



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/BM Results/Mar2021/ Reg-33/2021

July 29, 2021

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 – 29th July 2021 - Audited Financial results of the Company for the quarter and year ended 31st March 2021.

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 29th July 2021.

1. Audited Financial Results for the Quarter and Year ended 31st March 2021 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 4.30 p.m. and concluded at 6.30 p.m.

This information is also available at the website of the Company (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)

Thanking You,

Yours faithfully,
for Dharani Finance Limited

Dr Palani G Periasamy
Chairman

Dharani Finance Limited

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 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, 2021 under Ind AS

(Rs. In Lakhs)

Sl No	Particulars	Quarter ended			Year ended	
		March 31, 2021 (Audited)	December 31, 2020 (Unaudited)	March 31, 2020 (Audited)	March 31, 2021 (Audited)	March 31, 2020 (Audited)
	Revenue from Operations					
	Interest Income	5.92	6.05	18.60	28.78	67.73
	Dividend Income	-	-	-	-	0.22
	Gain on fair value changes	2.72	5.97	-	13.77	0.12
	Income from services	1.65	1.65	6.71	11.40	27.30
1	Total Revenue from Operations	10.29	13.67	25.31	53.95	95.37
2	Other Income (Net)	0.07	0.35	0.35	1.47	10.64
3	Total Income (1+2)	10.36	14.02	25.66	55.42	106.01
	Expenses					
	Finance costs	0.43	0.42	0.16	1.70	2.58
	Net loss on fair value changes	-	-	2.84	6.29	21.05
	Employee benefit expenses	1.84	2.62	2.76	6.51	16.23
	Depreciation, amortization and impairment	4.06	4.04	1.73	16.20	14.65
	Other expenses	9.26	3.18	13.09	20.88	29.51
	Total Expenses	15.59	10.26	20.58	51.58	84.02
5	Profit/(loss) before exceptional items and tax (3-4)	(5.23)	3.76	5.08	3.84	21.99
6	Exceptional items	-	-	-	-	-
7	Profit/(loss) before tax (5+6)	(5.23)	3.76	5.08	3.84	21.99
8	Tax expense					
	Current tax	(1.42)	-	1.07	-	-
	MAT Credit Entitlement	-	-	-	-	43.74
	Deferred tax	2.84	-	(0.68)	2.83	6.33
	Total Tax Expenses	1.42	-	0.39	2.83	50.07
9	Profit/(loss) for the period from continuing operations (7-8)	(6.65)	3.76	4.69	-1.01	(28.08)
10	Profit / (Loss) from discontinued operations	-	-	-	-	-
11	Tax expense of discontinued operations	-	-	-	-	-
12	Profit / (Loss) from discontinued operations (after tax) (10-11)	-	-	-	-	-
13	Profit/(loss) for the period (11+12)	(6.65)	3.76	4.69	1.01	(28.08)
14	Other comprehensive income , net of income tax					
	a) (i) Items that will not be reclassified to profit or loss	(19.53)	-	0.68	(18.85)	20.26
	(ii) income tax relating to items that will not be reclassified to profit or loss	0.15	-	(0.17)	-	(0.20)
	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	-	-	-	-	-
	Total other comprehensive income , net of income tax	(19.38)	-	0.51	(18.85)	20.06
15	Total comprehensive income/ (loss) for the period (13+14)	(26.03)	3.76	5.20	(17.84)	(8.02)
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	(0.13)	0.08	0.09	0.02	(0.56)
	- Diluted	(0.13)	0.08	0.09	0.02	(0.56)

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Statement of standalone audited financial results for the quarter and year ended March 31, 2021 under Ind AS

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 29, 2021. The statutory auditors have issued modified 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.
- 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.
- 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 A corporate insolvency resolution process (CIRP) and the appointment of 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, 2021 is Rs. 544.53 Lakhs (net of provisions). Claim has been made to the Resolution Professional of the said customer.

 Subsequent to the balance sheet date, the Hon'ble NCLT has passed an order approving the resolution plan submitted by one of the resolution applicants. In accordance with the approved resolution plan, no payment will be made towards any amount due to the promoters and their related group companies by the successful resolution applicant. However, a 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 the resolution plan approved is not in line with the actual value of the assets. It was also observed that the resolution professional has not followed the due process of CIRP and accordingly, the resolution plan approved not proper as per law. The customer has filed an application before the Hon'ble National Company Law Appellate Tribunal praying for quashing the order of the Hon'ble NCLT and a decision is yet to be made by the Hon'ble National Company Law Appellate Tribunal.

