

# **DHARANI FINANCE LIMITED**



**ANNUAL REPORT  
2009 - 2010**



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**BOARD OF DIRECTORS**

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

**Directors** : **Mrs Visalakshi Periasamy**  
**Justice (Retd) S Sivasubramaniyam**  
**Mr R K Viswanathan**  
**Mr M Ganapathy**

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

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

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**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  
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  
Email: [pgp\\_dfl@yahoo.com](mailto:pgp_dfl@yahoo.com)



### NOTICE TO SHAREHOLDERS

Notice is hereby given that the **TWENTIETH ANNUAL GENERAL MEETING** of the members of the Company will be held on **7th September 2010 at 10.00 A.M.**, at Sathguru Gnanananda, Mini Hall, Narada Gana Sabha, No. 314, TTK Road, Alwarpet, Chennai - 600 018 to transact the following business.

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2010 and Profit and Loss Account for the year ended on that date and to consider the reports of the Directors and Auditors.
2. To appoint a Director in place of Mr R K Viswanathan who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Justice (Retd.) S. Sivasubramaniam, who retires by rotation and being eligible offers himself for re-appointment.
4. To declare dividend on Equity shares.
5. 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  
Date : 26.05.2010

**N Subramanian**  
Company Secretary  
& Sr. Vice President  
(Corporate Affairs)

#### 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 **1st September 2010 to 7th September 2010** (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 may send the same to the Registered Office or Share Transfer Agent for revalidation.

By Order of the Board  
For Dharani Finance Limited

Place : Chennai-34  
Date : 26.05.2010

**N Subramanian**  
Company Secretary  
& Sr. Vice President  
(Corporate Affairs)

**DIRECTORS' REPORT**

Dear Members,

The Board of Directors present herein the **TWENTIETH** Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2010.

**FINANCIAL RESULTS**

The Financial results for the year ended 31<sup>st</sup> March 2010 are briefly as follows:

Particulars	For the year	For the year
	Ended 31.03.2010	Ended 31.03.2009
	(Rs. in Lakhs)	
Income through Travel Operations, Finance Services and others	229.36	242.14
Expenditure (Employee & Admn. Expenses)	139.57	151.02
Profit	89.79	91.12
Provision for diminution in value of investments	(95.70)	63.82
Provision for NPA	0.00	(7.00)
Depreciation	43.18	41.23
Interest & Bank Charges	1.97	0.26
Profit /(Loss) after depreciation & interest	140.33	(7.19)
Provision for Income Tax		
- Current	18.50	23.80
- Deferred	(4.97)	(3.06)
Profit /(Loss) after Tax	126.80	(27.92)
Surplus /(deficit) brought forward	(23.36)	4.56
Profit available for appropriation	103.43	(23.36)
<b>APPROPRIATIONS</b>		
Transfer to Statutory Reserves	25.55	-
Proposed Dividend	24.99	-
Dividend Distribution Tax	4.15	-
Net Surplus/(Deficit) carried over	48.74	(23.36)

**PERFORMANCE**

Despite a nominal reduction in its total income from Rs. 242.14 lakhs to Rs. 229.36 lakhs, the Company could generate a profit of Rs. 140.33 lakhs mainly due to withdrawal of the provision of Rs. 95.70 lakhs for diminution in value of its investments on account of the substantial improvement in the stock market.

The Company could also reduce its administrative expenses from Rs.120.66 lakhs to Rs.107.18 lakhs. As a result, gross profits came upto Rs.140.33 (as against a loss of Rs.7.19 lakhs in the previous year). After providing for taxes to the tune of Rs.13.53 lakhs, the net profit came to Rs.126.80 lakhs. Setting off the carried forward loss of Rs.23.36 lakhs from previous year, the net surplus works out to Rs.103 lakhs.

**OUTLOOK**

The general economic situation is expected to further improve in the coming years and hopefully your Company can expect better returns. Though various options for enlarging the business were considered, the Company could not decide on any particular business model and continues to explore various possibilities in the present, economic situation.

**DIVIDEND**

Your Directors are pleased to recommend a dividend of Rs. 0.50 per share (5%) absorbing a sum of Rs. 24.99 Lakhs. A sum of Rs. 4.15 lakhs has to be provided as Dividend Distribution Tax.

**RESERVES**

It is proposed to transfer a sum of Rs. 25.55 lakhs to the General Reserve. With this, the Reserves and Surplus as on 31<sup>st</sup> March 2010 would be Rs. 77.34 lakhs.

**DEPOSITS**

The Company does not hold any public deposits as on 31<sup>st</sup> March 2010. The Company has stopped collecting public deposits and has got its Licence amended by Reserve Bank of India accordingly. Your Company does not propose to collect public deposits in the coming year.



**RESERVE BANK OF INDIA DIRECTIONS**

The Company is a NBFC registered with Reserve Bank of India and follows all the RBI's regulations prescribed for such NBFCs not collecting public deposits.

**DIRECTORS**

Mr R K Viswanathan and Justice S Sivasubramaniyam 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 as Statutory Auditors 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, 1956.

**SECRETARIAL AUDIT REPORT**

As part of the guidelines issued by Government of India for voluntary adoption by all Companies, your Company appointed Mr M Damodaran, Practicing Company Secretary, to conduct Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2010, addressed to the Board of Directors of the Company, is attached to the Annual Report. The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, Depositories Act, 1996, Listing Agreement with the Stock Exchanges, Securities Contracts (Regulations) Act, 1956 and all the Regulations of SEBI as applicable to the Company, including the Securities and Exchange to the Company, including the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992

**LISTING WITH STOCK EXCHANGES**

The Company's securities are at present listed only with,

**Bombay Stock Exchange Ltd. Floor 25, P.J. Towers, Dalal Street, Mumbai**, whose terminals are available nationwide.

The Listing Fees for the Bombay Stock Exchange has been paid upto date.



