



# 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](mailto:pgp_dfl@yahoo.com) / [secretarial@dharanifinance.in](mailto:secretarial@dharanifinance.in)

Website : [www.dharanifinance.in](http://www.dharanifinance.in) CIN No.: L65191TN1990PLC019152

July 28, 2020

DFL\Notice Reg-33 \2020

The Secretary,  
The Stock Exchange, Mumbai  
Corporate Relationship Department,  
First Floor, New Trading Ring,  
Rotunda Building, P J Towers,  
Dalal Street, Fort, **Mumbai 400 001**

Dear Sir,

**Sub: Outcome- Board Meeting – 28<sup>th</sup> July 2020 - Audited Financial results of the Company for the quarter and year ended 31<sup>st</sup> March 2020.**

**Ref: Scrip Code – 511451 – Dharani Finance Limited**

In accordance with Regulation 33 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following items were discussed and approved in the Meeting of the Board of Directors held on 28<sup>th</sup> July 2020.

1. Audited Financial Results for the Quarter and Year ended 31<sup>st</sup> March 2020 along with segment wise report.
2. Statement of Assets & Liabilities.
3. Independent Auditors Report.
4. Statement on impact of Audit Qualifications.
5. Mrs Visalakshi Periasamy retires by rotation and being eligible offers herself for re-appointment subject to the approval of Board of Directors and Shareholders. of the Company.

The Meeting of the Board of Directors of the Company commenced at 11.00 a.m. and concluded at 2.00 p.m.

This information is also available at the website of the Company ([www.dharanifinance.in](http://www.dharanifinance.in)) and at the websites of the Stock Exchanges where the equity shares of the Company are listed: BSE Limited ([www.bseindia.com](http://www.bseindia.com))

Thanking You,

Yours faithfully,  
for Dharani Finance Limited

Dr S Kuppan  
Company Secretary



Encl.: as above

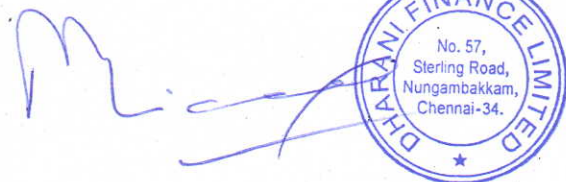
## Dharani Finance Limited

Regd. Office: "PGP House", No.57 Sterling Road, Nungambakkam, Chennai - 600 034.  
 Ph.91-44-2831313 Fax: 91-44-28232074 Email id: secretarial@dharanifinance.in Website: www.dharanifinance.in  
 CIN: L65191TN1990PLC019152

Statement of standalone audited financial results for the quarter and year ended March 31, 2020 under Ind AS

(Rs.in Lakhs)