 Based on the above, in the opinion of the management, the Company will be still 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 was 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

Sl. No.	Particulars	Quarter ended			Year ended	
		March 31, 2021 (Audited)	December 31, 2020 (Unaudited)	March 31, 2020 (Audited)	March 31, 2021 (Audited)	March 31, 2020 (Audited)
1	Segment Revenue (Net Sales/ Income from each segment)					
	a. Financial Services	10.36	14.02	25.66	55.42	106.01
	b. Travel Services	-	-	-	-	-
	c. Others	-	-	-	-	-
	Total	10.36	14.02	25.66	55.42	106.01
	Less: Inter Segment Revenue	-	-	-	-	-
	Net Sales/ Income from Operations	10.36	14.02	25.66	55.42	106.01
2	Segment Results (Profit/Loss) before tax and interest					
	a. Financial Services	(4.80)	4.18	5.24	5.54	24.57
	b. Travel Services	-	-	-	-	-
	c. Others	-	-	-	-	-
	Total	(4.80)	4.18	5.24	5.54	24.57
	Less:					
	i. Interest	0.43	0.42	0.16	1.70	2.58
	ii. Other unallocable expenditure net off	-	-	-	-	-
	Total profit/(loss) before tax	(5.23)	3.76	5.08	3.84	21.99
3	Capital Employed (Segment Assets - Segment Liabilities)					
	a. Financial Services	666.62	688.19	686.68	666.62	686.68
	b. Travel Services	121.69	126.15	119.47	121.69	119.47
	Total	788.31	814.34	806.15	788.31	806.15

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Statement of standalone audited financial results for the quarter and year ended March 31, 2021 under Ind AS

7 Statement of assets and liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
Assets		
Financial Assets		
Cash and cash equivalents	7.31	6.39
Receivables		
Trade receivables	125.23	119.20
Loans	615.00	623.45
Investments	27.69	20.23
Other Financial Assets	89.16	63.26
	864.39	832.53
Non-financial Assets		
Current Tax Asset (Net)	8.68	5.13
Deferred Tax Asset (Net)	-	2.83
Property, plant and equipment	15.89	22.78
Right of use asset	10.85	20.14
Other non-financial assets	3.67	2.79
	39.09	53.67
Total - Assets	903.48	886.20
Liabilities and Equity		
Liabilities		
Financial Liabilities		
Payables		
Trade payables	69.78	46.91
Borrowings (Other Than Debt Securities)	-	1.68
Deposits	1.40	1.40
Lease Liability	11.85	20.96
Other financial liabilities	-	0.01
	83.03	70.96
Non-Financial Liabilities		
Provisions	24.46	4.36
Other non-financial liabilities	7.88	4.72
	32.14	9.08
Total Liabilities	115.17	80.04
Equity		
Equity Share Capital	499.72	499.72
Other Equity	288.59	306.43
	788.31	806.15
Total - Liabilities and Equity	903.48	886.19

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Dharani Finance Limited

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Statement of standalone audited financial results for the quarter and year ended March 31, 2021 under Ind AS

8 Statement of cash flows

Particulars	(Rs. in lakhs)	
	Year ended March 31, 2021 (Audited)	Year ended March 31, 2020 (Audited)
Cash Flow From Operating Activities		
Profit before income tax	3.84	21.99
Adjustments for		
Depreciation and amortisation expense	16.20	14.65
Finance costs	1.70	2.58
Fair value (gain)/ loss on investments (net)	(7.48)	20.93
Profit on sale of property, plant and equipment	(0.30)	(0.30)
Dividend income	-	(0.22)
	13.96	59.63
Change in operating assets and liabilities		
(Increase)/ decrease in loans given	8.45	-
(Increase)/ decrease in other current financial assets	(26.90)	(4.45)
(Increase)/ decrease in trade receivables	(6.03)	(21.97)
(Increase)/ decrease in other non-current financial assets	(0.91)	(0.06)
Increase/ (decrease) in provisions and other liabilities	(4.91)	(7.45)
Increase/ (decrease) in trade payables	22.87	(3.51)
Cash generated from operations	7.53	22.19
Less: Income taxes paid (net of refunds)	(3.55)	(6.32)
Net cash from operating activities (A)	3.98	15.87
Cash Flows From Investing Activities		
Sale proceeds of PPE	0.30	0.30
(Purchase)/ disposal proceeds of Investments	0.02	-
Dividend received	-	0.22
Interest received	-	-
Movement in other bank balances	-	7.36
Net cash used in investing activities (B)	0.32	7.88
Cash Flows From Financing Activities		
Repayment of long term borrowings	(1.68)	(9.62)
Repayment of lease liabilities	-	(9.00)
Interest paid	(1.70)	(0.51)
Net cash from/ (used in) financing activities (C)	(3.38)	(19.13)
Net increase/decrease in cash and cash equivalents (A+B+C)	0.92	4.62
Cash and cash equivalents at the beginning of the financial year	6.39	1.77
Cash and cash equivalents at end of the year	7.31	6.39