The Company had applied for Voluntary Delisting of its equity shares from Madras Stock Exchange on 27<sup>th</sup> July 2007, after getting the approval of the shareholders in the Annual General Meeting held on 27<sup>th</sup> July 2007. After following up with the Madras Stock Exchange, approval for the voluntary delisting was received from Madras Stock Exchange with effect from 21<sup>st</sup> December 2009 through their letter No. MSE/LD/PSK/731/299/09 dated 21<sup>st</sup> December 2009.

**CORPORATE GOVERNANCE**

In order to bring more transparency in the conduct of business, the Stock Exchanges have amended the listing agreement under instructions from SEBI incorporating a code of corporate governance to be followed by listed Companies. Corporate Governance has become an important characteristic of late, after some regrettable developments in India and the world.

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.

The Company had adopted most of the recently introduced voluntary guidelines for Corporate Governance as introduced by the Government of India. Some of them are also part of the guidelines prescribed under Clause 49 of the Listing Agreement. However, some of the new voluntary guidelines could not be introduced due to shortage of time - like tenure for Independent Directors, rotation of Auditors, etc. Your Company plans to adopt them in the current year to the extent feasible.

**CORPORATE SOCIAL RESPONSIBILITY**

Similarly the voluntary guidelines for Corporate Social responsibility will be introduced for adoption from the coming year and the report will be attached.

**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).

Particulars	2009 -10	2008 -09
Foreign exchange earnings	Nil	Nil
Foreign exchange outgo	Rs. 6592.00	Rs. 4780.00

**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

**For and on behalf of the Board of Directors**

Place: Chennai-34  
Date : 26.05.2010

**DR PALANI G PERIASAMY**  
CHAIRMAN

**REPORT ON CORPORATE GOVERNANCE**

SEBI has introduced a code of Corporate Governance through Clause 49 of the Listing Agreement entered into with the Stock Exchanges. All the mandatory requirements of this Clause have been complied with. A certificate from the Statutory Auditor certifying to this effect has been obtained and attached herein, as stipulated by the Listing Agreement.

**1. Company's Philosophy**

The Company strives to achieve optimum performance at all levels by adhering to the best corporate governance practices such as:

- Fair and transparent business practices
- Effective management control by Board
- Accountability for performance
- Monitoring of executive performance by the Board
- Compliance of Laws.
- Transparent and timely disclosure of financial and management information.

**2. Board of Directors  
Composition of the Board of Directors**

Category	No of Directors	% of total number of Directors
<b>Total No of Directors</b>	6	-
Promoter	3	50.00
Executive Directors	1	16.67
Non – Executive Directors	5	83.33
Non – Executive / Independent Directors	3	50.00

Chairman is a non-executive Director besides being promoter. Non-executive Directors constitute more than 50%. 50% of the Board are Independent Directors. Requirement of Clause 49 on this point is fully complied with.

During the year, 4 Board Meetings were held on 25.05.2009, 30.07.2009, 28.10.2009 and 27.01.2010.

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 Director	Category of Directorship	No of Board Meetings Attended	Attendance at last AGM	No of other Directorships	No of Committee Membership	
						Chm.	Mem.
1	Dr Palani G Periasamy	Chairman Non Executive	4	Yes	3	3	-
2	Visalakshi Periasamy	Non Executive	1	Yes	2	-	2
3	Justice (Retd) Sivasubramaniam	Non Executive Independent	4	No	-	2	1
4	R K Viswanathan	Non Executive Independent	4	Yes	-	1	2
5	K Kandasamy	Executive	4	Yes	1	-	5
6	M Ganapathy	Non Executive Independent	4	Yes	1	1	2



**3. Management Committee Meetings**

As Board Meetings were held promptly, there was no general urgency for holding frequent Management Committee Meetings during this year.

The names of Directors of the Management Committee are given below.

Sl.No	Name of the Directors
1	Dr Palani G Periasamy
2	Ms Visalakshi Periasamy
3	Mr K Kandasamy
4	Justice (Retd) Sivasubramaniyam

Mr. R K Viswanathan and Justice (Retd.) S. Sivasubramaniyam, who retire by rotation at this Annual General Meeting, are being proposed for reappointment. Particulars of these Directors are given below.

1.	<b>Name</b>	Mr R K Viswanathan
	<b>Age</b>	67 years
	<b>Qualification</b>	B.A.,
	<b>Date of Appointment</b>	10.05.1990
	<b>Experience</b>	Leading trader and Exporter in spices with more than 30 years experience.
	<b>Other Directorship/ Membership</b>	Nil
	<b>Member of Committees</b>	Shareholders Grievance / Audit / Remuneration Committee
	<b>No of Shares held</b>	21200
	<b>Percentage of Shares</b>	0.42

2.	<b>Name</b>	Justice Sivasubramaniyam
	<b>Age</b>	81 years
	<b>Qualification</b>	B.A.B.L.,
	<b>Date of Appointment</b>	07.11.1990
	<b>Experience</b>	Retired Judge of Madras High Court
	<b>Other Directorship / Membership</b>	Nil
	<b>Member of Committees</b>	Management/Audit/ Remuneration Committee
	<b>No of Shares held</b>	5000
	<b>Percentage of Shares</b>	0.10

They are not related to any other Director of the Company.

**4. Audit Committee**

The Company constituted an Audit Committee in 2002. All the members are non-executive Directors and the Chairman is an independent Director. All the members are independent Directors. The major functions of the Committee are:-

- To review the financial statements before submission to the Board.
- To recommend appointment of Auditors and fix their Audit Fees.
- To review the internal control systems and improvement thereof.
- From the coming year, the Audit Committee will also consider the suitability of the person proposed to be appointed as Chief Financial Officer.

The Company Secretary is the Secretary of the Audit Committee.



During 2009 - 2010, the Audit Committee met four times, on 25.05.2009, 30.07.2009, 28.10.2009 and 27.01.2010.