Sl No	Particulars	Quarter ended			Year ended	
		March 31, 2020 (Audited)	Dec 31, 2019 (Unaudited)	March 31, 2019 (Audited)	March 31, 2020 (Audited)	March 31, 2019 (Audited)
	<b>Revenue from Operations</b>					
	Interest Income	12.13	18.60	18.20	67.73	74.01
	Dividend Income	-	0.22	-	0.22	0.11
	Gain on fair value changes	-	-	0.07	0.12	0.09
	Fees and Commission Income					
	Income from services	6.82	6.83	11.04	27.30	31.66
1	<b>Total Revenue from Operations</b>	<b>18.95</b>	<b>25.65</b>	<b>29.31</b>	<b>95.37</b>	<b>105.87</b>
2	Other Income (Net)	7.18	0.10	0.22	10.64	4.67
3	<b>Total Income (1+2)</b>	<b>26.13</b>	<b>25.75</b>	<b>29.53</b>	<b>106.01</b>	<b>110.54</b>
4	<b>Expenses</b>					
	Finance costs	2.12	0.10	0.25	2.58	5.85
	Net loss on fair value changes	8.29	1.10	5.44	21.05	5.44
	Impairment on financial instrument	-	-	10.25	-	18.40
	Employee benefit expenses	2.00	3.55	1.07	16.23	18.48
	Depreciation, amortization and impairment	9.48	1.72	1.72	14.65	7.23
	Other expenses	(1.04)	7.92	3.26	29.51	48.33
	<b>Total Expenses</b>	<b>20.85</b>	<b>14.39</b>	<b>21.99</b>	<b>84.02</b>	<b>103.73</b>
5	<b>Profit/ (loss) before exceptional items and tax (3-4)</b>	<b>5.28</b>	<b>11.36</b>	<b>7.54</b>	<b>21.99</b>	<b>6.81</b>
6	Exceptional items	-	-	-	-	-
7	<b>Profit/ (loss) before tax (5+6)</b>	<b>5.28</b>	<b>11.36</b>	<b>7.54</b>	<b>21.99</b>	<b>6.81</b>
8	<b>Tax expense</b>					
	Current tax	(9.77)	7.18	5.16	-	9.24
	MAT credit entitlement written off	43.74	-	-	43.74	-
	Deferred tax	12.12	(4.45)	0.62	6.33	0.72
	<b>Total Tax Expenses</b>	<b>46.09</b>	<b>2.73</b>	<b>5.78</b>	<b>50.07</b>	<b>9.96</b>
9	<b>Profit/ (loss) for the period from continuing operations (7-8)</b>	<b>(40.81)</b>	<b>8.63</b>	<b>1.76</b>	<b>(28.08)</b>	<b>(3.15)</b>
10	<b>Profit / (Loss) from discontinued operations</b>	-	-	-	-	-
11	Tax expense of discontinued operations	-	-	-	-	-
12	<b>Profit / (Loss) from discontinued operations (after tax) (10-11)</b>	-	-	-	-	-
13	<b>Profit/ (loss) for the period (11+12)</b>	<b>(40.81)</b>	<b>8.63</b>	<b>1.76</b>	<b>(28.08)</b>	<b>(3.15)</b>
14	<b>Other comprehensive income , net of income tax</b>					
	a) (i) items that will not be reclassified to profit or loss	18.19	0.68	0.71	20.26	2.84
	(ii) income tax relating to items that will not be reclassified to profit or loss	0.32	(0.17)	(0.18)	(0.20)	(0.78)
	b) (i) items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	<b>Total other comprehensive income , net of income tax</b>	<b>18.51</b>	<b>0.51</b>	<b>0.53</b>	<b>20.06</b>	<b>2.06</b>
15	<b>Total comprehensive income/ (loss) for the period (13+14)</b>	<b>(22.30)</b>	<b>9.14</b>	<b>2.29</b>	<b>(8.02)</b>	<b>(1.09)</b>
16	Paid-up equity share capital	499.72	499.72	499.72	499.72	499.72
	Face value per share (Rs)	10.00	10.00	10.00	10.00	10.00
17	Earning per share (Rs) (not annualised)					
	- Basic	(0.82)	0.17	0.04	(0.56)	(0.06)
	- Diluted	(0.82)	0.17	0.04	(0.56)	(0.06)





**Notes:**

- 1 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its Meeting held on July 28, 2020. The statutory auditors have issued unmodified opinion on the audited financial results.
- 2 The above financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and principles generally accepted in India, to the extent applicable. Beginning April 1, 2019, the Company has for the first time adopted Ind AS with a transition date of April 1, 2018.
- 3 The Ministry of Corporate Affairs (MCA), vide its notification dated October 11, 2018 issued Division III of Schedule III, which provides the format for financial statements of Non-Banking Financial Companies, as defined in the Companies (Indian Accounting Standards) (Amendments) Rules 2016. These Financial Results have been prepared in accordance with the same. The previous figures have also undergone a reclassification to comply with the requirements of the Division III.
- 4 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.
- 5 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.  
  
This is a matter of qualification by the auditors.
- 6 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.

**Segment-wise Revenue, Results and Capital Employed**

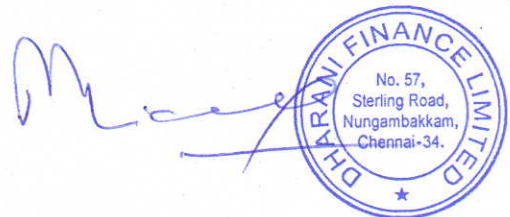
(Rs.in Lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2020 (Audited)	Dec 31, 2019 (Unaudited)	March 31, 2019 (Unaudited)	March 31, 2020 (Audited)	March 31, 2019 (Unaudited)
<b>(1) Segment Revenue (Net Sales/ Income from each segment)</b>					
a. Financial Services	26.13	25.75	29.53	106.01	110.54
b. Travel Services	-	-	-	-	-
	26.13	25.75	29.53	106.01	110.54
Less: Inter Segment Revenue	-	-	-	-	-
Net Sales/ Income from Operations	26.13	25.75	29.53	106.01	110.54
<b>(2) Segment Results (Profit/(Loss) before tax and interest)</b>					
a. Financial Services	7.40	11.46	7.79	24.57	12.66
b. Travel Services	-	-	-	-	-
	7.40	11.46	7.79	24.57	12.66
Less:					
i. Interest	2.12	0.10	0.25	2.58	5.85
ii. Other unallocable expenditure net off	-	-	-	-	-
<b>Total profit/(loss) before tax</b>	<b>5.28</b>	<b>11.36</b>	<b>7.54</b>	<b>21.99</b>	<b>6.81</b>
<b>(3) Capital Employed (Segment Assets - Segment Liabilities)</b>					
a. Financial Services	686.68	734.99	719.13	686.68	719.13
b. Travel Services	119.47	93.57	95.04	119.47	95.04
	<b>806.15</b>	<b>828.56</b>	<b>814.17</b>	<b>806.15</b>	<b>814.17</b>



