

The Members,

DHARANI FINANCE LIMITED

CIN: L65191TN1990PLC019152

PGP House, NO.57, Sterling Road,

Nungambakkam,

Chennai - 600 034.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, we followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, I 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. My 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.

For M DAMODARAN & ASSOCIATES LLP

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

Place: Chennai
Date: 29.08.2020

ICSI UDIN No.: F005837B000632870

**BOARD'S REPORT****Particulars pursuant to section 197(12) and Rule 5 of Companies (Appointment and Remuneration) rules 2014.**

(i)	The ratio of the remuneration of each director to the median employee's remuneration for the Financial year.	Managing Director is paid only HRA. No other remuneration is paid. Other Directors are not paid any remuneration except sitting fees. Sitting fees paid to the Directors have not been considered as Remuneration Ratio in respect of Managing Director - NA
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(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial year:

SI No	Name	Designation	% of Increase/Decrease
1	Mr K Kandasamy	Managing Director	No increase at all
2	Dr S Kuppan	Company Secretary	
3	Mr N Sivabalan	Chief Financial Officer	

(iii)	The percentage increase in the median remuneration of employees in the financial year:	8.68
(iv)	The number of permanent employees on the rolls of company as on 31st March 2020	2

(v)	Average percentile increase already made in the salaries of employees' other than the managerial personnel in the last Financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration	There is no increase in the remuneration of Managing Director, CFO & Company Secretary
(vi)	If remuneration is as per the remuneration policy of the Company	Yes

for Dharani Finance Limited**Dr. Palani G Periasamy
Chairman
DIN No:00081002****Place: Chennai
Date: 28th July 2020**



INDEPENDENT AUDITORS' REPORT

To the members of Dharani Finance Limited

Report on the audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Dharani Finance Limited, ("the Company"), which comprise of the balance sheet as at March 31, 2020, and 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 then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of 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, 2020, and its profits, total comprehensive income, the changes in equity and its cash flows for the year ended as on that date.

Basis for Qualified Opinion

We draw attention to the following matters:

- a) As more fully explained in note 38 to the standalone financial statements, subsequent to the reporting date, a corporate insolvency resolution process (CIRP) and the appointment of an interim resolution professional were admitted in the case of one of the major customers of the Company by the Hon'ble National Company Law Tribunal, Chennai Bench vide its order dated May 5, 2020. The total amount due from the above referred major customer to the Company as at March 31, 2020 is Rs. 534.20 Lakhs. In the opinion of the management, the major part of the assets of the customer comprises of land and commercial buildings (including a well-known brand name in the hotel industry), whose liquidation value is much more than the total dues to its financial and operating creditors (including that of the Company) and accordingly, the Company will be able to recover the entire outstanding dues from the customer, even in the aforesaid CIRP conditions. Based on the above estimate and based on the fact that the customer's account was a fully performing asset

before the admission of the CIRP, no provision towards allowance for expected credit loss in respect of the dues from the aforesaid customer and the possible impact on the carrying value of the Minimum Alternate Tax Credit of Rs.43.74 Lakhs have been considered by the Company in these financial statements.

In the absence of a comprehensive external valuation/appraisal report of the interim resolution professional of the customer contrary to the management's estimate of possible full recovery of the dues and due to the other uncertainties related to the CIRP process of the aforesaid major customer, we are unable to comment on the appropriateness of not making any provision in these financial statements.

Due to uncertainties involved in the CIRP process, the impact, if any, on the financial statements are not presently determinable in respect of the above matter.

- b) Had the Company considered making provision for the outstanding balance referred to in (a) above, the net owned funds of the Company as at March 31, 2020 will be lower than the limits prescribed under Section 45-IA of the Reserve Bank of India Act, 1934 for a Non-Banking Financial Services Company (NBFC). Thus, the Company's ability to continue as an NBFC and as a going concern may depend on infusion of further capital to meet the minimum net owned funds criteria as per RBI norms within the prescribed time limit and on identification of alternative business plans.
- c) The matters referred to in (a) and (b) also cast a significant doubt on the Company's ability to continue as a going concern and accordingly, we are unable to comment on the appropriateness of management's assumption of preparing the financial statements on a going concern basis.

Our opinion on the financial statements is qualified in respect of the matters (a) to (c) referred above.

We conducted our audit 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 the 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 ("ICAI") 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 ICAI's code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Material Uncertainty Related to Going Concern

The matters more fully explained in the Basis for Qualification Section of our opinion cast a significant doubt on the Company's ability to continue as a going concern. Considering the management estimate of recovering the entire outstanding from the major customer, we were informed that these financial statements have been prepared on a going concern basis. This is a matter of qualification in our opinion on these 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Dues from a major customer

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 of qualified opinion paragraph of our report which describes the uncertainties arising from the admission of CIRP for a major customer.

Emphasis of Matters

Without qualifying our report, we draw attention to the following matters:

- (a) Note 2 to the financial statements which states that the Company has adopted Ind AS for the financial year commencing from April 1, 2018, and accordingly, the financial statements have been prepared by the Company's Management in compliance with Ind AS; and
- (b) Note 3 to the Statement which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of 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, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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 during 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.

Management's responsibility for the financial statements

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 financial statements that give a true and fair view the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

Further, the management is also responsible to ensure that the accounting policies used in preparation of the financial statements are consistent with those used in the preparation of the Company's opening unaudited balance sheet as at April 1, 2018 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS), as amended from time to time, prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies.

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; and design, implementation and maintenance of adequate internal financial controls, 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 financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.



Auditors' responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 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 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 may

cause the Company to cease to continue as a going concern.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in Annexure "A" a statement on the matters specified in clauses 3 and 4 of the Order.

As required by Section 143 (3) of the Act, based on our audit 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 purposes 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) In our opinion, the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows comply with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS), as amended from time to time, prescribed under Section 133 of the Companies Act, 2013;
- d) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2020 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 over financial reporting;
- 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 auditors' 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:
- The Company does not have any pending litigation which would impact its financial position;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Company.