Sl. No	Name of the Directors	Category	No of Meetings held four (4)
			Attended
1	Mr M Ganapathy (Chairman)	Non-Executive Independent	4
2	Mr R K Viswanathan	Non-Executive Independent	4
3	Justice (Retd) Sivasubramaniam	Non-Executive Independent	4

#### 5. Remuneration Committee

Though this is a Non-mandatory requirement, remuneration Committee has been in existence from 2004. The following non- executive Directors are Members. The Committee is to determine the specific remuneration packages for the executive director including pension rights etc.

Sl. No	Name of the Directors	Category
1	Mr R K Viswanathan	Non – Executive Independent
2	Justice (Retd) Sivasubramaniam	Non – Executive Independent
3	Mr M Ganapathy (Chairman)	Non – Executive Independent

#### Terms of Reference

The remuneration Committee while approving the remuneration shall

- ❖ Take into account, financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.,
- ❖ Be in a position to bring about objectivity in determining the remuneration package while, striking a balance between the interest of the Company and the shareholders.

The non-executive Directors are not paid any remuneration except sitting fees for attending Board Meetings or any Committee thereof. Sitting fees are paid in accordance with the Articles of Association and within the maximum amount prescribed by the Central Government.

Remuneration Committee met on 25.05.2009 to approve the remuneration payable to Mr.K Kandasamy for the year 2008-09.

Remuneration paid to Mr K Kandasamy, Managing Director for the year 2009-10 is as follows:

This is in accordance with the approval of the Shareholders in the AGM held on 3<sup>rd</sup> August 2009 & within the limits prescribed in Schedule XIII to the Companies Act, 1956.



Remuneration Committee had recommended the payment.

Particulars	Amount in Rs.
1 Salary	10,20,000.00
2 Medical Allowances	85,000.00
3 House Rent	90,000.00
<b>Total</b>	<b>11,95,000.00</b>
<b>Company Contribution towards</b>	
4 Provident Fund	1,22,400.00
5 Superannuation Fund	1,53,000.00
6 Gratuity	9,597.00
<b>Total</b>	<b>14,79,997.00</b>

Remuneration by way of sitting fees paid to non-executive Directors during 2009-10.  
(in Rupees)

Sl. No	Name of the Directors	Board	Committee
1	Dr Palani G Periasamy	4000	-
2	Mrs Visalakshi Periasamy	1000	-
3	Mr R K Viswanathan	4000	6000
4	Mr M Ganapathy	4000	5000
5	Justice (Retd) Sivasubramaniam	4000	5000

#### No. of shares held by Non-Executive Directors

Sl.No.	Name of the Directors	No. of shares	% of shares
1	Dr Palani G Periasamy	353112	7.07
2	Ms Visalakshi Periasamy	145198	2.91
3	Mr R K Viswanathan	21200	0.42
4	Mr M Ganapathy	Nil	Nil
5	Justice (Retd) Sivasubramaniam	5000	0.10

#### 6. Shareholders' / Investor Grievance Committee

The Shareholders' Grievance Committee is in position to specifically look into shareholders / investors complaints, on transfer of shares, non – receipt of balance sheet, non- receipt of declared dividend etc., and also the action taken by the Company on those matters. The Committee met on 25.05.2009.

Sl.No.	Name of the Members	Category	No. of Meeting held one (1)
			Attended
1	Mr R K Viswanathan	Chairman Non-Executive	1
2	Mr K Kandasamy	Executive	1



The Board has designated the Company Secretary as the compliance officer.

Particulars of complaints received during the year 2009 -2010	7 (Seven only)
Pending complaints as on 31.03.2010	Nil
Email of the Compliance Officer	pgp_dfl@yahoo.com
Email of Registrar & Transfer Agents	investor@cameoindia.com

**7. Details of Annual General Meetings (location and time) held in past three years.**

AGM for the year	Location	Date	Time
2008 - 2009	Narada Gana Sabha, Mini Hall, New No.314 TTK Road Alwarpet, Chennai 600 018	03.08.2009	10.00 A.M
2007 - 2008	Narada Gana Sabha New No.314 TTK Road Alwarpet, Chennai 600 018	27.09.2008	10.00 A.M
2006 - 2007	Narada Gana Sabha New No.314 TTK Road Alwarpet, Chennai 600 018	27.07.2007	10.00 A.M

**8. Details of Special Resolutions passed during the last 3 years:**

The Company has not passed any special resolution through postal ballot last year. No special resolution is proposed to be passed by postal ballot this year. During 2007-2008, a special resolution was passed in the Annual General Meeting held on 27.07.2007 in regard to voluntary de-listing of shares from Madras Stock Exchange.

**9. Disclosures**

Related party transactions are contracts or arrangements made by the Company from time to time with Companies in which the Directors are interested. All these contracts or arrangements were approved in the Board, entered in the Register of Contracts maintained under Section 301 of the Companies Act, 1956 wherever necessary and the register placed before the subsequent Board Meeting. Such details are furnished in notes on accounts. These are reported to the Audit Committee also.

There was no instance of non-compliance by the Company of any matter relating to the Capital markets during the last three years.

No penalty or strictures were imposed on the Company by Stock Exchange or SEBI or any statutory authority during the last 3 years.



The Company has laid down procedures about risk assessment and their minimization. These procedures are periodically reviewed in the Board.

#### **10. Means of Communication**

The quarterly/ half-yearly/ annual financial results of the Company are announced within the stipulated period and are normally published in the following English and Tamil newspapers published from Chennai city.

1. News Today / Financial Express
2. Makkal Kural

The information is also filed under EDIFAR maintained by the National Informatics Centre and can be accessed any time by the public. This has since been discontinued as advised by Stock Exchange.

Your Company has not yet been included in the list of Companies to file the returns to Stock Exchanges on the common filing platform.

#### **11. Management Discussion and Analysis**

Part of the Directors' Report.

