



Dhani Loans and Services Limited

(CIN: U74899DL1994PLC062407)

Statement of Unaudited Standalone Financial Results for the quarter and half year ended 30 September 2022

(Amount in ₹ Lakhs)

Particulars	For the quarter ended			For the half year ended		For the year ended
	30 September 2022	30 June 2022	30 September 2021	30 September 2022	30 September 2021	31 March 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I Income from operations						
(i) Interest Income	4,169.16	4,401.39	9,852.21	8,570.55	17,022.19	41,386.63
(ii) Fees and commission income	3,546.70	11,615.88	5,628.59	15,162.58	8,227.94	37,914.35
(iii) Net gain on fair value changes	588.31	654.68	564.81	1,242.99	1,485.67	1,804.22
(iv) Net gain on derecognition of financial assets	-	-	-	-	-	124.18
Total income from operations	8,304.17	16,671.95	16,045.61	24,976.12	26,735.80	81,229.38
II Other income	1,384.42	2,466.03	703.88	3,850.45	933.54	3,181.50
III Total income (I+II)	9,688.59	19,137.98	16,749.49	28,826.57	27,669.34	84,410.88
IV Expenses						
(i) Finance costs	2,828.88	4,462.26	5,894.74	7,291.14	13,150.91	22,606.32
(ii) Fee and Commission	-	-	-	-	-	486.01
(iii) Impairment on financial Instruments	(2,848.77)	(1,432.85)	5,204.11	(4,281.62)	18,600.16	26,512.62
(iv) Employee Benefits expense	8,587.46	3,239.23	6,047.69	11,826.69	17,303.13	28,082.14
(v) Depreciation, Amortization and Impairment	1,705.21	1,783.00	1,386.73	3,488.21	2,663.93	6,004.97
(vi) Other expenses	5,039.15	5,357.78	6,211.52	10,396.93	12,550.52	25,576.61
Total expenses (IV)	15,311.93	13,409.42	24,744.79	28,721.35	64,268.65	1,09,268.67
V Profit/(Loss) before Exceptional items and tax (III-IV)	(5,623.34)	5,728.56	(7,995.30)	105.22	(36,599.31)	(24,857.79)
VI Exceptional Items	-	-	-	-	-	-
VII Profit/(Loss) before Tax (V-VI)	(5,623.34)	5,728.56	(7,995.30)	105.22	(36,599.31)	(24,857.79)
VIII Tax expense:						
a) Current tax	-	-	-	-	-	-
b) Deferred tax (credit)/charge	(1,747.04)	1,099.11	(2,121.35)	(647.93)	(9,516.24)	(6,430.14)
Net tax expense (VIII)	(1,747.04)	1,099.11	(2,121.35)	(647.93)	(9,516.24)	(6,430.14)
IX Profit/(Loss) for the period/year after tax (VII-VIII)	(3,876.30)	4,629.45	(5,873.95)	753.15	(27,083.07)	(18,427.65)

		(Amount in ₹ Lakhs)					
Particulars	For the quarter ended			For the half year ended		For the year ended	
	30 September 2022	30 June 2022	30 September 2021	30 September 2022	30 September 2021	31 March 2022	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
X Other comprehensive income							
(A) (i) Items that will not be reclassified to Statement of Profit and Loss	690.75	-	78.69	690.75	78.69	169.67	
(ii) Income tax relating to items that will not be reclassified to statement of Profit or Loss	(173.85)	-	(19.80)	(173.85)	(19.80)	(42.70)	
(B) (i) Items that will be reclassified to statement of Profit and Loss	-	(28.29)	(147.00)	(28.29)	(720.00)	(673.71)	
(ii) Income tax relating to items that will be reclassified to statement of Profit and Loss	-	7.12	37.00	7.12	181.21	169.56	
Total other comprehensive income (X)	516.90	(21.17)	(51.11)	495.73	(479.90)	(377.18)	
XI Total comprehensive income for the period/year (IX+X)	(3,359.40)	4,608.28	(5,925.06)	1,248.88	(27,562.97)	(18,804.83)	
XII Paid-up equity share capital (face value of ₹ 10 each per equity share)	6,118.80	6,118.80	6,118.80	6,118.80	6,118.80	6,118.80	
XIII Other equity as per Audited Balance Sheet						3,95,147.15	
XIV (Loss)/earning per share (EPS) (face value of ₹ 10 each per equity share)							
* (EPS for the Quarters/six months not annualised)							
- Basic (amount in ₹)	(6.34)*	7.57*	(9.60)*	1.23*	(44.26)*	(30.12)	
- Diluted (amount in ₹)	(6.34)*	7.57*	(9.60)*	1.23*	(44.26)*	(30.12)	

