

# **DHARANI FINANCE LIMITED**



## **25th ANNUAL REPORT 2014-2015**



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## DHARANI FINANCE LIMITED

### BOARD OF DIRECTORS

**Chairman** : **Dr Palani G Periasamy**

**Directors** : **Ms Visalakshi Periasamy**  
**Dr S Muthu**  
**Mr R K Viswanathan**  
**Mr M Ganapathy**

**Managing Director** : **Mr K Kandasamy**

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**Company Secretary & President (Corporate Affairs)** : **Mr N Subramanian**

**Chief Financial Officer** : **Mr R Muralidharan**

**Auditors** : **M/s K Ramkrish & Co.,**  
New No.19, Old No.9-A  
Bagavantham Street,  
T. Nagar, Chennai - 600 017.

**Bankers** : **Indian Bank,**  
Sterling Road Branch,  
Nungambakkam,  
Chennai – 600 034.

**Admn. & Registered Office** : **“PGP House”**  
New No.59 (Old No. 57) Sterling Road  
Nungambakkam,  
Chennai – 600 034.  
Phone Nos. 044-2831 1313, 2825 4176  
Fax No. 044 – 2823 2074  
Email: [secretarial@dharanifinance.in](mailto:secretarial@dharanifinance.in)  
Website : [www.dharanifinance.in](http://www.dharanifinance.in)  
CIN – L65191TN1990PLC019152



## DHARANI FINANCE LIMITED

### NOTICE TO SHAREHOLDERS

Notice is hereby given that the **TWENTYFIFTH ANNUAL GENERAL MEETING** of the members of the Company will be held on **Friday, the 25<sup>th</sup> September 2015 at 10.00 A.M.**, at Sathguru Gnanananda, **Mini Hall**, Narada Gana Sabha, No. 314, T T K Road, Alwarpet, Chennai - 600 018 to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements including Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit and Loss and Cash Flow Statements for the year ended on that date and consider the reports of the Directors and Auditors.
2. To appoint a Director in place of Dr Palani G Periasamy, (DIN 00081002) who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass, the following resolution as ordinary resolution:

**RESOLVED THAT** pursuant to the provisions of section 139, 142 and Audit and Auditors Rules, 2014, (the rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) K. Ramkrish & Co., Chartered Accountants, Chennai (Registration number 003017S with the Institute of Chartered Accountants of India), who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of section 141 of the Act, and rule 4 of the rules, be and are hereby re-appointed as Statutory Auditors of the Company to hold office for a period of 2 years from the conclusion of this meeting until the conclusion of the 27<sup>th</sup> Annual General Meeting of the Company on such remuneration as may be agreed upon by the Audit committee/ Board of Directors in consultation with the Auditors.

### SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification the following resolution as a **SPECIAL RESOLUTION**.

**“RESOLVED THAT** pursuant to the procedure indicated in Part II Section II of Schedule V read with Section 196, 197 & 203, subject to such sanctions as may be necessary, approval and sanction of the company be and is hereby accorded to the payment of the following remuneration to Mr K Kandasamy (DIN: 00277906) Managing Director of the Company having inadequate profits during the year 2014-15 for a period of 3 years with effect from 01.04.2014.

	Particulars	Amount in Rs.
A	Salary	1204000.00
	Perquisites	
	HRA	90000.00
	Medical Reimbursement	108012.00
	LTA	80500.00
	Total – A	1482512.00
B	Provident Fund @ 12%	136800.00
	Superannuation @15%	180600.00
	Gratuity	16973.00
	Total -B	334373.00
	Total A+B	1816885.00

5. 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 resolution passed in Annual General Meeting of the Company held on 28<sup>th</sup> July 1993 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. 25 (Rupees Twenty Five) Crores**.



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**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.

