

DHARANI FINANCE LIMITED



29th
ANNUAL REPORT
2018-2019



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DHARANI FINANCE LIMITED

BOARD OF DIRECTORS

| | | |
|-------------------|---|---|
| Chairman | : | Dr Palani G Periasamy |
| Directors | : | Mrs Visalakshi Periasamy Dr S Muthu -Independent Director Mr M Ganapathy - Independent Director |
| Managing Director | : | Mr K Kandasamy |

| | | |
|-------------------------|---|---|
| Chief Financial Officer | : | Mr N Sivabalan (Appointed from 27.05.2019) |
|-------------------------|---|---|

| | | |
|-------------------|---|--|
| Company Secretary | : | Dr. S. Kuppan (Appointed from 11.07.2019) |
|-------------------|---|--|

| | | |
|----------|---|--|
| Auditors | : | M/s CNGSN & Associates LLP Flat No.6 First Floor, Vignesh Apartment North Avenue, Sri Nagar Colony Little Mount, Chennai 600 015. Firm Regn. No. 004915S/S200036 |
|----------|---|--|

| | | |
|-------------------|---|--|
| Internal Auditors | : | R Balachandran & Co., Flat-3B, 3rd Floor, 3rd Block, Bajaj Apartments, 7/4, Nandanam Extension, Main Road, Nandanam,Ch-600035. Firm Regn. No. : 000323S |
|-------------------|---|--|

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

| | | |
|---------------------------|---|--|
| Admn. & Registered Office | : | “PGP House” No.59 Sterling Road Nungambakkam, Chennai – 600 034. Phone Nos. 044-2831 1313, 28311414 Fax No. 044 – 2823 2074 Email: secretarial@dharanifinance.in Website : www.dharanifinance.in CIN – L65191TN1990PLC019152 |
|---------------------------|---|--|



DHARANI FINANCE LIMITED

NOTICE TO SHAREHOLDERS

Notice is hereby given that the **TWENTY NINTH ANNUAL GENERAL MEETING** of the members of the Company will be held on **Monday, 23rd September 2019 at 10.00 A.M.**, at Sri Thyaga Brahma Gana Sabha, Vani Mahal, Mini Hall, at No.103, G N Chetty Road, T. Nagar, Chennai 600017, to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements including Balance Sheet as at 31st March 2019, the Statement of Profit & Loss and Cash Flow Statements for the year ended on that date and consider the reports of the Board and Auditors.
2. To appoint a Director in place of Dr Palani G Periasamy, (DIN No.00081002) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

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

Re-appointment of Mr K Kandasamy, as Managing Director w.e.f. 25.06.2019.

“RESOLVED THAT pursuant to Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to such other approvals or consents as may be necessary, approval of the shareholders be and is hereby accorded for the re-appointment of Mr. K Kandasamy (DIN 00277906) as Managing Director, not subject to retirement by rotation, for a period of 5 years from 25.06.2019 to 24.06.2024, and that he be paid the following remuneration:

| | |
|------------|--|
| Salary | Nil |
| Perquisite | Perquisites as given below shall be allowed. |
| HRA | Rs.7500/- p.m. |

Part A

Housing I – The expenditure incurred by the Company on hiring unfurnished accommodation will be subject to the following ceilings:

At Bombay, Calcutta, Delhi and Chennai 60% of salary, over and above, 10% payable by the Whole Time Director.

The expenditure incurred by the Company on gas, electricity, water and furnishings will be valued as per the Income Tax Rules, 1962. This will, however, be subject to ceiling of 10% of the salary.

Part B

Provision of a car with driver and telephone at residence provided that personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to the Managing Director.

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

Re-appointment of Dr S Muthu, as an Independent Director for a Second Term.

RESOLVED that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and applicable provisions of SEBI (LODR) Regulations 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) Dr S Muthu, (DIN 0331664), who was appointed as an Independent Director of the Company to hold office till 24.09.2019, and being eligible for one more term, be and is hereby reappointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 years from 25.09.2019 to 24.09.2024

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

Re-appointment of Mr M Ganapathy, as an Independent Director for a Second Term.

RESOLVED that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and applicable provisions of SEBI (LODR) Regulations 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr M Ganapathy, (DIN 00234337), who was appointed as an Independent Director of the



DHARANI FINANCE LIMITED

Company to hold office till 24.09.2019, and being eligible for one more term, be and is hereby reappointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 years from 25.09.2019 to 24.09.2024.

