



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\Results/ Reg-33 \2020

November 10, 2020

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

Dear Sir,

Sub: Outcome- Board Meeting – 10th November 2020 - Unaudited Financial results of the Company for the quarter and half year ended 30th September 2020.

Ref : Scrip Code – 511451 – Dharani Finance Limited

In accordance with Regulation 33 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following items were discussed and approved in the Meeting of the Board of Directors held on 10th November 2020.

1. Unaudited Financial Results for the Quarter and Half Year ended 30th September 2020, segment wise report along with Limited Review Report.

The Meeting of the Board of Directors of the Company commenced at 10.30 a.m. and concluded at 12.00 Noon.

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

Thanking You,

Yours faithfully,
for Dharani Finance Limited

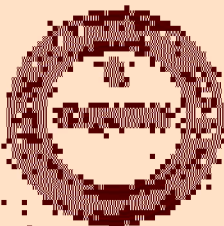

Dr S Kuppan
Company Secretary

Encl.: as above

Ph.91-44-2831313 Fax: 91-44-2832074 Email id: secretarial@dharanifinance.in Website: www.dharanifinance.in

Statement of standalone unaudited financial results for the quarter and six months ended September 30, 2020

Sl No	Particulars	(Rs. in Lakhs)				
		Quarter ended September 30, 2020 (Unaudited)	Quarter ended June 30, 2020 (Unaudited)	Quarter ended September 30, 2019 (Unaudited)	Six months ended September 30, 2020 (Unaudited)	Six months ended September 30, 2019 (Unaudited)
1	Operating income	10000	10000	10000	10000	10000
2	Operating expenses	(8000)	(8000)	(8000)	(8000)	(8000)
3	Operating income	2000	2000	2000	2000	2000
4	Non-operating income	1000	1000	1000	1000	1000
5	Non-operating expenses	(500)	(500)	(500)	(500)	(500)
6	Income before taxes	1500	1500	1500	1500	1500
7	Taxes	(300)	(300)	(300)	(300)	(300)
8	Income after taxes	1200	1200	1200	1200	1200
9	Dividends	(200)	(200)	(200)	(200)	(200)
10	Retained earnings	1000	1000	1000	1000	1000
11	Operating income	10000	10000	10000	10000	10000
12	Operating expenses	(8000)	(8000)	(8000)	(8000)	(8000)
13	Operating income	2000	2000	2000	2000	2000
14	Non-operating income	1000	1000	1000	1000	1000
15	Non-operating expenses	(500)	(500)	(500)	(500)	(500)
16	Income before taxes	1500	1500	1500	1500	1500
17	Taxes	(300)	(300)	(300)	(300)	(300)
18	Income after taxes	1200	1200	1200	1200	1200
19	Dividends	(200)	(200)	(200)	(200)	(200)
20	Retained earnings	1000	1000	1000	1000	1000
21	Operating income	10000	10000	10000	10000	10000
22	Operating expenses	(8000)	(8000)	(8000)	(8000)	(8000)
23	Operating income	2000	2000	2000	2000	2000
24	Non-operating income	1000	1000	1000	1000	1000
25	Non-operating expenses	(500)	(500)	(500)	(500)	(500)
26	Income before taxes	1500	1500	1500	1500	1500
27	Taxes	(300)	(300)	(300)	(300)	(300)
28	Income after taxes	1200	1200	1200	1200	1200
29	Dividends	(200)	(200)	(200)	(200)	(200)
30	Retained earnings	1000	1000	1000	1000	1000
31	Operating income	10000	10000	10000	10000	10000
32	Operating expenses	(8000)	(8000)	(8000)	(8000)	(8000)
33	Operating income	2000	2000	2000	2000	2000
34	Non-operating income	1000	1000	1000	1000	1000
35	Non-operating expenses	(500)	(500)	(500)	(500)	(500)
36	Income before taxes	1500	1500	1500	1500	1500
37	Taxes	(300)	(300)	(300)	(300)	(300)
38	Income after taxes	1200	1200	1200	1200	1200
39	Dividends	(200)	(200)	(200)	(200)	(200)
40	Retained earnings	1000	1000	1000	1000	1000
41	Operating income	10000	10000	10000	10000	10000
42	Operating expenses	(8000)	(8000)	(8000)	(8000)	(8000)
43	Operating income	2000	2000	2000	2000	2000
44	Non-operating income	1000	1000	1000	1000	1000
45	Non-operating expenses	(500)	(500)	(500)	(500)	(500)
46	Income before taxes	1500	1500	1500	1500	1500
47	Taxes	(300)	(300)	(300)	(300)	(300)
48	Income after taxes	1200	1200	1200	1200	1200
49	Dividends	(200)	(200)	(200)	(200)	(200)
50	Retained earnings	1000	1000	1000	1000	1000