9 The figures for the quarter ended March 31, 2021 represents the balancing figure between the audited results for the year ended March 31, 2021 and the unaudited figures for the nine months ended December 31, 2020.

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

Initialed for identification purposes

Chiranjeev Ganesan

Place: Chennai
Date: July 29, 2021



for Dharani Finance Limited

Dr. Palani G Periasamy

Dr. Palani G Periasamy
Chairman
DIN : 00081002



CNGSN & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

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B.Com., FCA, DISA (ICAI)

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B.Com., FCA

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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, 2021 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, 2021 ("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, 2021.

Basis for Qualified Opinion

We draw attention to the following matters:

- a) As more fully explained in note 5 to the financial results, a 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 (NCLT), Chennai Bench vide its order dated May 5, 2020. The total amount due from the above referred major

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customer to the Company as at March 31, 2021 is Rs.544.53 Lakhs (net of provisions). The Company has filed its claims with the Resolution Professional of the said customer.

Subsequent to the balance sheet date, the Hon'ble NCLT has passed an order approving the resolution plan submitted by one of the resolution applicants. In accordance with the approved resolution plan, no payment will be made towards any amount due to the promoters and their related group companies by the successful resolution applicant. In our opinion, considering the present development, the entire outstanding due from the above customer is considered to be not recoverable as per the approved resolution.

However, we were informed by the management that a 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 the resolution plan approved is not in line with the actual value of the assets. The management also confirmed that the resolution professional has not followed the due process of CIRP and accordingly, the resolution plan approved not proper as per law. It was also informed to us that the customer has filed an application before the Hon'ble National Company Law Appellate Tribunal praying for quashing the order of the Hon'ble NCLT and a decision is yet to be made by the Hon'ble National Company Law Appellate Tribunal.

Accordingly, in the opinion of the management, the Company will be still 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 was considered by the Company in these financial results.

Due to uncertainties involved in the CIRP process as detailed above, 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, 2021 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. The above matters have been subject matters of qualification in the earlier quarterly limited review/ audit reports as well as the statutory audit of the earlier years.

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, based on the appeal filed before the Hon'ble National Company Law Tribunal, 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 Matter

Without qualifying our report, we draw attention to 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.

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

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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.

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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: 21027501AAAACV7818

Place: Chennai
Date: July 29, 2021



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

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 31st March 2021

(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	55.42	55.42
	b	Total Expenditure	73.26	73.26
	c	Net Profit/ (Loss)	(17.84)	(17.84)
	d	Earnings Per share	0.02	0.02
	e	Total Assets	903.48	903.48
	f	Total Liabilities	115.17	115.17
	g	Net Worth	788.31	788.31
	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.	<p>a. Recovery of amount due from major customer aggregating to Rs. 544.53 lakhs which is considered doubtful.</p> <p>b. If the amount stated in (a) is provided for, the Company's net owned funds will be less than the limit prescribed for NBFCs to carry on business.</p> <p>c. (a) & (b) cast a significant doubt on the Company's ability to continue as a going concern.</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	Second Time, Since 31 st 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>CIRP and the appointment of Resolution Profession were admitted in the case of one of the major customer of the Company by the Hon'ble NCLT, 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, 2021 is Rs.544.53 Lakhs.</p> <p>Subsequent to the balance sheet date, the Hon'ble NCLT has passed an order approving the resolution plan submitted by one of the resolution applicants. In accordance with the approved resolution plan, no payment will be made towards any amount due to the promoters and their related group companies by the successful resolution applicant.</p> <p>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 the resolution plan approved is not in line with the actual value of the assets.</p> <p>An application before the Hon'ble National Company Law Appellate Tribunal praying for quashing the order of the Hon'ble NCLT and a decision is yet to be made by the Hon'ble National Company Law Appellate Tribunal. The Company will be still able to recover the entire outstanding dues from the customer.</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.	

Signatures:

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

Place: Chennai

Date: 29th July 2021