**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.

By Order of the Board

For Dharani Finance Limited

N Subramanian  
Company Secretary

Place : Chennai  
Date : 27.05.2015

### 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.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Share Transfer Books of the Company will remain closed from **19th September 2015 to 25th September 2015 (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/ Registrar & Transfer Agent immediately of change, if any, in their Registered Address and/ or of their mandates.
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.
6. Members are requested to bring their copies of Annual Report to the Meeting.
7. Members who have not encashed their Dividend Warrants of 2007-08, 2009-10, 2010-11 and 2011-12 may send the same to the Registered Office or Share Transfer Agent for revalidation.
8. Unpaid dividend for over 7 years will be transferred to Central Government. Members may refer to page No.14 of the Annual Report and lodge their claim, if any, immediately.
9. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business set out against item No. 4 & 5 is annexed hereto.



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10. The Ministry of Corporate Affairs vide its Circular dated 21st April 2011 allowed the Companies to send notices, annual reports and other documents by means of e-mail to the members of the Company as part of its green initiative programme in Corporate Governance. Hence members, who have not registered their e-mail addresses, are requested to register their e-mail addresses with the Company/Registrar.

11. Pursuant to section 108 of the Companies Act, 2013 and in compliance with SEBI directives through the Listing Agreement, the Company has made necessary arrangements to enable the members to exercise their right to vote on the resolutions through Electronic Voting. The detailed procedure for availing this facility is explained in the annexure.

By Order of the Board

For Dharani Finance Limited

Place : Chennai  
Date : 27.05.2015

N Subramanian  
Company Secretary

### Explanatory Statement Under Section 102 of the Companies Act, 2013.

#### Item No.4

Mr K Kandasamy, (DIN 00277906) was reappointed as Managing Director for a fresh period of 5 years from 25.06.2014 with the following remuneration and approval of Shareholders was obtained through a Special Resolution in the Annual General Meeting held on 25<sup>th</sup> September 2014.

Salary	Rs. 105000/- per month in the scale of Rs. 105000- 5000-125000
Perquisites	Perquisites detailed below. It shall however be restricted to an amount equal to the annual salary.

Perquisites	In Rs.
HRA	240000.00
Medical Reimbursement (@ 1 month Salary)	105000.00
LTA (@ 1 month Salary)	105000.00
<b>Total</b>	<b>450000.00</b>

It was also provided therein that in case there are no profits or if the profits are insufficient, payment of remuneration will be regulated within the limits, i.e., Rs.30 lakhs per year prescribed in Section II Part II of the Schedule V to the Companies Act, 2013 and after following the prescribed procedure. As the profits for the year 2014-15 are insufficient, the above procedure is being followed. The following remuneration which is within the prescribed limits is recommended for a period of 3 years from 01.04.2014

In Rupees

A	Salary	1204000.00
	Perquisites	
	HRA	90000.00
	Medical Reimbursement	108012.00
	LTA	80500.00
	<b>Total – A</b>	<b>1482512.00</b>

Besides Provident Fund, Superannuation & Gratuity as admissible will be paid which will be outside the ceiling limits.

In Rupees

B	Provident Fund @ 12%	136800.00
	Superannuation @15%	180600.00
	Gratuity	16973.00
	<b>Total -B</b>	<b>334373.00</b>
<b>Total A+B</b>		<b>1816885.00</b>

- b) Interest of Directors, Key Managerial personnel and their relatives:  
None of  
(i) Directors,  
(ii) Key Managerial Personnel (CFO & CS), and  
(iii) Relatives of the persons mentioned in (i) and (ii) are interested in the above said resolution.
- c) Relevance of Resolution in any other Company. The above resolution does not affect any other Company.
- d) Inspection of Documents - No document is required to be kept for inspection



**Item No. 4 Contd.,**

<b>I. General Information</b>		
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
<b>II. Information about the appointee</b>		
1	Background details	Mr K Kandasamy belongs to the promoter group. He is a Law Graduate and MBA. He has been member of the Company since its formation.
2	Past Remuneration	Rs.85000.00 – 5000.00 - 105000.00
3	Recognition or awards	Nil
4	Job Profile and his suitability	He has more than 20 years experience in General administration in the group.
5	Remuneration proposed	Rs.105000.00 – 5000.00 – 125000.00
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.2,50,000/- p.m. + perquisites
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	One of the promoters. Holds 81990 equity shares 1.64% in Dharani Finance Limited
<b>III. Other information</b>		
1	Reasons of loss or inadequate profits	General economic depression
2	Steps taken or proposed to be taken for improvement	Provided in the Board's Report
3	Expected increase in productivity and profits in measurable terms	