For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.004915S/ S200036
(CHINNSAMY GANESAN)
Partner
Place : Chennai Membership No. 027501
Date : 28th July 2020 UDIN: 20027501AAAABL2620

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 Finance Limited of even date)

- In respect of the Company's fixed assets:
 - The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The Company is in the process of updating certain particulars regarding the fixed assets. In our opinion, this will not have any material impact on the financial statements.
 - The Company has physically verified all the items of fixed assets during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - According to the information and explanations given to us, the company does not possess any immovable property. Accordingly, paragraph 3(i)(c) of the order is not applicable.
- The company is a non-deposit accepting Non-Banking Finance Company (NBFC) and accordingly does not hold any inventories. Accordingly, paragraph 3(ii) of the order is not applicable.
- According to information and explanation given to us, the company has granted inter corporate loans to a Company covered in the register required to be maintained under section 189 of the Companies Act, 2013. The Company has not granted any other loans, secured or unsecured to firms, limited liability partnerships or other parties covered in the register required to be maintained under section 189 of the Companies Act, 2013 and accordingly, the provisions of paragraph 3 (iii) of the Order are not applicable to the Company. In respect of such deposits, we report that
 - the terms and conditions of the acceptances of such deposits are, in our opinion, prima facie, not prejudicial to the Company's interest;
 - the schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and interest have been regular as per stipulations; and
 - there is no overdue amount remaining receivable as at the year-end



CIRP was admitted in respect of the above party during the last quarter of the year and an interim resolution professional was appointed by the Hon'ble National Company Law Tribunal, Chennai Bench. Due to the uncertainties involved in the CIRP related matters, the subsequent recoverability or otherwise of the dues from the above party is not presently determinable. This is a matter of qualification in our opinion on the financial statements.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted public deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and accordingly, the provisions of the paragraph 3 (v) of the Order are not applicable to the Company.
6. According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act 2013. Accordingly, paragraph 3 (vi) of the Order is not applicable.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and services tax, customs duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities;
 - (b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and services tax, customs duty, excise duty, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.; and
 - (c) There are no dues of income tax, sales tax, service tax, excise duty, value added tax and goods and services tax which have not been deposited as at March 31, 2020 on account of dispute.
8. The Company has not defaulted in repayment of loans or borrowing from banks. The Company did not have any outstanding dues to any financial institutions, government or debenture holders during the year.
9. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company and accordingly, reporting under clause3 (xii) of the Order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
16. According to the information and explanations given to us and based on our examination of the records of the company, the company is required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Accordingly, registration has been obtained.

Had the Company considered making provision for the outstanding balance referred to in the basis for qualification section of our report on financial statements, the net owned funds of the Company as at March 31, 2020 will be lower than the limits prescribed under Section 45-IA of the Reserve Bank of India Act, 1934 for a Non-Banking Financial Services Company (NBFC). Thus, the Company's ability to continue as an NBFC may depend on infusion of further capital to meet the minimum net owned funds criteria as per RBI norms within the prescribed time limit.

For CNGSN & ASSOCIATES LLP

Chartered Accountants

Firm Registration No.004915S/ S200036

(CHINNSAMY GANESAN)

Partner

Place : Chennai

Membership No. 027501

Date : 28th July 2020

UDIN: 20027501AAAABL2620

**Annexure “B” to the Independent Auditor’s Report**

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Dharani Finance Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 Finance Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The board of directors of the Company 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, 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 internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 in 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 control 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) pertain 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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 of 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 control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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.

For CNGSN & ASSOCIATES LLP

Chartered Accountants
Firm Registration No.004915S/ S200036

(CHINNSAMY GANESAN)
Partner

Place : Chennai
Date : 28th July 2020

Membership No. 027501
UDIN: 20027501AAAABL2620



DHARANI FINANCE LIMITED

FINANCIAL RESULTS
2019 - 2020



DHARANI FINANCE LIMITED

Balance Sheet as at March 31, 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
I. ASSETS				
Financial Assets				
Cash and cash equivalents	4	6.39	1.77	6.09
Other bank balances	5	-	7.36	12.58
Trade receivables	6	119.47	97.50	117.29
Loans	7	623.45	623.45	627.00
Investments	8	20.23	41.16	45.61
Other Financial Assets	9	63.26	58.81	55.88
		832.80	830.05	864.45
Non-financial Assets				
Current Tax Asset (Net)	10	5.13	-	-
Deferred Tax Asset (Net)	11	2.83	53.10	57.51
Property, plant and equipment	12	22.78	29.68	37.23
Right of use asset	12	20.14	-	-
Other non-financial assets	13	2.79	2.73	3.39
		53.67	85.51	98.13
Total Assets		886.47	915.56	962.58
II. LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Payables				
Trade payables	14	47.18	50.69	33.77
Borrowings (Other Than Debt Securities)	15	1.68	11.30	20.16
Deposits	16	1.40	1.38	1.36
Lease Liability	17	20.96	-	-
Other financial liabilities	18	0.01	8.18	12.53
		71.23	71.55	67.82
Non-Financial Liabilities				
Current Tax Liability (Net)	19	-	1.19	39.57
Provisions	20	6.94	26.66	24.39
Other non-financial liabilities	21	2.15	1.99	15.54
		9.09	29.84	79.50
Total liabilities		80.32	101.39	147.32
EQUITY				
Equity Share Capital	22	499.72	499.72	499.72
Other Equity	23	306.43	314.45	315.54
		806.15	814.17	815.26
Total liabilities and equity		886.47	915.56	962.58

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For CNGSN & ASSOCIATES LLP

Chartered Accountants

Firm Registration No. 004915S/ S200036

CHINNSAMY GANESAN

Partner

Membership No.027501

UDIN: 20027501AAAABL2620

Place : Chennai

Date : July 28, 2020

K.KANDASAMY

Managing Director

DIN:00277906

S.KUPPAN

Company Secretary

For and on behalf of the board of directors of

DHARANI FINANCE LIMITED

Dr. PALANI G PERIASAMY

Chairman

DIN: 00081002

N.SIVABALAN

Chief Financial Officer



DHARANI FINANCE LIMITED

Statement of profit and loss for the year ended March 31, 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I. INCOME			
1 Revenue from operations	24		
Interest Income		67.73	74.01
Dividend Income		0.22	0.11
Gain on fair value changes		0.12	0.09
Sale of services		27.30	31.66
Total revenue from operations		95.37	105.87
2 Other income	25	10.64	4.67
Total income		106.01	110.54
II EXPENSES			
Finance costs	26	2.58	5.85
Net Loss on fair value changes	27	21.05	5.44
Employee benefit expenses	28	16.23	18.48
Impairment on financial instruments	29	-	18.40
Depreciation, amortization and impairment	30	14.65	7.23
Other expenses	31	29.51	48.33
Total expenses		84.02	103.73
III Profit before exceptional items and tax		21.99	6.81
IV Exceptional items		-	-
V Profit before tax from continuing operations		21.99	6.81
Income tax expense	32		
Current tax		-	9.24
MAT Credit Entitlement		43.74	-
Deferred tax charge/(credit)		6.33	0.72
VI Profit /(Loss) for the year		-28.08	-3.15
VII Other comprehensive income			
(a) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax (charge)/credit relating to these items		-	-
(b) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of post employment benefit obligations		20.26	2.84
(ii) Income tax (charge)/credit relating to these items		-0.20	-0.78
Other comprehensive income for the year, net of tax		20.06	2.06
VIII Total comprehensive income for the year		-8.02	-1.09
IX Earnings per share	33		
Basic earnings per share		-0.56	-0.06
Diluted earnings per share		-0.56	-0.06

