



# DHARANI FINANCE LIMITED

Regd.Office "PGP HOUSE" New No. 59, (Old No. 57), Sterling Road, Nungambakkam, Chennai - 600 034.  
Tel No.044-28254176, 28207482, Email: [secretarial@dharanifinance.com](mailto:secretarial@dharanifinance.com), Website : [www.dharanifinance.com](http://www.dharanifinance.com),  
CIN - L65191TN1990PLC019152, PAN No. AAACD1282G, GST No.33 AAACD1282G2Z3

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DFL/BM Results/Mar2024/ Reg-33/2024

May 17, 2024

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 – 17<sup>th</sup> May 2024 - Audited Financial Results of the Company for the quarter and year ended 31<sup>st</sup> March 2024.**

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

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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 17<sup>th</sup> May 2024.

1. Audited Financial Results for the Quarter and Year ended 31<sup>st</sup> March 2024 along with segment wise report.
2. Statement of Assets & Liabilities.
3. Independent Auditors Report.
4. Statement on impact of Audit Qualifications.

The Meeting of the Board of Directors of the Company commenced at 6.00 p.m. and concluded at 9.00 p.m.

This information is also available at the website of the Company ([www.dharanifinance.com](http://www.dharanifinance.com)) 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**

PALANI  
GOUNDER  
PERIASAMY  
Digitally signed by  
PALANI GOUNDER  
PERIASAMY  
Date: 2024.05.17 21:00:47  
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**Dr Palani G Periasamy  
Chairman**

**Encl.: as above**

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CIN L65191TN1990PLC019152

Statement of standalone audited financial results for the quarter and year ended March 31, 2024

(Rs. In Lakhs)

| Sl No | Particulars   | Quarter ended  |                          |                          | Year ended     |                          |
|-------|---|----------------|--------------------------|--------------------------|----------------|--------------------------|
|       |   | March 31, 2024 | Dec 31, 2023 (Unaudited) | March 31, 2023 (Audited) | March 31, 2024 | March 31, 2023 (Audited) |
|       | Revenue from Operations   |                |                          |                          |                |                          |
|       | Interest Income   | (14.35)        | 16.01                    | 5.92                     | 13.09          | 24.00                    |
|       | Dividend Income   | 0.31           | -                        | 0.59                     | 0.06           | 0.72                     |
|       | Gain on fair value changes  | 1.12           | 20.99                    | -                        | 35.09          | 7.59                     |
|       | Income from services  | 6.53           | 6.53                     | 6.53                     | 26.10          | 26.10                    |
| 1     | <b>Total Revenue from Operations</b>  | <b>(7.24)</b>  | <b>43.53</b>             | <b>13.04</b>             | <b>74.34</b>   | <b>58.41</b>             |
| 2     | Other Income  | 4.48           | 0.15                     | 0.10                     | 4.95           | 1.58                     |
| 3     | <b>Total Income (1+2)</b>   | <b>(2.76)</b>  | <b>43.67</b>             | <b>13.14</b>             | <b>79.28</b>   | <b>59.99</b>             |
| 4     | Expenses  |                |                          |                          |                |                          |
|       | Finance costs   | 0.34           | 0.39                     | 0.28                     | 1.69           | 2.09                     |
|       | Loss on fair value changes  | 10.29          | 16.51                    | 10.92                    | 58.57          | 27.38                    |
|       | Employee benefit expenses   | 3.42           | 1.27                     | 3.35                     | 7.14           | 6.41                     |
|       | Depreciation, amortization and impairment   | 2.48           | (0.34)                   | 3.11                     | 9.92           | 15.54                    |
|       | Other expenses  | 8.67           | 9.05                     | 5.86                     | 32.36          | 21.24                    |
|       | <b>Total Expenses</b>   | <b>25.20</b>   | <b>26.89</b>             | <b>23.51</b>             | <b>109.68</b>  | <b>72.65</b>             |
| 5     | <b>Profit/ (loss) before exceptional items and tax (3-4)</b>                      | <b>(27.96)</b> | <b>16.78</b>             | <b>(10.37)</b>           | <b>(30.40)</b> | <b>(12.66)</b>           |
| 6     | Exceptional items   | -              | -                        | -                        | -              | -                        |
| 7     | <b>Profit/ (loss) before tax (5+6)</b>  | <b>(27.96)</b> | <b>16.78</b>             | <b>(10.37)</b>           | <b>(30.40)</b> | <b>(12.66)</b>           |
| 8     | Tax expense   |                |                          |                          |                |                          |
|       | Current tax   | -              | -                        | -                        | -              | -                        |
|       | Deferred tax  | -              | -                        | -                        | -              | -                        |
|       | <b>Total Tax Expenses</b>   | <b>-</b>       | <b>-</b>                 | <b>-</b>                 | <b>-</b>       | <b>-</b>                 |
| 9     | <b>Profit/ (loss) for the period from continuing operations (7-8)</b>             | <b>(27.96)</b> | <b>16.78</b>             | <b>(10.37)</b>           | <b>(30.40)</b> | <b>(12.66)</b>           |
| 10    | Profit / (Loss) from discontinued operations                                      | -              | -                        | -                        | -              | -                        |
| 11    | Tax expense of discontinued operations  | -              | -                        | -                        | -              | -                        |
| 12    | <b>Profit / (Loss) from discontinued operations (after tax) (10-11)</b>           | <b>-</b>       | <b>-</b>                 | <b>-</b>                 | <b>-</b>       | <b>-</b>                 |
| 13    | <b>Profit/ (loss) for the period (11+12)</b>                                      | <b>(27.96)</b> | <b>16.78</b>             | <b>(10.37)</b>           | <b>(30.40)</b> | <b>(12.66)</b>           |
| 14    | Other comprehensive income , net of income tax                                    |                |                          |                          |                |                          |
|       | a) (i) Items that will not be reclassified to profit or loss                      | 2.05           | -                        | 2.18                     | 2.05           | 2.18                     |
|       | (ii) income tax relating to items that will not be reclassified to profit or loss | -              | -                        | -                        | -              | -                        |
|       | 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>2.05</b>    | <b>-</b>                 | <b>2.18</b>              | <b>2.05</b>    | <b>2.18</b>              |
| 15    | <b>Total comprehensive income/ (loss) for the period</b>                          | <b>(25.91)</b> | <b>16.78</b>             | <b>(8.19)</b>            | <b>(28.35)</b> | <b>(10.48)</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   | (0.56)         | 0.34                     | (0.21)                   | (0.61)         | (0.25)                   |
|       | - Diluted   | (0.56)         | 0.34                     | (0.21)                   | (0.61)         | (0.25)                   |



