



DHARANI FINANCE LIMITED

Regd. & Admn. Off : "PGP House" No.59, (Old No.57) Sterling Road, Nungambakkam, Chennai - 600 034.
Tel : +91-44-28254176, 28254609, 28311313, 28234000 E-mail : dfl@pgpgroup.in / secretarial@dharanifinance.com
CIN : L65191TN1990PLC019152 GST : 33AAACD1282G1Z4 PAN : AAACD1282G

DFL/SE/AR 2023-24/AGM/2024

August 30, 2024

To
BSE Limited
P J Towers, Dalal Street
Mumbai – 400 001

Dear Sir/Madam,

Sub: Notice of the 34th Annual General Meeting of the Company and Annual Report 2023-24 as per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.
Ref: Dharani Finance Limited - Scrip Code – 511451.

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Notice of the 34th Annual General Meeting (AGM) of the Company and the Annual Report of the Company for the financial year 2023-24.

The 34th AGM of the Company is scheduled to be held on Wednesday, the 25th September, 2024 at 11:00 A.M. (IST) through Video Conferencing/ Other Audio-Visual Means (VC/OAVM) facility.

The said Notice of AGM along with Annual Report for the financial year 2023-24 is also available on the website of the company at www.dharanifinance.com.

The cut-off date for reckoning the names of members for remote e-Voting is 18th September, 2024. The remote e-Voting will be available from Sunday, 22nd September, 2024 (9.00 a.m. IST) to Tuesday, 24th September, 2024 (5.00 p.m. IST).

Kindly note that the soft copies of the Notice of AGM and the Annual Report 2023-24 have been dispatched by e-mail only to the members of the Company whose e-mail addresses are registered with either the Company or the Depositories. This is for your information and record.

This is for your information and record.

Yours faithfully,
For Dharani Finance Limited

Dr Palani G Periasamy
Chairman

Copy to :

1. National Depository Services India Limited, Mumbai ,
2. Central Depository Services (India) Limited, Mumbai
3. M/s Cameo Corporate Services Ltd, Chennai. (RTA)

DHARANI FINANCE LIMITED



34th
ANNUAL REPORT
2023-2024



DHARANI FINANCE LIMITED

BOARD OF DIRECTORS

Chairman : Dr Palani G Periasamy
Directors : Mrs Visalakshi Periasamy
Dr S Muthu - Independent Director
Mr. Ganapathy - Independent Director
Mr P R Shampath IAS (R)– Independent Director
(Appt w.e.f 09.08.2024)
Mr P Muthusamy IRS (R) – Independent Director
(Appt w.e.f 09.08.2024)
Mr Murugavel Ramasamy
(Appt w.e.f 09.08.2024)

Managing Director : Mr K Kandasamy

Chief Financial Officer : Mr N Sivabalan

Company Secretary : Mrs Saloni Jain

Auditors : Srivatsan & Associates
Chartered Accountants
Mylapore, Chennai - 600 004
Firm Reg.No.014921S

Internal Auditors : R Balachandran & Co.,
Flat-3B, 3rd Floor, 3rd Block,
Bajaj Apartments,
7/4, Nandanam Extension,
Main Road, Nandanam,
Chennai-600035.
Firm Regn No.000323S

Bankers : Indian Bank

Registered Office : “PGP House”
No.59 Sterling Road, Nungambakkam,
Chennai – 600 034.
Phone Nos. 044-2831 1313, 2831 1414
Fax No. 044 – 2823 2074
Email: secretarial@dharanifinance.com
Website: www.dharanifinance.com
CIN – L65191TN1990PLC019152



| CONTENTS | Page Nos |
|------------------------------|-----------------|
| Notice to Shareholders | 01 |
| Boards' Report | 18 |
| Auditors' Report | 28 |
| Balance Sheet | 37 |
| Statement of Profit and Loss | 38 |
| Cash Flow Statement | 39 |
| Notes on Accounts | 40 |



NOTICE TO SHAREHOLDERS

Notice is hereby given that the 34th Annual General Meeting ("AGM") of the Members of Dharani Finance Limited (the "Company") will be held on **Wednesday the 25th September 2024 at 11:00 A.M (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements including Balance Sheet as at 31st March 2024, the Statement of Profit & Loss and Cash Flow Statements for the year ended on that date and consider the reports of the Board and Auditors.
2. To appoint a Director in place of Mrs Visalakshi Periasamy (DIN No.00064517)) who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESS

3. **Appointment of Mr. Palaniappan Rajamanickam Shampath (IAS) (R) (DIN: 10461017) as an Independent Director of the Company.**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Regulation 17(1) (a) and 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations") (including any statutory modification (s) or re-enactment(s) thereof, for the time being in force) and any other applicable provisions of SEBI Listing Regulations, Mr. Palaniappan Rajamanickam Shampath (IAS) (R) (DIN: 10461017) who was appointed by the Board of Directors of the Company as an Additional Director in the capacity of Independent Director of the Company with effect from 9th August 2024 pursuant to provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act signifying the member's intention to propose appointment of Mr. Palaniappan

Rajamanickam Shampath (IAS) (R) (DIN: 10461017) as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company for a first term of 5 years, with effect from 9th August 2024 to 8th August 2029., not liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mr. Palaniappan Rajamanickam Shampath (IAS) (R) (DIN: 10461017) be paid such fees and commission as the Board of Directors of the Company may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.

RESOLVED FURTHER THAT any one of Directors or Key Managerial Personnel(s) of the Company be and is hereby severally authorised to liaise with, to do all acts, deeds and things as may be necessary, usual and expedient to give effect to the aforesaid resolution.

4. **Appointment of Mr Perianna Gounder Muthusamy IRS (R)(DIN: 09048245) as an Independent Director of the Company.**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Regulation 17(1) (a) and 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations") (including any statutory modification (s) or re-enactment(s) thereof, for the time being in force) and any other applicable provisions of SEBI Listing Regulations, Mr Perianna Gounder Muthusamy (DIN: 09048245) who was appointed by the Board of Directors of the Company as an Additional Director in the capacity of Independent Director of the Company with effect from 9th August 2024 pursuant to provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under



Section 160 of the Act signifying the member's intention to propose appointment of Mr Perianna Gounder Muthusamy (DIN: 09048245) as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company for a first term of 5 years, with effect from 9th August 2024 to 8th August 2029., not liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mr Perianna Gounder Muthusamy (DIN: 09048245) be paid such fees and commission as the Board of Directors of the Company may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.

RESOLVED FURTHER THAT any one of Directors or Key Managerial Personnel(s) of the Company be and is hereby severally authorised to liaise with, to do all acts, deeds and things as may be necessary, usual and expedient to give effect to the aforesaid resolution.

5. Appointment of Mr Murugavel Ramasamy DIN: (10693633) as a Managing Director of the Company along with Remuneration.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of sections 196, 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, approval of the Company be accorded to the appointment of Mr Murugavel Ramasamy DIN: (10693633) as Managing Director of the Company, not subject to retirement by rotation for a period of 5 Years with effect from 9th August 2024 to 8th August 2029 (both days) and that he be the following Remuneration on the remuneration and terms & conditions.

Salary : Rs. One lakh per month.

Perquisites:

1. In addition to the salary, the Managing Director shall also be entitled to perquisites (including allowances) which would include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, gas, electricity, water, furnishings, medical reimbursement and leave travel concession for self and family, performance award, club fees, use of Company cars, medical and personal accident insurance and other benefits, amenities and facilities in accordance with the Rules of the Company.
2. The value of the perquisites would be evaluated as per Income-tax Rules, 1962 wherever applicable and at cost in the absence of any such Rule.
3. Contribution to Provident Fund, Superannuation Fund, Gratuity would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable are under the Income Tax Act, 1961.
4. Encashment of earned leave at the end of the tenure as per Rules of the Company shall not be included in the computation of ceiling on remuneration.
5. Provision of Car for use on Company's business, telephone and other communication facilities at residence would not be considered as perquisites.

FURTHER RESOLVED THAT where in any Financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director the above remuneration as the minimum remuneration for a period not exceeding 5 years from the date of appointment by way of salary, perquisites and other allowances and benefits as specified above subject to receipt of the requisite approvals, if any.

FURTHER RESOLVED that for the purpose of giving effect to this Resolution, the Board be authorised to do all such acts, deeds, matters and things, to settle any questions, difficulties or doubts that may arise in this regard and further to sign and execute all necessary documents, applications, returns and writings as it may in its absolute discretion deem necessary, proper or desirable or expedient.

RESOLVED FURTHER THAT any one of Directors or Key Managerial Personnel(s) of the Company be and is hereby severally authorised to liaise with, to do all acts, deeds and things as may be necessary, usual and expedient to give effect to the aforesaid resolution.



6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.

Increase in borrowing powers

“RESOLVED THAT in supersession of earlier resolutions passed in previous Annual General Meeting of the Company in borrowing powers of the Board, and pursuant to provisions of the section 180(1)(c) and all other applicable provisions of the Companies Act, 2013 and Rules thereunder, and as per other applicable laws (including any amendment thereto or re-enactment thereof) the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (which term be deemed to include any Committee of the Board) to borrow such sums of money (apart from temporary loans obtained or to be obtained from the Bankers of the Company in the ordinary course of the business i.e. loans repayable on demand, such as short-term, cash credit arrangements, the discounting of bills, and the issue of other short term loan of seasonal character, but does not include loans raised for the purpose of financial expenditure of a capital nature) as they may deem fit and necessary from time to time, for the purpose of the business of the Company and on such terms and conditions as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit and proper, notwithstanding that the monies to be borrowed together with monies already borrowed by the Company, remaining outstanding at any time will exceed the aggregate of the paid-up capital of the Company and its free reserves, provided that the total amount so borrowed by the Board of Directors and remaining outstanding at any time, shall not at any time exceed the limit of **Rs. 200 Crores (Rupees Two hundred Crores only)**.

RESOLVED FURTHER THAT the Board of Directors of the Company or its Committee thereof or any empowered official, be and hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.

Increase in limits for creation of charges on the assets of the Company.

RESOLVED FURTHER THAT pursuant to provisions of the section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 and Rules thereunder and as per other applicable laws (including any amendment thereto or re- enactment thereof), the consent of the members of the Company be and is hereby accorded

to the Board of Directors of the Company to create mortgage, hypothecation and /or create charge on all or any of the movable or immovable properties or such other assets of the Company, wherever situated, both present and future, and on the whole or part of the one or more undertakings of the Company of any nature and kind whatsoever in favour of banks, financial institutions or any other lender whether Indian or International (hereinafter referred as “Lenders”) to secure the amount borrowed, to be borrowed by the Company from such “Lenders” from time to time for the due repayment of the principal monies together with the interest thereon at the respective agreed rate(s) or any other charges in respect of such borrowings and such security to rank in such manner as may be agreed to between the concerned lender(s) and Board of Directors of the Company. Limit of Rs.200 Crores (Rupee Two hundred Crores only).

RESOLVED FURTHER THAT the Board of Directors or any person authorised by the Board of Directors, be and is hereby authorised to negotiate and settle the terms and conditions with the concerned Bank(s) / Financial Institution(s) / Lender(s), finalize the applicable instruments/agreements, deeds or any other document for borrowing the monies for the purpose of business of the Company and creating the mortgage, hypothecation or charge on the assets of the Company in relation to borrowings of monies and to do all such other acts, deeds and things necessary and incidental to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company or its Committee thereof or any empowered official, be and hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution.

By Order of the Board

For Dharani Finance Limited

K Kandasamy
Director

Place : Chennai

Date : 9th August 2024

NOTES:

1. The Ministry of Corporate Affairs (MCA) vide its General Circular No. 20/2020 dated 5th May 2020 and read with General Circular No. 09/2023 dated 25th September 2023, allowed companies whose Annual General Meetings (AGMs) are due in the year 2024, to conduct their AGMs through VC/ OAVM on or before 30th September 2024, in accordance with the requirements



laid down in para 3 and 4 of the General Circular No. 20/2020 (MCA Circulars). The Securities and Exchange Board of India (SEBI) also issued Circular No. SEBI/HO/CFD/CFD-PoD2/ P/CIR/2023/167 dated 7th October 2023 (SEBI Circular). In compliance with these Circulars, provisions of the Act and the SEBI Listing Regulations, the 34th Annual General Meeting (AGM) of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 34th AGM shall be the Registered Office of the Company.

2. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company or upload on the VC portal / e-voting portal.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by Members holding shares in dematerialized mode, physical mode and for Members who have not registered their email addresses is provided in the "Instructions for e-voting" section which forms part of this Notice.
4. The Company has appointed Mr. M Damodaran & Associates, LLP, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The result of e-voting will be declared within 48 hours of the conclusion of the Meeting and the same, along with the consolidated scrutinizer's Report will be placed on the website of the company www.dharanifinance.com and on the website of CDSL at <https://evoting.india.com>. The results will simultaneously be communicated to the stock exchanges.