Notes to the Unaudited Standalone Financial Results:

Note 1 : Standalone Statement of Assets and Liabilities as at 30 September 2022

		(Amount in ₹ Lakhs)	
Particulars	As at		As at
	30 September 2022	31 March 2022	
	(Unaudited)	(Audited)	
A. ASSETS			
1 Financial Assets			
(a) Cash and cash equivalents	47,963.58	41,959.90	
(b) Bank balances other than (a) above	14,095.51	14,975.06	
(c) Loans	1,41,664.51	3,34,454.23	
(d) Investments	1,37,345.39	1,56,351.43	
(e) Other financial Assets	4,482.96	3,120.59	
Total financial assets	3,45,551.95	5,50,861.21	
2 Non-financial assets			
(a) Current tax assets (Net)	16,395.94	15,700.69	
(b) Deferred tax assets (Net)	42,055.56	17,035.56	
(c) Property, Plant and Equipment	6,936.43	8,370.23	
(d) Right-of-use assets	11,543.77	17,032.76	
(e) Intangible assets under development	168.20	462.18	
(f) Other Intangible Assets	4,049.81	4,355.81	
(g) Other Non-financial Assets	7,885.62	5,235.42	
Total Non-financial Assets	89,035.33	68,192.65	
Total Assets	4,34,587.28	6,19,053.86	

Note 1 : Standalone Statement of Assets and Liabilities as at 31 September 2022 (continued)

		(Amount in ₹ Lakhs)	
	Particulars	As at	As at
		30 September 2022	31st March 2022
		(Unaudited)	(Audited)
B	LIABILITIES AND EQUITY		
	LIABILITIES		
1	Financial liabilities		
(a)	Payables		
	(i) Trade payables		
	- Total Outstanding Dues of micro enterprises and small enterprises	-	-
	- Total Outstanding Dues of Other than micro enterprises and small enterprises	1,303.82	1,097.24
	(ii) Other payables		
	-Total Outstanding Dues of micro enterprises and small enterprises	-	-
	-Total Outstanding Dues of Other than micro enterprises and small enterprises	12,865.49	8,734.96
(b)	Debt securities	44,940.04	54,506.33
(c)	Borrowings (other than Debt Securities)	21,513.67	1,17,746.19
(d)	Lease liabilities	12,823.41	18,389.53
(e)	Other Financial liabilities	9,724.37	13,223.33
	Total financial liabilities	1,03,170.80	2,13,697.58
2	Non-financial liabilities		
(a)	Provisions	2,124.60	1,556.22
(b)	Other Non-Financial liabilities	3,901.30	2,534.11
	Total Non-Financial liabilities	6,025.90	4,090.33
3	EQUITY		
(a)	Equity Share capital	6,118.80	6,118.80
(b)	Other Equity	3,19,271.78	3,95,147.15
	Total Equity	3,25,390.58	4,01,265.95
	Total Liabilities and Equity	4,34,587.28	6,19,053.86

Note 2 : Standalone Statement of Cash Flows for the half year ended 30 September 2022
(Amount in ₹ Lakhs)