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CIN: L65191TN1990PLC019152

**Statement of standalone audited financial results for the quarter and year ended March 31, 2024**

**Statement of cash flows**

| Particulars   | (Rs. In lakhs)                            |                                 |
|---|---|---------------------------------|
|   | Year ended<br>March 31, 2024<br>(Audited) | Year ended<br>March 31,<br>2023 |
| <b>Cash Flow From Operating Activities</b>                        |   |                                 |
| Profit before income tax  | (30.40)                                   | (12.66)                         |
| Adjustments for   |   |                                 |
| Reversal of Allowance for expected credit loss                    | 81.53                                     |                                 |
| Depreciation and amortisation expense                             | 9.92                                      | 15.54                           |
| Finance costs   | 1.69                                      | 2.09                            |
| Right of Use Asset on modification of lease                       |   | (27.90)                         |
| Re-measurement of defined benefit (liability)/asset               | 2.05                                      | 2.18                            |
| Fair value (gain)/ loss on investments (net)                      | 23.48                                     | 19.79                           |
| Dividend income   | (0.06)                                    | (0.72)                          |
|   | <b>88.21</b>                              | <b>(1.69)</b>                   |
| <b>Change in operating assets and liabilities</b>                 |   |                                 |
| (Increase)/ decrease in loans given                               | (100.53)                                  |                                 |
| (Increase)/ decrease in other current financial assets            | (11.40)                                   | (21.60)                         |
| (Increase)/ decrease in trade receivables                         | 109.66                                    | 2.09                            |
| (Increase)/ decrease in other non-current financial assets        | 0.07                                      | (0.82)                          |
| Increase/ (decrease) in provisions and other liabilities          | (11.83)                                   | 18.02                           |
| Increase/ (decrease) in trade payables                            | (82.42)                                   | 6.71                            |
| <b>Cash generated from operations</b>                             | <b>(8.25)</b>                             | <b>2.72</b>                     |
| Less : Income taxes paid (net of refunds)                         | 7.82                                      | (3.33)                          |
| <b>Net cash from operating activities (A)</b>                     | <b>(0.43)</b>                             | <b>(0.61)</b>                   |
| <b>Cash Flows From Investing Activities</b>                       |   |                                 |
| Sale proceeds of PPE  |   |                                 |
| (Purchase)/ disposal proceeds of Investments                      |   |                                 |
| Dividend received   | 0.06                                      | 0.72                            |
| <b>Net cash used in investing activities (B)</b>                  | <b>0.06</b>                               | <b>0.72</b>                     |
| <b>Cash Flows From Financing Activities</b>                       |   |                                 |
| Repayment of long term borrowings                                 |   |                                 |
| Interest paid   | (1.69)                                    | (2.09)                          |
| <b>Net cash from/ (used in) financing activities (C)</b>          | <b>(1.69)</b>                             | <b>(2.09)</b>                   |
| <b>Net increase/decrease in cash and cash equivalents (A+B-C)</b> | <b>(2.06)</b>                             | <b>(1.98)</b>                   |
| Cash and cash equivalents at the beginning of the financial year  | 3.64                                      | 5.62                            |
| <b>Cash and cash equivalents at end of the year</b>               | <b>1.58</b>                               | <b>3.64</b>                     |