5. All documents referred to in the accompanying Notice shall be available for inspection electronically. Members seeking to inspect such documents can send an email to secretarial@dharanifinance.com.
6. Since the 34th AGM is being held through VC/ OAVM, the route map of the venue of the Meeting is not annexed to this Notice.
7. As per the provisions under the MCA Circulars, Members attending the 34th AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/ OAVM and cast their votes through e-voting.
9. The Register of Members and Share Transfer books will remain closed from **Thursday 19th September 2024 to Wednesday, 25th September 2024 (both days inclusive)**.
10. Particulars of Directors seeking re-appointment pursuant to Regulation 36(3) of the Listing Regulations is given in Annexures that forms part of this Notice.
11. Members may note that pursuant to the General Circular No. 20/2020 dated May 5, 2020 issued by the MCA, the Company has enabled a process for the limited purpose of receiving the Company's Annual Report and Notice for the Annual General Meeting (including remote



- e-voting instructions) electronically, and Members may temporarily update their email address by sending email at investor@cameoindia.com.
12. After due verification and receipt of email address Updation request, the Company will send the annual report at your registered email address.
 13. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending further communication(s).
 14. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or its Registrar and Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the Members after making requisite changes, thereon. Members are requested to use the share transfer form SH-4 for this purpose.
 15. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.
 16. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be:- a) the change in the residential status on return to India for permanent settlement, and b) the particulars of the NRE account with a Bank in India, if not furnished earlier.
 17. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Share Transfer Agent or the Secretarial Department of the Company at its registered office.
 18. The following documents will be available for inspection by the Members electronically during the 34th AGM: a) Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013. Members seeking to inspect such documents can send an email to secretarial@dharanifinance.com.
 19. In case of any queries regarding the Annual Report, the Members may write to secretarial@dharanifinance.com to receive an email response.
 20. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 21. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.dharanifinance.com. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
 22. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
 23. Explanatory Statement pursuant to Section 102 of the Companies Act, 2011 in respect of the special business set out against item Nos. 3,4,5,6 & 7 are annexed hereto.

**I. DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**

1. In compliance with the MCA Circulars and SEBI Circulars the notice of the 34th AGM along with the Annual Report 2023-24 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2023-24 will also be available on the Company's website at <http://www.dharanifinance.com> website of the Stock Exchange i.e. BSE Limited at www.bseindia.com.
2. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, Cameo Corporate Services Limited, Subramanian Building" No.1 Club House Road Chennai-600 002, Tamilnadu at investor@cameonindia.com

II. THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/ OAVM ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

1. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI Listing Regulations, the Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting ("remote e-voting") and e-voting during the AGM.
2. The voting period begins on **Sunday the, 22nd September 2024 at 9.00 a.m. and ends on Tuesday the, 24th September 2024 at 5.00 p.m.** During this

period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date Wednesday, the 18th September 2024** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. A Member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of Members shall be proportionate to their share of the paid-up equity share capital of the Company as on the **cut-off date, i.e. as on Wednesday, the 18th September 2024.**

3. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholder's / retail shareholders is at a negligible level.
4. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facilities to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
5. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
6. In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



7. Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meeting is given Below.

For Individual shareholders holding securities in Demat mode:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | <ul style="list-style-type: none"> i. Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. ii. After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ CAMEO / LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. iii. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/ Easi Registration. iv. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM. |
| Individual Shareholders holding securities in demat mode with NSDL | <ul style="list-style-type: none"> i. If you are already registered for the NSDL IDeAS facility, please visit the e-Services website of NSDL. Open a web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting " under e-Voting services and you will be able to see the e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| <p>If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <ul style="list-style-type: none"> iii. Visit the e-Voting website of NSDL. Open a web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting | |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting options. Once you click on the e-Voting option, you will be redirected to the NSDL/CDSL Depository site after successful authentication, wherein you can see the e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |



Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no.: 1800 2255 333 / 1800 2109 911. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in / evoting@nsdl.com or call at 022 4886 7000 / 022 2499 7000 |

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

For non-individual shareholders and physical shareholders

- i. The shareholders should log on to the e-voting website www.evotingindia.com.
- ii. Click on Shareholders.
- iii. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the company.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|--|
| PAN | <ol style="list-style-type: none">i. Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)ii. Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | <ol style="list-style-type: none">i. Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.ii. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

After entering these details appropriately, click on "SUBMIT" tab.

- viii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN for the DHARANI FINANCE LIMITED on which you choose to vote.
- xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



- xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvi. If a Demat account holder has forgotten the login password then Enter the User ID and the image Verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Facility for Non – Individual Shareholders and Custodians –Remote Voting
 - a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - c. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - d. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - f. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz., secretarial@ddharanifinance.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC/ OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meetings & e-Voting on the day of the AGM is the same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend the meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow cameras and use the Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance at least Seven (7) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at secretarial@ddharanifinance.com The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance Seven (7) days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at secretarial@ddharanifinance.com These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.



10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

IV. PROCESS FOR THOSE SHAREHOLDERS WHO'S EMAIL ADDRESSES / MOBILE NO. ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to secretarial@dharanifinance.com .
2. For Demat shareholders -Please update your email id & mobile no. with your respective Depository Participant (DP).

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meeting through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 1800 2255 333 / 1800 2109 911.

4. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr.Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com.

By Order of the Board
For **Dharani Finance Limited**

Place : Chennai
Date : 9th August 2024

K Kandasamy
Director



Information about the Directors Seeking Appointment/ Re-appointment in this Annual General Meeting is furnished here under Regulation 26(4) and 36(3) Listing Obligations and Disclosure Requirements Regulation 2015 and SS 2 issued by ICSI.

Item No : 2 Re-appointment of Mrs Visalakshi Periasamy, Director.

| | |
|---|--|
| Name & DIN | Mrs Visalakshi Periasamy (DIN – 00064517) |
| DOB & Age | 12-08-1946 & 75 |
| Qualification | BBA |
| Date of Appointment | 10.05.1990 |
| Terms & Conditions of Re-appointment | Retirement by rotation pursuant to Section 152 (6) of the Companies Act, 2013 |
| No of Board Meetings attended during the year | 4 (Four) |
| Experience & Nature of expertise in specific functional areas | <p>Mrs Visalakshi Periasamy, W/o Dr Palani G Periasamy is a paramedical specialist by profession. She has been staying in USA since 1969 and was working till recently as Medical Technologist in a leading Hospital there. She has an overall experience of more than 30 years in that field out of which, she has been working as Senior Medical Technologist in the famous Johns Hopkins Hospital, Baltimore Maryland for more than 20 years till Feb'1995. In this capacity she has had good exposure to general administration. She is also a system analyst and Graduate in Business Administration (BBA).</p> <p>Besides, she was a Director in PGP International, USA an organisation which has been running a Hotel under franchise from Ramada Inn in U S A and also managing various properties and shopping complexes there. She has been functioning as the Secretary and Comptroller of this organisation and in that capacity was actively involved / associated in running the business. Her job included liaison with Public Chartered Accountants, Tax preparation and finalization and day-to-day administration of the business. In fact, the Hotel was the recipient of the coveted award from Ramada Inn, International Association Port Charlotte, Florida, for outstanding achievement in property Renovation. It would not be an exaggeration to say that this achievement was made possible mainly due to the organizational ability and administrative capacity of Mrs. Visalakshi Periasamy.</p> |
| Other Directorships | <ol style="list-style-type: none">1. Appu Hotels Limited2. Dharani Credit & Finance Private Limited3. Dharani Sugars and Chemicals Limited4. PGP Educational and Welfare Society |
| Other Committee Membership | <ol style="list-style-type: none">1. Management Committee2. Nomination & Remuneration Committee |
| No of Shares held in the Company & % | 145198 & 2.92% |
| Inter se Relationship between Directors | Spouse of Dr Palani G Periasamy, Chairman. |
| Remuneration last drawn/proposed | Not Applicable |

**Item No.3. Appointment of Mr. Palaniappan Rajamanickam Shampath (IAS) (R) as an Independent Director**

| | |
|---|--|
| Name & DIN | Palaniappan Rajamanickam Shampath (DIN - 10461017) |
| DOB & Age | 14-11-1953 & 71 |
| Qualification | IAS (Retd) and MSc. graduate and Law Degree Holder |
| Date of Appointment | 9th August 2024 |
| Terms & Conditions of Appointment | As per the resolution at item nos. 3 of the Notice convening this Meeting read with explanatory statement thereto. |
| No of Board Meetings attended during the year | Not Applicable |
| Experience & Nature of Expertise in specific functional area | Brief in the Explanatory Statement. |
| Other Directorships | 1. Appu Hotels Limited |
| Other Committee Membership | 1. Audit Committee 2. Nomination and Remuneration Committee 3. Stakeholders Relationship Committee |
| No of Shares held in the Company & % | Nil |
| Inter se Relationship between Directors | No relationship with other directors on the Board |
| Remuneration last drawn/proposed | Not Applicable |
| Justification for choosing the appointee for appointment as Independent Directors | On the basis of their skills, performance evaluation, extensive and enriched experience in diverse areas and suitability to the Company. |

Item No.4. Appointment of Mr Perianna Gounder Muthusamy IRS (R) as an Independent Director.

| | |
|---|--|
| Name & DIN | Perianna Gounder Muthusamy (DIN - 09048245) |
| DOB & Age | 09-06-1958 & 66 |
| Qualification | IRS (Retd) MSc Agri., Law Degree from Madras Law College. Masters in Management Systems from BITS, Pilani |
| Date of Appointment | 9th August 2024 |
| Terms & Conditions of Appointment | As per the resolution at item nos. 4 of the Notice convening this Meeting read with explanatory statement thereto. |
| No of Board Meetings attended during the year | Not Applicable |
| Experience & Nature of expertise in specific functional areas | Brief in the Explanatory Statement |
| Other Directorships | 1. Appu Hotels Limited |
| Other Committee Membership | 1. Audit Committee 2. Nomination and Remuneration Committee 3. Stakeholders Relationship Committee |
| No of Shares held in the Company & % | Nil |
| Inter se Relationship between Directors | No relationship with other directors on the Board |
| Remuneration last drawn/proposed | Not Applicable |
| Justification for choosing the appointee for appointment as Independent Directors | On the basis of their skills, performance evaluation, extensive and enriched experience in diverse areas and suitability to the Company. |

**Item No.5. Appointment of Mr Ramasamy Murugavel as a Managing Director**

| | |
|--|--|
| Name & DIN | Mr Murugavel Ramasamy, (DIN -10693633) |
| DOB & Age | 20-05-1964 & 60 |
| Qualification | M.Com and CS (Inter) |
| Date of Appointment | 9th August 2024 |
| Terms & Conditions of Appointment | As per the resolution at item nos. 5 of the Notice convening this Meeting read with explanatory statement thereto. |
| No of Board Meetings attended during the year | Not Applicable |
| Experience & Nature of Expertise in specific functional area | Brief in the Explanatory Statement |
| Other Directorships | Nil |
| Other Committee Membership | Audit Committee Stakeholders Relationship Committee |
| No of Shares held in the Company & % of shares | 21283 & 0.43% |
| Inter se Relationship between directors | No relationship with other directors on the Board |
| Remuneration last drawn/proposed | Not Applicable |
| Justification for choosing the appointee for appointment as Director | On the basis of their skills, performance evaluation, extensive and enriched experience in diverse areas and suitability to the Company. |

By Order of the Board
For **Dharani Finance Limited**

K Kandasamy
Director

Place : Chennai

Date : 9th August 2024

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No.3**

Mr Palaniappan Rajamanickam Shampath (IAS) (R) (DIN: 10461017) was appointed by the Board as an Independent Director with effect from 9th August 2024. As per the provisions contained under Section 161 (1) of the Companies Act, 2013 and Section 149 of the Companies Act, 2013 and is eligible for the appointment. The Company has received a notice in writing under Section 160 of the Act from a Member of the Company proposing Mr Palaniappan Rajamanickam Shampath(IAS) (R) (DIN: 10461017) as a candidate for the office of a Director.

The brief profile of Mr. PALANIAPPAN RAJAMANICKAM SHAMPATH (IAS) (R) (DIN: 10461017) is given below:

Palaniappan Rajamanickam Shampath is an Indian Administrative Service (IAS) officer with an outstanding career of 36 years of experience and expertise in all areas of the Sugar Industry, Infrastructure, Port and Revenue Department.

He has vast experience in the Sugar Industry in Tamil Nadu Sugar Corporation for 3 Years as General Manager. He was involved in the construction of Two New Sugar Mills at Chidambaram and Cheyyar, including the Co-Gen of power Expansion and Modernisation of Five Sugar Mills.

His expertise also extends to Trade Related Intellectual Property Rights (TRIPS), Joint ventures/Collaborations especially in Related company valuation and related party transactions, Indirect Tax Advisory, Tax Compliance, Foreign Trade Advisory and IP Management.

He served in various capacities as Gazetted P.A. to Hon'ble C.M. (Dr. M.G.R), Dy. Secretary to Hon'ble C.M (Madam Ms. Jayalalitha), Director of Information & Publicity, Director of Art & Culture, M.D. M.G.R Film City, Secretary, Tamil Nadu Housing Board, Collector, Madurai District, Commissioner Corporation of Chennai, Member Secretary, Commissioner in the HR&CE Dept, Commissioner in the Animal Husbandry and Veterinary Science and Commissioner of Museum.

He is an MSc. graduate and Law Degree Holder.



As per Section 149 of the Companies Act, 2013, an Independent Director shall hold office for up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr Palaniappan Rajamanickam Shampath has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of Mr Palaniappan Rajamanickam Shampath as Independent Director was placed before the Nomination and Remuneration Committee, which recommended his appointment as an Independent Director.

In the opinion of the Board, Mr Palaniappan Rajamanickam Shampath fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director, and he is independent of management. The Board has formed an opinion that Mr Palaniappan Rajamanickam Shampath possesses the requisite skills and knowledge, and it would be in the interests of the Company to appoint Mr Palaniappan Rajamanickam Shampath, Director, as an Independent Director of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr Palaniappan Rajamanickam Shampath as an Independent Director is now being placed before the Members in this General Meeting for their approval.

The terms and conditions of appointment of the Independent Director shall be open for inspection by the members at the Registered Office during regular business hours on any working day of the Company.

Mr Palaniappan Rajamanickam Shampath is interested and concerned about the Resolution mentioned in Item No. 3 of the Notice. Other than Mr Palaniappan Rajamanickam Shampath, no other Directors, Key Managerial Personnel, or their respective relatives are concerned or interested in the Resolutions mentioned in Item No. 3 of the Notice.

The Directors recommend the resolutions for approval by the members.