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Statement of standalone unaudited financial results for the quarter and six months ended September 30, 2020

Notes:

- 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 November 10, 2020. The statutory auditors have issued modified opinion on the unaudited quarterly financial results.
 - 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.
 - 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) (Amendment) Rules, 2018. These financial results have been prepared in accordance with the said notification.
 - Corporate insolvency resolution process (CIRP) and the appointment of an interim resolution professional were admitted in the case of one of the major customers of the Company by the Hon'ble National Company Law Tribunal, Chennai Bench vide its order dated May 5, 2020. The total amount due from the above referred major customer to the Company as at September 30, 2020 is Rs. 546.87 Lakhs (net of provisions). Claim has been made to the interim Resolution Professional of the said customer. In the opinion of the management, the major part of the assets of the customer comprises of land and commercial buildings (including a well known brand name in the hotel industry), whose liquidation value is much more than the total dues to its financial and operating creditors (including that of the Company) and accordingly, the Company will be able to recover the entire outstanding dues from the customer, even in the aforesaid CIRP conditions. Based on the above estimate and based on the fact that the customer's account was a fully performing asset before the admission of the CIRP, no provision towards allowance for expected credit loss in respect of the dues from the aforesaid customer has been considered by the Company in these financial results. Accordingly, the above financial results have been prepared on a going concern assumption and the net owned funds are considered to be above the minimum limits prescribed by the Reserve Bank of India for an NBFC.
- This is a matter of qualification by the auditors.
- 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	(Rs. In Lakhs)					
		Three months ended			Six months ended		Year ended
		September 30, 2020 (Unaudited)	June 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	March 31, 2020 (Audited)
1	Segment Revenue (Net Sales/ Income from each segment)						
	a. Financial Services	10.33	20.71	25.66	31.04	54.13	106.01
	b. Travel Services	-	-	-	-	-	-
	c. Others	-	-	-	-	-	-
	Total	10.33	20.71	25.66	31.04	54.13	106.01
	Less: Inter Segment Revenue	-	-	-	-	-	-
	Net Sales/ Income from Operations	10.33	20.71	25.66	31.04	54.13	106.01
2	Segment Results (Profit/(Loss) before tax and interest)						
	a. Financial Services	(6.77)	12.93	5.24	6.16	6.40	24.57
	b. Travel Services	-	-	-	-	-	-
	c. Others	-	-	-	-	-	-
	Total	(6.77)	12.93	5.24	6.16	6.40	24.57
	Less:						
	i. Interest	0.42	0.43	0.16	0.85	0.36	2.58
	ii. Other unallocable expenditure net off	-	-	-	-	-	-
	Total profit/(loss) before tax	(7.19)	12.50	5.08	5.31	6.04	21.99
3	Capital Employed (Segment Assets - Segment Liabilities)						
	a. Financial Services	686.45	695.77	675.66	686.45	675.66	686.68
	b. Travel Services	124.13	123.30	70.87	124.13	70.87	119.47
	c. Others	-	-	5.74	-	5.74	-
	Total	810.58	819.07	752.27	810.58	752.27	806.15



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6 Statement of assets and liabilities

(Rs. In Lakhs)

Particulars	As at September 30, 2020 (Unaudited)	As at March 31, 2020 (Audited)
Assets		
Financial Assets		
Cash and cash equivalents	4.34	6.39
Receivables		
Trade receivables	127.67	119.20
Loans	615.00	623.45
Investments	19.02	20.23
Other Financial Assets	78.39	63.26
	844.42	832.53
Non-financial Assets		
Current Tax Asset (Net)	5.80	5.13
Deferred Tax Asset (Net)	2.69	2.83
Property, plant and equipment	19.33	22.78
Right of use asset	15.49	20.14
Other non-financial assets	5.10	2.79
	48.41	53.67
Total - Assets	892.83	886.20
Liabilities and Equity		
Liabilities		
Financial Liabilities		
Payables		
Trade payables	55.31	46.91
Borrowings (Bank loan and debt securities)	-	1.68
Deposits	1.40	1.40
Lease Liability	16.40	20.96
Other financial liabilities	-	0.01
	73.11	70.96
Non-Financial Liabilities		
Provisions	7.15	6.94
Other non-financial liabilities	1.99	2.15
	9.14	9.09
Total Liabilities	82.25	80.05
Equity		
Equity Share Capital	499.72	499.72
Other Equity	310.86	306.43
	810.58	806.15
Total - Liabilities and Equity	892.83	886.20



