



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, Website : www.dharanifinance.com,
CIN – L65191TN1990PLC019152, PAN. No. AAACD1282G, GST No.33 AAACD1282G2Z3

DFL/BM Results/Sep/ Reg-33/2023

November 10, 2023

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 – 10th November 2023 - Unaudited Financial Results of the Company for the quarter & Half year ended 30th September 2023.

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 10th November 2023.

1. Un-audited Financial Results, Statement of Assets and Liabilities and Cash flow for the quarter ended 30th September 2023 is enclosed.
2. Limited review by the Auditors.

The Meeting of the Board of Directors of the Company commenced at 2.30 p.m. and concluded at 4.50 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**



Encl.: as above

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 Half year ended September 30 2023

(Rs. In Lakhs)

Sl No	Particulars	Quarter ended			Half year ended		Year ended	
		September 30, 2023	June 30, 2023 (Unaudited)	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023 (Audited)	March 31, 2022 (Audited)
	Revenue from Operations							
	Interest Income	5.97	6.00	6.05	11.97	12.03	24.00	24.00
	Dividend Income	0.04	0.01	0.04	0.05	0.13	0.72	0.01
	Gain on fair value changes	12.98	-	3.37	12.98	3.37	7.59	62.34
	Income from services	6.53	6.53	6.52	13.05	13.05	26.10	14.73
1	Total Revenue from Operations	25.52	12.54	15.98	38.05	28.58	58.41	101.08
2	Other Income	0.07	0.25	1.00	0.32	1.43	1.58	7.10
3	Total Income (1+2)	25.59	12.79	16.98	38.37	30.01	59.99	108.18
4	Expenses							
	Finance costs	0.94	0.01	0.90	0.96	0.92	2.09	0.73
	Loss on fair value changes	23.88	7.89	-	31.77	16.46	27.38	34.70
	Employee benefit expenses	1.23	1.22	0.76	2.45	2.11	6.41	5.31
	Depreciation, amortization and impairment	3.89	3.89	4.67	7.78	7.77	15.54	15.56
	Other expenses	3.11	11.53	3.10	14.64	6.13	21.24	21.54
	Total Expenses	33.05	24.54	9.43	57.59	33.39	72.65	77.84
5	Profit/ (loss) before exceptional items and tax (3-4)	(7.46)	(11.76)	7.55	(19.22)	(3.38)	(12.66)	30.34
6	Exceptional items	-	-	-	-	-	-	-
7	Profit/ (loss) before tax (5+6)	(7.46)	(11.76)	7.55	(19.22)	(3.38)	(12.66)	30.34
8	Tax expense							
	Current tax	-	-	-	-	-	-	-
	Deferred tax	-	-	-	-	-	-	-
	Total Tax Expenses	-	-	-	-	-	-	-
9	Profit/ (loss) for the period from continuing operations (7-8)	(7.46)	(11.76)	7.55	(19.22)	(3.38)	(12.66)	30.34
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)	(7.46)	(11.76)	7.55	(19.22)	(3.38)	(12.66)	30.34
14	Other comprehensive income , net of income tax							
	a) (i) items that will not be reclassified to profit or loss	-	-	-	-	-	2.18	1.76
	(ii) income tax relating to items that will not be reclassified 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	-	-	-	-	-	-	-
	Total other comprehensive income , net of income tax	-	-	-	-	-	2.18	1.76
15	Total comprehensive income/ (loss) for the period	(7.46)	(11.76)	7.55	(19.22)	(3.38)	(10.48)	32.10
16	Paid-up equity share capital	499.72	499.72	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	10.00	10.00
17	Earning per share (Rs) (not annualised)							
	- Basic	(0.15)	(0.24)	0.15	(0.38)	(0.07)	(0.25)	0.61
	- Diluted	(0.15)	(0.24)	0.15	(0.38)	(0.07)	(0.25)	0.61