## 7 Statement of assets and liabilities

Particulars	(Rs.in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Assets</b>		
<b>Financial Assets</b>		
Cash and cash equivalents	6.39	1.77
Bank balances other than above	-	7.36
Receivables		
Trade receivables	119.47	97.50
Loans	623.45	623.45
Investments	20.23	41.16
Other Financial Assets	63.26	58.81
	<b>832.80</b>	<b>830.05</b>
<b>Non-financial Assets</b>		
Current Tax Asset (Net)	5.13	-
Deferred Tax Asset (Net)	2.83	53.10
Property, plant and equipment	22.78	29.68
Right of use asset	20.14	-
Other non-financial assets	2.79	2.73
	<b>53.67</b>	<b>85.51</b>
<b>Total - Assets</b>	<b>886.47</b>	<b>915.56</b>
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
<b>Financial Liabilities</b>		
Payables		
Trade payables	47.18	50.69
Borrowings (Other Than Debt Securities)	1.68	11.30
Deposits	1.40	1.38
Lease Liability	20.96	-
Other financial liabilities	0.01	8.18
	<b>71.23</b>	<b>71.55</b>
<b>Non-Financial Liabilities</b>		
Current Tax Liability (Net)	-	1.19
Provisions	6.94	26.66
Other non-financial liabilities	2.15	1.99
	<b>9.09</b>	<b>29.84</b>
<b>Total Liabilities</b>	<b>80.32</b>	<b>101.39</b>
<b>Equity</b>		
Equity Share Capital	499.72	499.72
Other Equity	306.43	314.45
	<b>806.15</b>	<b>814.17</b>
<b>Total - Liabilities and Equity</b>	<b>886.47</b>	<b>915.56</b>





## 8 Statement of cash flows

Particulars	(Rs.in Lakhs)	
	As at March 31, 2020 (Audited)	As at March 31, 2019 (Audited)
<b>Cash Flow From Operating Activities</b>		
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	20.93	5.35
Profit on sale of property, plant and equipment	(0.30)	-
Dividend income	(0.22)	(0.11)
	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)
<b>Net cash from operating activities (A)</b>	<b>15.87</b>	<b>5.64</b>
<b>Cash Flows From Investing Activities</b>		
Sale proceeds of PPE (including changes in CWIP)	0.30	0.32
(Purchase)/ disposal proceeds of Investments	-	(0.90)
Dividend received	0.22	0.11
(Investments in)/ Maturity of fixed deposits with banks	7.36	5.22
<b>Net cash used in investing activities (B)</b>	<b>7.88</b>	<b>4.75</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from/ (repayments of) long term borrowings (net)	(9.62)	(8.86)
Repayment of lease liabilities	(9.00)	-
Interest paid	(0.51)	(5.85)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>(19.13)</b>	<b>(14.71)</b>
<b>Net increase/decrease in cash and cash equivalents (A+B+C)</b>	<b>4.62</b>	<b>(4.32)</b>
Cash and cash equivalents at the beginning of the financial year	1.77	6.09
<b>Cash and cash equivalents at end of the year</b>	<b>6.39</b>	<b>1.77</b>

8 The reconciliation of net profit or loss reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below :

Particulars	Quarter ended	Year ended March
	March 31, 2019	31, 2019
<b>Net Profit as per previous GAAP (Indian GAAP)</b>	12.47	17.22
<b>Ind AS Adjustments : Add/ (less)</b>		
Expected credit loss on receivables	(10.25)	(18.40)
Remeasurement of employee benefits	(0.53)	(2.46)
Gain on Fair valuation of investments	0.07	0.09
Deferred Tax impacts	-	0.40
<b>Comprehensive income as per Ind AS</b>	1.76	(3.15)
Actuarial gains/ (losses) reclassified to Other Comprehensive Income (net of tax)	0.53	2.06
<b>Total comprehensive income as per Ind AS</b>	<b>2.29</b>	<b>(1.09)</b>