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm Registration No. 004915S/ S200036

CHINNSAMY GANESAN
Partner
Membership No.027501
UDIN: 20027501AAAABL2620

Place : Chennai
Date : July 28, 2020

K.KANDASAMY
Managing Director
DIN:00277906

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Company Secretary

For and on behalf of the board of directors of
DHARANI FINANCE LIMITED

Dr. PALANI G PERIASAMY
Chairman
DIN: 00081002

N.SIVABALAN
Chief Financial Officer



DHARANI FINANCE LIMITED

Statement of cash flows for the year ended March 31, 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flow From Operating Activities		
Profit before income tax	21.99	6.81
Adjustments for		
Depreciation and amortisation expense	14.65	7.23
Finance costs	2.58	5.85
Fair value (gain)/ loss on investments (net)	20.93	5.35
Profit on sale of property, plant and equipment	-0.30	-
Dividend income	-0.22	-0.11
Total	59.63	25.13
Change in operating assets and liabilities		
(Increase)/ decrease in loans given	-	3.55
(Increase)/ decrease in other current financial assets	-4.45	-38.38
(Increase)/ decrease in trade receivables	-21.97	19.79
(Increase)/ decrease in other non-current financial assets	-0.06	0.64
Increase/ (decrease) in provisions and other liabilities	-7.45	-12.77
Increase/ (decrease) in trade payables	-3.51	16.92
Cash generated from operations	22.19	14.88
Less : Income taxes paid (net of refunds)	-6.32	-9.24
Net cash from operating activities (A)	15.87	5.64
Cash Flows From Investing Activities		
Sale proceeds of PPE	0.30	0.32
(Purchase)/ disposal proceeds of Investments	-	-0.90
Dividend received	0.22	0.11
Movement in other bank balances	7.36	5.22
Net cash used in investing activities (B)	7.88	4.75
Cash Flows From Financing Activities		
Repayment of long term borrowings	-9.62	-8.86
Repayment of lease liabilities	-9.00	-
Interest paid	-0.51	-5.85
Net cash from/ (used in) financing activities (C)	-19.13	-14.71
Net increase/decrease in cash and cash equivalents (A+B+C)	4.62	-4.32
Cash and cash equivalents at the beginning of the financial year	1.77	6.09
Cash and cash equivalents at end of the year	6.39	1.77
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		
Bank with banks - in current accounts	6.14	1.52
Cash on hand	0.25	0.25
	6.39	1.77

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For CNGSN & ASSOCIATES LLP

Chartered Accountants

Firm Registration No. 004915S/ S200036

CHINNSAMY GANESAN

Partner

Membership No.027501

UDIN: 20027501AAAABL2620

Place : Chennai

Date : July 28, 2020

K.KANDASAMY

Managing Director

DIN:00277906

S.KUPPAN

Company Secretary

For and on behalf of the board of directors of

DHARANI FINANCE LIMITED

Dr. PALANI G PERIASAMY

Chairman

DIN: 00081002

N.SIVABALAN

Chief Financial Officer



DHARANI FINANCE LIMITED

Statement of Changes in Equity for the year ended March 31, 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(A) Equity Share Capital	
Balance at the beginning of April 1, 2018	499.72
Changes in equity share capital during the year	-
Balance at the end of March 31, 2019	499.72
Changes in equity share capital during the year	-
Balance at the end of March 31, 2020	499.72

B) Other Equity

Particulars	Statutory Reserve	Other comprehensive income	Profit and Loss Account	Total
Balance as at April 1, 2018	145.41	-	170.13	315.54
Changes in accounting policy/prior period errors	-	-	-	-
Restated balance as at April 1, 2018	145.41	-	170.13	315.54
Total Comprehensive Income for the year	-	2.06	-3.15	-1.09
Deductions/Adjustments during the year	3.44	-2.06	-1.38	-
Balance as at March 31, 2019	148.85	-	165.60	314.45
Total Comprehensive Income for the year	-	20.06	-28.08	-8.02
Deductions/Adjustments during the year	2.68	-20.06	17.38	-
Balance as at March 31, 2020	151.53	-	154.90	306.43

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For CNGSN & ASSOCIATES LLP

Chartered Accountants

Firm Registration No. 004915S/ S200036

CHINNSAMY GANESAN

Partner

Membership No.027501

UDIN: 20027501AAAABL2620

Place : Chennai

Date : July 28, 2020

K.KANDASAMY

Managing Director

DIN:00277906

S.KUPPAN

Company Secretary

For and on behalf of the board of directors of

DHARANI FINANCE LIMITED

Dr. PALANI G PERIASAMY

Chairman

DIN: 00081002

N.SIVABALAN

Chief Financial Officer



1 Corporate Information

The Company is registered with the Reserve Bank of India as a Non-Banking Finance Company (NBFC) and carrying on non banking financial services.

2 Basis of preparation of financial statements

Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Basis of preparation and presentation

For all periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP), as amended from time to time

The financial statements for the year ended March 31, 2020 are the first financial statements the Company has prepared in accordance with Ind AS with the date of transition as April 1, 2018. Refer to note 45 for information on how the Company adopted Ind AS.

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.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property,

plant and equipment, investments, and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of the financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Functional and presentation currency

"These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on July 28, 2020"

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.

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 (PPE/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

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 - PPE

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 judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term employee benefits

"The cost of the defined benefit plan and other long term employee 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 end of each reporting period.

2B Recent accounting pronouncements

Standards issued but not yet effective

A) Issue of Ind AS 117 – Insurance Contracts

Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk.

Application of this standard is not expected to have any impact on the Company's financial statements, as the Company is not engaged in any insurance business

B) Amendments to other Ind AS

"Ministry of Corporate Affairs has carried out amendments of the following accounting standards:"

1. Ind AS 103 – Business Combination
2. Ind AS 1, Presentation of Financial Statements
3. Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
4. Ind AS 40 – Investment Property



The Company evaluated the impact of the new amendments made to the accounting standards and concluded that the above amendments is not expected to have any significant impact on the Company's financials statements

3 Significant Accounting Policies

a) 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 include 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.

b) Revenue Recognition

(i) Interest income

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost, debt instruments measured at FVTOCI and debt instruments designated at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

(ii) Dividends

Dividends are recognised in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(iii) Sale of services (lease income)

Sale of services representing lease income for vehicles arising out of operating lease is recognised on a straight line basis over the term of the relevant lease as per Ind AS 116.

c) Property, plant and equipment and capital work in progress

Deemed cost option for first time adopter of Ind AS

Under the previous GAAP (Indian GAAP), the property, plant and equipment were carried in the



balance sheet at cost less accumulated depreciation. The company has elected to use the previous GAAP carrying amount as the deemed cost as at the date of transition, viz., 1 April 2018

Presentation

Property, plant and equipment is 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.”