The figures for the quarter ended March 31, 2024 represents the balancing figure between the audited results for the year ended March 31, 2024 and the unaudited figures for the nine months ended December 31, 2023.

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



for Dharani Finance Limited

**Dr. Palani G Periasamy**  
Chairman

DIN : 00081002

Place: Chennai

Date : May 17, 2024



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Statement of standalone audited financial results for the quarter and year ended March 31, 2024

Segment-wise Revenue, Results and Capital Employed

(Rs. In Lakhs)

| Sl. No. | Particulars  | Quarter ended            |                          |                          | Year ended     |                          |
|---------|--|--------------------------|--------------------------|--------------------------|----------------|--------------------------|
|         |  | March 31, 2024 (Audited) | Dec 31, 2023 (Unaudited) | March 31, 2023 (Audited) | March 31, 2024 | March 31, 2023 (Audited) |
| 1       | <b>Segment Revenue (Net Sales/ Income from each segment)</b>   |                          |                          |                          |                |                          |
|         | a. Financial Services  | (2.76)                   | 43.67                    | 13.14                    | 79.28          | 59.99                    |
|         | b. Travel Services   | -                        | -                        | -                        | -              | -                        |
|         | c. Others  | -                        | -                        | -                        | -              | -                        |
|         | <b>Total</b>   | <b>(2.76)</b>            | <b>43.67</b>             | <b>13.14</b>             | <b>79.28</b>   | <b>59.99</b>             |
|         | Less: Inter Segment Revenue                                    | -                        | -                        | -                        | -              | -                        |
|         | Net Sales/ Income from Operations                              | (2.76)                   | 43.67                    | 13.14                    | 79.28          | 59.99                    |
| 2       | <b>Segment Results (Profit/(Loss) before tax and</b>           |                          |                          |                          |                |                          |
|         | a. Financial Services  | (27.63)                  | 17.17                    | (10.09)                  | (28.71)        | (10.57)                  |
|         | b. Travel Services   | -                        | -                        | -                        | -              | -                        |
|         | c. Others  | -                        | -                        | -                        | -              | -                        |
|         | <b>Total</b>   | <b>(27.63)</b>           | <b>17.17</b>             | <b>(10.09)</b>           | <b>(28.71)</b> | <b>(10.57)</b>           |
|         | Less:  |                          |                          |                          |                |                          |
|         | i. Interest  | 0.34                     | 0.39                     | 0.28                     | 1.69           | 2.09                     |
|         | ii. Other unallocable expenditure net off                      | -                        | -                        | -                        | -              | -                        |
|         | <b>Total profit/(loss) before tax</b>                          | <b>(27.96)</b>           | <b>16.78</b>             | <b>(10.37)</b>           | <b>(30.40)</b> | <b>(12.66)</b>           |
| 3       | <b>Capital Employed (Segment Assets - Segment Liabilities)</b> |                          |                          |                          |                |                          |
|         | a. Financial Services  | 6.92                     | 176.53                   | 689.05                   | 849.17         | 689.05                   |
|         | b. Travel Services   | 48.49                    | (156.04)                 | 120.88                   | 13.76          | 120.88                   |
|         | c. Others  | -                        | -                        | -                        | -              | -                        |
|         | <b>Total</b>   | <b>55.41</b>             | <b>20.49</b>             | <b>809.93</b>            | <b>862.93</b>  | <b>809.93</b>            |