By Order of the Board

For Dharani Finance Limited

Place : Chennai

K Kandasamy

Date : 27th May 2019

Managing Director

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 proxy need not be a member of the Company.

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.

As required under Regulation 36(3) of SEBI LODR 2015 relevant details of Director seeking re-appointment under Item No. 2, 3, 4 & 5 are annexed.

2. The Share Transfer Books of the Company will remain closed from **17th September 2019 to 23rd September 2019** (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. **Only members and proxy holders will be admitted to the auditorium.**
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 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.
6. Members are requested to bring their copies of Annual Report to the Meeting.
7. Members who have not encashed their Dividend Warrants for the year 2011-12 may send the same to the Registered Office or Share Transfer Agent for revalidation.
8. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business set out against item No.3, 4 and 5 are annexed hereto.
9. 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. Similarly shares relating to them will also be transferred to **Investor Education and Protection Fund.**
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 to enable the Company to comply with the Green Initiative Programme.
11. Pursuant to section 108 of the Companies Act, 2013 and in compliance with SEBI directives through the Listing Obligations Disclosure Regulations, 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

K Kandasamy

Place : Chennai

Managing Director

Date : 27th May 2019

DIN No. : 00277906



DHARANI FINANCE LIMITED

Information about the Directors Seeking Appointment/ Re-appointment in this Annual General Meeting is furnished here under Regulation (36(3) and 17(1A) Listing Obligations and Disclosure Requirements) Regulation 2015

Item No.2

Re-appointment of Dr Palani G Periasamy – Chairman.

| | | |
|---|---|---|
| 1 | Name | Dr Palani G Periasamy |
| 2 | Age | 81 |
| 3 | Qualification | M.A., M.A., Ph.D., |
| 4 | Date of Appointment | 10.08.1990 |
| 5 | Experience | 45 years |
| 6 | Other Directorship | 1.Appu Hotels Limited 2. Dharani Credit & Finance (P) Limited 3. Dharani Sugars and Chemicals Limited 4. PGP Educational & Welfare Society |
| 7 | Member of Committees | Management Committee |
| 8 | No of Shares held in the Company & % | 354112 & 7.09% |
| 9 | Relationship between directors inter-se | Spouse of Mrs Visalakshi Periasamy (Director) |

Item No.3 : Re-appointment of Mr K Kandasamy

| | | |
|---|--------------------------------------|--|
| 1 | Name | Mr K Kandasamy |
| 2 | Age | 61 |
| 3 | Qualification | M.B.A. / BL |
| 4 | Date of Appointment | 25.06.1994 |
| 5 | Experience | 24 years |
| 6 | Other Directorship | 1. Appu Hotels Limited 2. PGP Educational & Welfare Society |
| 7 | Member of Committees | Shareholders Grievance Committee |
| 8 | No of Shares held in the Company & % | 82990 & 1.66% |

Item No.4 : Re – appointment of Dr S Muthu

| | | |
|---|--------------------------------------|--|
| 1 | Name | Dr S Muthu |
| 2 | Age | 79 |
| 3 | Qualification | B.E.M.Sc., PhD., |
| 4 | Date of Appointment | 10.11.2010 |
| 5 | Experience | 10 years |
| 6 | Other Directorship | Nil |
| 7 | Member of Committees | (1) Audit Committee (2) Nomination & Remuneration Committee |
| | No of Shares held in the Company & % | Nil |

**Item No.5 : Re – appointment of Mr M Ganapathy**

| | | |
|---|--------------------------------------|--|
| 1 | Name | Mr M Ganapathy |
| 2 | Age | 79 |
| 3 | Qualification | IFS (Retd.,) |
| 4 | Date of Appointment | 24.08.2005 |
| 5 | Experience | 10 years |
| 6 | Other Directorship | Ananthi Developers Limited |
| 7 | Member of Committees | (1) Shareholders Grievance Committee (2) Audit Committee (3) Nomination & Remuneration Committee |
| 8 | No of Shares held in the Company & % | Nil |

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013.**Item No. 3.****Re-appointment of Mr K Kandasamy, Managing Director w.e.f 25.06.2019.**

Mr K Kandasamy was appointed as Managing Director with effect from 25.06.2014 in the scale of Rs.105000-5000-125000 in the AGM held on 25th September 2014. His term of office comes to a close on 24.06.2019. The Board of Directors have in their meeting held on 14.02.2019 passed a resolution to reappoint him for a further period of 5 years with effect from 25.06.2019 to 24.06.2024.