	Particulars	For the half year ended		For the half year ended	
		30 September 2022		30 September 2021	
		(Unaudited)		(Unaudited)	
A	Cash flow from Operating activities:				
	Net profit/(loss) before tax		105.22		(36,599.31)
	Adjustments for :				
(i)	Depreciation/amortisation	3,488.21		2,663.93	
(ii)	(Profit)/ loss on sale of fixed asset	422.30		74.80	
(iii)	Impairment on financial instruments	(4,281.62)		18,600.16	
(iv)	Provision for gratuity and compensated absences	172.62		655.22	
(v)	Interest income	(8,570.55)		(17,022.19)	
(vi)	Interest expenses	6,351.61		12,400.94	
(vii)	Interest on lease liabilities	917.25		707.61	
(viii)	(Profit) /loss on fair value changes	(1,242.99)		(1,485.67)	
(ix)	Excess provision for expenses and liabilities written back	(3,339.89)		(15.68)	
(x)	Gain on sale of loan portfolio through assignment	911.29		3,962.99	
(xi)	(Gain)/loss on modification/derecognition of financial assets	(473.18)		(88.07)	
(xii)	Effective interest rate adjustment for financial instruments	46.16		(20.21)	
(xiii)	Share based payments to employees	(4,163.05)		2,580.65	
			(9,761.84)		23,014.48
	Operating profit before working capital changes		(9,656.62)		(13,584.83)
	Adjustments for:				
(i)	Trade receivables	-		(1,723.64)	
(ii)	Loans	95,306.83		22,613.84	
(iii)	Other financial assets	(711.80)		3,869.95	
(iv)	Other non financial assets	(2,572.42)		(19,386.70)	
(v)	Trade payables	206.58		3,430.19	
(vi)	Other payables	7,470.42		258.78	
(vii)	Other financial liabilities	(3,498.96)		(15,583.68)	
(viii)	Provisions	1,086.51		(38.44)	
(ix)	Other non financial liabilities	1,367.18		775.67	
			98,654.34		(5,784.03)
	Cash generated from/(used in) operating activities		88,997.72		(19,368.86)
(i)	Interest received		11,648.51		13,606.16
(ii)	Interest paid		(6,249.67)		(12,363.69)
(iii)	Income taxes paid (including tax deducted at source)		(695.25)		(1,793.83)
	Net cash generated from/(used in) operating activities		93,701.31		(19,920.22)

Note 2 : Standalone Statement of Cash Flows for the half year ended 30 September 2022 (continued)

		(Amount in ₹ Lakhs)			
	Particulars	For the half year ended		For the half year ended	
		30 September 2022		30 September 2021	
		(Unaudited)		(Unaudited)	
B	Cash flow from investing activities:				
(i)	Purchase of property, plant and equipment, intangible assets under development and intangible assets		(112.28)		(2,057.80)
(ii)	(Purchase)/sale of investments (net)		20,249.03		97,800.46
(iii)	Interest Received		493.60		932.93
	Net cash generated from/(used in) investing activities		20,630.35		96,675.59
C	Cash flow from financing activities:				
(i)	Proceeds from debt securities		9,576.48		-
(ii)	Repayment of debt securities		(19,290.86)		(41,448.49)
(iii)	Proceeds from borrowings other than debt securities		-		-
(iv)	Repayment of borrowings other than debt securities		(96,232.52)		(98,620.14)
(v)	Payment of lease liabilities		(2,381.08)		(1,536.39)
	Net cash generated from/(used in) financing activities		(1,08,327.98)		(1,41,605.02)
D	Net Increase/(decrease) in cash and cash equivalents (A+B+C)		6,003.68		(64,849.65)
E	Cash and cash equivalents at the beginning of the period		41,959.90		99,614.37
F	Cash and cash equivalents at the end of the period (D+E)		47,963.58		34,764.72

3 These unaudited standalone financial results of Dhani Loans and Services Limited (DLSL, 'the Company') for the quarter and half year ended 30 September 2022 have been reviewed by the Audit Committee and subsequently approved at the meeting of the Board of Directors of the company at their respective meetings held on 11 November 2022. The financial results have been subjected to a limited review by the statutory auditors of the Company.

4 The financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended. Accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles prescribed under section 133 of the Companies Act 2013 ('the Act'), and other recognized accounting practices generally accepted in India, in compliance with Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to circular SEBI/HO/DDHS/CIR/2021/0000000637 dated 5th October 2021. These financial results have been prepared in the format prescribed under the notified schedule III of the Companies Act, 2013 for Non-Banking Financial Companies issued by Ministry of Corporate Affairs (MCA) on 11th October 2018, as amended, and on the basis of Ind-AS that are applicable to the Company based on the MCA Notification GSR 111(E) and GSR 365(E) dated 16th February 2015 and 31st March 2016 respectively.

5 The Chief Operating Decision Maker ("CODM") reviews operations and makes allocation of resources at the Company level. Therefore, operations of the Company fall under "finance and allied activities" business only, which is considered to be the only reportable segment in accordance with the provision of Ind AS 108 - "Operating Segment".