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.

d) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013.

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.

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

e) Leases

The Company has adopted Ind AS 116 “Leases” as notified by Ministry of Corporate Affairs (MCA) as on March 30, 2019. The MCA via this notification requires all entities to apply Ind AS 116 from Accounting period April 01, 2019. The entity has elected the “modified retrospective” approach for adopting Ind AS 116 and hence the comparative information relating to prior years will not be restated.

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.

As a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor’s net investment in the lease.

f) Financial Instruments

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



Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are also added to the cost of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

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)
- Financial instruments other than equity 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 as 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 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 SPPI.

Financial instruments other than equity 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 Company recognizes finance 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 financial instruments other than equity instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Financial instruments other than equity 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 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 classifying the equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, 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 SPPI, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	"Trade receivables, Loans given to employees and others, deposits, interest receivable and other advances recoverable in cash."
FVTOCI	"Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition."
FVTPL	Other investments in equity instruments

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.

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, 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, 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.

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

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-month 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. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation of ECL 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.
- Financial instruments other than equity 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 on the following basis:

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."
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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.

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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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.

Classification	Name of the financial liability
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.

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.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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.

The following table shows various reclassification and how they are accounted for:

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.

g) **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, 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. 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.”

h) **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.

i) **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. 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.

j) 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.

k) 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.

Contingent liabilities

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.



l) Cash and cash equivalents

Cash comprises cash on 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.

m) 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.

n) 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 the financial statements for the year ended March 31, 2020
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars		As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
4	Cash and cash equivalents			
	Cash-on-hand	0.25	0.25	0.25
	Balances with Banks			
	(i) In Current Account	-	-	-
	Others	6.14	1.52	5.84
	Total	6.39	1.77	6.09
5	Other Bank Balances			
	Earmarked accounts	-	-	-
	Unpaid dividend account	-	7.36	12.58
	Total	-	7.36	12.58
6	Trade receivables			
	Secured, considered good	-	-	-
	Unsecured, considered good	119.47	97.50	117.29
	Have significant increase in credit risk	-	-	-
	Credit impaired	96.64	96.64	78.24
		216.11	194.14	195.53
	Less : Allowance for expected credit loss	-96.64	-96.64	-78.24
	Total	119.47	97.50	117.29
7	Loans			
	At Amortised Cost			
	Secured, considered good			
	Loans and advances to clients (margin funding loans)	-	-	-
	Unsecured, considered good			
	Loans and advances to related parties	423.45	423.45	427.00
	Loans that have significant increase in their Credit Risk	-	-	-
	Credit Impaired	2.17	2.17	2.17
	Other Loans and Advances	200.00	200.00	200.00
		625.62	625.62	629.17
	Less: Allowance for expected credit loss	-2.17	-2.17	-2.17
	Total	623.45	623.45	627.00
8	Investments			
	Others	-	-	-
	Fair valued through Profit and Loss (FVTPL)	-	-	-
	Investment in Equity Instruments (Quoted)	-	-	-
	Dharani Sugars & Chemicals Ltd. [2,68,182 (Previous year : 2,68,182) fully paid equity shares of Rs.10/- each]	16.23	30.71	39.42



DHARANI FINANCE LIMITED

Notes to the financial statements for the year ended March 31, 2020
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Indbank Merchant Bank Services Ltd. [5,000 (Previous year : 5000) fully paid equity shares of Rs.10/- each]	0.25	0.46	0.97
	Sri Nachammai Cotton Mills Ltd. [700 (Previous year : 700) fully paid equity shares of Rs.10/- each]	0.07	0.11	0.11
	Bank of India [1,000 (Previous year : 1000) fully paid equity shares of Rs.10 each]	0.32	1.04	1.03
	Corporation Bank [2500 (Previous year : 2500) fully paid equity shares of Rs.2 each]	0.25	0.72	0.77
	IDFC Limited [7,000 (Previous year : 7,000) fully paid equity shares of Rs.10 each]	1.04	3.26	3.31
	IDFC First Bank Limited [7,000 (Previous year : 7,000) fully paid equity shares of Rs.10 each]	1.48	3.89	-
	State Bank Of India [Nil (Previous year : 5000) fully paid equity shares of Rs. 1 each]	0.59	0.97	-
	Total	20.23	41.16	45.61
	Investment outside India	-	-	-
	Investment in India	20.23	41.16	45.61
9	Other Financial Assets			
	Unsecured, considered good	-	-	-
	Security deposits	2.09	2.09	2.09
	Interest accrued on other deposits	61.17	56.72	53.79
		63.26	58.81	55.88
	Less: Allowance for expected credit loss	-	-	-
	Total	63.26	58.81	55.88
10	Current Tax Asset (Net)			
	Advance Income tax (Net of provisions for tax)	5.13	-	-
	Total	5.13	-	-
11	Deferred Tax Asset (Net)			
	Deferred tax liability	-	-	-
	Property, Plant and Equipment	-	-	-
	Remeasurement of financial assets	-	-	-
	Gross Deferred tax liability	-	-	-
	Deferred tax asset	-	-	-
	Property, Plant and Equipment	1.42	4.01	5.23
	Right to use asset	0.21	-	-
	Provisions for employee benefits	-	-	-
	Other disallowances	1.20	5.35	5.63
	Remeasurement of financial assets	-	-	-
	Gross Deferred tax asset	2.83	9.36	10.86
	MAT Credit Entitlement	-	43.74	46.65
	Deferred Tax Asset (Net)	2.83	53.10	57.51



Notes to the financial statements for the year ended March 31, 2020
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