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

**Item No.5:**

The Members had, in the Annual General Meeting held on 27<sup>th</sup> July 1993, passed a Special Resolution and accorded their approval to the Board of Directors for borrowings upto Rs. 25 (Rupees Twenty Five) crores, as also for creation of charges on Company's assets as required under Section 293(1)(d) and 293(1)(a) respectively of the Companies Act, 1956. On implementation of the Companies Act 2013, Section 180 (corresponding to section 293 of old Act) was made effective from September 12, 2013, which provide for approval by the Shareholders by way of Special Resolution under the Companies Act, 1956. The Ministry of Corporate Affairs issued General Circular No. 04/2014 dated March 25, 2014 clarifying the position of old resolution passed under section 293 of Companies Act, 1956. This circular says that old resolution passed under section 293 of Companies Act, 1956 will be valid up to September 11, 2014. As such, it has become necessary to obtain fresh approval of the Members by means of Special Resolution as envisaged under section 180(1)(c) and Section 180(1)(a) of the Companies Act 2013, to enable the Board of Directors of the Company to continue to exercise the same borrowing powers i.e.

a) borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company; and b)

create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the Banks/Financial Institutions or other lending agencies

b) Interest of Directors, Key Managerial personnel and their relatives:

- None of (i) Directors,  
(ii) Key Managerial Personnel (CFO & CS), and  
(iii) Relatives of the persons mentioned

in (i) and (ii) are interested in the above said resolution.

c) Relevance of Resolution in any other Company. The above resolution does not affect any other Company.

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

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

By Order of the Board

**For Dharani Finance Limited**

**N Subramanian**  
**Company Secretary &**  
**President (Corporate Affairs)**

**Place : Chennai – 34**  
**Date : 27.05.2015**

**e- Voting Process**

The Company is pleased to provide members facility to exercise their right to vote at the 25<sup>th</sup> Annual General Meeting (AGM) by electronic means as required by Clause 35 of the Listing Agreement and Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014. This business would be transacted through e-Voting services provided by Central Depository Services (India) Limited (CDSL).

2. E-Voting commences on **Tuesday, the 22<sup>nd</sup> September 2015 (10.00 AM) and ends on Thursday, the 24<sup>th</sup> September 2015 (5.00 PM). e-Voting through electronic mode shall not be allowed beyond 5.00 p.m. on 24<sup>th</sup> September 2015.**

During this period, shareholders of the Company, holding shares as on the cutoff date of i.e., **18th September 2015** are entitled to cast their vote electronically.

3. Instructions for e-Voting for members receiving an email from CDSL pursuant to their email IDs having been registered with the company/ Depository Participants:

(I) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.





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- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"><li>• Please enter the DOB or Dividend Bank Details in order to login. If 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 (iv).</li></ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians



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- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - 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.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - 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.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
9. The voting rights of shareholders shall be in proportion to their shareholding as on the Cutoff date of 18th September 2015.
  10. Mr M Damodaran, Practicing Company Secretary (Membership No. 005837) has been appointed as the Scrutinizer.
  11. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witness not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same;
  12. The results will be declared on or after the AGM of the company. The results declared along with the Scrutinizer's report will be placed on the company's website [www.dharanisugars.in](http://www.dharanisugars.in) and on the website of CDSL [www.evotingindia.co.in](http://www.evotingindia.co.in) within 2 days of passing of the resolutions at the AGM of the company and communicated to NSE and BSE.

### General Shareholder's Information

I. Time, Date and Venue of Annual General Meeting	25th September 2015 at 10.00 A.M. Mini Hall, Narada Gana Sabha, New No.314, TTK Road, Alwarpet, Chennai - 600 018
II. Financial Year	April 2014 - March 2015
III. Date of Book Closure	19th September 2015 to 25th September 2015
IV. Listing on Stock Exchange	Bombay Stock Exchange
V. Stock Code	Bombay Stock Exchange - 511451