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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 10th November 2023. The statutory auditors have issued modified opinion on the audited quarterly 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. The Hon'ble National Company Law Tribunal, Chennai Bench vide its order dated July 30, 2021 admitted a corporate insolvency resolution process (CIRP) and approved the appointment of an interim resolution professional and later a resolution professional, in one of the investee companies. The carrying amount of investments as at September 30, 2023 is nil (since no trading value is available). In the opinion of the management, even though liquidation order has been passed by Hon'ble NCLT, the management is of the view that the major part of the assets of the investee company comprises of factory land, buildings and plant and machinery, whose liquidation value is much higher than the total dues to its financial and operating creditors. Accordingly, the Company will be able to recover the entire carrying value of the investments, even in the aforesaid CIRP conditions. The carrying amount of investments as on September 30, 2023 is nil (since no trading value is available).
4. A Liquidation order was passed by the Honourable National Company Law Tribunal Special Bench I, Chennai on June 27 2023 and the same has been stayed by the Hon'ble Supreme Court. The Promoter is in the process of settling the lenders/creditors U/S 12A of IBC 2016. However, pending settlement, a provision of 100% in the carrying amount of such investment is provided in the books.
5. This is a matter of qualification by the statutory auditors.
6. 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 September 30, 2023 is Rs. 543.86 Lakhs (net of provisions). Claim has been made to the Resolution Professional of the said customer.
7. 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. 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, including 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.

(a) the settlement proposal under section 12 A of IBC 2016 filed by the promoter of the aforesaid customer to settle the admitted claims and also deposited the entire amount of Rs.420 Crores (Rs.105 Crores in a NO LIEN account with Indian Bank (Lead Bank) and Bank Guarantee for the balance amount of Rs.315 Crores). AS per the proposal, all the creditors including the operational creditors will be fully settled. This proposal has been debated and deliberated on by the CoC members at its 19th CoC meeting held on October 12, 2022;

(b) the proposal has been approved with 100% of voting by the CoC on October 31, 2022. Necessary application has been filed with Hon'ble NCLT by the RP for approval of the 12A proposal and for withdrawal of the CIRP process; and

(c) 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.

8. Accordingly, in the opinion of the management, the Company will be still able to recover the entire outstanding dues from the customer, based on the developments in the CIRP proceedings. 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/ provision for NPA as per IRAC Norms of Reserve Bank of India in respect of the dues from the aforesaid customer was considered by the Company in these financial results. The above financial results have been prepared by the Company on a going concern assumption and the Company presumed, based on the above circumstances that the net owned funds are considered to be above the minimum limits prescribed by the Reserve Bank of India for an NBFC.
9. This is a matter of qualification by the auditors.
10. 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.

11. 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.



Dharani Finance Limited

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Statement of standalone audited financial results for the quarter and Half year ended September 30 2023

Segment-wise Revenue, Results and Capital Employed

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended	
		September 30, 2023	June 30, 2023 (Unaudited)	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023 (Audited)	March 31, 2022 (Audited)
1	Segment Revenue (Net Sales/ Income from each segment)							
	a. Financial Services	25.59	12.79	16.98	38.37	30.01	59.99	108.18
	b. Travel Services	-	-	-	-	-	-	-
	c. Others	-	-	-	-	-	-	-
	Total	25.59	12.79	16.98	38.37	30.01	59.99	108.18
	Less: Inter Segment Revenue	-	-	-	-	-	-	-
	Net Sales/ Income from Operations	25.59	12.79	16.98	38.37	30.01	59.99	108.18
2	Segment Results (Profit/(Loss) before tax and interest)							
	a. Financial Services	(6.52)	(11.74)	7.55	(19.22)	(3.38)	(10.57)	31.07
	b. Travel Services	-	-	-	-	-	-	-
	c. Others	-	-	-	-	-	-	-
	Total	(6.52)	(11.74)	7.55	(19.22)	(3.38)	(10.57)	31.07
	Less:							
	i. Interest	0.94	0.01	-	-	-	2.09	0.73
	ii. Other unallocable expenditure net off	-	-	-	-	-	-	-
	Total profit/(loss) before tax	(7.46)	(11.76)	7.55	(19.22)	(3.38)	(12.66)	30.34
3	Capital Employed (Segment Assets - Segment Liabilities)							
	a. Financial Services	(84.91)	750.64	817.03	665.72	817.03	689.05	699.06
	b. Travel Services	0.99	120.32	-	121.31	-	120.88	121.35
	c. Others	-	-	-	-	-	-	-
	Total	(83.92)	870.96	817.03	787.03	817.03	809.93	820.41



for Dharani Finance Limited

Dr. Palani G Periasamy

Chairman

DIN : 00081002

Place: Chennai

Date : November 10, 2023



Statement of assets and liabilities

(Rs. In Lakhs)