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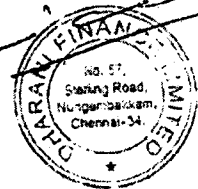
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Statement of standalone audited financial results for the quarter and year ended March 31, 2024

Statement of assets and liabilities

(Rs. In Lakhs)

| Particulars                           | As at<br>March 31, 2024<br>(Unaudited) | As at<br>March 31,<br>2023 |
|---------------------------------------|--|----------------------------|
| <b>Assets</b>                         |  |                            |
| <b>Financial Assets</b>               |  |                            |
| Cash and cash equivalents             | 1.58                                   | 3.64                       |
| Receivables                           |  |                            |
| Trade receivables                     | 15.35                                  | 125.00                     |
| Loans                                 | 715.53                                 | 615.00                     |
| Investments                           | 12.06                                  | 35.55                      |
| Other Financial Assets                | 143.76                                 | 132.36                     |
|                                       | <b>888.28</b>                          | <b>911.55</b>              |
| <b>Non-financial Assets</b>           |  |                            |
| Current Tax Asset (Net)               | 7.49                                   | 15.31                      |
| Property, plant and equipment         | 2.76                                   | 3.38                       |
| Right of use asset                    | 10.84                                  | 20.14                      |
| Other non-financial assets            | 9.26                                   | 9.33                       |
|                                       | <b>30.35</b>                           | <b>48.16</b>               |
| <b>Total - Assets</b>                 | <b>918.63</b>                          | <b>959.71</b>              |
| <b>Liabilities and Equity</b>         |  |                            |
| <b>Liabilities</b>                    |  |                            |
| <b>Financial Liabilities</b>          |  |                            |
| Payables                              |  |                            |
| Trade payables                        | 13.64                                  | 96.06                      |
| Deposits                              | 1.40                                   | 1.40                       |
| Lease Liability                       | 11.85                                  | 20.96                      |
| Other financial liabilities           |  |                            |
|                                       | <b>26.88</b>                           | <b>118.42</b>              |
| <b>Non-Financial Liabilities</b>      |  |                            |
| Provisions                            | 24.47                                  | 24.33                      |
| Other non-financial liabilities       | 4.17                                   | 7.03                       |
|                                       | <b>28.64</b>                           | <b>31.36</b>               |
| <b>Total Liabilities</b>              | <b>55.52</b>                           | <b>149.78</b>              |
| <b>Equity</b>                         |  |                            |
| Equity Share Capital                  | 499.72                                 | 499.72                     |
| Other Equity                          | 363.39                                 | 310.21                     |
|                                       | <b>863.11</b>                          | <b>809.93</b>              |
| <b>Total - Liabilities and Equity</b> | <b>918.63</b>                          | <b>959.71</b>              |



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 17<sup>th</sup> May 2024. The statutory auditors have issued modified opinion on the audited financial results.
2. The above audited 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 recognized accounting practices and principles generally accepted in India, to the extent applicable.
3. Corporate insolvency resolution process (CIRP) and the appointment of a 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, 2024 is Rs. 496.97 Lakhs. Claim has been made to the Resolution Professional of the said customer.

The Hon'ble NCLT has passed an order approving the resolution plan submitted by one of the resolution applicants. Aggrieved by this Order, the customer has filed an application before the Hon'ble National Company Law Appellate Tribunal ("NCLAT") praying for quashing the order of the Hon'ble NCLT. The Hon'ble NCLAT has set aside the resolution plan approved and ordered to recommence the CIRP process, pending the consideration of 12A application filed by the promoters of the customer company. On an appeal against the order of the Hon'ble NCLAT, the Hon'ble Supreme Court has delivered their judgement on May 3, 2023 seeking the Adjudicating Authority to deal with fresh settlement proposal of the promoter, as approved by the CoC in its Nineteenth meeting dated October 12, 2022 while keeping in view the law applicable and the facts of the present case as also the observations as provided in the judgement. The resolution plan put up by the promoters for settlement under Section 12A of the IBC, 2016, which was put to vote on 14/10/2022 to 31/10/2022 was approved with 100% of the total voting powers of the CoC. The Hon'ble NCLT has passed an Order approving the resolution plan submitted by the Promoter vide order dated December 20<sup>th</sup> 2023. The Management is of the opinion as settlement proposal of the customer company duly acknowledged the dues of the Company and offered to settle and hence the full repayment of the outstanding is receivable from the said Customer.