Mr K Kandasamy, aged 61, is a Bachelor in Law and holds a Masters Degree in Business Administration and has an overall experience more than 24 years. He has been functioning as Managing Director of Dharani Finance Limited since 1994. Considering his background and experience, the Board of Directors felt that his services could be continued to be utilized for the benefit of the Company for a fresh term.

Mr. K. Kandasamy holds 82990 equity shares amounting to 1.66% of the equity capital of the Company. Nomination & Remuneration Committee has considered and recommended the appointment and remuneration. The remuneration suggested is well within the limits prescribed under the Act. However he has declined to take any remuneration considering the financial position of the company.

Approval of the shareholders is now sought for his reappointment on the terms and conditions as mentioned in the Resolution.

Mr K Kandasamy is concerned and is interested in the said resolution as it relates to his own reappointment.

No other Director or Key Managerial Personnel is interested or concerned.

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



DHARANI FINANCE LIMITED

| I. General Information | |
|---|--|
| 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 |
| II. Information about the appointee | |
| 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. 14.13 lakhs + Contribution to Provident Fund, Superannuation Fund. |
| 3 Recognition or awards | Nil |
| 4 Job Profile and his suitability | He has more than 25 years' experience in General administration in the group. |
| 5 Remuneration proposed | Salary – Nil Perquisites – Rs 7500/- per month |
| 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 24 lakhs . + perquisites per annum |
| 7 Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. | One of the promoters. Holds 82990 equity shares (1.66%) in Dharani Finance Limited |
| III. Other information | |
| 1 Reasons of loss or inadequate profits | General economic depression |
| 2 Steps taken or proposed to be taken for improvement | Propose to expand its financial services activities |
| 3 Expected increase in productivity and profits in measurable terms | 20% increase |

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



Item No.4

Re-appointment of Independent Director – Dr S Muthu

The Companies Act, 2013 (the Act) read with SEBI (LODR) Regulations 2015 require this Company to have at least one third of the Board of Directors as Independent Directors. In deference to this, the Company at the 24th Annual General Meeting held on 25th September 2014, appointed Dr S Muthu as an Independent Director.

Dr S Muthu retires after his first term at the close of 24.09.2019 and he is entitled to have a second term of office for 5 years.

The appointment of Independent Director for a second term shall however require the Company to pass a Special Resolution in General Meeting vide Section 149(10) of the Act.

No other Director or Key Managerial Personnel is interested or concerned.

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.

Item No.5

Re-appointment of Independent Director – Mr M Ganapathy

The Companies Act, 2013 (the Act) read with SEBI (LODR) Regulations 2015 required this Company to have at least one third of the Board of Directors as Independent Directors. In deference to this, the Company at the 24th Annual General Meeting held on 25th September 2014, appointed Mr M Ganapathy as an Independent Director.

Mr M Ganapathy would retire after his first term at the close of 24.09.2019 and he is entitled to have a second term of office for 5 years.

The appointment of Independent Director for a second term shall however require the Company to pass a Special Resolution in General Meeting vide Section 149(10) of the Act.

No other Director or Key Managerial Personnel is interested or concerned.

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
K Kandasamy
Managing Director
DIN No. : 00277906

Place : Chennai
Date : 27th May 2019



DHARANI FINANCE LIMITED

Procedure for E- Voting Process

1. The Company is pleased to provide members facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means as required by Regulation 44 of the Listing Obligation Disclosure Regulations 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 **20th September 2019 at 9.00 a.m. e-Voting through electronic mode shall not be allowed beyond 5.00 p.m. on 22nd September 2019.** During this period, shareholders of the Company, holding shares as on the cutoff date i.e, 16th September 2019 are entitled to cast their vote electronically.
3. The voting rights of shareholders shall be in proportion to their shareholding as on the cutoff date viz., **16th September 2019.**
4. Mr M Damodaran, Practicing Company Secretary (Membership No.005837) has been appointed as the Scrutinizer.
5. 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;
6. The Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.
7. 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.dharanifinance.in and on the website of CDSL www.evotingindia.co.in within two (2) days of passing of the resolutions at the AGM of the Company and communicated to BSE.

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

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **20th September 2019 at 9.00 a.m. and ends on 22nd September 2019 at 5.00 p.m.** 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 16th September 2019** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website 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 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">• 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. |
| | <ul style="list-style-type: none">• 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. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">• If both 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). |