Particulars	As at September 30,2023 (UnAudited)	As at September 30,2022 (UnAudited)	As at March 31,2023 (Audited)
Assets			
Financial Assets			
Cash and cash equivalents	1.86	4.50	3.64
Receivables			
Trade receivables	127.05	127.09	125.00
Loans	618.12	615.00	615.00
Investments	8.56	42.23	35.55
Other Financial Assets	144.94	121.59	132.36
	900.53	910.41	911.55
Non-financial Assets			
Current Tax Asset (Net)	15.72	13.84	15.31
Property, plant and equipment	0.25	6.49	3.38
Right of use asset	15.44	24.79	20.14
Other non-financial assets	12.53	10.87	9.33
	43.95	55.99	48.16
Total - Assets	944.48	966.40	959.71
Liabilities and Equity			
Liabilities			
Financial Liabilities			
Payables			
Trade payables	101.53	90.86	96.06
Deposits	1.40	1.40	1.40
Lease Liability	16.46	25.19	20.96
Other financial liabilities			
	119.39	117.45	118.42
Non-Financial Liabilities			
Provisions	29.06	24.42	24.33
Other non-financial liabilities	4.78	7.50	7.03
	33.84	31.92	31.36
Total Liabilities	153.23	149.37	149.78
Equity			
Equity Share Capital	499.72	499.72	499.72
Other Equity	291.53	317.31	310.21
	791.25	817.03	809.93
Total - Liabilities and Equity	944.48	966.40	959.71



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Statement of cash flows

(Rs. In lakhs)

Particulars	As per September 30,2023 (UnAudited)	As Per September 30,2022 (UnAudited)	As at March 31,2023 (Audited)
Cash Flow From Operating Activities			
Profit before income tax	(19.22)	(3.38)	(12.66)
Adjustments for			
Depreciation and amortisation expense	7.78	7.77	15.54
Finance costs	0.94	0.92	2.09
Right of Use Asset	-	-	(25.72)
Fair value (gain)/ loss on investments (net)	26.99	13.09	19.79
Dividend income	0.05	(0.13)	(0.72)
	16.54	18.27	(1.68)
Change in operating assets and liabilities			
(Increase)/ decrease in other current financial assets	(12.58)	(10.83)	(21.60)
(Increase)/ decrease in trade receivables	(2.05)	-	2.09
(Increase)/ decrease in other non-current financial assets	(3.20)	(2.38)	(0.82)
Increase/ (decrease) in provisions and other liabilities	(2.02)	(5.06)	18.02
Increase/ (decrease) in trade payables	5.55	1.51	6.71
Cash generated from operations	2.24	1.51	2.72
Less : Income taxes paid (net of refunds)	-	(1.86)	(3.33)
Net cash from operating activities (A)	2.24	(0.35)	(0.61)
Cash Flows From Investing Activities			
Sale proceeds of PPE	-	-	-
(Purchase)/ disposal proceeds of Investments		0.02	-
Dividend received	0.05	0.13	0.72
Net cash used in investing activities (B)	0.05	0.15	0.72
Cash Flows From Financing Activities			
Repayment of long term borrowings	(3.12)	-	-
Interest paid	(0.94)	(0.92)	(2.09)
Net cash from/ (used in) financing activities (C)	(4.06)	(0.92)	(2.09)
Net increase/decrease in cash and cash equivalents (A+B+C)	(1.77)	(1.12)	(1.98)
Cash and cash equivalents at the beginning of the financial year	3.64	5.62	5.62
Cash and cash equivalents at end of the year	1.86	4.50	3.64





Limited Review Report on the Unaudited Financial Results for the quarter and six months ended September 30, 2023 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.