This is a matter of qualification by the auditors.

4. The Company has given Inter-Corporate Deposit (ICD) of Rs. 200 Lakhs to a customer. However, the Company has not received interest till date. The total amount due from the above referred customer to the Company as at March 31, 2024 is Rs. 272.00 Lakhs. Therefore, no accrued interest on ICD has been recognized in the books of accounts for the financial year 2023-24. But the Management is of the opinion based on the discussion with the customer that full repayment of the outstanding receivable from the said Customer is expected to happen.

This is a matter of qualification by the auditors.

5. Accrued interest on loans and advances receivable on the above-mentioned loans have been carried at outstanding values. However, no provision has been made in the books of accounts based on the prudential norms. Management is of the opinion based on the discussion with the customer that full repayment of the outstanding receivable from the said Customer is expected to happen.

This is a matter of qualification by the auditors.

6. The Hon'ble National Company Law Tribunal, Chennai Bench vide its order dated July 29, 2021, admitted a corporate insolvency resolution process (CIRP) and approved the appointment of an interim resolution professional, in one of the investee companies. The carrying value of investments as at March 31, 2023 was Rs. 21.99 Lakhs. The investee company went into liquidation vide Order passed by the Hon'ble NCLT on June 27, 2023. Accordingly, the carrying value of investments was provided for diminution in value and carrying value is NIL in the books of account as at March 31 2024. The investee company had filed an appeal before the Hon'ble National Company Law Appellate Tribunal (NCLAT) which was dismissed vide its Order dated July 11, 2023. Subsequently, the investee company had filed an appeal before the Hon'ble Supreme Court. The Hon'ble Supreme Court vide its Order dated March 18, 2024, had set aside the Tribunal's Order of liquidation, and remitted back the matter to the Hon'ble NCLT, to examine and follow the procedures established by law in terms of Section 12A of IBC, 2016. The Hon'ble NCLT, vide its Order dated May 9, 2024, has restored the powers back to the Board of Directors of the investee Company.


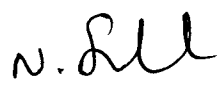
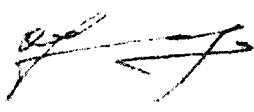
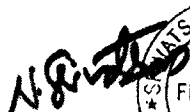

7. In view of the carried forward losses under the taxation laws, no provision for tax is created. Since the Company had adopted the new tax regime u/s 115BAA of the Income Tax Act, 1961, the provisions of tax on book profits are not applicable to the Company.

8. 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 and accordingly, no disclosure as per Ind AS 108 is applicable.



