

DHARANI FINANCE LIMITED



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2009-2010



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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, Sterling Road Branch, Chennai - 600 034.
Admn. & Registered Office	:	"PGP House" No.57 Sterling Road Nungambakkam, Chennai - 600 034. Phone Nos. : 831 1313, 825 4176 820 7480 - 81 - 82 Fax : 044 - 823 2074 E-mail : pgpcorpte@eth.net

**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.


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NOTICE TO SHAREHOLDERS

Notice is hereby given that the **TWELFTH ANNUAL GENERAL MEETING** of the members of the Company will be held at Sathguru Gnanananda Hall, Narada Gana Sabha, No. 314, T T K Road, Alwarpet, Chennai - 600018 on **Friday, the 27th September 2002, at 10.00 A.M.** to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2002 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 (Retd.) 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. To consider and if thought fit, to pass with or without modification the following as a **Special Resolution.**

"Resolved that the consent of the members of the Company be and is hereby accorded in accordance with Sec 149 (2A) of the Companies Act 1956 to the commencement of the business as given in sub Clause 22 of Clause III © of the Memorandum of Association - other objects, viz.,

Clause 22: To carry on the business as forwarding agents, **freight-contractors**, public carriers, and owners of motors, lorries, trucks, vessels, boats, steam launches, planes, taxis, barges and to act as Warehousemen, wharf-housemen and otherwise as carriers by land, air and water.

By Order of the Board
For Dharani Finance Limited

Place : Chennai - 34
Date : 29th June 2002

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 item 5 is annexed hereto.**
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS 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. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September 2002 to 27th September 2002 both days inclusive.
4. 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.
5. Members holding shares in physical form are requested to quote their Registered Folio numbers in all correspondence with the Company and notify the Company immediately of change, if any, in their Registered Address and/ or of their mandatees.

**DHARANI FINANCE LIMITED**

6. 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.

Individual shareholders can now avail of the facility of nomination. The nominee shall be the person in whom all rights of transfer and / or amount payable in respect of the shares shall vest, in the event of the death of the shareholder. A minor also can be a nominee but the name of the guardian has to be given in the nomination form. In case, any assistance is needed, Secretarial Department of the Company can be approached.

7. Members who have not encashed their Dividend Warrants of earlier years may write to the Registered Office with folio details for revalidation or for obtaining duplicate warrants.

As per the provisions of the Companies Act, 1956, unpaid dividends in respect of Dividend Warrants issued but not presented for encashment by the shareholders and hence lying with Bank for more than Seven years will be transferred to Investor Education and Protection Fund Account of the Central Government and can not thereafter be claimed.

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

By Order of the Board
For Dharani Finance Limited

Place : Chennai - 34
Date : 29th June 2002

N. SUBRAMANIAN
Company Secretary

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

Item No.5

In view of the dwindling business opportunities as a Non Banking Finance Company, your Company has been exploring other areas for diversification. Your Company has already commenced travel operations by running tourist cars, air line ticketing etc., Your Company has also obtained accreditation from IATA for air ticket booking. In continuation, your Company has proposed to take up air cargo agency with the approval of IATA.

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. None of the Directors are interested in this resolution.

By Order of the Board
For Dharani Finance Limited

Place : Chennai - 34
Date : 29th June 2002

N. SUBRAMANIAN
Company Secretary

**DIRECTORS' REPORT**

Dear Members,

The Board of Directors herein present the Twelfth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS

The Financial results for the year ended 31st March 2002 are as follows:-

	For the year Ended 31.03.2002 (Rs. in Lakhs)	For the year Ended 31.03.2001
Finance Charges and Other Income	212.68	182.56
Expenditure	158.84	175.74
Profit	53.84	6.82
Provision for diminution in value of Investments	72.51	-----
Depreciation	20.07	18.46
Profit / (Loss) after Depreciation	(38.74)	(11.64)
Provision for Income Tax		
- Current	6.00	5.00
- Deferred	10.02	-----
Profit / (Loss) after Tax	(54.76)	(16.64)
Transfer from General Reserve	-----	14.90
Profit / (Loss) brought forward	(56.46)	(54.73)
Profit / (Loss) carried over	(111.22)	(56.46)

