

DHARANI FINANCE LIMITED



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Tenth Annual Report
1999 - 2000



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**BOARD OF DIRECTORS**

Chairman	:	Dr. Palani G Periasamy
Vice Chairman	:	Mr. R Natarajan
Directors	:	Mrs. Visalakshi Periasamy Justice (Retd.) S Sivasubramaniam Mr. R K Viswanathan
Managing Director	:	Mr. K Kandasamy
Company Secretary	:	Mr. N Subramanian
Auditors	:	M/s. K Ramkrish & Co., No.9-A Bagavantham Street T. Nagar, Chennai – 600 017.
Bankers	:	Indian Bank, Chennai – 600 001.
Registered Office	:	No.1 Venus Colony Second Street Alwarpet, Chennai – 600 018.
Administrative Office	:	"P G P House", No.57 Sterling Road Nungambakkam, Chennai – 600 034.

**DHARANI FINANCE LIMITED****BRANCHES**

S.No.	PLACE	ADDRESS
1.	CHENNAI	"PGP HOUSE", No.57 Sterling Road Nungambakkam Chennai – 600 034.
2.	DHARANI NAGAR	Vasudevanallur Dharani Nagar – 627 760 Tirunelveli District.
3.	NAMAKKAL	Ram Buildings No.145-D Trichy Road Namakkal – 637 001.
4.	ERODE	No.150/151 E V Nanjappa Road (Mettur Road) Erode – 638 001.
5.	TRICHY	No.7 S V V Building No.28 Colony Main Road Thillai Nagar Trichy – 620 018.
6.	PONDICHERRY	No.251 Bis Mission Street Pondicherry – 605 001.
7.	TIRUNELVELI	182-E-24 S N High Road Tirunelveli – 627001.



NOTICE TO SHAREHOLDERS

Notice is hereby given that the TENTH ANNUAL GENERAL MEETING of the members of the Company will be held at Sathguru Gnanananda Hall, Narada Gana Sabha, No. 254, T T K Road, Alwarpet, Chennai - 600 018 on the **21st September 2000, Thursday, at 11.00 A.M.** to transact the following business

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2000 and the Profit and Loss Account for the period ended on that date and to consider the reports of the Directors and Auditors.
2. To appoint a Director in place of Justice S Sivasubramaniam who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Visalakshi Periasamy who retires by rotation and being eligible, offers herself for re-appointment
4. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

5. Commencement of New Business

To consider and if thought fit, to pass, with or without modification, the following as a "Special Resolution".

"RESOLVED THAT the consent of the Company be and is hereby accorded to the commencement of the business by the Company as given in Sub-clauses 10, 16, 31 and 33 of Clause III (C) of the Memorandum of Association - other objects, viz.,

Clause 10 : "To carry on business of Travel Agency and to act as tourist agents and contractors and to facilitate travellings, to operate tourist taxis and to provide for tourists and travellers or promote the provision of convenience of all kinds."

Clause 16 : "To carry on the business of import, export, distribution of all merchandise and to function as Export House to act as agents, stockists, distributors, for firms and companies, in India and abroad".

Clause 31 : "To carry on the business of importers, exporters, merchants and dealers of motor omni buses, motor cars, motor vans, lorries, tractors, trailers, auto vehicles, motor cycles, scooters, cycles, carts and generally of all vehicles including their spare parts, tyres and tubes, accessories and lubricants for the transport of passengers, goods, animals, birds, mails and other articles, run by motive, mechanical or human power".

Clause 33 : "To import, export, buy, sell, engage, alter, improve, manipulate, prepare for market and or otherwise deal in or distribute plant, machineries, machine parts, tools, hardware, mill stores, apparatus, utensils, chemicals, raw materials and substances necessary or convenient for the purposes of the Company's business".

RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded to the Board of Directors to commence the above business pursuant to the provisions of Sub-section 2 (A) of Section 149 of the Companies Act 1956".