12 Property, plant and equipment

Particulars	Office Equipments	Furniture & Fixtures	Vehicles	Right of use asset	Total
Deemed Cost as at April 1, 2018	5.34	0.28	31.61	-	37.23
Additions				-	-
Disposals/ reclassifications	0.78	0.08	-1.18	-	-0.32
Cost as at March 31, 2019	6.12	0.36	30.43	-	36.91
Additions				27.89	-
Disposals/ reclassifications					-
Cost as at March 31, 2020	6.12	0.36	30.43	27.89	36.91
Depreciation/Amortisation					
Charge for the year	0.57	0.05	6.61		7.23
Disposals					-
As at March 31, 2019	0.57	0.05	6.61	-	7.23
Charge for the year	0.57	0.05	6.28	7.75	6.90
Disposals					-
As at March 31, 2020	1.14	0.10	12.89	7.75	14.13
Net Block					
As at April 1, 2018	5.34	0.28	31.61	-	37.23
As at March 31, 2019	5.55	0.31	23.82	-	29.68
As at March 31, 2020	4.98	0.26	17.54	20.14	22.78


Notes to the financial statements for the year ended March 31, 2020
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
13	Other Non-Financial Assets			
	Unsecured, considered good			
	Prepaid Expenses	0.25	0.18	0.92
	Balances with government authorities	2.54	2.55	2.47
	Total	2.79	2.73	3.39
14	Trade Payables			
	Trade payables			
	a. Total outstanding dues of micro and small enterprises	-	-	-
	b. Total outstanding dues of creditors other than micro and small enterprises	47.18	50.69	33.77
		47.18	50.69	33.77
	Other payables			
	a. Total outstanding dues of micro and small enterprises	-	-	-
	b. Total outstanding dues of creditors other than micro and small enterprises	-	-	-
	Total	47.18	50.69	33.77
15	Borrowings (Other than Debt Securities)			
	Term Loans			
	From Banks	1.68	11.3	20.16
	Total	1.68	11.3	20.16
16	Deposits			
	From others			
	Caution money deposit for lockers	1.40	1.38	1.36
	Total	1.40	1.38	1.36
17	Lease Liabilities			
	Lease Liability	20.96	-	-
	Total	20.96	-	-
18	Other financial Liabilities			
	Interest Accrued	0.01	0.08	-
	Unclaimed Dividends	-	7.36	12.53
	Book Overdrafts	-	0.74	-
	Total	0.01	8.18	12.53
19	Current tax liability (net)			
	Provision for tax (Net of Advance Income Tax)	-	1.19	39.57
	Total	-	1.19	39.57


Notes to the financial statements for the year ended March 31, 2020
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
20	Provisions			
	Provision for employee benefits			
	Gratuity	3.80	23.64	19.49
	Compensated absences	0.26	0.29	-
	Contingent provision against standard assets	2.88	2.73	4.90
	Total	6.94	26.66	24.39
21	Other Non-financial liabilities			
	Other payables			
	Statutory dues payable	0.20	0.62	2.60
	Directors Sitting Fee	0.65	0.57	-
	Accrued salaries and benefits	1.30	0.80	12.94
	Total	2.15	1.99	15.54
22	Equity Share Capital			
	Equity Share Capital	499.72	499.72	499.72
	Total	499.72	499.72	499.72
	Capital			
	Authorised Share Capital			
	50,00,000 (Previous year 50,00,000) Equity Shares of Rs. 10 each	500.00	500.00	500.00
	Total	500.00	500.00	500.00
	Issued Share Capital			
	49,94,400 (Previous year 49,94,400) Equity Shares of Rs. 10 each	499.44	499.44	499.44
		499.44	499.44	499.44
	Subscribed and fully paid up share capital			
	49,94,400 (Previous year 49,94,400) Equity Shares of Rs. 10 each	499.44	499.44	499.44
	Add: Equity shares forfeited (paid up)	0.28	0.28	0.28
	Total	499.72	499.72	499.72
Notes:				
(a)	Reconciliation of number of equity shares subscribed			
	Balance as at the beginning of the year	4994400	4994400	4994400
	Add: Issued during the year	-	-	-
	Balance at the end of the year	4994400	4994400	4994400
(b)	There were no shares issued for consideration other than cash during the period of five years immediately preceding the reporting period.	-	-	-


Notes to the financial statements for the year ended March 31, 2020
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(c)	Shareholders holding more than 5% of the total share capital	March 31, 2020		March 31, 2019		April 1, 2018	
		No of shares	%	No of shares	%	No of shares	%
	Name of the share holder						
	Dr. Palani G Periasamy	3,54,112	7.09	3,54,112	7.09	3,54,112	7.09

(d) Rights, preferences and restrictions in respect of equity shares issued by the Company

"The company has only one class of equity shares having a par value of Rs.10 each. The equity shares of the company having par value of Rs.10 /- rank pari-passu in all respects including voting rights and entitlement to dividend. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders. During the current and previous year, no dividend has been proposed by the company to equity shareholders"

	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
23	Other Equity			
	Statutory Reserve	151.53	148.85	145.41
	Other Comprehensive Income	-	-	-
	Profit and Loss Account	154.90	165.60	170.13
	Total	306.43	314.45	315.54
	a) Statutory Reserve			
	Balance at the beginning of the year	148.85	145.41	117.59
	Add: Amount transferred from surplus in statement of profit and loss	2.68	3.44	27.82
	Balance at the end of the year	151.53	148.85	145.41
	b) Other comprehensive income			
	Balance at the beginning of the year	-	-	-
	Additions during the year	20.06	2.06	-
	Deductions/Adjustments during the year	-20.06	-2.06	-
	Balance at the end of the year	-	-	-
	c) Profit and Loss Account			
	Balance at the beginning of the year	165.60	170.13	137.08
	Net profit for the period	-28.08	-3.15	139.11
	Transfer to statutory reserve	-2.68	-3.44	-27.82
	Transfer from Other Comprehensive Income	20.06	2.06	-
	Ind AS adjustments	-	-	-78.24
	Balance at the end of the year	154.90	165.60	170.13


Notes to the financial statements for the year ended March 31, 2020
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
24	Revenue from operations		
	Interest Income	67.73	74.01
	Dividend Income	0.22	0.11
	Gain on fair value changes	0.12	0.09
	Sale of services		
	Leasing Income	27.30	31.66
	Total	95.37	105.87
25	Other income		
	Interest income		
	Other interest income	0.37	-
	Other non-operating income		
	Locker Rent	0.21	0.20
	Liabilities no longer payable written back	9.76	4.47
	Profit on sale of asset	0.30	-
	Total	10.64	4.67
26	Finance costs		
	Interest expense on		
	On car loan	0.51	1.42
	Others	-	4.43
	Lease liability	2.07	-
	Total	2.58	5.85
27	Net Loss on fair value changes		
	Net Loss on fair value changes	21.05	5.44
	Total	21.05	5.44
28	Employee benefit expenses		
	Salaries, wages and bonus	9.47	11.7
	Contribution to provident and Other funds	6.76	4.58
	Share based payments	-	-
	Directors Remuneration	-	0.90
	Staff welfare expenses	-	1.30
	Total	16.23	18.48
29	Impairment on Financial Instruments		
	Expected Credit Loss	-	18.40
	Total	-	18.40