*[Handwritten signature]*

## Dharani Finance Limited

| Statement on impact of Audit Qualifications (for Audit Report with modified opinion submitted) along with Audited Financial Results -<br>(Standalone and consolidated separately) |   |   |   |
|---|---|---|---|
| Statement on impact of Audit Qualifications for the Financial year ended 31 <sup>st</sup> March 2024  |   |   |   |
| (See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulation, 2016)  |   |   |   |
| Sl.No   | Particulars   | Audited Figures (as reported before adjusting for qualifications)   | Audited Figures (audited figures after adjusting for qualifications)  |
|   |   | (Rs. lakhs)   |   |
| I   | a   | Turnover/ Total Income  | 79.28   |
|   | b   | Total Expenditure   | 109.68  |
|   | c   | Net Profit/ (Loss)  | -30.40  |
|   | d   | Earnings Per share  | -0.61   |
|   | e   | Total Assets  | 918.63  |
|   | f   | Total Liabilities   | 55.52   |
|   | g   | Net Worth   | 863.11  |
|   | 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:  | <p>(a) Recovery of amount due from major customer aggregating to INR.496.97 Lakhs which is considered doubtful due to uncertainty in the receipt of funds from the customer post the CIRP proceedings.</p> <p>(b) Recovery of investments aggregating to Rs.21.99 lakhs which is considered doubtful in the recoverability of investments due to uncertainty in the revival of the Company post the CIRP proceedings.</p> <p>(c) Recovery of amount due from major customer aggregating to INR.272 Lakhs which is considered doubtful due to uncertainty in the receipt of funds.</p>   |
|   | 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  | 5 <sup>th</sup> time, Since 31 <sup>st</sup> March 2020.  |
|   | 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.   | <p>(a) Corporate Insolvency Resolution Process (CIRP) The Hon'ble NCLT has passed an Order approving the resolution plan submitted by the Promoter vide order dated December' 20th 2023. Hence the Management is of the opinion that the entire outstanding amount will be received.</p> <p>(b) Corporate Insolvency Resolution Process (CIRP) that The Hon'ble NCLT has passed an Order approving the resolution plan submitted by the Promoter vide order dated May' 9th 2024. Hence the Management is of the opinion that the Company is confident of realising the investment value.</p> <p>(c) The Management is of the opinion based on the discussion with the customer that full repayment of the outstanding receivable from the said Customer is expected to happen</p> |
|   | 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.   |
| <br><b>K Kandasamy</b><br>CEO/Managing Director  |   | <br><b>N Sivabalan</b><br>Chief Financial Officer                            |   |
| <br><b>M Ganapathy</b><br>Audit Committee Chairman  |   | <br><b>N Srivatsan</b><br>For Srivatsan & Associates<br>Statutory Auditors |   |
|    |   |   |   |

Place: Chennai  
Date :17<sup>th</sup> May 2024



**Limited Review Report on the Audited Financial Results for the quarter and year ended March 31, 2024, 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, Nungamoakkam,  
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, 2024 ("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, subject to the effects of the matters 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, 2024.

**Basis for Qualified Opinion**

We draw attention to the following matters:

- (a) Note 6 to the Statement which explains Corporate Insolvency Resolution Process (CIRP) that The Hon'ble NCLT has passed an Order approving the resolution plan submitted by the Promoter vide order dated December' 20<sup>th</sup> 2023. Hence the Management is of the opinion on full realisability of the amount of investment from the investee Company.

In the absence of a comprehensive external valuation/ appraisal report from the investee company supporting the management's estimate of possible full recovery of the carrying value of the investments. The diminution in value has been provided in the books of accounts.

- (b) Note 3 to the statement relating to Corporate Insolvency Resolution Process (CIRP) The Hon'ble NCLT has passed an Order approving the resolution plan submitted by the Promoter vide order dated December' 20<sup>th</sup> 2023. Hence the Management is of the opinion on full repayment of the outstanding receivable from the said Customer.







- (c) Note 4 & 5 to the statement relating to given Inter-Corporate Deposit (ICD) of Rs. 200 Lakhs to a customer and accrued interest on loans and advances receivable on the above-mentioned loans have been carried at outstanding values. The Management is of the opinion on full repayment of the outstanding receivable from the said Customer.

Due to uncertainty in the receipt of funds from the customer till the date of issue of this report, the impact, if any, on the statement is not presently determinable in respect of the above matter.

- (d) Had the Company considered making provision for the outstanding balance referred to in (b) and (c) above as per the prudential norms, the net owned funds of the Company as at March 31, 2024 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.

- (e) The matter referred to in (a) to (d) 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 conclusion on the Statement is qualified in respect of the matters (a) to (e) referred above. The matters referred to in (a) to (d) above have also been qualified in limited review reports for the earlier periods and statutory audit report of earlier years.

#### **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 these financial statements have been prepared on a going concern basis. This is a matter of qualification in our opinion on these financial statements.

#### **Management's responsibility 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.





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' responsibility for the audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 design to fraud or error, 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.





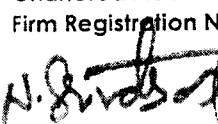
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. 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.

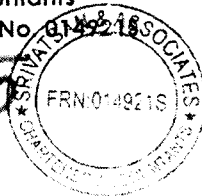
Materiality is the magnitude of misstatements in the standalone financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial results may be influenced. We consider quantitative materiality and qualitative 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 Srivatsan & Associates  
Chartered Accountants  
Firm Registration No. 014921S

  
N. Srivatsan  
Partner  
Membership No. 230195



Place: Chennai  
Date: 17.05.2024  
UDIN: 24230195BJZYTS1152