6. Alteration of Objects Clause

To consider and if thought fit, to pass, with or without modification, the following as a "Special Resolution".

III. A. MAIN OBJECTS

"RESOLVED THAT the objects clause of the Memorandum of Association of the Company be altered in accordance with Section 17(1) of the Companies Act, 1956, by adding the following new Clauses 13, 14, 15, 16, 17 and 18 after the existing Clause 12 in Part III (A) Main Objects.



13. To plan, design, develop, improve, market, distribute, sell, license, lease, install, alter, import, export or otherwise deal in system software, application software, enterprise resources planning, internet net linking and any other computer software, computer networking systems, engineering, information technology and to provide total networking systems including but not limited to those used in, for or in connection with telecommunications or electronic data processing equipment, products and services systems, mini and microcomputers, micro processor based products, systems, switches, mainframe and super computers and telecommunications peripheral equipment and terminals including intelligent terminals, speech or signal processing equipment, for scientific, mathematical, statistical, engineering, educational, entertainment, statutory, financial, commercial and business applications, database management, software techniques, data capture, data logging, data preparation, computer graphics, plotting and charting software, simulation and modelling, promote software development in any area in India or in any part of the world.
 14. To design, develop, manufacture, assemble, buy, sell, distribute, import, export, alter, remodel, lease, install, repair, service, provide consulting and otherwise to deal in all kinds of software, hardware, communication, electronic, computer peripherals, accessories, equipment and electronic storage devices and to carry on the business of offshore software development projects, software project consultancy, conduct educational training programmes and other allied computer services in India and abroad.
 15. To establish a Computer Centre and to provide computer consultancy services covering feasibility studies, systems design and development, data processing, computer-based MIS, on-line/real time systems, process control, distributed computing, database designing and implementation, studies on computer architecture, designing of compilers, operating systems, simulators and other emerging areas of computer technology, to develop, export and import software for various organisations including computer manufacturer, Government and industry in India and overseas and to provide management consultancy services covering organisation studies, production, materials, finance, marketing, personnel, MIS, industrial engineering, quality control and operation research and other areas of management to business, Government, industrial and other organisations and to provide for and deal in all areas related to information technology in India and abroad and also to set up, operate and be a service provider of Internet.
 16. To establish computer schools and offer training in computer software applications and hardware operations and maintenance.
 17. To engage by advertisement and also through campus recruitment, in selection, training and providing professional and skilled manpower in all areas of management including computer technology to organisations in India and abroad.
 18. To undertake insurance business as agent of insurance companies on fee basis without any risk participation in accordance with the regulations of the IRDA Act, 1999."
- III. B. THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE ABOVE MAIN OBJECTS ARE :**
- "RESOLVED THAT** in accordance with Section 17(1) of the Companies Act, 1956, the objects clause of the



Memorandum of Association of the Company be altered by adding the following new Clause 49 after the existing Clause 48, in Part III B, i.e. "Objects incidental or ancillary to the attainment of the Main Objects".

49. To establish, provide, maintain, conduct, endow, subsidise or become members of research laboratories and experimental workshops or scientific and technical research and experiments and to undertake and carry on all scientific and technical research, experiments and tests and to promote studies, research, investigation and inventions by providing, subsidising or endowing libraries, lectures, meetings and conferences and by providing for exhibitions, scholarships, prizes and grants to students or scholars and generally to encourage, promote and reward studies, research, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any of the businesses which the Company is authorised to carry on."

7. To consider and if thought fit, to pass with or without modification the following as a "Special Resolution".

RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of other statutes as applicable, the Articles of Association of the Company, be and are, hereby altered as under, by inserting the following as New Article 14A after the existing Article "14".