#### **12. Insider Trading**

The code of conduct for prevention of Insider Trading as suggested under the SEBI (Prohibition of Insider Trading) Regulations, 1992 introduced with effect from 25.11.2002 is in force. The Company Secretary has been designated as the Compliance Officer for this purpose. The Board monitors the adherence to the various requirements as set out in the code. No violation of the code has taken place during the year.

#### **13. Non Mandatory Requirements**

- a) Remuneration Committee has been constituted.
- b) The Board is of the opinion that the other requirements like Whistle Blower Policy, Training of Directors, and evaluation of Directors and their tenure, can be introduced as and when considered necessary.

**14. General Shareholders' Information**

<b>i. Time, Date and Venue of Annual General Meeting</b>	7th September 2010 at 10.00 A.M Mini Hall, Narada Gana Sabha New No. 314 TTK Road Alwarpet, Chennai 600 018		
<b>ii. Financial Year</b>	April 2009 - March 2010		
<b>iii. Date of Book Closure</b>	01-09-2010 to 07-09-2010 (both days inclusive)		
<b>iv. Listing on Stock Exchanges</b>	Bombay Stock Exchange		
<b>v. Stock Code</b>	Bombay Stock Exchange - 511451		
<b>vi. Market Price Data High/Low during each month of the Financial year</b>	Bombay Stock Exchange (in Rupees)		
	<b>Months</b>	<b>High</b>	<b>Low</b>
	April - 2009	6.20	5.02
	May - 2009	5.83	4.57
	June - 2009	6.83	5.30
	July - 2009	6.62	5.25
	August - 2009	7.38	5.80
	September - 2009	7.69	6.20
	October - 2009	7.65	6.65
	November - 2009	9.45	6.60
	December - 2009	9.40	5.93
	January - 2010	8.38	6.20
	February - 2010	7.75	6.40
	March - 2010	7.21	6.11

**vii. Share Transfer System**

The Company's shares are listed at Bombay Stock Exchange. Trading in Company's Shares can now be done only in the Demat form. As per directives of SEBI, transfer of shares and dematerialisation of shares is done at a single point and M/s Cameo Corporate Services Limited, Chennai are the Share Transfer Agents. Share Transfers are effected once in 15 days.

Their address is:

M/s Cameo Corporate Services Limited  
Subramanian Building, No.1 Club House Road  
**Chennai 600 002**  
Phone Nos. : 28460390 (six lines)  
Fax No. : 044 - 28460129  
Email : [cameo@cameoindia.com](mailto:cameo@cameoindia.com)  
[investor@cameoindia.com](mailto:investor@cameoindia.com)

**viii. Shareholdings Details as on 31<sup>st</sup> March 2010.****a. Distribution of Shareholding**

Shareholding of Nominal Value of Rs.	Shareholders		Shares in Amount	
	Number	%	In Rs.	%
Upto – 5000	16586	96.00	22290770	44.63
5001 – 10000	439	2.54	3539740	7.09
10001 – 20000	122	0.71	1783250	3.57
20001 – 30000	48	0.28	1205150	2.41
30001 – 40000	18	0.10	660790	1.32
40001 – 50000	9	0.05	411500	0.83
50001 – 100000	18	0.10	1404580	2.81
100001 – and above	38	0.22	18648220	37.34
<b>TOTAL</b>	<b>17278</b>	<b>100.00</b>	<b>49944000</b>	<b>100</b>

- b. There were no unclaimed shares from shares issued pursuant to the earlier public or any other issues and consequently no demat suspense account has been opened for keeping an account of such unclaimed shares.

**IX. Transactions entered into by Non-Executive Directors.**

There were no transactions between Non Executive Directors and the Company during this period.

**X. Dematerialisation of Shares.**

The Company's Equity Shares have already been dematerialised. The ISIN No. allotted is INE899D01011. Those desirous of converting their holdings into electronic form may do so by opening an account with a Depository Participant and sending a request for dematerialisation of their shares. Trading of equity shares in the stock exchanges will be done only in dematerialised form.

As on 31.03.2010, **1614387** Shares constituting **32.32%** have been dematerialised.

	No. of Shares	% of Shares
National Securities Depository Limited	1316183	26.35
Central Depository Services (I) Ltd	298204	5.97
<b>Total</b>	<b>1614387</b>	<b>32.32</b>



**XI. Nomination Facility.**

Individual shareholders can 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, Share Department of the Company can be approached.

**XII.** The CEO and CFO has furnished the required Certificate to the Board of Directors, as provided in para V of Clause 49.

**Certificate under Para V of the revised Clause 49 of the Listing Agreement.**

- a) We have reviewed financial statements and the cash flow statement for the year 2009-10 and that to the best of our knowledge and belief:

these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee

significant changes in internal control over financial reporting during the year ;  
significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and instances of significant fraud of which we have become aware and the involvement





therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

sd/- K Kandasamy  
Managing Director

**XIII. Affirmation of compliance with the Company's Code of Conduct – Clause 49 D (ii)**

The CEO hereby declares that all the Board Members and Senior Management have affirmed Compliance with the code of Conduct laid down by the Board.

sd/- K Kandasamy  
Managing Director

**XIV. Compliance Officer**

Mr N Subramanian, Company Secretary & Sr. Vice President (Corporate Affairs) is the Compliance Officer under SEBI (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 and under Clause 47 of the Listing Agreement with Stock Exchanges. His email ID is : [pgp\\_dfl@yahoo.com](mailto:pgp_dfl@yahoo.com)

**15. Secretarial Audit Report**

The Company has appointed Mr M Damodaran, Practising Company Secretary, to conduct Secretarial Audit of the Company for the financial year ended 31st March 2010 who has submitted his report confirming the compliance with all the applicable provisions of various corporate laws. The Secretarial Audit Report is annexed.

**Secretarial Audit Report - Annexure**

To

Board of Directors  
Dharani Finance Limited  
"PGP House"  
No. 57 Sterling Road,  
Nungambakkam, Chennai - 600 034.