9 The reconciliation of equity reported in accordance with Indian GAAP to equity in accordance with Ind AS is given below :

Particulars	As at March 31, 2019
Total equity / shareholders' funds as per Indian GAAP	910.72
Ind AS Adjustments : Add/ (less)	
Expected credit loss on receivables	(96.64)
Gain on Fair valuation of investments	0.09
Total equity as per Ind AS	814.17

10 Figures for the previous periods have been regrouped and/ or reclassified wherever necessary to conform with the classification for the current period.

Place: Chennai  
Date : July 28, 2020



for Dharani Finance Limited

Dr. Palani G Periasamy  
Chairman  
DIN : 00081002

Initialled for identification purposes







## CNGSN & ASSOCIATES LLP

### CHARTERED ACCOUNTANTS

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**V. VIVEK ANAND**  
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**D. KALAIALAGAN**  
B.Com., FCA, DISA (ICAI)

**K. PARTHASARATHY**  
B.Com., FCA

**NYAPATHY SRILATHA**  
M.Com., FCA, PGDFM

**E.K. SRIVATSAN**  
B.Com., FCA

**Independent Auditors' Report**  
on quarter and year to date financial results for the quarter and year ended March 31, 2020 of  
M/s Dharani Finance Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and  
Disclosure Requirements) Regulations, 2015 as amended

The Board of Directors  
Dharani Finance Limited  
57 Sterling Road, Nungambakkam,  
Chennai 600 034

#### Report on the audit of the Standalone Financial Results

#### Qualified Opinion

We have audited the accompanying standalone quarterly financial results of Dharani Finance Limited (the "Company") for the quarter and the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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 Statement:

- (a) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (b) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter and year ended March 31, 2020.

#### Basis for Qualified Opinion

We draw attention to the following matters:

- a) As morefully explained in note 5 to the financial results, 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 higher 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 have been considered by the Company in these financial results.

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 for the above items in these financial results.

Due to uncertainties involved in the CIRP process, the impact, if any, on the Statement 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 Statement on a going concern basis.

Our opinion on the Statement 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 Relating 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 the Statement has been prepared on a going concern basis. This is a matter of qualification in our opinion on this Statement.





### Emphasis of Matters

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

- (a) Note 2 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from April 1, 2018, and accordingly, the Statement has been prepared by the Company's Management in compliance with Ind AS; and
- (b) Note 4 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.

### Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the Standalone annual financial statements. The Company's board of directors are responsible for the preparation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

Further, the management is also responsible to ensure that the accounting policies used in preparation of this Statement 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 of 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the board of directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditors' Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement 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 the Statement.





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

We also carried out the following procedures as part of our audit:

- Identify and assess the risks of material misstatement of the Statement, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Statement 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

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

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





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

**For CNGSN & ASSOCIATES LLP**  
Chartered Accountants  
Firm Registration No.004915S/ S200036



**(CHINNSAMY GANESAN)**  
Partner  
Membership No. 027501  
UDIN: 20027501AAAAABK7355  
Place: Chennai  
Date : July 28, 2020





# DHARANI FINANCE LIMITED

Regd. & Admn. Office :

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Email : pgg\_dfl@yahoo.com / secretarial@dharanifinance.in

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

Dharani Finance Limited

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

Statement on impact of Audit Qualifications for the Financial year ended 31<sup>st</sup> 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	2.450	2.450
	b	Total Expenditure	84.02	84.02
	c	Net Profit/ (Loss)	15.66	15.66
	d	Earnings Per share	0.31	0.31
	e	Total Assets	930.21	930.21
	f	Total Liabilities	930.21	930.21
	g	Net Worth	-369.68	-369.68
	h	Any other financial item(s) as felt appropriate by the Management)	0.00	0.00
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-existents 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.	

**Signatures:**

CEO/ Managing Director	/sd/ ( K Kandasamy)
Chief Financial Officer	/sd/ (N Sivabalan)
Audit Committee Chairman	/sd/ (M Ganapathy)
Statutory Auditor	/sd/ ( C G Ganesan)

Place: Chennai  
Date: 28<sup>th</sup> July 2020