"14A, Notwithstanding anything contained in this Articles, as and when the Company gets its shares or other securities admitted as an eligible security in the Depository System in accordance with the provisions of the Depositories Act, 1996, the prevailing Rules, Regulations & Bye Laws of the Depository and other applicable laws, if any, the said shares and securities of the Company may be held in dematerialised fungible form and the same shall be governed by the provisions of Depositories Act, 1996 as amended from time to time or any Rules framed thereunder and the directions of Securities and Exchange Board of India (SEBI) from time to time".

By Order of the Board
For Dharani Finance Limited

Place : Chennai - 18
Date : 30.06.2000

N. SUBRAMANIAN
Company Secretary

NOTES :

1. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the special business set out in items 5, 6 and 7 is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member.

The proxy form, in order to be effective, must be duly completed, stamped and lodged with the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
3. Members/Proxy holders must bring the attendance slip duly signed to the meeting and hand it over at the entrance. Xerox copy/torn attendance slips will not be accepted.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September 2000 to 21st September 2000, both days inclusive.
5. Members are requested to quote their Registered Folio Numbers in all correspondence with the Company and notify the Company immediately of change, if any, in the registered address and/or of their mandates.



6. Members who are holding shares in more than one folio are requested to intimate to the Secretarial Division the details of all their folio numbers for consolidation into a single folio.
7. All documents referred to in the above notice are open for inspection at the Registered Office of the Company between 2.00 P.M. and 4.00 P.M. on any working day.
8. Members who have not encashed the Dividend Warrants of earlier years may write to the

Registered Office with folio details for necessary assistance.

9. Members are requested to bring their copies of the Annual Report to the Meeting.

By Order of the Board
For Dharani Finance Limited

Place : Chennai - 18
Date : 30.06.2000

N. SUBRAMANIAN
Company Secretary

Explanatory Statement under Section 173 (2) of the Companies Act, 1956

All Non Banking Finance Companies (NBFCs) are in a difficult situation. Many of the activities that were carried on exclusively by NBFCs have been taken over by Banks and financial institutions who have access to low cost funds - like car finance. It has been found difficult to even sound NBFCs to source funds cheaply and efficiently. NBFCs have to do a rethink on the ways of doing business and explore greenfield business avenues. In the light of the above, your Company has examined the various options to maintain its health and for future growth and has decided to diversify its activities as proposed in Agenda Items 5 and 6.

Item No.5

One of the group companies viz. Appu Hotels Limited had executed a 5 Star Deluxe Hotel Project and also entered into a Consultancy and Operation Agreement with the international hotel chain Le Meridien. Commercial operations of the hotel have commenced from July 1st. It is expected that a number of foreign tourists will be staying in this hotel. There will be demand for provision of tourist taxi facilities to these visitors. Dharani Finance Limited can exploit this opportunity and increase its turnover by taking up the business of operating tourist taxis for the benefit of these visitors.

Government of India have relaxed a number of restrictions on the import front and various measures for liberalisation have been introduced.

It is therefore proposed that the Company enter into the business of import, export of various items of machinery, automobile parts, automobiles, consumer goods, etc.

These objects are already available in Part III C of the Objects Clause viz. "other objects" in the Memorandum and Articles of Association. As per Section 149 (2A) of the Companies Act, 1956, a Company wanting to take up a new business which is included in the "other objects" can do so after getting the approval of the shareholders through a special resolution passed in a general meeting. Accordingly this resolution has been proposed.

The Directors commend the resolution for approval of shareholders.

Dr. Palani G Periasamy, Chairman, Mrs. Visalakshi Periasamy, Director and Mr. K Kandasamy, Managing Director are also Chairman, Managing Director and Director respectively in Appu Hotels Limited and to that extent, they have to be considered as interested Directors.

Item No.6

India has become a major source for software exports due to availability of sufficient qualified professionals and the facilities and encouragement provided by the Central and State Governments by creating software technology parks etc. Your Company can enter into this field of development and export of software and to offer entire range of connected services to users in India as well as abroad. Your Company can also engage itself in