Notes to the financial statements for the year ended March 31, 2020
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
30	Depreciation, Amortisation and Impairment		
	Depreciation and amortisation expenses	6.90	7.23
	Depreciation on Right-of-use asset	7.75	-
	Total	14.65	7.23
31	Other expenses		
	Insurance	2.85	3.50
	Rent	1.80	10.80
	Advertisement	2.72	2.75
	Printing and Stationery	1.46	2.57
	Postage and telephone	1.32	4.31
	Vehicle Maintenance	0.82	1.97
	Legal and professional charges	3.85	9.44
	Payments to auditors (Refer note below)	5.25	3.25
	Bank Charges	0.08	0.19
	Directors Sitting Fee	0.33	0.31
	Fees and subscription	4.01	4.68
	Security charges	1.79	1.75
	Rates and taxes	0.16	-
	Pooja Expenses	0.04	-
	Miscellaneous expenses	3.03	2.81
	Total	29.51	48.33
31 a	Payment to auditors		
	Statutory audit	2.25	2.25
	Limited review fees	0.75	0.75
	Tax audit	0.25	0.25
	Ind AS Transition	2.00	-
	Out of Pocket Expenses	-	-
	Total	5.25	3.25
32	Income tax expense		
	"(a) Income tax expense		
	Current tax		
	Current tax on profits for the year*	-	9.24
	MAT Credit Entitlement written off	43.74	-
	Total current tax expense	43.74	9.24
	Deferred tax		
	Deferred tax adjustments	6.33	0.72
	Total deferred tax expense/(benefit)	6.33	0.72
	Total	50.07	9.96


Notes to the financial statements for the year ended March 31, 2020
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from continuing operations	21.99	6.81
Income tax expense calculated at 22% (2018-19: 25%)	7.61	2.36
Tax Rate Changes (22%-25%) *	-	-
Effect of expenses that are not deductible in determining taxable profit	-7.61	6.88
Income tax expense	-	9.24
* The Impact is due to the difference in tax rate adopted for the current year deferred tax and previous year deferred tax		
c) Income tax recognised in other comprehensive income		
Deferred tax		
Remeasurement of defined benefit obligation	-0.20	0.78
Total income tax recognised in other comprehensive income	-0.20	0.78

d) Movement of deferred tax expense for the year ended March 31, 2020

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	4.01	-4.01	-	-
Expenses allowable on payment basis under the Income Tax Act	-0.78	-	-0.20	-0.98
Remeasurement of financial instruments under Ind AS	6.13	-5.35	-	0.78
Other temporary differences	-	3.03	-	3.03
	9.36	-6.33	-0.20	2.83
MAT Credit entitlement	43.74	-43.74	-	-
Total	53.10	-50.07	-0.20	2.83

e) Movement of deferred tax expense during the year ended March 31, 2019

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	5.23	-1.22	-	4.01
Expenses allowable on payment basis under the Income Tax Act	-	-	-0.78	-0.78
Remeasurement of financial instruments under Ind AS	5.63	0.50	-	6.13
Other temporary differences	-	-	-	-
	10.86	-0.72	-0.78	9.36
MAT Credit entitlement	46.65	-2.91	-	43.74
Total	57.51	-3.63	-0.78	53.10


33 Earnings per share

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Profit/(Loss) for the year attributable to owners of the Company	-28.08	-3.15
Weighted average number of ordinary shares outstanding	4994400	4994400
Basic earnings per share (Rs)	-0.56	-0.06
Diluted earnings per share (Rs)	-0.56	-0.06

34 Earnings in foreign currency Nil Nil

35 Expenditure in foreign currency Nil Nil

36. Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) The principal amount remaining unpaid at the end of the year	-	-
(b) Interest Accrued and due to the suppliers under MSMED Act, on the above amount	-	-
(c) The delayed payments of principal amount paid beyond the appointed date during the year	-	-
(d) Interest actually paid under Section 16 of MSMED Act	-	-
(e) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms	-	-
(f) Total interest accrued during the year and remaining unpaid	-	-

*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

37. Commitments and contingent liability

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contingent Liability	-	-
Commitments	-	-

38. Dues from a major customer

Subsequent to the reporting date, a corporate insolvency resolution process (CIRP) and the appointment of an interim resolution professional were admitted in the case of one of the major customers of the Company by the Hon'ble National Company Law Tribunal, Chennai Bench vide its order dated May 5, 2020. The total amount due from the above referred major customer to the Company as at March 31, 2020 is Rs. 534.20 Lakhs. In the opinion of the management, the major part of the assets of the customer comprises of land and commercial buildings (including a well-known brand name in the hotel industry), whose liquidation value is much more than the total dues to its financial and operating creditors (including that of the Company) and accordingly, the Company will be able to recover the entire outstanding dues from the customer, even in the aforesaid CIRP conditions. Based on the above estimate and based on the fact that the customer's account was a fully performing asset before the admission of the CIRP, no provision towards allowance for expected credit loss in respect of the dues from the aforesaid customer and on the carrying amount of minimum alternate tax credit of Rs.43.74 Lakhs have been considered by the Company in these financial results. Accordingly, the above financial results have been prepared on a going concern assumption and the net owned funds are considered to be above the minimum limits prescribed by the Reserve Bank of India for an NBFC.

**39 Operating Segments**

The company is engaged in the business of “NBFC activities” while in the previous year engaged in the business of “NBFC activities and also providing travel and tourism services”, However, it has only one reportable segment in accordance with Ind AS 108 ‘Segment Reporting’. Other operating segments do not meet the criteria for reportable segments.

In lakhs

Particulars	March 31, 2020	March 31, 2019
Segment Revenue (Net Sales/ Income from each segment)		
a. Financial Services	106.01	110.54
b. Travel Services	-	-
Total	106.01	110.54
Less: Inter Segment Revenue	-	-
Net Sales/ Income from Operations	106.01	110.54
Segment Results (Profit/ (Loss) before tax and interest)		
a. Financial Services	24.57	12.66
b. Travel Services	-	-
Total	24.57	12.66
Less:		
i. Interest	2.58	5.85
ii. Other unallocable expenditure net off	-	-
Total profit/(loss) before tax	21.99	6.81
Capital Employed (Segment Assets - Segment Liabilities)		
a. Financial Services	686.68	719.13
b. Travel Services	119.47	95.04
Total	806.15	814.17

Information relating to geographical areas

The Company is domiciled in India and its operations are restricted only in India. Accordingly, no disclosures with regard to geographical locations are disclosed.