- 6 India is emerging from the COVID-19 virus, a global pandemic that affected the world economy over the last two years. The extent to which any new wave of COVID-19 will impact the Company's results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government mandated or elected by us. The Company has recognized provisions as on 30 September 2022 towards its loan assets, based on the information available at this point of time, in accordance with the expected credit loss method. The Company believes that it has considered all the possible impact of the known events arising out of COVID-19 pandemic in the preparation of financial results. However, the impact assessment of COVID-19 is a continuing process given its nature and duration. The Company will continue to monitor any material changes to future economic condition. The Company's capital and liquidity position remains sufficient and would continue to be the focus area for the Company; accordingly, the Company does not expect a stress on its liquidity situation in the immediate future.
- 7 The figures for the quarter ended 30 September 2022 and 30 September 2021 are the balancing figures between the un-audited figures for the six months ended 30 September 2022 and 30 September 2021 and un-audited figures for the quarter ended 30 June 2022 and 30 June 2021 respectively.
- 8 During the half year ended 30 September 2022, the Company has utilised/ applied an amount of Rs. 72,961.20 lakhs (net of deferred tax) from the outstanding balance in the securities premium account for creating a provision for impairment losses on financial instruments, instead of debiting the same to the Standalone Statement of Profit and Loss, which is not in strict accordance with the applicable provisions of Indian Accounting Standards and other applicable regulations. The Reserve Bank of India had issued a communication to the industry dated June 20, 2022 which impacts one of the Company's products/services offered to its customers. Consequently, the Company, on a conservative basis, has created the above mentioned provision in respect of any future, unanticipated losses which may arise on account of the impact of the above RBI communication.
- 9 The Indian Parliament has approved the Code on Social Security 2020 which would impact the contributions by the Company towards Provident Funds and Gratuity. The Ministry of Labour and Employment has released draft rules for the code on Social Security, 2020 on 13th November 2020 and has invited suggestions from stakeholders which are under active considerations by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial results in the period in which, the code becomes effective and the related rules to determine the financial impact are published.
- 10 Non-convertible debentures issued by the Company are secured by way of first ranking pari passu charge on the current assets (including investments) of the Company, both present and future; and on present and future loan assets of the Company, including all monies receivable for the principal amount and interest thereunder to the extent as stated in the respective information memorandum/offering documents/prospectus. Further, the Company has maintained security cover as stated in the respective information memorandum/offering documents/prospectus.
- 11 During the half year ended 30 September 2022, the Bond Issue Committee of the Board of Directors of the Company in its meeting held on 17th May 2022 approved and allotted 957,648 NCDs of face value of ₹1,000 each, aggregating to ₹ 9,576.48 Lakhs on public issue basis.

Particulars	Amount (₹ in Lakhs)	Date of Issue	Date of Listing	
			NSE	BSE
Non-convertible debentures ('NCDs')	9,576.48	17 May 2022	19 May 2022	19 May 2022

- 12 Pursuant to the RBI circular dated 12th November 2021 -"Prudential norms on Income Recognition, Assets Classification and Provisioning Pertaining to Advances- Classifications", the Company has complied with the norms with regard to classification/reclassification of loan assets.

- 13 Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR,STR,REC 51/21.04.048/2021-22 dated 24th September 2021

(a) Details of transfer through assignment in respect of loans not in default during the quarter ended 30 September 2022:

Entity	NA
Count of Loan accounts Assigned	Nil
Amount (₹ Crore) of Loan accounts Assigned	Nil
Retention of beneficial economic interest (MRR) (Rs. Crore)	Nil
Weighted Average Maturity (Residual Maturity) (Months)	NA
Weighted Average Holding Period (Months)	NA
Coverage of tangible security coverage	NA
Rating-wise distribution of rated loans	NA

13 Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR,STR,REC 51/21.04.048/2021-22 dated 24th September 2021 (continued)

(b) Details of stressed loans transferred during the quarter ended 30 September 2022:

Particulars	To Asset Reconstruction Companies (ARC)		
	NPA	SMA	Total
Number of accounts	-	-	-
Aggregate principal outstanding of loans transferred (₹ in crore)	-	-	-
Weighted average residual tenor of the loans transferred (in years)	-	-	-
Net book value of loans transferred (at the time of transfer) (₹ in crore)	-	-	-
Aggregate consideration (₹ in crore)	-	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
Excess provisions reversed to the Profit and Loss Account on account of sale	-	-	-

(c) The Company has not acquired any stressed loan during the quarter ended 30 September 2022.