Item No 4

Mr Perianna Gounder Muthusamy (DIN: 09048245) was appointed by the Board as an Independent Director with effect from 9th August 2024. As per the provisions contained under Section 161 (1) of the Companies Act, 2013 and

Section 149 of the Companies Act, 2013 and is eligible for the appointment. The Company has received a notice in writing under Section 160 of the Act from a Member of the Company proposing Mr Perianna Gounder Muthusamy as a candidate for the office of a Director.

The brief profile of Mr Perianna Gounder Muthusamy is given below:

Mr Perianna Gounder Muthusamy is an Indian Revenue Service (IRS) officer with an outstanding career of 30+ years of experience and expertise in all niche areas of Indirect Taxes covering a wide spectrum, including GST, Customs, GATT Valuation, Central Excise and Foreign Trade.

His expertise also extends to Trade Related Intellectual Property Rights (TRIPS), Joint ventures/Collaborations especially in Related company valuation and related party transactions, Indirect Tax Advisory, Tax Compliance, Foreign Trade Advisory and IP Management.

He has a super specialization in sectors such as Health, Construction, Automotive, Pharmaceuticals, Agriculture, STEM, Information Technology, Transport and e-commerce.

He served in various capacities as AO/AC/DC/JC with distinction in Tamil Nadu and Andhra Pradesh, reaching the position of 'Commissioner-Central Excise, Customs and GST', during which he adjudicated a large number of cases related to the above areas.

During his stint in Tamil Nadu, he held senior positions, including Head of Office, Head Central intelligence unit and vigilance wing, Joint Director of the National Academy of Customs, Excise & Narcotics and Systems Manager of the Commissionerate during the implementation of Automation of Central Excise and Service Tax (ACES) and ICES 1.5.

While in Andhra Pradesh, he took on the challenging task of leading the GST implementation team, supervising, and controlling the administration of Tirupati, Vizag and Kakinada GST formations.

As the Zonal Unit Approval Committee Member, he approved a number of SEZs and 100% EOU Units in MEPZ, STPI, Mahindra City SEZ, SRI City and Vizag SEZs.

Mr Muthusamy is academically trained in the e-governance of revenue collection conducted by BITS Pilani, Special Intelligence Course for Revenue Officers (SICO) conducted



by the Cabinet Secretariat, Gurgaon and trained in NACEN, Faridabad, IIM, Lucknow, London School of Economics, Cambridge University, UK and Nyenrode Business School, Amsterdam and Rules of Origin, Green Customs, IPR Implementation by WCO.

He graduated in Agriculture from TNAU Coimbatore 1976-80 BSc Ag 1980-82 MSc Ag and obtained a Law Degree from Madras Law College. He has a Masters in Management Systems from BITS, Pilani. He is well-versed in English, Tamil and Telugu.

As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr Perianna Gounder Muthusamy has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149 (6) of the Act.

The matter regarding the appointment of Mr Perianna Gounder Muthusamy as an Independent Director was placed before the Nomination and Remuneration Committee, which recommended his appointment as an Independent Director.

In the opinion of the Board, Mr Perianna Gounder Muthusamy fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director, and he is independent of management. The Board has formed an opinion that Mr Perianna Gounder Muthusamy possesses the requisite skills and knowledge, and it would be in the interests of the Company to appoint Mr Perianna Gounder Muthusamy, Director as an Independent Director of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment Mr Perianna Gounder Muthusamy as an Independent Director is now being placed before the Members in this General Meeting for their approval.

The terms and conditions of appointment of the Independent Director shall be open for inspection by the members at the Registered Office during regular business hours on any working day of the Company.

Mr Perianna Gounder Muthusamy is interested and concerned about the Resolution mentioned in Item No. 4 of the Notice. Other than Mr Perianna Gounder Muthusamy,

no other Directors, Key Managerial Personnel, or their respective relatives are concerned or interested in the Resolutions mentioned in Item No.4 of the Notice.

The Directors recommend the resolutions for approval by the members.

Item No.5

Mr Murugavel Ramasamy (DIN: 10693633) was appointed as a Managing Director by the Board w.e.f 9th August 2024. Mr R Murugavel Ramasamy has consented to the proposed appointment and submitted the requisite declarations.

The brief profile of Mr Murugavel Ramasamy (DIN: 10693633) is given below:-

He is holder of Master Degree in Commerce and passed CS Intermediate examination conducted by the Institute of Company Secretaries of India. He has 35 years of experience in the field of Accounts, Finance, Commercial, Secretarial, Personnel and Administration.

The Board on receipt of the said notice from a member and on the recommendation of its Nomination and Remuneration Committee and subject to approval of members in the ensuing Annual General Meeting has accorded its consent considering his possession of requisite skills and knowledge, and it would be in the interests of the Company to appoint Mr.Murugavel Ramasamy as a Managing Director along with Remuneration.

Mr. R Murugavel, holds 21283 equity shares amounting to 0.43% of the equity capital of the Company. Nomination & Remuneration Committee has considered and recommended the appointment and remuneration. The remuneration suggested is well within the limits prescribed under the Act. .

Approval of the shareholders is now sought for his appointment on the terms and conditions as mentioned in the Resolution.

Mr. R Murugavel is concerned and is interested in the said resolution as it relates to his own appointment.

No other Director or Key Managerial Personnel is interested or concerned.

d) Inspection of Documents - No document is required to be kept for inspection



| I. General Information | | |
|--|---|--|
| 1 | Nature of industry | Services |
| 2 | Date or expected date of commencement of commercial production | 10.05.1990 |
| 3 | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | NA |
| 4 | Financial performance based on given indicators | Provided in the Board's Report |
| 5 | Foreign investments or collaborations, if any | Nil |
| II. Information about the appointee | | |
| 1 | Background details | He is holder of Master Degree in Commerce and passed CS Intermediate examination conducted by the Institute of Company Secretaries of India. He has 35 years of experience in the field of Accounts, Finance, Commercial, Secretarial, Personnel and Administration. |
| 2 | Past Remuneration | NIL |
| 3 | Recognition or awards | Nil |
| 4 | Job Profile | He is experienced in Sugar Industry for the period of 35 years and General administration in this group. |
| 5 | Remuneration proposed | Salary - Rs 1.00 lakh per month |
| 6 | Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | Rs 12 lakhs . per annum |
| 7 | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. | One of the promoters. Holds 21283 equity shares (0.43%) in Dharani Finance Limited |
| III. Other information | | |
| 1 | Reasons of loss or inadequate profits | General economic depression |
| 2 | Steps taken or proposed to be taken for improvement | Propose to expand its financial services activities |
| 3 | Expected increase in productivity and profits in measurable terms | 15% to 20% increase |

Accordingly the Directors commend the resolution for approval of the Shareholders as a Special Resolution.



Item No.6 & 7

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company could, with the consent of the Members by a Special Resolution, borrow monies of such sum as may be approved by the Members, apart from the temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves and securities premium of the Company from time to time that is to say reserves not set apart for any specific purpose.

Also, under the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of a Company could, with the consent of the Members by a Special Resolution, create charge / mortgage / hypothecation on the Company's assets, both present and future, in favour of the lenders / trustees for the holders of debentures / bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

The Members of the Company at their Annual General Meeting held on 25th September 2015, authorized the Board of Directors (which term shall be deemed to include any Committee of the Board) to borrow money(ies) on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) and for creation of charge on movable and immovable properties of the Company as security in favour of lending agencies for a sum not exceeding Rs. 200 Crores (Rupees Two hundred Crores only), or aggregate of the paid-up share capital and free reserves and securities premium of the Company from time to time whichever is higher. Keeping in view your Company's business requirements and growth plans, it is considered desirable to increase the said borrowing limits under the provisions of Section 180(1)(c) of the Companies Act, 2013.

Considering the present and future business opportunities and growth plans of the Company, it is proposed to increase the borrowing limits from the existing limit of Rs. 25 Crores to Rs. 200 Crores, to enable the Board of Directors to avail such facilities as and when required.

The proposed enhancement is mainly in the form of non-fund based limits. In this connection, it is proposed to seek the approval of the Members by way of a special resolution to enable the Directors to borrow monies, provided that the total amount so borrowed (both fund based & non-fund based) shall not at any time exceed Rs. 200 Crore (Rupees Two hundred Crores Only) or the aggregate of the paid-up capital and free reserves and securities premium of the Company from time to time, whichever is higher.

The increase in the limits of borrowings of the Company may, if necessary be secured by way of mortgages, charges and hypothecation on the Company's movable / immovable assets of the Company, present and future, in favour of the financial institutions / banks / insurance companies / other investing agencies / trustees for the holders of debentures / bonds / other instruments as detailed in the notice, it is necessary for the Members to pass a special resolution for creation of mortgages, charges and hypothecation to secure such borrowings of the Company, Subsidiaries and/ or Associate companies.

Due to the above, it is proposed to seek Members' consent by way of a special resolution under Section 180(1)(c) of the Act for both fund based and non-fund based borrowings not exceeding Rs. 200 Crore (Rupees Two hundred Crores Only) or the aggregate of the paid-up capital and free reserves and securities premium of the Company time to time whichever is higher and under Section 180(1)(a) of the Act for creation of charges/ mortgages / hypothecations based on the above borrowing limits.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company are, in any way concerned or interested, financially or otherwise in the passing of the Resolution set out in Item No. 6 & 7 of the accompanying Notice.

Accordingly, the Board of Directors of the Company recommends passing of Special Resolution as set out at Item No. 6 & 7 of this Notice, for the approval of the members of the Company.

**BOARD'S REPORT**

Dear Members,

The Board of Directors present herein the 34th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2024.

FINANCIAL SUMMARY

The Financial results for the year ended 31st March 2024 are briefly as follows: -

Rs.in Lakhs

| Particulars | For the year Ended 31.03.2024 | For the year Ended 31.03.2023 |
|---|-------------------------------|-------------------------------|
| Income through Travel Operations, Finance Services and others | 79.28 | 59.99 |
| Expenditure (Employee & Administrative Expenses) | 98.07 | 55.02 |
| Profit / (Loss) | (18.79) | 4.97 |
| Depreciation | 9.92 | 15.54 |
| Interest & Bank Charges | 1.69 | 2.09 |
| Profit/(Loss) after depreciation & Interest | (30.40) | (12.66) |
| Provision for Income Tax | | |
| - Current | - | - |
| - Deferred | - | - |
| Profit/(Loss) after Tax | (30.40) | (12.66) |
| Surplus brought forward | - | - |
| Profit available for appropriation | 363.39 | 310.21 |
| APPROPRIATIONS | | |
| Transfer to Statutory Reserves | - | - |
| Proposed Dividend | - | - |
| Dividend Distribution Tax | - | - |
| Net Surplus carried over | 363.39 | 310.21 |

PERFORMANCE

The total revenue was Rs. 79.28 lakhs as against Rs.59.99 lakhs in the previous year. The income for this year consists mainly of interest on loans and vehicles on lease. Besides interest, the Company also received a sum of Rs. 26.10 lakhs as lease charges for the vehicles given on lease. The loss comes to Rs. 30.40 lakhs as against the loss of Rs.12.66 lakhs in the previous year.

Further, during the year under review there were no changes in the nature of business of the company.

OUTLOOK

Your company is also exploring the possibility of increasing its resources by additional capital or borrowings though it has not been able to does during 2023-24. In addition, your Company proposes to increase its financial services activities in the coming years.

RESERVES

Due to absence of profits in the current year, no amount is proposed to be transferred to General Reserves account on account of loss during the year.

DIVIDEND & DIVIDEND DISTRIBUTION POLICY:

In view of the accumulated losses, Directors do not recommend any dividend for the Equity shareholders for the financial year 2023-24.

Pursuant to Regulation 43A of LODR Regulation 2015, the regulations related to Dividend Distribution Policy are not applicable to the Company

SHARE CAPITAL

There is no change in the Share Capital of the Company- either the Authorized Capital or the issued Capital. The Paid up equity capital as on March 31, 2024 continues to remain at Rs.4,99,44,000.00. During the year under review, the company has not issued shares with differential voting rights nor granted stock options or sweat equity or bonus shares. The Company has not bought back any of its securities during the year under review.

ANNUAL RETURN

The Form MGT -7 for the year 2023-24 shall be filed with Registrar of Companies within the prescribed time after the date of 34th Annual General Meeting (AGM) of your Company. This also available in web address of the Company i.e., www.dharanifinance.com.

BOARD MEETINGS

1. Board consists of five directors including one Woman Director, as given below.
2. During the year 2023-24 **FOUR** Board Meetings were held on 26.05.2023, 10.08.2023, 10.11.2023 and 12.02.2024. Attendance at these meeting is given below.

| Name of the Director | Category of Directorship | No of Board Meeting Attended |
|---|--------------------------------------|------------------------------|
| Dr Palani G Periasamy (DIN 00081002) | Chairman (Non-Executive) - Promoter | 4 |
| Mrs Visalakshi Periasamy (DIN 00064517) | Non-Executive - Promoter | 4 |
| Mr K Kandasamy (DIN 00277906) | Executive - Promoter | 4 |
| Mr M Ganapathy (DIN 00234337) | Non-Executive - Independent Director | 4 |
| Dr S Muthu (DIN 03331664) | Non-Executive - Independent Director | 4 |



AUDIT COMMITTEE

A qualified Audit Committee is in position consisting of the following directors.

Mr M Ganapathy – Chairman, Dr S Muthu and Mr K Kandasamy, Managing Director.