1. We have reviewed the Unaudited financial results of Dharani Finance Limited (the "Company") for the quarter and six months ended September 30, 2023 which are included in the accompanying 'Statement of Unaudited Financial Results for the quarter and six months ended September 30, 2023 together with the notes thereon (the "Statement")'. The Statement has been prepared by the Company's management pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), as amended, which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's Management which was approved by its Board of Directors and has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

Our responsibility is to express a conclusion on the Statement based on our review.

2. We have conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Branch Office:



4. Attention is invited to the following

- (i) Note 3 to the Statement which explains that the Hon'ble National Company Law Tribunal, Chennai Bench vide its order dated July 30, 2021 admitted a corporate insolvency resolution process (CIRP) and approved the appointment of an interim resolution professional and later a resolution professional, in one of the investee companies. The carrying amount of investments as on September 30, 2023 is nil (since no trading value is available).

A Liquidation order was passed by the Honourable National Company Law Tribunal Special Bench I, Chennai on June 27 2023 and the same has been stayed by the Hon'ble Supreme Court. The Promoter is in the process of settling the lenders/creditors U/S 12A of IBC 2016. However, pending settlement, a provision of 100% in the carrying amount of such investment is provided in the books.

- (ii) In the absence of a comprehensive external valuation/ appraisal report of the interim resolution professional or the resolution professional of the Investee company supporting the management's estimate of possible full recovery of the carrying value of the investments, we are unable to comment on the appropriateness of not making any provision for the possible decrease in fair value of the aforesaid investment.
- (iii) Note 4 to the statement relating to a corporate insolvency resolution process (CIRP) and the appointment of a resolution professional was 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 customer to the Company as at September 30, 2023 amounting to INR543.86 Lakhs. The Company has filed its claims with the Resolution Professional of the said customer.
- (iv) 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.

Branch Office:-



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 is 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 ("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, including 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 heard the arguments of both the sides and reserved the case for judgement as on date.

We were also draw attention to the information provided in Note 7 (a) to 7(c). Accordingly, in the opinion of the management, the Company will be still able to recover the entire outstanding dues from the customer, based on the developments in the CIRP proceedings. 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/provision for NPA as per IRAC Norms of Reserve Bank of India in respect of the dues from the aforesaid customer was considered by the Company in these financial results. The above financial results have been prepared by the Company on a going concern assumption and the Company presumed, based on the above circumstances that the net owned funds are considered to be above the minimum limits prescribed by the Reserve Bank of India for an NBFC. 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.

a) Had the Company considered making provision for the outstanding balance referred to in 4 (i) to 4(iv), above, the net owned funds of the Company as at September 30, 2023 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.

Branch Office:



Srivatsan & Associates
Chartered Accountants

No.27 (Old No.13), Muthukrishnan Street
Mylapore, Chennai - 600 004
Mobile: 98418 36988/99404 90743
Email: sri@srivatsanassociates.com
neeraj@srivatsanassociates.com
Web: www.srivatsanassociates.com

b) The matter referred to in (a) to (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 conclusion on the Statement is qualified in respect of the matters (a) to (b) referred above. The matters referred to in 4 (i) to 4(iv), above have also been qualified in limited review reports for the earlier periods and statutory audit report of earlier year

(v) Based on our review conducted as above, except for the effects of the matter described in para 4 above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with Ind AS and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Srivatsan & Associates
Chartered Accountants
Firm Registration No. 014921S

N. Srivatsan

N. Srivatsan
Partner
Membership No. 230195

Place: Chennai
Date: 10.11.2023
UDIN: 23230195BGUNRK3353

Branch Office:

No.3, 1st Floor, Maheshwari Nilaya, 60 Feet Road, Amarjyothi Layout, Sanjay Nagar, Bengaluru-560 094. Mobile: 99458 77878
Flat No.2E, Jeevan Residency, Behind Kalanjali Showroom, Renigunta Road, Tirupati-517 501. Mobile: 97018 69616