I have examined the registers, records and documents of Dharani Finance Limited ("the Company") for the financial year ended on March 31, 2010 according to the provisions of-

- The Companies Act, 1956 and the Rules made under the Act;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
- Reserve Bank of India's directions on Non Banking Financial Companies, 1998;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000;
  - The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made under that Act; and
  - The Equity Listing Agreements with Bombay Stock Exchange Limited.

1. Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company, I report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 ("the Act") and the Rules made under the Act and the Memorandum and Articles of Association the Company, with regard to:

- (a) maintenance of various statutory registers and documents and making necessary entries therein;
- (b) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and Central Government;
- (c) service of documents by the Company on its Members and the Registrar of Companies;
- (d) notice of Board meetings and Committee meetings of Directors;
- (e) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- (f) the 19th Annual General Meeting held on 3rd August 2009;
- (g) minutes of proceedings of General Meetings and of Board and other meetings;
- (h) approvals of the Members, the Board of Directors, the Committees of Directors and government authorities, wherever required;
- (i) constitution of the Board of Directors / Committee(s) of directors and appointment, retirement and re-appointment of Directors including the Managing Director;
- (j) payment of remuneration to the Directors including the Managing Director;
- (k) appointment and remuneration of Auditors;
- (l) transfers and transmissions of the Company's shares, issue and delivery of duplicate certificates of shares;
- (m) investment of the Company's funds including inter-corporate loans and investments and loans to others;
- (n) form of balance sheet as prescribed under Part I of Schedule VI to the Act and requirements as to Profit & Loss Account as per Part II of the said Schedule;
- (o) contracts, common seal, registered office and publication of name of the Company; and
- (p) generally, all other applicable provisions of the Act and the Rules made under that Act.



2. I further report that;

- (a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings / and directorships in other companies and interests in other entities;
- (b) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel.
- (c) the Company has obtained all necessary approvals under the various provisions of the Act;
- (d) there was no prosecution initiated against or show cause notice received by the Company and no fines or penalties were imposed on the Company during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and Officers.

3. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed thereunder by the Depositories with regard to dematerialisation / rematerialisation of securities and reconciliation of records of

dematerialised securities with all securities issued by the Company.

4. I further report that

- (a) the Company has complied with the requirements under the Equity Listing Agreements entered into with the Bombay Stock Exchange Limited;
- (b) the Company has complied with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
- (c) the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations.
- (d) the company has complied with RBI's directions as applicable to NBFC (Non Deposit Accepting on holding) Companies

**M. Damodaran**  
Practising Company Secretary  
Certificate of Practice # 5081  
Date : 26.05.2010



**TO THE MEMBERS OF DHARANI FINANCE LIMITED**

We have examined the compliance of conditions of corporate governance of Dharani Finance Limited, for the year ended 31<sup>st</sup> March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **K. RAMKRISH & CO.**,  
Chartered Accountants  
(Registration # 003017S)

**K. RAMKRISHNAN**  
Partner  
Membership # 20963

Place : Chennai  
Date : 26.05.2010



**AUDITORS' REPORT TO THE MEMBERS  
OF DHARANI FINANCE LIMITED**

We have audited the attached Balance Sheet of Dharani Finance Limited (the Company) as at March 31, 2010, the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (e) on the basis of written representations received from the directors, as on March 31, 2010, and taken on record by the Board of directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956;
- (f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010
  - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
  - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For K. RAMKRISH & CO.,  
Chartered Accountants  
(Registration # 003017S)

K. RAMKRISHNAN  
Partner  
Membership # 20963

Place : Chennai  
Date : 26.05.2010



**ANNEXURE TO THE AUDITORS' REPORT**

The Annexure referred to in the auditors' report to the members of Dharani Finance Limited (the Company) for the year ended March 31, 2010. We report that:

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

The Company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with such programme, the management has physically verified fixed assets during the year and no material discrepancies were noticed on such verification.

During the year, the Company has not disposed off substantial part of its fixed assets, which will affect the going concern status of the Company.

2. The Company's nature of operations does not require it to hold inventories. Accordingly, clause 4(ii) of the Companies (Auditor's Report) (Amendment) Order, 2004 ('the Order') is not applicable.

3. The Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for its business activities. We have not noted any continuing failure to correct major weakness in the internal controls during the course of the audit.

5. In our opinion, and according to the information and explanations given to us, the transactions that need to be entered in the register in pursuance of section 301 of the Act have been entered, and the transactions have been made at prices which are reasonable with regard to the prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder are not applicable.

7. The Company has no separate internal audit system. However in our opinion the existing internal control procedures are sufficient, considering the size and nature of its business.

8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of services carried out by the Company.

9. a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, customs duty, investor education and protection fund, wealth tax, Service tax and any other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed dues payable in respect of income-tax, sales tax, wealth tax, customs duty and cess were outstanding at 31<sup>st</sup> March 2010 for a period of more than six months from the date they became payable.



## b) Statement of Disputed Dues

Name of the Statute	Nature of the Dues	Amount (Rs. in lakhs)	Period to which the Amount Relates	Forum where dispute is pending
NIL	NIL	NIL	NIL	NIL

10. The Company's accumulated losses do not exceed fifty percent of its net worth. The company has not incurred cash losses in the financial year covered by our audit and in the financial year immediately preceding such financial year.

11. The Company has not defaulted in repayment of dues to Bank /financial institution in terms of clause 4(xi) of the order.

12. The Company has granted loans and advances on the basis of security by way of pledge of shares, securities. In our opinion, the company has maintained adequate and proper records in respect of the same.

13. The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4(xiii) of the order is not applicable.

14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the order is not applicable.

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the order is not applicable.

16. The Company has not obtained any term loans. Accordingly, clause 4(xvi) of the order is not applicable.

17. In our opinion, the funds raised on short term basis have not been used for long term investment during the year.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, clause 4(xviii) of the order is not applicable.