The Audit Committee met 4 times on 26.05.2023, 10.08.2023, 10.11.2023 and 12.02.2024. There was no instance where the recommendation of the Audit Committee was not accepted by the Board.

| Name of the Director | Category of Directorship | No of Meeting Attended |
|----------------------|------------------------------------|------------------------|
| Mr K Kandasamy | Executive -Promoter | 4 |
| Mr M Ganapathy | Non-Executive Independent Director | 4 |
| Dr S Muthu | Non-Executive Independent Director | 4 |

NOMINATION AND REMUNERATION COMMITTEE

As required by Section 178 of the Companies Act, 2013 a Nomination & Remuneration Committee has been set up. Mr M Ganapathy and Dr S Muthu and Mrs Visalakshi Periasamy are the members and Mr M Ganapathy is the Chairman. The Committee has formulated appropriate criteria for appointment of Directors and their remuneration.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is available in Website. One Meeting was held during 2023-24. The Committee met on 26.05.2023.

| Name of the Director | Category of Directorship | No of Meeting Attended |
|--------------------------|------------------------------------|------------------------|
| Mrs Visalakshi Periasamy | Non Executive - Promoter | 1 |
| Mr M Ganapathy | Non-Executive Independent Director | 1 |
| Dr S Muthu | Non-Executive Independent Director | 1 |

STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholders’ Relationship Committee is in position to specifically look into shareholder’s / investors complaints, on transfer of shares, non – receipt of balance sheet, non- receipt of declared dividend etc., and also the action taken by the Company on those matters. The Committee met on 26.05.2023. The Members of the Stakeholders Relations Committee are Dr S Muthu, Independent Director (Chairman) and Mr K Kandasamy, Managing Director.

| Name of the Director | Category of Directorship | No of Meeting Attended |
|----------------------|------------------------------------|------------------------|
| Dr S Muthu | Non-Executive Independent Director | 1 |
| Mr K Kandasamy | Executive - Promoter | 1 |

From 01.04.2019 transfer of shares can be only in demat form and Shareholders have been advised.

MANAGEMENT COMMITTEE

No Management Committee meeting was conducted during this period.

POLICY ON APPOINTMENT OF DIRECTORS AND REMUNERATION

The Company’s policy on Directors, Senior Management appointment and remuneration and other matters provided in Section 178 (3) of the Companies Act, 2013, is available on the website of the Company at www.dharanifinance.com

DIRECTOR’S RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system was adequate and operating effectively.

The new accounting standards, viz., Ind AS has become applicable to your Company with effect from the year 2019-20.

**DECLARATION BY INDEPENDENT DIRECTORS**

The Independent Directors have given their declarations as per Section 149 (6) to the effect that they meet the criteria of Independence.

LOANS, GUARANTEES OR INVESTMENTS

During the year 2023-24, the company has not made investment or given any loans or provided any guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

MAINTENANCE OF COST ACCOUNTS AND RECORDS

The Company does not fall under the category of Sec 148(1) of Companies Act, 2013 and hence such disclosure and maintenance of cost accounts/cost records is not applicable.

STATUTORY AUDITORS

Pursuant to the provisions of Sections 139 and 141 of the Companies Act, 2013, Mr N Srivatsan, Chartered Accountants, Chennai (Registration No.014921S) were appointed as Statutory Auditors for a period of 5 years in the Annual General Meeting held on 29th December 2022 to hold office until the conclusion of the 37th Annual General Meeting of the Company.

AUDITOR'S REPORT

The observations made in the Auditors' Report read together with relevant notes thereon are self-explanatory and do not call for any further comments under Section 134(3) f of the Companies Act, 2013. Statement on impact of Audit Qualification is attached in Annexure - I.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204(1) of the Companies Act 2013 read along with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules 2020 and other applicable provisions, if any, of the Companies Act 2013, M/s. M Damodaran & Associates LLP, Chennai, (Mem.No.5837 and COP No.5081) were appointed as the Secretarial Auditors of the Company for the financial year 2023-24.

The Secretarial Audit Report for the financial year 2023-24 of the Company is annexed as "Annexure – II.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the provisions of Secretarial Standard – 1 (Board Meetings) and 2 (General Meetings) issued by the Institute of Company Secretaries of India (ICSI) were adhered to while conducting the respective Meetings.

CONTRACTS, ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013.

All related party transactions that were entered into during the financial year were in the ordinary course of business and were on arm's length basis. The statement in form AOC 2 is attached as Annexure- III. There are no materially significant related party transactions entered into by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

FOREIGN EXCHANGE EARNINGS AND OUT-GO, CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

- A. During the year there were no Foreign Exchange Earnings & Outflow.
- B. Conservation of Energy & Technology absorption.
 - These guidelines are not applicable to this Company.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 197 (12) of the Companies Act, 2013, read with Rules 5(1), 5(2) and 5(3), of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, the name and other particulars of employees are to be set out in the "Annexure –IV' forming part of the Annual Report.

SUBSIDIARY COMPANIES

As on 31st March 2024, the Company does not have any subsidiary or any associate Company.

RISK MANAGEMENT POLICY

The Company has developed a risk management policy. Pursuant to Section 134 (3) (n) of the Companies Act, 2013 details of the Policy are disclosed in the Company's Website.

At present the Company has not identified any element of risk which may threaten the existence of the Company. In this context, report against heading 'Material Changes of Commitments' given above may be referred to.



DIRECTORS AND KEY MANAGERIAL PERSONNEL

- Mrs Visalakshi Periasamy, (DIN No.00064517) who retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.
- Mr Palaniappan Rajamanickam Shampath (IAS) (R) (DIN: 10461017) was appointed by the Board as an Independent Director with effect from 9th August 2024
- Mr Perianna Gounder Muthusamy (DIN: 09048245) was appointed by the Board as an Independent Director with effect from 9th August 2024.
- Mr Murugavel Ramasasmy (DIN:10693633) was appointed as Managing Director with effect from 9th August 2024.
- Mr Kandasamy Kolanda Gounder (DIN: 00277906) ceased to be a Managing Director of the Company at the close of the business hours on 24.06.2024, upon completion of his term of five (5) years.
- Dr Muthu Sakkarakali Gounder (DIN No.03331664), his tenure 5 years (2nd Term) an Independent Director of the Company will be closed on 24.09.2024.
- Mr Ganapathy Gounder Muthusamy (DIN No.00234337) his tenure 5 years (2nd Term) an Independent Director of the Company will be closed on 24.09.2024.

SIGNIFICANT AND MATERIAL ORDERS

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

During the year under review, the Statutory Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors as prescribed under Section 143(12) of the Companies Act, 2013 and rules made thereunder.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the assignment order. To maintain its objectivity and independence, the Internal Auditor reports

to the Chairman of the Audit Committee of the Board & to the Chairman of the Board. The Internal Audit monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal auditor, management undertakes corrective action and thereby strengthen the controls. Significant audit observations wherever made and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

DEPOSITS

The Company does not hold any public deposits as on 31st March 2024. Your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

The Company has stopped collecting public deposits and had got its Licence amended by Reserve Bank of India to indicate that it is a non deposit taking NBFC. Your Company does not propose to collect public deposits in the coming year.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Your Company does not fall within the parameters as per Section 135 of the Companies Act and hence not mandated to formulate a Corporate Social Responsibility Policy or spend the prescribed amounts.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation is carried out is based on criteria approved by the Board which is available on the Company's Website.

VIGIL MECHANISM FOR DIRECTORS & EMPLOYEES

A competent Vigil mechanism has been established and a whistle blower policy has been designed to help Directors and Employees to report genuine concerns. The complete mechanism is given in the company's website.

CORPORATE GOVERNANCE

This requirement is not applicable to this Company at present, as per Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements), as its paid up capital is less than Rs. 10 crores and Net worth less than Rs.25 crores.



The above is also to be treated as Management discussion and analysis. Related Party disclosures are available in Note No.36 to the accounts.

PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE

The Company has in place an Anti Sexual harassment policy in line with the requirements of Section 4 of the Sexual harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received as sexual harassment. All employees are covered under this policy. Details have been displayed prominently in the work place and also in the Company's Website.

No complaints were received during the year 2023-24.

CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company.

The Code has been posted on the Company's website: www.dharanifinance.com

UNCLAIMED DIVIDEND

The Provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

Pursuant to Section 124 & 125 of the Companies Act, 2013 dividend remaining unpaid or unclaimed for a period of 7 years were transferred to the Investor Education and Protection Fund of the Central Government.

Shareholders may claim their unclaimed dividend for the years prior to and including the financial year 2011-12 and the corresponding shares, from the IEPF Authority by applying in the prescribed Form No. IEPF-5. This form can be downloaded from the website of the IEPF Authority www.iepf.gov.in.

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation of the services rendered by the Staff and Executives of your Company.

Your Directors also thank the Registrar & Transfer Agent and shareholders who have continued to repose their confidence in the Company and its management.

For and on behalf of the Board of Directors

For **Dharani Finance Limited**

Dr. PALANI G PERIASAMY

CHAIRMAN

(DIN 00081002)

PLACE: CHENNAI

DATE : 09.08.2024



The following qualification was mentioned in the audit report as of 31st March 2024 by the statutory auditors.

**STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024
(SEE REGULATION 33/52 OF THE SEBI (LODR) (AMENDMENT) REGULATION, 2016)**

Rs. Lakhs

| Sl.No | Particulars | Audited Figures (as reported before adjusting for qualifications) | Audited Figures (audited figures after adjusting for qualifications) | |
|-------|-------------|--|--|---------|
| I | a | Turnover/ Total Income | 79.28 | 79.28 |
| | b | Total Expenditure | 109.68 | 109.68 |
| | c | Net Profit/ (Loss) | (30.40) | (30.40) |
| | d | Earnings Per share | (0.61) | (0.61) |
| | e | Total Assets | 918.63 | 918.63 |
| | f | Total Liabilities | 55.52 | 55.52 |
| | g | Net Worth | 863.11 | 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. | (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. (b) Recovery of investments aggregating to INR 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. (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. |
| 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 th time, Since 31st 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. | (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. (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. (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. |
| 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. |



Form No. MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended 31.03.2023

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
DHARANI FINANCE LIMITED
CIN: L65191TN1990PLC019152
PGP House, No.57, Sterling Road,
Nungambakkam,
Chennai -600 034.

I, Kalaiyarasi Janakiraman, Partner of M Damodaran & Associates LLP, Practicing Company Secretaries, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. DHARANI FINANCE LIMITED** (hereinafter called the Company) Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion there on.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2024 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made here in after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (f) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR)].

- (vi) Reserve Bank of India Act, 1934 and Guidelines and Directions issued by the RBI as applicable to the NBFC Companies.

I have also examined compliance with the applicable clauses of the following:

- (i) The Listing Agreement entered into by the Company with BSE Limited; and
- (ii) Secretarial Standards (SS-1) for Board Meeting and Secretarial Standards (SS-2) – for General Meeting issued by the Institute of Company Secretaries of India.



DHARANI FINANCE LIMITED

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above and there are no other specific observations requiring any qualification on non-compliances.

I **further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors and there were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I **further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I **further report that** the Company is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 with respect to Structured Digital Database as on the date of this certificate.

I further report that during the audit period there was no major/specific events in the company.

**For M DAMODARAN & ASSOCIATES LLP
KALAIYARASI JANAKIRAMAN**

Partner

Membership No.: 29861

COP. No.: 19385

FRN: L2019TN006000

PR 3847/2023

Place: Chennai

Date: 26.06.2024

ICSI UDIN:A029861F000622893

To,
The Members,
DHARANI FINANCE LIMITED
CIN: L65191TN1990PLC019152
PGP House, No.57, Sterling Road,
Nungambakkam,
Chennai -600 034.

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on the audit conducted by me.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For M DAMODARAN & ASSOCIATES LLP
KALAIYARASI JANAKIRAMAN**

Partner

Membership No.: 29861

COP. No.: 19385

FRN: L2019TN006000

PR 3847/2023

Place: Chennai

Date: 26.06.2024

ICSI UDIN:A029861F000622893

**Annexure to Board's Report****Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements / transactions. | Duration of the contracts / arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any. | Date(s) of approval by the Board, if any. | Amount paid as advances, if any |
|---|--|--|---|---|---------------------------------|
| Appu Hotels Ltd: (Directors hold more than 2% of the paid up Capital.) | Providing Travel Services – cars for the guests | One year from 01.04.2023 | Rs. 3 crs p.a. | 26.05.2023 | - |
| Dr Palani G Periasamy - Chairman and Mrs Visalakshi Periasamy, Director | Taking on Rent for Registered Office Premises 1250 Sq.ft | 3 years from 01.04.2021 | Rs.10.00 lakhs p.a.Not exceeding Market rates | 26.05.2023 | - |
| Dr Palani G Periasamy - Chairman and Mrs Visalakshi Periasamy, Director | Taking on Rent for Managing Director Residence Office 2020 Sq.ft | 3 years from 01.04.2021 | Rs.5.00 lakhs p.a.Not exceeding Market rates | 26.05.2023 | - |

For and on behalf of the Board of Directors

For **Dharani Finance Limited**

Dr. PALANI G PERIASAMY

Chairman

(DIN 00081002)

PLACE: CHENNAI

DATE : 09.08.2024

**BOARD'S REPORT**

Particulars pursuant to section 197(12) and Rule 5 of Companies (Appointment and Remuneration) rules 2014

| | | |
|----|---|--|
| i) | The ratio of the remuneration of each director to the median employee's remuneration for the Financial year | Managing Director is paid only HRA. No other remuneration is paid. Other Directors are not paid any remuneration except sitting fees. Sitting fees paid to the Directors have not been considered as Remuneration. Ratio in respect of Managing Director NA |
|----|---|--|

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial year:

| SI.No | Name | Designation | % of Increase/ Decrease |
|-------|-----------------|-------------------------|-------------------------|
| 1 | Mr K Kandasamy | Managing Director | No increase |
| 2 | Mrs Saloni Jain | Company Secretary | |
| 3 | Mr N Sivabalan | Chief Financial Officer | |

iii. The percentage increase in the median remuneration of employees in the financial year – Nil

iv. The number of permanent employees on the rolls of company as on 31st March 2024 - 3 Nos.

| | | |
|-----|---|---|
| v) | Average percentile increase already made in the salaries of employees' other than the managerial personnel in the last Financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration. | There is no increase in the remuneration of Managing Director, CFO & Company Secretary. |
| vi) | If remuneration is as per the remuneration policy of the Company | Yes |

For and on behalf of the Board of Directors
For **Dharani Finance Limited**

Dr. PALANI G PERIASAMY
Chairman
(DIN 00081002)

PLACE: CHENNAI
DATE : 09.08.2024

**Independent Auditors' Report to the members of Dharani Finance Limited****Report on the audit of the Standalone Financial Statements****Qualified Opinion**

We have audited the accompanying financial statements of Dharani Finance Limited, ("the Company"), which comprise of the Balance Sheet as at March 31, 2024, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, subject to the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended as on that date.