PERFORMANCE

Total income for the current year was Rs.212.68 lakhs as against Rs.182.50 lakhs in the previous year, registering an increase of 16.50 %. The increase is mainly on account of increase in travel business. While income from financial services has been coming down, income from Travel and Tourist activities has gone up. The total income from Travel operations during the year was Rs.143.76 lakhs as compared Rs.42.55 lakhs from financial services. Income from Travel operations form 67.59 % of the total income of the Company. The operating profit was Rs.53.84 lakhs. However due to provision towards depreciation of Rs.20.07 lakhs and Rs.72.51 lakhs towards diminution in value of investments, the resultant figure has become one of loss of Rs.38.74 lakhs. After taking in to account provision for current taxation of Rs.6 lakhs and Deferred Tax of Rs.10.02 lakhs, the final figure works out to a loss of Rs.54.76 lakhs.

Your Company was not able to take up Insurance Agency work, as the amendment bill introduced in the Parliament has not yet been passed. Your Company has got itself registered with the Joint Chief Controller of Imports & Exports for commencing export activities at the opportune time.

DIVIDEND AND RESERVES

Since the Company had not earned adequate profits during the year under review, your directors are unable to recommend any dividend. No amount is being transferred to the Reserves.

FUTURE PROSPECTS

With the gradual decline in operations under Financial services and consequent reduced income from such operations, your Company is expanding its other activities. Your Company proposes to enlarge its travel operations by acquiring few more vehicles. Travel Services contribute a substantial portion to the total income. Your Company also proposes to diversify into other activities like taking up Cargo Agency for freight forwarding.



DEPOSITS

The balance of deposits as on 31st March 2002 came down to Rs.7.13 lakhs from Rs.411.30 lakhs on 31.03.2001. There were no overdue unpaid deposits on 31st March 2002. There were however 9 cases of unclaimed deposits to the total value of Rs.1.42 lakhs on the date. They continue to be unpaid as on the date of this reports. The deposit holders have been reminded to prefer their claims. As the Company has been reclassified as an Investment Company, collection of fresh deposits as also renewal of existing deposits was suspended from February 2001 and the Company has been repaying all the outstanding deposits which process will be completed at any rate before 31.12.2002.

Your Company's Tirunelveli branch has since been closed with effect from 30th April 2002. The Company will in due course close the remaining branches also.

DIRECTORS

Justice (Retd.) S Sivasubramaniyam and Mrs Visalakshi Periasamy retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

As prescribed by Sec.217 (2AA) of the Companies Act, 1956, your Directors furnish herein the responsibility statement as under.

Your Directors state;

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are 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 that period;

- iii) that the Directors had taken proper and sufficient care for the 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 fraud and other irregularities.

- iv) that the Directors had prepared the annual accounts on a going concern basis.

AUDITORS

M/s K Ramkrish & Co., Chartered Accountants retire on the conclusion of this Annual General Meeting and they are eligible for reappointment. They have conveyed their consent for reappointment and have furnished the required declaration under Sec.224 of the Companies Act.

LISTING WITH STOCK EXCHANGES

The Company's securities are listed at the following Stock Exchanges.

1. Madras Stock Exchange Ltd., Exchange Bldg., Post Box No.183, II line Beach, Chennai - 600 001.
2. The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai - 400 001.
3. The Stock Exchange Ltd., Ahmedabad, Kamadhenu Complex, Opp. Shahjanand College, Panjara Pole, Ahmedabad - 380 015.
4. Coimbatore Stock Exchange Limited, CSX Towers, 683-686 Trichy Road, Singanallur, Coimbatore - 641 005.

The Listing Fees for these Stock Exchanges have been paid upto date.

Your Company has already entered into agreements with NSDL & CDSL through Registrars M/s Cameo Corporate Services Limited, Chennai for dematerialisation of the Company's equity shares. The ISIN No. allotted is INE899D01011. Those desirous of converting