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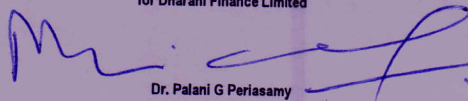
7 Statement of cash flows

Particulars	(Rs. In lakhs)	
	Six months ended September 30, 2020 (Unaudited)	Year ended March 31, 2020 (Audited)
Cash Flow From Operating Activities		
Profit before income tax	5.31	21.99
Adjustments for		
Depreciation and amortisation expense	8.10	14.65
Finance costs	0.85	2.58
Fair value (gain)/ loss on investments (net)	1.21	20.93
Profit on sale of property, plant and equipment	(0.10)	(0.30)
Dividend income	-	(0.22)
Change in operating assets and liabilities	15.37	59.63
(Increase)/ decrease in loans given	8.45	-
(Increase)/ decrease in other current financial assets	(15.13)	(4.45)
(Increase)/ decrease in trade receivables	(8.47)	(21.97)
(Increase)/ decrease in other non-current financial assets	(2.31)	(0.06)
Increase/ (decrease) in provisions and other liabilities	(3.84)	(7.45)
Increase/ (decrease) in trade payables	8.40	(3.51)
Cash generated from operations	2.47	22.19

Less: income taxes paid (net of refunds)	(2.09)	(6.32)
Net cash from operating activities (A)	0.38	15.87
Cash Flows From Investing Activities		
Sale proceeds of PPE	0.10	0.30
(Purchase)/ disposal proceeds of Investments	-	-
Dividend received	-	0.22
Interest received	-	-
Movement in other bank balances	-	7.36
Net cash used in investing activities (B)	0.10	7.88
Cash Flows From Financing Activities		
Repayment of long term borrowings	(1.68)	(9.62)
Repayment of lease liabilities	-	(9.00)
Interest paid	(0.85)	(0.51)
Net cash from/ (used in) financing activities (C)	(2.53)	(19.13)
Net increase/decrease in cash and cash equivalents	(2.05)	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	4.34	6.39

8 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: November 10, 2020

Initialled for identification purposes





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V. VIVEK ANAND
B.Com., FCA

E.K. SRIVATSAN
B.Com., FCA

Professional of the said customer. In the opinion of the management, the major part of the assets of the customer comprises of land and commercial buildings (including a well-known brand name in the hotel industry), whose liquidation value is much higher than the total dues to its financial and operating creditors (including that of the Company) and accordingly, the Company will be able to recover the entire outstanding dues from the customer, even in the aforesaid CIRP conditions. Based on the above estimate and based on the fact that the customer's account was a fully performing asset before the admission of the CIRP, no provision towards allowance for expected credit loss in respect of the dues from the aforesaid customer have been considered by the Company in these financial results.

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

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

- b) Had the Company considered making provision for the outstanding balance referred to in (a) above, the net owned funds of the Company as at September 30, 2020 will be lower than the limits prescribed under Section 45-IA of the Reserve Bank of India Act, 1934 for a Non-Banking Financial Services Company (NBFC). Thus, the Company's ability to continue as an NBFC and as a going concern may depend on infusion of further capital to meet the minimum net owned funds criteria as per RBI norms within the prescribed time limit and on identification of alternative business plans.
- c) The matters referred to in (a) and (b) also cast a significant doubt on the Company's ability to continue as a going concern and accordingly, we are unable to comment on the appropriateness of management's assumption of preparing the Statement on a going concern basis.

Our conclusion on the Statement is qualified in respect of the matters (a) to (c) referred above.

- 5. 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 CNGSN & ASSOCIATES LLP

Chartered Accountants

Firm Registration No.004915S/ S200036



(CHINNSAMY GANESAN)

Partner

Membership No. 027501

UDIN: 20027501AAAACA7687

Place: Chennai

Date: November 10, 2020