Basis for Qualified Opinion

We draw attention to the following matters:

- a) (i) Note 40 which explains that 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 Hon'ble NCLT has approved the resolution plan vide its Order No. 1A/1410/2022 dated December 20, 2023. Hence, as per the Order, the Company is expected to receive the balance Inter Corporate Deposit of Rs. 415 Lakhs along with accrued interest in the normal course of business, preferably within 365 days from the date of NCLT Order.
- (ii) Note 40 - The Company has not received interest on inter-corporate deposits for Rs. 200 Lakhs given to M/s. Aryav Exports Private Limited on July 14, 2017. Hence no interest is accrued for the financial year 2023-24.

- b) Note 41 which explains that 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 amount 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 made nil in the books of account. The investee company had filed an appeal before the Hon'ble National Company Law Appellate Tribunal 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.
- c) 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, 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.
- d) The matters referred to in (a) to (c) 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 standalone financial statements on a going concern basis.

Our opinion on the financial statements is qualified in respect of the matters (a) to (d) referred above. The above matters have also been qualified in the audit opinion on the audited financial statements of 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 Related 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Dues from a major customer

In our opinion and based on the information and explanations given to us, there are no other key audit matters to be communicated in our report, other than those more fully described in the basis of qualified opinion paragraph of our report which describes the uncertainties arising regarding repayment by the major customers.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's board of directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management 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 financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 financial statements 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 the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements 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 financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in Annexure "A" a statement on the matters specified in clauses 3 and 4 of the Order.

As required by Section 143 (3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;



- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph v below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
- c) In our opinion, subject to our comments in the basis for qualified opinion section above, the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows comply with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS), as amended from time to time, prescribed under Section 133 of the Companies Act, 2013;
- d) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2024 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act; and
- h) With respect to the other matters to be included in the auditors' report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigation which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Company.
 - iv. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts,
 - a) no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities 'Intermediaries', with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - b) no funds have been received by the company from any person(s) or entity(ies), including foreign entities 'Funding Parties', with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - v. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



v. Based on our examination, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 but the accounting software did not have a feature of recording audit trail (edit log) facility.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

vi. The Company has not declared or paid any dividends during the year and accordingly reporting on the compliance with section 123 of the Companies Act, 2013 is not applicable for the year under consideration.

For **Srivatsan & Associates**
Chartered Accountants
Firm Registration Number 014921S

N Srivatsan
Partner

Place: Chennai Membership Number 230195
Date: May 17, 2024 UDIN:24230195BJZYUR6530

“Annexure A” to the Independent Auditors’ Report

(Referred to in Paragraph 1 under Report on Other Legal and Regulatory Requirements’ section of our report to the members of Dharani Finance Private Limited of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not have any intangible assets.
- (b) According to the information and explanations given to us, the Property, Plant and Equipment were physically verified by the management during the year. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the Company does not possess any immovable property. Hence clause 3 (i) (c) of the Order is not applicable.
- (d) The Company has not revalued any of its Property, Plant and Equipment and Intangible Assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The company is a non-deposit accepting Non-Banking Finance Company (NBFC) and accordingly does not hold any inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has not been sanctioned working capital limits in excess of ` 5 Crore in aggregate from banks on the basis of security of current assets at any point of time during the year. Hence clause 3(ii)(b) of the Order is not applicable.
- (iii) According to information and explanation given to us, the Company has granted inter corporate loans to a Company covered in the register required to be maintained under section 189 of the Companies Act, 2013. The Company has not granted any other loans, secured or unsecured to firms, limited liability partnerships or other parties covered in the register required to be maintained under section 189 of the Companies Act, 2013. In respect of loans and advances given as aforesaid, we report that:
- (a) the terms and conditions of the acceptances of such deposits are, in our opinion, prima facie, not prejudicial to the Company’s interest
- (b) the schedule of repayment of principal and payment of interest has been stipulated and



- repayments of principal amounts and interest have not been regular as per stipulations; as detailed under Basis for Qualified Opinion and
- (c) Corporate Insolvency Resolution Process was admitted in respect of the one party during May 2020 and an order was passed by the Hon'ble National Company Law Tribunal, Chennai Bench approving the resolution plan submitted by the insolvency professional. The Hon'ble NCLT has approved the resolution plan vide its Order No. 1A/1410/2022 dated December 20, 2023. Hence, as per the Order, the Company is expected to receive the balance Inter Corporate Deposit of Rs. 415 Lakhs along with accrued interest in the normal course of business, preferably within 365 days from the date of NCLT Order. The Company has not accrued or received interest for the financial year in respect of Inter-Corporate Deposit of Rs. 200 Lakhs given to M/s. Aryav Exports Private Limited.
- Due to uncertainties involved, we are unable to comment on the recoverability or otherwise of the above loans.
- (iv) In our opinion and according to information and explanation given to us, the Company has not granted any loans or provided any guarantees or given any security to which the provisions of section 185 of the Act are applicable. In respect of investments made by the Company and loans given to parties other than those covered in Section 185 of the Act, the Company had complied with the provisions of Section 186 of the Act.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under Clause 3(v) of the Order is not applicable to the Company.
- (vi) According to information and explanations given to us, the Central Government has not specified maintenance of cost records under subsection (1) of section 148 of the Act, in respect of Company's services / business activities. Accordingly, reporting under Clause 3(vi) of the Order is not applicable.
- (vii) a) According to the information and explanations given to us and the records of the Company examined by us, undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities. There are no undisputed statutory dues outstanding as at March 31, 2024 for a period of more than six months from the date they became payable except income-tax demand for the Assessment Year 2018-19 of Rs. 25,53,493/- including accrued interest.
- b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited as at March 31, 2024 on account of dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on Clause 3(viii) of the Order is not applicable to the Company.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not taken any term loans during the year and accordingly, the provisions of the clause 3 (ix) of the Order are not applicable to the Company.
- (x) (a) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt



- instruments) during the year. Accordingly Clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under Clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company. Therefore, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company does not have an internal audit system, commensurate with the size and nature of its business.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under Clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) In our opinion and according to the information and explanations given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- Had the Company considered making provision for the outstanding balance referred to in the basis for qualification section of our opinion on financial statements, 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 may depend on infusion of further capital to meet the minimum net owned funds criteria as per RBI norms within the prescribed time limit.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under Clause 3(xvi)(c) of the Order is not applicable to the Company.



- (d) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) and it does not have any other companies in the Group. Accordingly, paragraph 3 (xvi) (d) of the Order is not applicable.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) In our opinion and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the board of directors and management plans and based on our comments in the Basis for Qualified Opinion Section of our report, we are unable to comment whether there are no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) There is no liability of the Company under the provisions of Section 135 of the Act. Accordingly, reporting under Clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For Srivatsan & Associates
Chartered Accountants
Firm Registration Number 014921S

N Srivatsan
Partner

Place: Chennai Membership Number 230195
Date: May 17, 2024 UDIN:24230195BJZYUR6530

“Annexure B” to the Independent Auditors’ Report

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of Dharani Finance Limited of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)

We have audited the internal financial controls over financial reporting of Dharani Finance Limited (‘the Company’) as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls

based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial



reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control systems over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance

that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Srivatsan & Associates**
Chartered Accountants
Firm Registration Number 014921S

N Srivatsan
Partner

Place: Chennai
Date: May 17, 2024

Membership Number 230195
UDIN:24230195BJZYUR6530



DHARANI FINANCE LIMITED

Balance Sheet as at March 31, 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| Particulars | Notes | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------------------|-------|-------------------------|-------------------------|
| ASSETS | | | |
| Financial Assets | | | |
| Cash and cash equivalents | 4 | 1.58 | 3.64 |
| Trade receivables | 5 | 15.35 | 125.00 |
| Loans | 6 | 715.53 | 615.00 |
| Investments | 7 | 12.06 | 35.55 |
| Other Financial Assets | 8 | 143.76 | 132.36 |
| | | 888.28 | 911.55 |
| Non-financial Assets | | | |
| Current Tax Asset (Net) | 9 | 7.49 | 15.31 |
| Property, plant and equipment | 10 | 2.76 | 3.38 |
| Right of use asset | 10 | 10.84 | 20.14 |
| Other non-financial assets | 11 | 9.26 | 9.33 |
| | | 30.35 | 48.16 |
| Total Assets | | 918.63 | 959.71 |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| Financial Liabilities | | | |
| Payables | | | |
| Trade payables | 12 | 10.39 | 91.94 |
| Deposits | 13 | 1.40 | 1.40 |
| Lease Liability | 14 | 11.85 | 20.96 |
| | | 23.64 | 114.30 |
| Non-Financial Liabilities | | | |
| Provisions | 15 | 24.47 | 24.33 |
| Other non-financial liabilities | 16 | 7.41 | 11.15 |
| | | 31.88 | 35.48 |
| Total Liabilities | | 55.52 | 149.78 |
| EQUITY | | | |
| Equity Share Capital | 17 | 499.72 | 499.72 |
| Other Equity | 18 | 363.39 | 310.21 |
| | | 863.11 | 809.93 |
| Total liabilities and equity | | 918.63 | 959.71 |

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

For SRIVATSAN & ASSOCIATES

Chartered Accountants
Firm Registration No. 014921S
UDIN:24230195BJZYUR6530

N.SRIVATSAN

Partner
Membership No. 230195

Place : Chennai
Date : May 17, 2024

For and on behalf of the board of directors of
Dharani Finance Limited

Dr. PALANI G PERIASAMY

Chairman
DIN : 00081002

SALONI JAIN
Company Secretary

K.KANDASAMY

Managing Director
DIN:00277906

N. SIVABALAN
Chief Financial Officer

**Statement of profit and loss for the year ended March 31, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| Particulars | Notes | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|-------|--------------------------------------|--------------------------------------|
| INCOME | | | |
| 1 Revenue from operations | 19 | | |
| Interest Income | | 13.09 | 24.00 |
| Dividend Income | | 0.06 | 0.72 |
| Gain on fair value changes | | 35.09 | 7.59 |
| Sale of services | | 26.10 | 26.10 |
| Total revenue from operations | | 74.34 | 58.41 |
| 2 Other income | 20 | 4.95 | 1.58 |
| 3 Total income (I+II) | | 79.28 | 59.99 |
| 4 Expenses | | | |
| Finance costs | 21 | 1.69 | 2.09 |
| Net Loss on fair value changes | 22 | 58.57 | 27.38 |
| Employee benefit expenses | 23 | 7.14 | 6.41 |
| Depreciation, amortization and impairment | 24 | 9.92 | 15.54 |
| Other expenses | 25 | 32.36 | 21.24 |
| Total expenses | | 109.68 | 72.65 |
| 5 Profit/ (Loss) before exceptional items and tax | | (30.40) | (12.66) |
| 6 Exceptional items | | - | - |
| 7 Profit/ (Loss) before tax from continuing operations | | (30.40) | (12.66) |
| Income tax expense | 26 | | |
| Current tax | | - | - |
| Deferred tax charge/ (credit) | | - | - |
| 8 Profit/ (Loss) for the year | | (30.40) | (12.66) |
| 9 Other comprehensive income | | | |
| (a) (i) Items that will be reclassified to profit or loss | | | - |
| (ii) Income tax (charge)/ credit relating to these items | | | - |
| (b) (i) Items that will not be reclassified to profit or loss | | | |
| Remeasurement of post employment benefit obligations | | 2.05 | 2.18 |
| (ii) Income tax (charge)/ credit relating to these items | | | - |
| Other comprehensive income for the year, net of tax | | 2.05 | 2.18 |
| 10 Total comprehensive income for the year | | (28.35) | (10.48) |
| 11 Earnings per share | 28 | | |
| Basic earnings per share | | (0.61) | (0.25) |
| Diluted earnings per share | | (0.61) | (0.25) |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For SRIVATSAN & ASSOCIATESChartered Accountants
Firm Registration No. 014921S
UDIN:24230195BJZYUR6530For and on behalf of the board of directors of
Dharani Finance Limited**N.SRIVATSAN**
Partner
Membership No. 230195**Dr. PALANI G PERIASAMY**
Chairman
DIN : 00081002**K.KANDASAMY**
Managing Director
DIN:00277906Place : Chennai
Date : May 17, 2024**SALONI JAIN**
Company Secretary**N. SIVABALAN**
Chief Financial Officer