19. The Company has not issued any debentures. Accordingly, clause 4(xix) of the order is not applicable.

20. The Company has not raised any money by public issues during the year. Accordingly, clause 4(xx) of the order is not applicable.

21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **K. RAMKRISH & CO.**,  
Chartered Accountants  
(Registration # 003017S)

**K. RAMKRISHNAN**  
Partner  
Membership # 20963

Place: Chennai  
Date : 26.05.2010



## BALANCE SHEET AS AT 31ST MARCH 2010

Particulars	Schedule No.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<b>I. SOURCES OF FUNDS</b>			
1. Shareholder's Funds			
Share Capital	1	49,972,000	49,972,000
2. Reserves & Surplus	2	12,609,239	5,179,142
3. Secured Loans		-	-
4. Unsecured Loans		-	-
<b>Total</b>		<b>62,581,239</b>	<b>55,151,142</b>
<b>II. APPLICATION OF FUNDS</b>			
1. Fixed Assets			
Gross Block		66,455,137	64,193,429
Less : Depreciation		35,394,946	32,401,626
		31,060,191	31,791,803
Less : Lease Adjustment Account		25,144,647	25,144,647
Net Block		5,915,544	6,647,156
2. Investments	4	29,570,970	18,962,473
3. Current Assets, Loans & Advances			
Current Assets	5	29,986,805	28,582,183
Loans & Advances	6	10,799,701	7,860,624
		40,786,506	36,442,807
Less : Current Liabilities & Provisions	7	14,765,225	9,813,997
		26,021,281	26,628,810
4. Deferred Tax Asset		1,073,444	576,200
5. Profit & Loss Account	8	-	2,336,503
6. Miscellaneous Expenditure (To the extent not written off or adjusted)		-	-
Notes on Accounts	14	-	-
<b>Total</b>		<b>62,581,239</b>	<b>55,151,142</b>

This is the Balance Sheet referred to in our report of even date

Notes referred to in Schedule 14 form an Integral part of this Balance Sheet and should be read in conjunction therewith

For K. RAMKRISH & CO.,  
Chartered Accountants  
(Registration # 003017S)

K. RAMKRISHNAN  
Partner  
Membership # 20963  
Place : Chennai - 34  
Date : 26.05.2010

N.SUBRAMANIAN  
Company Secretary

**Certified True Copy**  
**for Dharani Finance Limited**

K. KANDASAMY  
Managing Director

On behalf of the Board of Directors  
Dr. PALANI G PERIASAMY  
Chairman

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Company Secretary



**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

Particulars	Schedule No.	For the year Ended 31.03.2010 Rs.	For the year Ended 31.03.2009 Rs.
<b>I. INCOME</b>			
Income - Finance Operations	9	2,932,650	3,442,268
Income - Travel Operations	10	20,003,151	20,771,400
Total		<u>22,935,801</u>	<u>24,213,668</u>
<b>II. EXPENDITURE</b>			
Financial Expenses	11	197,332	26,475
Employee Expenses	12	3,239,553	3,035,920
Administrative Expenses	13	10,717,666	12,066,399
Provision Against Non Performing Assets		-	(700,598)
Provision for Diminution In the Value of Investments		(9,570,645)	6,382,044
Depreciation		4,318,922	4,123,281
		<u>8,902,828</u>	<u>24,933,521</u>
Profit / (Loss) Before Taxation		14,032,973	(719,853)
Provision for Taxation			
-Income Tax		1,850,000	2,150,000
-Fringe Benefit Tax		-	230,000
-Deferred Tax		(497,244)	(306,961)
		<u>1,352,756</u>	<u>2,073,039</u>
Profit / (Loss) After Taxation		12,680,217	(2,792,892)
Surplus (Deficit) Brought Forward		(2,336,503)	456,389
		<u>10,343,714</u>	<u>(2,336,503)</u>
<b>III. APPROPRIATIONS</b>			
Statutory Reserve		2,555,239	-
Proposed Dividend		2,498,600	-
Dividend Tax		415,017	-
Profit and (Loss) Account		4,874,858	(2,336,503)
		<u>10,343,714</u>	<u>(2,336,503)</u>
Notes on Accounts	14		
Nominal Value of Share		Rs. 10.00	Rs. 10.00
Basic Earnings Per Share = Profit After Tax and Deferred Tax Divided by 49,94,400 Equity Shares		2.54	(0.56)

This is the Profit & Loss Account referred to in our report of even date

Notes referred to in Schedule 14 form an Integral part of this Profit & Loss Account and should be read in conjunction therewith

For K. RAMKRISH & CO.,  
Chartered Accountants  
(Registration # 003017S)

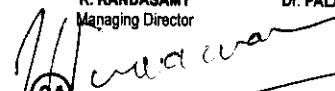
K. RAMKRISHNAN  
Partner  
Membership # 20963  
Place : Chennai - 34  
Date : 26.05.2010

**/ Certified True Copy /** On behalf of the Board of Directors  
**for Dharani Finance Limited**

N.SUBRAMANIAN  
Company Secretary

K. KANDASAMY  
Managing Director

Dr. PALANI G PERIASAMY  
Chairman

  
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**Company Secretary**



## SCHEDULES

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
5,000,000 Equity Shares of Rs.10/- each	<u>50,000,000</u>	<u>50,000,000</u>
<b>Issued, Subscribed and Paid up</b>		
4,994,400 Shares of Rs.10/- each	<u>49,944,000</u>	<u>49,944,000</u>
	49,944,000	49,944,000
Add : Shares Forfeited	28,000	28,000
	<u>49,972,000</u>	<u>49,972,000</u>
<b>SCHEDULE 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Statutory Reserve - Special Reserve</b>		
Opening Balance	5,179,142	5,179,142
Add : Transferred from Profit & Loss account during the year	<u>2,555,239</u>	-
	7,734,381	5,179,142
<b>Surplus from Profit &amp; Loss Account</b>	<u>4,874,858</u>	-
	<u>12,609,239</u>	<u>5,179,142</u>