Single customer with more than 10% revenue

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Number of external customers each contributing more than 10% of total revenue	1	1
Total revenue from the above customers	70.96	92.46


40 Operating lease arrangements

In lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
As Lessor		
The Company has entered into operating lease arrangements for certain surplus facilities. The leases are non-cancellable for a period ranging from 1 to 5 years with an option to the Company for renewing at the end of the initial term.		
Total lease income recognised in the Statement of Profit and Loss	27.30	31.66
As Lessee		
The Company has entered into operating lease arrangements for its office facilities. These leases are for a period ranging from 1 to 5 years with an option to the Company for renewing at the end of the initial term		
Rental expenses recognised in the Statement of Profit and Loss	1.80	10.80

41 Financial Instruments
Capital management

The Company manages its capital to ensure that entities in 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

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

In lakhs

	March 31, 2020	March 31, 2019	April 1, 2018
Net debt to equity ratio			
Debt	1.68	11.30	20.16
Less: Cash and bank balances	6.39	9.13	18.67
Net debt	-4.71	2.17	1.49
Total equity	806.15	814.17	815.26
Net debt to equity ratio (%)	-0.58%	0.27%	0.18%
Categories of Financial Instruments			
Financial assets			
a. Measured at amortised cost			
Loans	623.45	623.45	627.00
Receivables	119.47	97.50	117.29
Cash and cash equivalents	6.39	1.77	6.09
Bank balances other than above	-	7.36	12.58
Other financial assets	63.26	58.81	55.88
b. Mandatorily measured at fair value through profit or loss (FVTPL)			
Investments	20.23	41.16	45.61



Financial liabilities			
a. Measured at amortised cost			
Trade payables	47.18	50.69	33.77
Deposits	1.40	1.38	1.36
Other financial liabilities	0.01	8.18	12.53
b. Mandatorily measured at fair value through profit or loss (FVTPL)			
Derivative instruments	-	-	-

Financial risk management objectives

In the course of its business, the Company is exposed to certain financial risks namely interest risk, credit risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Interest rate risk management

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 interest rates. The Company is exposed to interest rate risk because it borrow funds at fixed interest rates. The Company actively manages its interest rate exposures through a centralized treasury division

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

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

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. 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.

(b) Investments, 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. Investments of surplus funds are made only with approved financial institutions/ counterparty. 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 such items 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. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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.



DHARANI FINANCE LIMITED

In lakhs

31 March 2020	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	47.18	-	-	47.18
Borrowings	1.68	-	-	1.68
	48.86	-	-	48.86

31 March 2019	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	50.69	-	-	50.69
Borrowings	7.96	3.34	-	11.30
	58.65	3.34	-	61.99

31 March 2018	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	33.77	-	-	33.77
Borrowings	10.20	9.96	-	20.16
	43.97	9.96	-	53.93

	March 31, 2020	March 31, 2019	April 1, 2018
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil	Nil

42. Related party disclosure

Key Management Personnel (KMP)

Dr. Palani G Periasamy – Chairman

Mrs. Visalakshi Periasamy – Director

Mr. K Kandasamy – Managing Director

Entity over which relative of Key Management Personnel exercise significant influence

M/s. Dharani Sugars and Chemicals Ltd

M/s. Appu Hotels Ltd

M/s. PGP Educational and Welfare Society

M/s. Dharani Credit and Finance Private Ltd

M/s. Dharani Developers Private Limited


b) Transactions with related parties are as follows

In lakhs

S. No	Transactions/ Balances	Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1	Remuneration to Managing Director Mr. K Kandasamy – Managing Director	-	-	-	0.90
2	Rent for office premises Dr. Palani G Periasamy – Chairman Mrs.Visalakshi Periasamy - Director	- - -	- - -	9.00 1.80	9.00 1.80
3	Sitting fees paid Dr. Palani G Periasamy – Chairman Mrs.Visalakshi Periasamy - Director	- - -	- - -	0.05 0.05	0.04 0.04
4	Inter corporate deposit repayment received Appu Hotels Limited	-	12.00	-	-
5	Services rendered to (Air ticket, car rental and lease) Appu Hotels Limited	27.30	31.66	-	-
6	Interest received on inter corporate loans Appu Hotels Limited	- 43.66	- 60.81	-	-

c) Balances with related parties are as follows

S.No	Transactions/ Balances	Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1	Rent Payable Dr. Palani G Periasamy – Chairman	-	-	35.84	31.86
2	Director sitting fees payable Dr. Palani G Periasamy – Chairman Mrs.Visalakshi Periasamy - Director	- - -	- - -	0.26 0.25	0.21 0.20
3	Trade Payable Dharani Sugars and Chemicals Limited	-	2.21	-	-
4	Trade Receivable Appu Hotels Limited Dharani Developers Private Limited	119.20 0.27	196.07 0.27	- -	- -
5	Loans given Appu Hotels Limited	415.00	415.00	-	-

**43 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.

Defined benefit plans**(a) Gratuity**

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six

months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

(b) Compensated absence

The leave scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.

(c) Risks associated with defined benefit plans

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

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.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31st, 2020	March 31st, 2019
Discount rate	6.25%	6.40%
Rate of increase in compensation level	5%	5%
Attrition rate	10%	10%



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.

In Lakhs

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	March 31st, 2020	March 31st, 2019
Amount recognised under Employee Benefits Expense in the Statement of profit and Loss:		
Current service cost	0.76	1.95
Net interest expense	0.60	1.39
Due to change in financial assumptions	-	-
Due to change in actuarial adjustments	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	-
Components of defined benefit costs recognised in profit or loss	1.36	3.34
Amount recognised in Other Comprehensive Income (OCI) for the Year	-	-
Remeasurement on the net defined benefit liability comprising:	-	-
Actuarial (gains)/losses recognised during the period	-20.26	-2.71
Components of defined benefit costs recognised in other comprehensive income	-20.26	-2.71
Total	-18.90	0.63

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

In Lakhs

Present value of defined benefit obligation	1.22	20.12
Fair value of plan assets	-	-
Net liability/ (asset) arising from defined benefit obligation	1.22	20.12
Funded	-	-
Unfunded	1.22	20.12
Total	1.22	20.12
The above provisions are reflected under 'Provision for employee benefits- gratuity' [Refer note 20]		
Movements in the present value of the defined benefit obligation in the current year were as follows:		
Opening defined benefit obligation	20.12	19.49
Current service cost	0.76	1.95
Interest cost	0.60	1.39
Actuarial (gains)/losses	-	-
Due to change in financial assumptions	0.01	0.04
Due to change in actuarial adjustments	-20.27	-2.75
Closing defined benefit obligation	1.22	20.12

**Sensitivity analysis**

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

In Rupees

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Discount Rate Sensitivity		
Increase by 0.5%	119235	2009489
Percentage change	-2.31%	-0.16%
Decrease by 0.5%	124982	2015939
Percentage change	2.40%	0.16%
Salary growth rate sensitivity		
Increase by 0.5%	125003	2015968
Percentage change	2.42%	0.17%
Decrease by 0.5%	119188	2009432
Percentage change	-0.0235	-0.0016
Withdrawal rate (W.R.) Sensitivity		
W.R x 110%	122356	2012778
% change	0.25%	0.01%
W.R x 90%	121696	2012447
% change	-0.29%	-0.01%

(b) Compensated absences

The leave scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.

Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.

The above provisions are reflected under 'Provision for employee benefits- compensated absences' [Refer note 20]


44. Maturity Analysis of Asset and Liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled.
In Lakhs

Particulars	As at March 31, 2020			As at March 31, 2019			As at March 31, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	6.39	-	6.39	1.77	-	1.77	6.09	-	6.09
Other bank balances	-	-	-	7.36	-	7.36	5.22	7.36	12.58
Trade receivables	119.47	-	119.47	97.50	-	97.50	117.29	-	117.29
Loans	623.45	-	623.45	-	623.45	623.45	-	627.00	627.00
Investments	-	20.23	20.23	-	41.16	41.16	-	45.61	45.61
Other Financial Assets	61.17	2.09	63.26	56.72	2.09	58.81	53.79	2.09	55.88
	810.48	22.32	832.80	163.35	666.70	830.05	182.39	682.06	864.45
Non- Financial assets									
Current tax assets (net)	5.13	-	5.13	-	-	-	-	-	-
Deferred tax assets (net)	-	2.83	2.83	-	53.10	53.10	-	57.51	57.51
Property, plant and equipment	-	22.78	22.78	-	29.68	29.68	-	37.23	37.23
Right of use asset	-	20.14	20.14	-	-	-	-	-	-
Other non-financial assets	2.79	-	2.79	2.73	-	2.73	3.39	-	3.39
Total	7.92	45.75	53.67	2.73	82.78	85.51	3.39	94.74	98.13
Liabilities									
Financial Liabilities									
Trade payables									
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises	47.18	-	47.18	50.69	-	50.69	33.77	-	33.77
Borrowings (Other Than Debt Securities)	1.68	-	1.68	7.96	3.34	11.30	10.20	9.96	20.16
Deposits	-	1.40	1.40	-	1.38	1.38	-	1.36	1.36
Lease Liability	9.11	11.85	20.96	-	-	-	-	-	-
Other financial liabilities	0.01	-	0.01	8.18	-	8.18	5.17	7.36	12.53
	57.98	13.25	71.23	66.83	4.72	71.55	49.14	18.68	67.82
Non- Financial Liabilities									
Current Tax Liability	-	-	-	1.19	-	1.19	39.57	-	39.57
Provisions	2.76	4.18	6.94	22.57	4.09	26.66	10.37	14.02	24.39
Other non-financial liabilities	2.15	-	2.15	1.99	-	1.99	15.54	-	15.54
Total	4.91	4.18	9.09	25.75	4.09	29.84	65.48	14.02	79.50

45 First-time adoption of Ind AS
Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

"The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2020, the comparative information presented in these financial statements for the year ended March 31, 2019 and in the preparation of an opening Ind AS balance sheet at April 1, 2018 (The company's date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards generally applicable to the

Company (as amended from time to time) and other relevant provisions of the Act (previous GAAP or Indian GAAP)."

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions
A.1.1 Deemed cost for Property, plant and equipment

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment or to



continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The company has elected to use the previous GAAP carrying amount on the date of transition as the deemed cost

A.1.2. Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI or FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

“An entity’s estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP:“

B. Notes to first-time adoption

B.1 Fair valuation of financial assets and liabilities

Under Ind AS, financial assets and liabilities are to be valued at amortised cost or fair valued through profit and loss (FVTPL) or fair valued through other comprehensive income (FVTOCI) based on the Company’s business objectives and the cash flow characteristics of the underlying financial assets and liabilities. The Company has remeasured the financial assets and liabilities as on the date of transition and the consequential impact has been given in the opening retained earnings.

B.2 Allowance for expected credit loss on trade receivables

Under the previous GAAP, the Company was making the provision for expected credit loss as per the Income

Recognition and Asset Classification norms specified by the Reserve Bank of India for an NBFC. As per Ind AS 109, the company is required to apply expected credit loss model for recognising the allowance for expected credit loss. As a result, additional provisions of Rs.78.24 Lakhs as at April 1, 2018 and Rs.18.40 Lakhs for the year ended March 31, 2019, with a corresponding impact on equity.

B.3 Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. Adjustments have been made for such re-classifications/ remeasurements.

46 Key reconciliation required as per Ind AS 101 on transition to Ind AS

In lakhs

(a) Reconciliation of equity	As at March 31, 2019	As at April 1, 2018
Total equity / shareholders’ funds as per Indian GAAP	910.72	893.50
Ind AS Adjustments		
Expected credit loss on receivables	-96.64	-78.24
Gain on Fair valuation of investments	0.09	-
	814.17	815.26

(b) Reconciliation of Profits	For the year ended March 31, 2019
Total comprehensive income as per Indian GAAP	17.22
Ind AS Adjustments	
Expected credit loss on receivables	-18.40
Remeasurement of employee benefits	-2.46
Gain on Fair valuation of investments	0.09
Actuarial gains/ (losses) reclassified to OCI (net of tax)	2.06
Deferred Tax impacts	0.40
Total comprehensive income as per Ind AS	-1.09

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For CNGSN & ASSOCIATES LLP
 Chartered Accountants
 Firm Registration No. 004915S/ S200036

CHINNSAMY GANESAN
 Partner
 Membership No.027501
 UDIN: 20027501AAAABL2620

Place : Chennai
 Date : July 28, 2020

K.KANDASAMY
 Managing Director
 DIN:00277906

S.KUPPAN
 Company Secretary

For and on behalf of the board of directors of
DHARANI FINANCE LIMITED

Dr. PALANI G PERIASAMY
 Chairman
 DIN: 00081002

N.SIVABALAN
 Chief Financial Officer

Registered Book Post / Courier

To



If Undelivered, Please return to
DHARANI FINANCE LIMITED
(Secretarial Division)
"PGP HOUSE"

New No. 59, (Old No. 57), Sterling Road, Nungambakkam, Chennai - 600 034.