DHARANI FINANCE LIMITED

Statement of cash flows for the year ended March 31, 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Cash Flow From Operating Activities | | |
| Profit/ (Loss) 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) |
| | 88.21 | (1.69) |
| Change in operating assets and liabilities | | |
| (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 | (12.71) | 18.02 |
| Increase/ (decrease) in trade payables | (81.55) | 6.71 |
| Cash generated from operations | (8.25) | 2.71 |
| Less : Income taxes paid (net of refunds) | 7.82 | (3.33) |
| Net cash from operating activities (A) | (0.43) | (0.62) |
| Cash Flows From Investing Activities | | |
| Dividend received | 0.06 | 0.72 |
| Net cash used in investing activities (B) | 0.06 | 0.72 |
| Cash Flows From Financing Activities | | |
| Interest paid | (1.69) | (2.09) |
| Net cash from/ (used in) financing activities (C) | (1.69) | (2.09) |
| Net increase/decrease in cash and cash equivalents (A+B+C) | (2.06) | (1.98) |
| Cash and cash equivalents at the beginning of the financial year | 3.64 | 5.62 |
| Cash and cash equivalents at end of the year | 1.58 | 3.64 |
| Notes: | | |
| 1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements". | | |
| 2. Components of cash and cash equivalents | | |
| Balances with banks | | |
| - in current accounts | 1.33 | 3.39 |
| Cash on hand | 0.25 | 0.25 |
| Total | 1.58 | 3.64 |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For SRIVATSAN & ASSOCIATES

Chartered Accountants
Firm Registration No. 014921S
UDIN:24230195BJZYUR6530

N.SRIVATSAN

Partner
Membership No. 230195

Place : Chennai
Date : May 17, 2024

Dr. PALANI G PERIASAMY

Chairman
DIN : 00081002

SALONI JAIN
Company Secretary

For and on behalf of the board of directors of
Dharani Finance Limited

K.KANDASAMY

Managing Director
DIN:00277906

N. SIVABALAN
Chief Financial Officer



Dharani Finance Limited
Statement of Changes in Equity for the year ended March 31, 2024
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| (A) Equity Share Capital | |
|--|--------|
| Balance at the beginning of April 1, 2022 | 499.72 |
| Changes in equity share capital due to prior period errors | - |
| Changes in equity share capital during the year | - |
| Balance at the end of March 31, 2023 | 499.72 |
| Changes in equity share capital due to prior period errors | - |
| Changes in equity share capital during the year | - |
| Balance at the end of March 31, 2024 | 499.72 |

(B) Other Equity

| Particulars | Statutory Reserve | Other comprehensive income | Profit and Loss Account | Total |
|---|--------------------------|-----------------------------------|--------------------------------|---------------|
| Balance as at April 1, 2022 | 160.85 | - | 159.85 | 320.69 |
| Changes due to prior period errors | - | - | - | - |
| Total Comprehensive Income for the year | - | 2.18 | (12.66) | (10.48) |
| Deductions/Adjustments during the year | - | (2.18) | 2.18 | 0.00 |
| Balance as at March 31, 2023 | 160.85 | - | 149.36 | 310.21 |
| Changes due to prior period errors | - | - | - | - |
| Total Comprehensive Income for the year | - | 2.05 | (30.40) | (28.35) |
| Deductions/Adjustments during the year | - | (2.05) | 83.58 | 81.53 |
| Balance as at March 31, 2024 | 160.85 | - | 202.54 | 363.39 |

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

For SRIVATSAN & ASSOCIATES

Chartered Accountants
Firm Registration No. 014921S
UDIN:24230195BJZYUR6530

N.SRIVATSAN

Partner
Membership No. 230195

Place : Chennai
Date : May 17, 2024

Dr. PALANI G PERIASAMY

Chairman
DIN : 00081002

SALONI JAIN
Company Secretary

For and on behalf of the board of directors of
Dharani Finance Limited

K.KANDASAMY

Managing Director
DIN:00277906

N. SIVABALAN
Chief Financial Officer



1 Corporate Information

The Company is registered with the Reserve Bank of India as a Non-Banking Finance Company (NBFC) and carrying on non banking financial services.

2 Basis of preparation of financial statements

Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Basis of preparation and presentation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The material accounting policy information related to preparation of the standalone financial statements have been discussed in the respective notes.

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Functional and presentation currency

"These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on May 17, 2024.

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Property, Plant and Equipment (PPE/Intangible assets)

The residual values and estimated useful life of PPEs and Intangible Assets are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/ amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Fair value**

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets - PPE

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term employee benefits

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses

valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

2B Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

3 Significant Accounting Policies**a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or



- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 3 months as its operating cycle.

b) Fair value measurement

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability;
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

c) Revenue Recognition

(i) Interest income

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost, debt instruments measured at FVTOCI and debt instruments designated at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

(ii) Dividends

Dividends are recognised in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

**(iii) Sale of services (lease income)**

Sale of services representing lease income for vehicles arising out of operating lease is recognised on a straight line basis over the term of the relevant lease as per Ind AS 116.

d) Property, plant and equipment and capital work in progress**Deemed cost option for first time adopter of Ind AS**

Under the previous GAAP (Indian GAAP), the property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. The company has elected to use the previous GAAP carrying amount as the deemed cost as at the date of transition, viz., 1 April 2018

Presentation

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

Derecognition

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

e) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013.

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Leases

The Company has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

As a lessee

a) Initial measurement

Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid. Right-of-use asset is recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by the lessee.

b) Subsequent measurement

The lease liability is measured in subsequent periods using the effective interest rate method. Right-of-use asset is depreciated in accordance with requirements in Ind AS 16, Property, Plant and equipment.



As a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

g) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are also added to the cost of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

- Financial instruments other than equity instruments at amortised cost
- Financial instruments other than equity instruments at fair value through other comprehensive income (FVTOCI)
- Financial instruments other than equity instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial instruments other than equity instruments at amortised cost

The Company classifies a financial instruments other than equity instruments as at amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial instruments other than equity instruments at FVTOCI

The Company classifies a financial instrument other than equity at FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Financial instruments other than equity instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Financial instruments other than equity instruments at FVTPL**

The Company classifies all financial instruments other than equity instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Financial instruments other than equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of classifying the equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model::

| Classification | Name of the financial asset |
|-----------------------|---|
| Amortised cost | Trade receivables, Loans given to employees and others, deposits, interest receivable and other advances recoverable in cash. |
| FVTOCI | Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition. |
| FVTPL | Other investments in equity instruments |

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full

without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, receivables and bank balance.
- Financial assets that are debt instruments and are measured at FVTOCI
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116



The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- **Financial instruments other than equity**

instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of the financial asset Impairment Testing
Methodology

| | |
|------------------------|--|
| Trade Receivables | Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets. |
| Other financial assets | When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL. |



Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

| Classification | Name of the financial liability |
|----------------|---|
| Amortised cost | Borrowings, Trade payables, Interest accrued, Unclaimed dividends, Security deposits and other financial liabilities not for trading. |

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.



The following table shows various reclassification and how they are accounted for:

| S. No | Original classification | Revised classification | Accounting treatment |
|-------|-------------------------|------------------------|--|
| 1 | Amortised cost | FVTPL | Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L. |
| 2 | FVTPL | Amortised Cost | Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount. |
| 3 | Amortised cost | FVTOCI | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification. |
| 4 | FVTOCI | Amortised cost | Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost. |
| 5 | FVTPL | FVTOCI | Fair value at reclassification date becomes its new carrying amount. No other adjustment is required. |
| 6 | FVTOCI | FVTPL | Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date. |

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

h. Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

I. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

j. Retirement and other employee benefits**Short-term employee benefits**

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

**k. Impairment of non financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

l. Provisions, contingent liabilities and contingent asset**Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect. Contingent assets are disclosed but not recognised in the financial statements.

m. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

n. Cash Flow Statement

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

o. Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.


Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| Particulars | | As at March 31, 2024 | As at March 31, 2023 |
|-------------|---|-------------------------|-------------------------|
| 4 | Cash and cash equivalents | | |
| | Cash-on-hand | 0.25 | 0.25 |
| | Balances with Banks | | |
| | In Current Accounts | 1.33 | 3.39 |
| | Total | 1.58 | 3.64 |
| 5 | Trade receivables | | |
| | Unsecured, considered good | - | - |
| | Have significant increase in credit risk | 15.35 | 125.00 |
| | Credit impaired | - | 96.64 |
| | | 15.35 | 221.64 |
| | Less : Allowance for expected credit loss | - | (96.64) |
| | Total | 15.35 | 125.00 |
| 6 | Loans | | |
| | At Amortised Cost | | |
| | Unsecured, considered good | | |
| | Loans and advances to related parties | 515.00 | 415.00 |
| | Loans that have significant increase in their Credit Risk | - | - |
| | Credit Impaired | - | 2.17 |
| | Other Loans and Advances | 200.53 | 200.00 |
| | | 715.53 | 617.17 |
| | Less: Allowance for expected credit loss | - | (2.17) |
| | Total | 715.53 | 615.00 |

| Type of Borrower | Amount of Loan or advance in the nature of loan outstanding | Percentage of total loan and advances in the nature of loans |
|--------------------------------------|--|---|
| Related Parties (also refer note 36) | 515.00 | 71.97% |


Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| Particulars | | As at March 31, 2024 | As at March 31, 2023 |
|-------------|---|-------------------------|-------------------------|
| 7 | Investments | | |
| | Others | | |
| | Fair valued through profit and loss | | |
| | Investment in Equity Instruments (Quoted) | | |
| | Dharani Sugars & Chemicals Ltd. | | |
| | [2,68,182 (Previous year: 2,68,182) fully paid equity shares of Rs.10/- each] | - | 21.99 |
| | Indbank Merchant Bank Services Ltd. | 2.15 | 1.06 |
| | [5,000 (Previous year : 5000) fully paid equity shares of Rs.10/- each] | | |
| | Sri Nachammai Cotton Mills Ltd. | 0.20 | 0.28 |
| | [700 (Previous year : 700) fully paid equity shares of Rs.10/- each] | | |
| | Bank of India | 1.37 | 0.75 |
| | [1,000 (Previous year : 1000) fully paid equity shares of Rs.10/- each] | | |
| | Union Bank of India | 1.27 | 0.55 |
| | [825 (Previous year : 825) fully paid equity shares of Rs.10/- each] | | |
| | IDFC Limited | 7.75 | 5.50 |
| | [7,000 (Previous year : 7,000) fully paid equity shares of Rs.10/- each] | | |
| | IDFC First Bank Limited | 5.28 | 3.85 |
| | [7,000 (Previous year : 7,000) fully paid equity shares of Rs.10/- each] | | |
| | State Bank Of India | 2.26 | 1.57 |
| | [300 (Previous year : 300) fully paid equity shares of Rs. 1/- each] | | |
| | Total | 20.26 | 35.55 |
| | Investment outside India | - | - |
| | Investment in India | 8.21 | 35.55 |
| 8 | Other Financial Assets | | |
| | Unsecured, considered good | | |
| | Security deposits | 2.09 | 2.08 |
| | Interest accrued on other deposits* | 141.67 | 130.28 |
| | | 143.76 | 132.36 |
| | Less: Allowance for expected credit loss | - | - |
| | Total | 143.76 | 132.36 |
| | *Includes Rs. 69.67 Lakhs (Previous year Rs. 66.62 Lakhs) due from related parties. Also refer note 36. | | |
| 9 | Current tax assets (net) | | |
| | Advance Income Tax (net of provision for tax) | 7.49 | 15.31 |
| | Total | 7.49 | 15.31 |


Notes to Financial Statements for the year ended March 31, 2024
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

10 Property, plant and equipment

| Particulars | Office Equipments | Furniture & Fixtures | Vehicles | Total | Right of use asset |
|----------------------------------|-------------------|----------------------|--------------|--------------|--------------------|
| Cost as at April 1, 2022 | 4.98 | 0.26 | 17.54 | 22.78 | 20.14 |
| Additions | - | - | - | - | 27.89 |
| Disposals/ reclassifications | - | - | - | - | (20.14) |
| Cost as at March 31, 2023 | 4.98 | 0.26 | 17.54 | 22.78 | 27.89 |
| Additions | - | - | - | - | - |
| Disposals/ reclassifications | - | - | - | - | - |
| Cost as at March 31, 2024 | 4.98 | 0.26 | 17.54 | 22.78 | 27.89 |
| Depreciation/Amortisation | | | | | |
| As at April 1, 2022 | 1.14 | 0.10 | 11.92 | 13.16 | 18.60 |
| Charge for the period | 0.57 | 0.05 | 5.62 | 6.24 | 9.30 |
| Disposals | - | - | - | - | (20.15) |
| As at March 31, 2023 | 1.71 | 0.15 | 17.54 | 19.40 | 7.75 |
| Charge for the period | 0.57 | 0.05 | - | 0.62 | 9.30 |
| Disposals | - | - | - | - | - |
| As at March 31, 2024 | 2.28 | 0.20 | 17.54 | 20.02 | 17.05 |
| Net Block | | | | | |
| As at March 31, 2023 | 3.27 | 0.11 | - | 3.38 | 20.14 |
| As at March 31, 2024 | 2.70 | 0.06 | - | 2.76 | 10.84 |

| Particulars | | As at March 31, 2024 | As at March 31, 2023 |
|-------------|--------------------------------------|----------------------|----------------------|
| 11 | Other Non-Financial Assets | | |
| | Unsecured, considered good | | |
| | Balances with government authorities | 9.08 | 9.33 |
| | Prepaid Expenses | 0.19 | - |
| | Total | 9.26 | 9.33 |


Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| Particulars | | As at March 31, 2024 | As at March 31, 2023 |
|-------------|---|-------------------------|-------------------------|
| 12 | Trade Payables | | |
| | Trade payables | | |
| | a. Total outstanding dues of micro and small enterprises | - | - |
| | b. Total outstanding dues of creditors other than micro and small enterprises | 10.39 | 96.06 |
| | Total | 10.39 | 96.06 |
| 13 | Deposits | | |
| | From others | | |
| | Caution money deposit for lockers | 1.40 | 1.40 |
| | Total | 1.40 | 1.40 |
| 14 | Lease Liabilities | | |
| | Lease Liability | 11.85 | 20.96 |
| | Total | 11.85 | 20.96 |
| 15 | Provisions | | |
| | Provision for employee benefits | | |
| | Gratuity | 21.44 | 21.29 |
| | Compensated absences | 0.14 | 0.14 |
| | Contingent provision against standard assets | 2.90 | 2.90 |
| | Total | 24.47 | 24.33 |
| 16 | Other Non-financial liabilities | | |
| | Other payables | | |
| | Statutory dues payable | 0.04 | 0.25 |
| | Directors sitting fees payable | 1.56 | 1.19 |
| | Employee payables | 2.56 | 5.59 |
| | Audt fees payable | 3.25 | 4.12 |
| | Total | 7.41 | 11.15 |
| 17 | Equity Share Capital | | |
| | Equity Share Capital | 499.44 | 499.44 |
| | | 499.44 | 499.44 |
| | Capital | | |
| | Authorised Share Capital | | |
| | 50,00,000 (Previous year 50,00,000) Equity Shares of Rs.10/- each | 500.00 | 500.00 |
| | | 500.00 | 500.00 |
| | Issued Share Capital | | |
| | 49,94,400 (Previous year 49,94,400) Equity Shares of Rs. 10/- each | 499.44 | 499.44 |
| | | 499.44 | 499.44 |
| | Subscribed and fully paid up share capital | | |
| | 49,94,400 (Previous year 49,94,400) Equity Shares of Rs. 10/- each | 499.44 | 499.44 |
| | Add: Equity shares forfeited (paid up) | 0.28 | 0.28 |
| | Total | 499.72 | 499.72 |

**Notes to Financial Statements for the year ended March 31, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| Notes | | | | | |
|-------|---|----------------------|-----------|----------------------|------|
| (a) | Reconciliation of number of equity shares subscribed | | | | |
| | Balance as at the beginning and end of the year | | 49,94,400 | 49,94,400 | |
| (b) | There were no shares issued for consideration other than cash during the period of five years immediately preceding the reporting period. | | - | - | |
| (c) | Shareholders holding more than 5% of the total share capital | As at March 31, 2024 | | As at March 31, 2023 | |
| | Name of the share holder | No. Shares | % | No. Shares | % |
| | Dr. Palani G Periasamy | 3,54,112 | 7.09 | 3,54,112 | 7.09 |

Shares held by promoters at the end of the year

| Name of the promoter | Numbers of Shares held | % of total shares | % of change during the year |
|--|------------------------|-------------------|-----------------------------|
| Dr Palani G Periasamy | 3,54,112 | 7.09% | Nil |
| Visalakshi Periasamy | 1,45,198 | 2.91% | Nil |
| K Vijayalakshmi | 1,01,568 | 2.03% | Nil |
| K Kandasamy | 82,990 | 1.66% | Nil |
| R Murugavel | 21,283 | 0.43% | Nil |
| Ananthi Periasamy | 30,044 | 0.60% | Nil |
| Santhi Periasamy | 30,044 | 0.60% | Nil |
| Nalini Periasamy | 30,044 | 0.60% | Nil |
| Jayanthi Periasamy | 20,000 | 0.40% | Nil |
| Dharani Credit and Finance Private Ltd | 2,29,133 | 4.59% | Nil |
| Dharani Developers Private Limited | 2,26,986 | 4.54% | Nil |
| Dharani Sugars and Chemicals Limited | 1,39,000 | 2.78% | Nil |

(d) Rights, preferences and restrictions in respect of equity shares issued by the Company

The company has only one class of equity shares having a par value of Rs.10 each. The equity shares of the company having par value of Rs.10/- rank pari-passu in all respects including voting rights and entitlement to dividend. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders. During the current and previous year, no dividend has been proposed by the company to equity shareholders.



DHARANI FINANCE LIMITED

Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| Particulars | | As at March 31, 2024 | As at March 31, 2023 |
|-------------|--|-------------------------|-------------------------|
| 18 | Other Equity | | |
| | Statutory Reserve | 160.85 | 160.85 |
| | Other Comprehensive Income | - | - |
| | Profit and Loss Account | 202.54 | 149.36 |
| | Total | 363.39 | 310.21 |
| | a) Statutory Reserve | | |
| | Balance at the beginning of the year | 160.85 | 160.85 |
| | Add: Amount transferred from surplus in statement of profit and loss | - | - |
| | Balance at the end of the year | 160.85 | 160.85 |
| | b) Other comprehensive income | | |
| | Balance at the beginning of the year | - | - |
| | Additions during the year | 2.05 | 2.18 |
| | Deductions/Adjustments during the year | (2.05) | (2.18) |
| | Balance at the end of the year | - | - |
| | c) Profit and Loss Account | | |
| | Balance at the beginning of the year | 149.36 | 159.84 |
| | Net profit for the period | (30.40) | (12.66) |
| | Reversal of expected credit loss | 81.53 | - |
| | Transfer from Other Comprehensive Income | 2.05 | 2.18 |
| | Balance at the end of the year | 202.54 | 149.36 |


Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| Particulars | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|-------------|--|--------------------------------------|--------------------------------------|
| 19 | Revenue from operations | | |
| | Interest Income | 3.05 | 24.00 |
| | Interest Received on Loans | 10.04 | - |
| | Dividend Income | 0.06 | 0.72 |
| | Gain on fair value changes | 35.09 | 7.59 |
| | Sale of services | | |
| | Leasing Income | 26.10 | 26.10 |
| | Total | 74.34 | 58.41 |
| 20 | Other income | | |
| | Locker Rent | 0.52 | 0.58 |
| | Liabilities no longer payable written back | 4.39 | - |
| | Profit on sale of asset | - | - |
| | Miscellaneous Income | 0.04 | 1.00 |
| | Total | 4.95 | 1.58 |
| 21 | Finance costs | | |
| | Interest expense on | | |
| | On car loan | - | - |
| | Lease liability | 1.69 | 2.09 |
| | Total | 1.69 | 2.09 |
| 22 | Net Loss on fair value changes | | |
| | Net Loss on fair value changes | 58.57 | 27.38 |
| | Total | 58.57 | 27.38 |
| 23 | Employee benefit expenses | | |
| | Salaries, wages and bonus | 4.70 | 4.04 |
| | Contribution to provident and Other funds | 2.45 | 2.37 |
| | Total | 7.14 | 6.41 |
| 24 | Depreciation, Amortisation and Impairment | | |
| | Depreciation and amortisation expenses | 0.62 | 6.24 |
| | Depreciation on Right-of-use asset | 9.30 | 9.30 |
| | Total | 9.92 | 15.54 |



DHARANI FINANCE LIMITED

Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| Particulars | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|-------------|---|--------------------------------------|--------------------------------------|
| 25 | Other expenses | | |
| | Advertisement | 2.38 | 1.82 |
| | Printing and Stationery | 0.45 | 0.42 |
| | Postage and telephone | 0.08 | 0.06 |
| | Vehicle Maintenance | 14.61 | 2.48 |
| | Legal and professional charges | 5.19 | 4.18 |
| | Payments to auditors (Refer note below) | 3.25 | 6.71 |
| | Bank Charges | 0.06 | 0.06 |
| | Directors Sitting Fee | 0.37 | - |
| | Fees and subscription | 4.76 | 3.74 |
| | Rates and taxes | 0.14 | 1.61 |
| | Software Maintenance Expenses | 1.00 | - |
| | Miscellaneous expenses | 0.06 | 0.15 |
| | Total | 32.36 | 21.23 |
| 25 a | Payment to auditors | | |
| | Statutory audit | 2.25 | 5.88 |
| | Limited review fees | 1.00 | 0.75 |
| | Out of pocket expenses | - | 0.08 |
| | Total | 3.25 | 6.71 |

26 Income tax expense

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.

27 Deferred Tax expense

In view of the carried forward losses under the taxation laws, no deferred asset have been recognised as per Ind AS 12 and hence no disclosure of movement in deferred tax is made.

| Particulars | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|-------------|---|--------------------------------------|--------------------------------------|
| 28 | Earnings per share | | |
| | Profit for the year attributable to owners of the Company | (30.40) | (12.66) |
| | Weighted average number of ordinary shares outstanding | 49,94,400 | 49,94,400 |
| | Basic earnings per share (Rs) | (0.61) | (0.25) |
| | Diluted earnings per share (Rs) | (0.61) | (0.25) |
| 29 | Earnings in foreign currency | Nil | Nil |
| 30 | Expenditure in foreign currency | Nil | Nil |

**Notes to Financial Statements for the year ended March 31, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

31 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| (a) The principal amount remaining unpaid at the end of the year | - | - |
| (b) Interest Accrued and due to the suppliers under MSMED Act, on the above amount | - | - |
| (c) The delayed payments of principal amount paid beyond the appointed date during the year | - | - |
| (d) Interest actually paid under Section 16 of MSMED Act | - | - |
| (e) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms | - | - |
| (f) Total interest accrued during the year and remaining unpaid | - | - |

* This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

32 Commitments and Contingent Liability

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|----------------------|--------------------------------------|--------------------------------------|
| Contingent Liability | - | - |
| Commitments | - | - |

33 Operating Segments

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.

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Segment Revenue (Net Sales/ Income from each segment) | | |
| a. Financial Services | 79.28 | 59.99 |
| b. Travel Services | - | - |
| c. Others | - | - |
| | 79.28 | 59.99 |
| Less: Inter Segment Revenue | - | - |
| Net Sales/ Income from Operations | 79.28 | 59.99 |


Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Segment Results (Profit/ (Loss) before tax and interest) | | |
| a. Financial Services | (28.71) | (10.57) |
| b. Travel Services | - | - |
| c. Others | - | - |
| | (28.71) | (10.57) |
| Less: | | |
| i. Interest | 1.69 | 2.09 |
| ii. Other unallocable expenditure net off | - | - |
| Total profit/(loss) before tax | (30.40) | (12.66) |
| Capital Employed (Segment Assets - Segment Liabilities) | | |
| a. Financial Services | 849.17 | 689.05 |
| b. Travel Services | 13.76 | 120.88 |
| c. Others | - | - |
| | 862.93 | 809.93 |

Information relating to geographical areas

The Company is domiciled in India and its operations are restricted only in India. Accordingly, no disclosures with regard to geographical locations are disclosed.

Single customer with more than 10% revenue

| Particulars | year ended March 31, 2024 | year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Number of external customers each contributing more than 10% of total revenue | 1 | 1 |
| Total revenue from the above customers | 26.10 | 26.10 |

34 Operating lease arrangements

| Particulars | year ended March 31, 2024 | year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| As Lessor | | |
| The Company has entered into operating lease arrangements for certain surplus facilities. The leases are non-cancellable for a period ranging from 1 to 5 years with an option to the Company for renewing at the end of the initial term. | - | - |
| Total lease income recognised in the Statement of Profit and Loss | 26.10 | 26.10 |


Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

35 Financial Instruments
Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

| Net debt to equity ratio: | March 31, 2024 | March 31, 2023 |
|---|-----------------------|-----------------------|
| Debt | - | - |
| Less: Cash and bank balances | 1.58 | 3.64 |
| Net debt | (1.58) | (3.64) |
| Total equity | 863.11 | 809.93 |
| Net debt to equity ratio (%) | -0.18% | -0.45% |
| Categories of Financial Instruments | | |
| Financial assets | | |
| a. Measured at amortised cost | | |
| Cash and cash equivalents | 1.58 | 3.64 |
| Receivables | 15.35 | 125.00 |
| Loans | 715.53 | 615.00 |
| Other financial assets | 143.76 | 132.36 |
| b. Mandatorily measured at fair value through profit or loss (FVTPL) | | |
| Investments | 12.06 | 35.55 |
| Financial liabilities | | |
| a. Measured at amortised cost | | |
| Trade payables | 10.39 | 91.94 |
| Deposits | 1.40 | 1.40 |
| b. Mandatorily measured at fair value through profit or loss (FVTPL) | | |
| Derivative instruments | - | - |

Financial risk management objectives

In the course of its business, the Company is exposed to certain financial risks namely interest risk, credit risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Interest rate risk management

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in interest rates. The Company is exposed to interest rate risk because it borrow funds at fixed interest rates. The Company actively manages its interest rate exposures through a centralized treasury division

**Notes to Financial Statements for the year ended March 31, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities

as the said deposits have been made with the banks/ financial institutions, who have been assigned high credit rating by international and domestic rating agencies. Investments of surplus funds are made only with approved financial institutions/ counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

(a) Trade Receivables

The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in such items which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(b) Investments, Cash and Cash Equivalents and Bank Deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

| March 31, 2024 | Due in 1st year | Due in 2nd to 5th year | Due after 5th year | Carrying amount |
|-----------------------|------------------------|-------------------------------|---------------------------|------------------------|
| Trade payables | 10.39 | - | - | 10.39 |
| | 10.39 | - | - | 10.39 |

| March 31, 2023 | Due in 1st year | Due in 2nd to 5th year | Due after 5th year | Carrying amount |
|-----------------------|------------------------|-------------------------------|---------------------------|------------------------|
| Trade payables | 91.94 | - | - | 91.94 |
| | 91.94 | - | - | 91.94 |

| | March 31, 2024 | March 31, 2023 |
|---|-----------------------|-----------------------|
| Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required): | Nil | Nil |


Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

36 Related party disclosure

- a) Key Management Personnel (KMP) Dr. Palani G Periasamy – Chairman
Mrs. Visalakshi Periasamy – Director
Mr. K Kandasamy – Managing Director
- b) Entity over which relative of Key Management Personnel exercise significant influence M/s. Dharani Sugars and Chemicals Ltd
M/s. Appu Hotels Ltd
M/s. PGP Educational and Welfare Society
M/s. Dharani Credit and Finance Private Ltd
M/s. Dharani Developers Private Limited

c) Transactions with related parties are as follows

| S.no | Transactions/ Balances | Enterprises in which Key Management Personnel and their Relatives have significant influence | | Key Management Personnel and their Relatives | |
|------|--|--|------------------|--|------------------|
| | | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| 1 | Lease liability paid Dr. Palani G Periasamy – Chairman Mrs. Visalakshi Periasamy - Director | - - | - - | 9.00 1.80 | 9.00 1.80 |
| 2 | Sitting fees paid Dr. Palani G Periasamy – Chairman Mr. Ganapathy Gounder - Director Mr. Muthu Sakkarakali Gounder - Director Mrs. Visalakshi Periasamy - Director | - - - - | - - - - | 0.05 0.13 0.15 0.04 | - - - - |
| 3 | Services rendered (Car rental and lease) Appu Hotels Limited | 26.10 | 26.10 | - | - |
| 4 | Loans given Dharani Developers Private Limited | 100.00 | - | - | - |
| 5 | Expense Reimbursement Dharani Developers Private Limited | 5.56 | - | - | - |
| 6 | Interest on Inter-Corporate Deposits Dharani Developers Private Limited | 3.05 | - | - | - |
| 7 | Lease Charges Received Appu Hotels Limited | 109.65 | - | - | - |

**Notes to Financial Statements for the year ended March 31, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

d) Balances with related parties are as follows

| S.no | Transactions/ Balances | Enterprises in which Key Management Personnel and their Relatives have significant influence | | Key Management Personnel and their Relatives | |
|------|--|--|----------------|--|----------------|
| | | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| 1 | Rent Payable Dr. Palani G Periasamy – Chairman | - | - | 2.75 | 74.53 |
| 2 | Director sitting fees payable | - | - | 1.56 | 1.19 |
| 3 | Trade Payable Dharani Developers Private Limited | 7.57 | 13.13 | - | - |
| 4 | Trade Receivable Appu Hotels Limited | 15.35 | 125.00 | - | - |
| 5 | Loans given Appu Hotels Limited Dharani Developers Private Limited | 415.00 100.00 | 415.00 - | - - | - - |
| 6 | Interest accrued on loans given Appu Hotels Limited Dharani Developers Private Limited | 66.62 3.05 | 66.62 - | - - | - - |

37 Retirement benefit plans**Defined contribution plans**

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident fund.

