

# DHARANI FINANCE LIMITED



PGP GROUP

THIRTEENTH  
ANNUAL  
REPORT  
2002-2003



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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. 2831 1313, 2825 4176, 2820 7480  
Fax No. 044 – 2823 2074  
E-mail: [pgp\\_dfl@yahoo.com](mailto:pgp_dfl@yahoo.com)



## DHARANI FINANCE LIMITED

### BRANCHES

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



## NOTICE TO SHAREHOLDERS

Notice is hereby given that the **THIRTEENTH 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 - 600 018 on **Tuesday the 23<sup>rd</sup> September 2003, at 10.00 A.M.** to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2003 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 R. Natarajan who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of R K Viswanathan who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

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

Place : Chennai – 34      **N Subramanian**  
Date : 28<sup>th</sup> June 2003      **Company Secretary**

### NOTES:

1. 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.

2. The Share Transfer Books of the Company will remain closed from **16<sup>th</sup> September 2003 to 23<sup>rd</sup> September 2003** both days inclusive.

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. Members holding shares in physical form are requested to quote their Registered Folio numbers and those holding shares in demat form to quote their ID Numbers in the attendance slips and in all correspondence with the Company and notify the Company immediately of change, if any, in their Registered Address and/ or of their mandatees.
5. 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.



**DHARANI FINANCE LIMITED**

6. Members who have not encashed their Dividend Warrants of 1996 – 1997 may send the same to the Registered Office for revalidation.

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.

7. 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 : 28<sup>th</sup> June 2003

**N Subramanian**  
**Company Secretary**

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## DIRECTORS' REPORT

Dear Members,

The Board of Directors herein present the Thirteenth Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2003.

### FINANCIAL RESULTS

The Financial results for the year ended 31<sup>st</sup> March 2003 are as follows:-

	For the year Ended 31.03.2003 (Rs. in Lakhs)	For the year Ended 31.03.2002
Finance Charges and Other Income	137.54	159.21
Expenditure	113.84	105.37
Profit	23.70	53.84
Provision for diminution in value of Investments	0.11	72.51
Depreciation	20.36	20.07
Profit / (Loss) after Depreciation	3.23	(38.74)
Provision for Income Tax		
- Current	0.30	6.00
- Deferred	5.02	10.02
Profit / (Loss) after Tax	(2.09)	(54.76)
Transfer from General Reserve	--	--
Profit / (Loss) brought forward	(111.23)	(56.47)
Profit / (Loss) carried over	<u>(113.32)</u>	<u>(111.23)</u>

### PERFORMANCE

Total income for the current year was Rs 137.54 lakhs as against Rs 159.21 lakhs in the previous year, a decrease of 15.76%. 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 109.91 lakhs as compared Rs 90.30 lakhs. Income from Financial Services came down from Rs. 68.91 Lakhs to Rs. 27.64 Lakhs. Income from Travel operations form 79.90% of the total income of the Company. The operating profit was Rs 23.70 lakhs. After taking into account depreciation, provision for current and Deferred Tax, the final figure works out to a loss of Rs 2.09 lakhs.

Your company has not yet been able to take up Insurance Agency work, as approval from Reserve Bank of India is not yet received.

### DIVIDEND AND RESERVES

As the Company has not earned adequate profits during the year under review, Your directors regret their inability to recommend any dividend. No amount is being transferred to the Reserves due to the same reasons.

### 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 has enlarged its travel operations by acquiring few more vehicles. Travel Services contribute a substantial portion to the total income. Your company has plans to diversify into other activities like taking up Cargo Agency for freight forwarding, insurance brokerage. Your company has got itself registered with the Joint Chief Controller of Imports & Exports for commencing export activities at the opportune time.



## **DEPOSITS**

The Company has by December 2002, repaid all the outstanding deposits. The Company does not hold any public deposits as on 31<sup>st</sup> March 2003.

## **DIRECTORS**

R Natarajan and R K Viswanathan 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, 25<sup>th</sup> 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.

## **CORPORATE GOVERNANCE**

In order to bring more transparency in the conduct of business, the Stock Exchanges have amended the listing agreement incorporating a code of corporate governance to be followed by listed Companies.





According to clause 49 of the Listing Agreement entered into with Stock Exchanges & as per SEBI directives, your Company has to implement the principles and conditions of Corporate Governance within the financial year 2002-2003.

Your Company has implemented the same fully and the enclosed report gives the details thereon. A certificate from the statutory auditors on compliance of conditions of Corporate Governance has been obtained and copy enclosed to this report.

### **ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE**

The provisions of Section 217(1) (e) of the Companies Act, 1956 relating to conservation of energy, technology absorption etc., are not applicable to your Company.

Foreign Exchange (Earnings & outgo: Total Foreign Exchange used and earned).

Foreign exchange earnings	- Nil
Foreign exchange outgo	- Rs. 7,562.00

### **PARTICULARS OF EMPLOYEES**

There are no employees falling within the requirements of Section 217 (2A) of the Companies Act, 1956.

### **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 shareholders who have continued to repose their confidence in the Company and its management despite the down turn in the financial services sector in general and particularly in the fortunes of the company, during the last few years.

**For and on behalf of the Board**

Place: Chennai - 34

**DR PALANI G PERIASAMY**

Date : 28<sup>th</sup> June 2003

**Chairman**



## **CORPORATE GOVERNANCE**

SEBI has introduced a code of Corporate Governance through clause 49 of the Listing Agreement entered into with the Stock Exchanges.

### **1. Company's Philosophy**

The Company endeavours to follow good corporate governance practices and be a responsible corporate citizen.

### **2. Board of Directors**

The Board comprises one executive director and five non- executive directors. The Chairman is non executive and 1/3 of the Board comprises of independent Directors. Non executive directors constitute more than 50%.

During the year, 5 Board Meetings were held on 29.06.2002, 27.09.2002, 25.11.2002, 23.01.2003 and 28.03.2003

The names of Directors and their attendance at the Board Meetings during the year and the last Annual General Meeting as also number of other directorships are given below.

Sl.No	Name of the Directors	Category of Director-ship	No of Board Meetings Attended	Attendance at last AGM	No of other directorships
1	Dr Palani G Periasamy	Chairman Non Executive	5	Yes	4
2	R Natarajan	Vice Chairman Non Executive	5	Yes	3
3	Mrs Visalakshi Periasamy	Non -Executive	1	Yes	2
4	Justice (Retd) S Sivasubramaniam	Non -Executive	2	No	-
5	R K Viswanathan	Non -Executive	4	Yes	1
6	K Kandasamy	Executive	5	Yes	2