14 Disclosures pursuant to RBI Notification RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 06 August 2020 and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	(Amount in ₹ Lakhs)
					Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	20,178.72	-	477.94	1,417.34	18,283.44
Corporate persons*	27.25	-	4.80	19.34	3.11
<i>Of which, MSMEs</i>	-	-	-	-	-
Others	211.80	-	4.62	27.10	180.08
Total	20,417.77	-	487.36	1,463.78	18,466.63

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

15 Details on recovery ratings assigned for Security Receipts as on 30 September 2022:

Recovery Rating	Anticipated recovery as per recovery rating	Amount (₹ in Lakhs)
RR1	100% - 150%	29,000.00
Unrated *	NA	4,486.17
Total		33,486.17

* Rating in process, pursuant to regulatory norms, the ARC shall obtain initial rating of Security Receipts (SR) from an approved credit rating agency within a period of 6 months from the date of acquisition.

- 16** The Company has, in all material respects, utilised the proceeds of issue of non convertible debt securities as stated in the respective offer documents.
- 17** The Compliance related to disclosure of certain ratios and other financial information as required under Regulation 52 (4) of the Listing Regulations is made in **Appendix 1**.
- 18** With reference to RBI Circular No. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12 , 2021, and subsequent RBI Circular DOR.STR.REC.85/21.04.048/2021-22 dated February 15, 2022, related to up-gradation of accounts classified as NPA, the Company had opted to follow the RBI Circular DOR.STR.REC.85/21.04.048/2021-22 dated February 15, 2022 and is in compliance with aforesaid RBI Circular.
- 19** Figures for previous year/period have been regrouped, wherever necessary to make them comparable to current period.

Registered Office: 1/1 E, First Floor, East Patel Nagar, New Delhi – 110 008.
(CIN: U74899DL1994PLC062407)

For and on behalf of Board of Directors

Place : Mumbai
Date : 11 November 2022

Pinank Shah
CEO & Whole Time Director

Appendix -1

Dhani Loans and Services Limited
(CIN: U74899DL1994PLC062407)

Additional Information in Compliance with the Provisions of Regulation 52(4) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015

	Particulars	As on/for the half year ended 30 September 2022
1	Debt Equity Ratio (Loan Funds / Own Funds)	0.20
2	Debt Service Coverage Ratio	Not Applicable, being an NBFC
3	Interest Service Coverage Ratio	Not Applicable, being an NBFC
4	Outstanding Redeemable Preference Shares (quantity and value)	
a.	Quantity	NIL
b.	Value (₹ in lakhs)	NIL
5	Capital Redemption Reserve (₹ in lakhs)	900.82
6	Debenture Redemption Reserve (₹ in lakhs)	NIL
7	Net worth (Equity + Other Equity - Deemed equity contribution by Holding Company) (₹ in lakhs)	3,23,929.36
8	Net Profit/(loss) after Tax (₹ in lakhs)	
a.	- For the quarter ended 30 September 2022	(3,876.30)
b.	- For the half year ended 30 September 2022	753.15
9	Earnings per Share (EPS)	
a.	- Basic (amount in ₹)	1.23
b.	- Diluted (amount in ₹)	1.23
10	Current Ratio	Not Applicable, being an NBFC
11	Long term debt to working capital	Not Applicable, being an NBFC
12	Bad debts to Account receivable ratio	Not Applicable, being an NBFC
13	Current liability ratio	Not Applicable, being an NBFC
14	Total debts to total assets (Debt Securities + Borrowings (Other than Debt Securities) + Subordinated liabilities) / Total Assets	0.15
15	Debtors turnover	Not Applicable, being an NBFC
16	Inventory turnover	Not Applicable, being an NBFC
17	Operating Margin	Not Applicable, being an NBFC
18	Net Profit/(Loss) Margin (Profit/(loss) after Tax/Total Income)	
a.	- For the quarter ended 30 September 2022	(40.01)%
b.	- For the half year ended 30 September 2022	2.61 %
19	Other ratios, as applicable	
(A)	% of Gross Non Performing Assets (Gross NPA / Loan Book)	9.18%
(B)	% of Net Non Performing Assets (Net NPA)/(Loan Book)	4.70%
(C)	Capital to Risk-weighted Assets Ratio (Calculated as per RBI Guidelines)	84.14%
(D)	Liquidity Coverage Ratio (%) (Regulatory Requirement- 60%)	283.98%