Defined benefit plans**(a) Gratuity**

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

(b) Compensated absence

The leave scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.

**Notes to Financial Statements for the year ended March 31, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(c) Risks associated with defined benefit plans

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

| | |
|-----------------|---|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit. |
| Interest risk | A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments. |
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

The principal assumptions used for the purposes of the actuarial valuations were as follows:

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Discount rate | 7.19% | 7.32% |
| Rate of increase in compensation level | 5.00% | 5.00% |
| Attrition rate | 10.00% | 10.00% |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Rs. Lakhs

| Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows: | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Amount recognised under Employee Benefits Expense in Profit and Loss: | | |
| Current service cost | 0.67 | 0.59 |
| Net interest expense | 1.53 | 1.56 |
| Due to change in financial assumptions | - | - |
| Due to change in actuarial adjustments | - | - |
| Return on plan assets (excluding amounts included in net interest expense) | - | - |
| Components of defined benefit costs recognised in profit or loss | 2.20 | 2.15 |
| Amount recognised in Other Comprehensive Income (OCI) for the Year | | |
| Remeasurement on the net defined benefit liability comprising: | | |
| Actuarial (gains)/losses recognised during the period | (2.05) | (2.18) |
| Components of defined benefit costs recognised in other comprehensive income | (2.05) | (2.18) |
| Total | 0.15 | (0.03) |



Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| | | |
|--|--------------|--------------|
| The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows: | | |
| Present value of defined benefit obligation | 21.44 | 21.29 |
| Fair value of plan assets | - | - |
| Net liability/ (asset) arising from defined benefit obligation | 21.44 | 21.29 |
| Funded | - | - |
| Unfunded | 21.44 | 21.29 |
| | 21.44 | 21.29 |
| Movements in the present value of the defined benefit obligation in the current year were as follows: | | |
| Opening defined benefit obligation | 21.29 | 21.32 |
| Current service cost | 0.66 | 0.59 |
| Interest cost | 1.53 | 1.56 |
| Actuarial (gains)/losses | | |
| Due to change in financial assumptions | - | - |
| Due to change in actuarial adjustments | (2.05) | (2.18) |
| Closing defined benefit obligation | 21.44 | 21.29 |

Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(b) Compensated absences

The leave scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.

| | |
|-----------------------|---|
| Interest rate risk | The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase. |
| Salary inflation risk | Higher than expected increases in salary will increase the defined benefit obligation. |
| Demographic risk | This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees. |


Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

38 Additional regulatory and other information as required by the Schedule III to the Companies Act 2013
(a) Ageing Schedule of Trade Receivables
As at March 31, 2024

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|--|--------------------|--------------------|-----------|-----------|-------------------|-------|
| | Not due | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables | | | | | | | - |
| (i) Considered good | - | 1.60 | - | - | - | 13.76 | 15.35 |
| (ii) Which have significant increase in credit risk and considered doubtful | - | - | - | - | - | - | - |
| (iii) Credit impaired | - | - | - | - | - | - | - |
| Disputed Trade Receivables | | | | | | | |
| (iv) Considered good | - | - | - | - | - | - | - |
| (v) Which have significant increase in credit risk and considered doubtful | - | - | - | - | - | - | - |
| (vi) Credit impaired | - | - | - | - | - | - | - |
| | - | 1.60 | - | - | - | 13.76 | 15.35 |

As at March 31, 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|--|--------------------|--------------------|-----------|-----------|-------------------|--------|
| | Not due | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables | | | | | | | |
| (i) Considered good | - | - | - | - | - | 125.00 | 125.00 |
| (ii) Which have significant increase in credit risk and considered doubtful | - | - | - | - | - | - | - |
| (iii) Credit impaired | - | - | - | - | - | - | - |
| Disputed Trade Receivables | | | | | | | |
| (iv) Considered good | - | - | - | - | - | - | - |
| (v) Which have significant increase in credit risk and considered doubtful | - | - | - | - | - | - | - |
| (vi) Credit impaired | - | - | - | - | - | - | - |
| | - | - | - | - | - | 125.00 | 125.00 |


Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(b) Ageing Schedule of Trade Payables

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|------------------------------|--|------------------|-----------|-----------|-------------------|-------|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at March 31, 2024 | | | | | | - |
| (i). MSME | - | - | - | - | - | - |
| (ii) Others | - | 2.82 | 7.57 | - | - | 10.39 |
| (iii). Disputed Dues - MSME | - | - | - | - | - | - |
| (iv). Disputed Dues - Others | - | - | - | - | - | - |
| (v). Unbilled Dues | - | - | - | - | - | - |
| | - | 2.82 | 7.57 | - | - | 10.39 |

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|------------------------------|--|------------------|-----------|-----------|-------------------|-------|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at March 31, 2023 | | | | | | - |
| (i). MSME | - | - | - | - | - | - |
| (ii) Others | - | 19.55 | 21.97 | 12.50 | 37.92 | 91.94 |
| (iii). Disputed Dues - MSME | - | - | - | - | - | - |
| (iv). Disputed Dues - Others | - | - | - | - | - | - |
| (v). Unbilled Dues | - | - | - | - | - | - |
| | - | 19.55 | 21.97 | 12.50 | 37.92 | 91.94 |

(c) Proceedings under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(d) Borrowings from banks

Company does not have any outstanding borrowings from banks or financial institutions at any time during the year on the basis of security of current assets.

The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.

(e) Relationship with Struck off Companies

The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

(f) Compliance with number of layers of companies

The Company do not have any parent company and accordingly, compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable for the year under consideration.

**Notes to Financial Statements for the year ended March 31, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(g) Ratios

| For the year ended March 31, 2024 | Numerator | Denominator | Ratio |
|---|------------------|--------------------|--------------|
| i. Capital to Risk-weighted Assets Ratio (CRAR) | 863.11 | 892.74 | 0.97 |
| ii. Tier I CRAR | 499.72 | 892.74 | 0.56 |
| iii. Tier II CRAR | 363.39 | 892.74 | 0.41 |
| iv. Liquidity coverage ratio. | 1.58 | 1.24 | 1.27 |

| For the year ended March 31, 2023 | Numerator | Denominator | Ratio |
|---|------------------|--------------------|--------------|
| i. Capital to Risk-weighted Assets Ratio (CRAR) | 809.93 | 920.87 | 0.88 |
| ii. Tier I CRAR | 499.72 | 920.87 | 0.54 |
| iii. Tier II CRAR | 310.21 | 920.87 | 0.34 |
| iv. Liquidity coverage ratio. | 3.64 | 0.30 | 12.13 |

| Variance | Current period | Previous period | Variance |
|---|-----------------------|------------------------|-----------------|
| i. Capital to Risk-weighted Assets Ratio (CRAR) | 0.97 | 0.88 | -10% |
| ii. Tier I CRAR | 0.56 | 0.54 | -4% |
| iii. Tier II CRAR | 0.41 | 0.34 | -21% |
| iv. Liquidity coverage ratio. | 1.27 | 12.13 | 90% |

Formula adopted for above Ratios

Capital to Risk-weighted Assets Ratio (CRAR) = (Tier I Capital + Tier II Capital) / Risk weighted assets

Tier I CRAR = Tier I Capital / Risk weighted assets

Tier II CRAR = Tier II Capital / Risk weighted assets

Reasons for variation if more than 25%**Liquidity coverage ratio**

The Companies operations have improved and at the same time there is significant cost optimisation, which improved the liquidity coverage ratio

(h) Scheme of arrangements

There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

(i) Advance or loan or investment to intermediaries and receipt of funds from intermediaries

The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The company has also not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.


(j) Undisclosed Income

The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

(k) Details of Crypto Currency or Virtual Currency

The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.

39 Maturity Analysis of Asset and Liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled.

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|--|----------------------|-----------------|---------------|----------------------|-----------------|---------------|
| | Witin 12 months | After 12 months | Total | Witin 12 months | After 12 months | Total |
| Assets | | | | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | 1.58 | - | 1.58 | 3.64 | - | 3.64 |
| Trade receivables | 15.35 | - | 15.35 | 125.00 | - | 125.00 |
| Loans | - | 715.53 | 715.53 | 415.00 | 200.00 | 615.00 |
| Investments | - | 12.06 | 12.06 | - | 35.55 | 35.55 |
| Other Financial Assets | - | 143.76 | 143.76 | 130.28 | 2.08 | 132.36 |
| | 16.93 | 871.35 | 888.28 | 673.92 | 237.63 | 911.55 |
| Non- Financial assets | | | | | | |
| Current tax assets (net) | - | 7.49 | 7.49 | 15.31 | - | 15.31 |
| Property, plant and equipment | - | 2.76 | 2.76 | - | 3.38 | 3.38 |
| Right of use asset | 10.84 | - | 10.84 | - | 20.14 | 20.14 |
| Other non-financial assets | 9.26 | - | 9.26 | 9.33 | - | 9.33 |
| | 20.10 | 10.25 | 30.35 | 24.64 | 23.52 | 48.16 |
| Liabilities | | | | | | |
| Financial Liabilities | | | | | | |
| Trade payables | | | | | | |
| i) Total outstanding dues of micro and small enterprises | - | - | - | - | - | - |
| ii) Total outstanding dues of creditors other than micro and small enterprises | 10.39 | - | 10.39 | 91.94 | - | 91.94 |
| Borrowings (Other Than Debt Securities) | - | - | - | - | - | - |
| Deposits | - | 1.40 | 1.40 | - | 1.40 | 1.40 |
| Lease Liability | 11.85 | - | 11.85 | 19.18 | 1.78 | 20.96 |
| | 22.23 | 1.40 | 23.63 | 111.12 | 3.18 | 114.30 |
| Non- Financial Liabilities | | | | | | |
| Provisions | 3.28 | 21.19 | 24.47 | 3.14 | 21.19 | 24.33 |
| Other non-financial liabilities | 7.41 | - | 7.41 | 7.03 | 4.12 | 11.15 |
| | 10.69 | 21.19 | 31.88 | 10.17 | 25.31 | 35.48 |

**40 Dues from a major customer**

A corporate insolvency resolution process (CIRP) and the appointment of resolution professional were admitted in the case of one of the customers of the Company by the Hon'ble National Company Law Tribunal, Chennai Bench (the Hon'ble NCLT) vide its order dated May 5, 2020. The Hon'ble NCLT has approved the resolution plan vide its Order No. 1A/1410/2022 dated December 20, 2023. Hence, as per the Order, the Company is expected to received the balance Inter Corporate Deposit of Rs. 415 Lakhs along with accrued interest in the normal course of business, preferably within 365 days from the date of NCLT Order.

The Company has given Inter-Corporate Deposit (ICD) of Rs. 200 Lakhs to M/s. Aryav Exports Private Limited on July 4, 2017. However, the Company has not received interest on ICD till date. Therefore, no accrued interest on ICD has been recognised in the books of accounts for the financial year 2023-24.

- 41** 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 amount 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 made nil in the books of account. The investee company had filed an appeal before the Hon'ble National Company Law Appellate Tribunal 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. However, the value of investment is not reinstated in the books as on March 31, 2024.

For SRIVATSAN & ASSOCIATES

Chartered Accountants
Firm Registration No. 014921S
UDIN:24230195BJZYUR6530

N.SRIVATSAN

Partner
Membership No. 230195

Place : Chennai
Date : May 17, 2024

For and on behalf of the board of directors of
Dharani Finance Limited

Dr. PALANI G PERIASAMY

Chairman
DIN : 00081002

SALONI JAIN
Company Secretary

K.KANDASAMY

Managing Director
DIN:00277906

N. SIVABALAN
Chief Financial Officer



DHARANI FINANCE LIMITED

Registered Book Post / Courier

To



If Undelivered, Please return to
DHARANI FINANCE LIMITED
(Secretarial Division)
"PGP HOUSE"

New No. 59, (Old No. 57), Sterling Road, Nungambakkam, Chennai - 600 034.