SCHEDULE 3  
FIXED ASSETS  
( In Rupees )

Sl. No.	Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK					
		As at 01.04.2009	Additions during the year	Deletions	As at 31.03.2010	Up to 31.03.2009	For the year	Disposal	Up to 31.03.2010	Net Book Value	Lease Adjustment Accounts as at 31.03.2010	As at 31.03.2010	As at 31.03.2009
1	Furniture & Fixtures	2,862,890	-	-	2,862,890	2,615,190	181,221	-	2,796,411	66,479	-	66,479	247,700
2	Air Conditioner	60,535	-	-	60,535	240	2,875	-	3,115	57,420	-	57,420	60,296
3	Office Equipments	1,479,609	3,990	-	1,483,599	1,200,528	93,786	-	1,294,314	189,285	-	189,285	279,081
4	Vehicles	22,792,722	3,646,972	1,389,254	25,050,440	16,942,897	3,993,678	1,325,603	19,610,972	5,439,468	-	5,439,468	5,849,825
5	Safe vault & locker	577,025	-	-	577,025	525,897	36,526	-	562,423	14,602	-	14,602	51,128
6	Leased Assets	36,192,521	-	-	36,192,521	11,047,874	-	-	11,047,874	25,144,647	25,144,647	-	-
7	Data Processing Equipments	228,127	-	-	228,127	69,001	10,836	-	79,837	148,290	-	148,290	159,126
	TOTAL	64,193,429	3,650,962	1,389,254	66,455,137	32,401,627	4,318,922	1,325,603	35,394,946	31,060,191	25,144,647	5,915,544	6,647,155
	PREVIOUS YEAR	64,782,164	68,725	657,460	64,193,429	28,731,286	4,123,281	452,941	32,401,626	31,791,803	25,144,647	6,647,156	10,906,231



	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<b>SCHEDULE 4</b>		
<b>INVESTMENTS - LONG TERM (STATED AT COST)</b>		
<b>EQUITY SHARES</b>		
Dharani Sugars and Chemicals Limited 248039 Shares @ Rs.31.96 (Market Value Rs.1,21,16,705/-)	7,925,845	7,925,845
South Indian Bank Ltd. 1712 Shares @ Rs.52.80 (Including 342 Bonus Shares) (Market Value Rs.3,04,993/-)	90,394	90,394
Maruti Industrial Carbo Hydrates 600 Shares @ Rs.10/- each (Market Value Rs.NIL)	6,000	6,000
Indbank Merchant Bank Services Ltd. 5000 Shares @ Rs.43.50 (Market Value Rs.76,000/-)	217,500	217,500
Sri Nachammai Cotton Mills Ltd. 700 Shares @ Rs.70/- each (Market Value Rs. 12,670/-)	49,000	49,000
Central Bank of India Ltd. 686 Shares @ Rs.102/- each (Market Value Rs.1,00,533/-)	69,972	69,972
Harig crank shafts Ltd. 5000 Shares @ Rs.4.36 each (Market Value Rs4,000/-)	21,808	21,808
Bank of India 1000 Shares @ Rs.434.39 each (Market Value Rs.3,40,250/-)	434,390	434,390
Canara Bank 700 Shares @ Rs.228.01 each (Market Value Rs.2,87,140/-)	159,606	159,606
Corporation Bank 500 Shares @ Rs.286.99 each (Market Value Rs.2,40,275/-)	143,497	143,497
HDFC Limited 200 Shares @ Rs.1,645.49 each (Market Value Rs.5,50,000/-)	329,098	329,098
HDFC Bank 7279 Shares @ Rs.1,273.20 each (Market Value Rs.1,40,73,947/-)	9,267,607	9,267,607



## SCHEDULE 4 (Contd.)

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
LARSEN & TOUBRO 2250 Shares @ Rs.1,429.65 each (Market Value Rs.36,69,413/-)	3,216,716	3,216,715
RELIANCE INDUSTRIES 3124 Shares @ Rs.1,139.91 each (Market Value Rs.33,55,957/-)	3,561,083	2,523,232
STATE BANK OF INDIA 800 Shares @ Rs.1517.37 each (Market Value Rs.16,62,560/-)	1,213,897	1,213,897
ICICI Bank 2000 Shares @ Rs.408.72 each (Market Value Rs.18,99,000/-)	817,447	817,447
<b>MUTUAL FUNDS</b>		
LIC Mutual Fund top 100 fund 2,00,000 Units @ Rs.10 each (Market Value Rs.16,28,000)	2,000,000	2,000,000
UTI Infrastructure Fund - series 1 1,00,000 Units @ Rs.10 each (Market Value Rs.9,20,000)	1,000,000	1,000,000
	<b>30,523,860</b>	<b>29,486,008</b>
Less : Provision for Diminution in the Value of share Investments	500,890	9,134,335
Less : Provision for Diminution in the Value of Mutual Fund Investments	452,000	1,389,200
	<b>29,570,970</b>	<b>18,962,473</b>

## SCHEDULE 5

## CURRENT ASSETS

Stock on Hire Purchase (At agreement value less amounts received)	12,850,219	14,867,247
Less : Unmatured Finance Charges	2,845,360	3,795,102
	<b>10,004,859</b>	<b>11,072,145</b>
Sundry Debtors - Considered Good More than 6 months	888,508	734,033
Less than 6 months	4,534,670	3,198,963
Cash on Hand Balance with Scheduled Banks	604,739	608,898
In Current Account In Deposit Account	3,343,478 10,610,551	5,360,220 7,607,924
	<b>29,986,805</b>	<b>28,582,183</b>

**DHARANI FINANCE LIMITED**

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<b>SCHEDULE 6</b>		
<b>LOANS AND ADVANCES</b>		
Deposits	203,606	213,606
Loans & Advances	447,198	628,548
Advance Tax	9,159,736	5,878,007
- Income Tax	987,754	987,754
- Fringe Benefit Tax		
	1,407	152,709
Other Advance	10,799,701	7,860,624
<b>SCHEDULE 7</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities</b>	2,127,161	1,861,364
a) Creditors for Expenses		
b) Liability towards Investors Education and Protection Fund under section 205-C of the Companies Act, 1956, not due:	-	-
c) Other Liabilities	158,650	236,836
<b>Provisions</b>		
Provision for Taxation	8,399,000	6,549,000
- Income Tax	950,000	950,000
- Fringe Benefit Tax		
Non Performing Assets	216,797	216,797
Proposed Dividend	2,498,600	-
Dividend Tax	415,017	-
	14,765,225	9,813,997
<b>SCHEDULE 8</b>		
<b>PROFIT AND LOSS ACCOUNT</b>		
Opening Balance	-	(456,389)
Add: Loss for the Year	-	2,792,892
	-	2,336,503

**DHARANI FINANCE LIMITED**

	for the year ended 31.03.2010	for the year ended 31.03.2009
	Rs.	Rs.
<b>SCHEDULE 9</b>		
<b>INCOME - FINANCE OPERATIONS</b>		
Finance Charges	1,806,142	1,424,329
Interest Income	670,816	1,406,711
Others	455,692	611,228
	<u>2,932,650</u>	<u>3,442,268</u>
<b>SCHEDULE 10</b>		
<b>INCOME - TRAVEL OPERATIONS</b>		
Commission on Air Ticket Sales	71,048	65,210
Car Rental Income - Net	19,409,955	19,819,713
Profit on Sale of Assets	236,349	-
Other Income	285,799	886,477
	<u>20,003,151</u>	<u>20,771,400</u>
<b>SCHEDULE 11</b>		
<b>FINANCIAL EXPENSES</b>		
Interest & Bank Charges	197,332	26,475
	<u>197,332</u>	<u>26,475</u>
<b>SCHEDULE 12</b>		
<b>EMPLOYEE EXPENSES</b>		
Salaries & Allowances	2,735,628	2,446,386
Staff Welfare Expenses	314,060	186,315
Contribution to PF and other Funds	189,865	403,219
	<u>3,239,553</u>	<u>3,035,920</u>
<b>SCHEDULE 13</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
Printing & Stationery	177,809	408,818
Rent & Electricity	456,222	507,032
Rates & Taxes	164,594	234,369
Travelling & Conveyance	3,334	5,460
Postage & Telephone	172,594	319,769
Advertisement & Publicity	457,487	429,012
Directors' Remuneration	1,479,997	1,497,257
Directors' Sitting Fees	33,000	43,000
Consultancy & Legal Charges	255,524	170,319
Fees & subscriptions	85,335	85,981
Audit Fees		
For Audit	66,180	67,416
For Tax Audit	44,120	75,054
Meeting and Conference	16,229	26,943
Insurance	298,988	423,528
Vehicle Maintenance	6,792,426	7,301,932
Bad Debts written off	-	145,638
Repairs & Maintenance	54,136	57,407
Miscellaneous Expenses	159,691	267,464
	<u>10,717,666</u>	<u>12,066,399</u>

**SCHEDULE 14****NOTES ON ACCOUNTS****1. Statement of significant Accounting Policies****I. INCOME RECOGNITION:**

(a) Income from hire purchase contracts is reckoned on a progressive basis (diminishing return method) over the period of the contract on time basis.

(b) Lease Rental Income is recognized on the basis of implicit rate of return as per the Guidance Note on Accounting for Leases issued by the ICAI.

Income from sale of leased assets, after completion of the lease period, is recognized on Cash basis.

(c) Interest accrued on Investments and Deposits are accounted for on accrual basis.

(d) Delayed payment charges are accounted on receipt basis.

**II. FIXED ASSETS:**

(a) Fixed Assets are stated at cost.

(b) Fixed Assets are depreciated on straight-line method in accordance with Schedule XIV of the Companies Act, 1956.

Depreciation has been charged proportionately for the period the Assets had been in use. The cost of all the leased assets are amortized fully during lease period and lease equalization charge is accordingly provided.

**III. INVESTMENTS:**

Investments are classified as long term investments and are stated at cost. However provision has been made for diminution, wherever the decline in the value is other than temporary, in accordance with Accounting Standard 13

**IV. RETIREMENT BENEFITS:**

The Company's Liability towards Gratuity to the employees is provided on the basis of an actuarial valuation at the year end.

**V. TAXATION**

a) Provision for Income tax for the Current year is made for the amount of tax payable in respect of taxable income for the year under Income Tax Act, 1961.

b) Deferred Tax is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods, subject to consideration of prudence.

The Status and Break up as of 31.03.2010 is given below

(Rs.in Lakhs)

DESCRIPTION	ASSET	LIABILITY
Timing Difference in Depreciable Asset	7.83	-
Timing Difference in Provision against NPA	2.90	-
<b>Total</b>	<b>10.73</b>	-
<b>Net Deferred Tax Asset</b>	<b>10.73</b>	-



**VI. SEGMENT REPORT**

The Company has adopted Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, which requires disclosure of financial and descriptive information about the Company's reportable operating segments. The operating segments reported below are the segments of the Company for which separate financial information is available.

**Business Segment****SEGMENT INFORMATION FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010 INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS.**

(Rs. in Lakhs)

PARTICULARS	FINANCIAL SERVICES	TRAVEL OPERATIONS	UNALLOCATED	TOTAL
<b>REVENUE</b>				
Financial Charges	29.33	-	-	29.33
Travel Operation	-	200.03	-	200.03
Other Income	-	-	-	-
Total Revenue	-	-	-	229.36
<b>RESULT</b>	97.06	43.27	-	140.33
Segment Result	-	-	-	-
Unallocated Corporate Expenses	-	-	-	-
Operating Profit	-	-	-	140.33
Interest Expenses	-	-	-	-
Interest Income	-	-	-	-
Income Taxes	-	-	-	13.53
Profit from Ordinary Activities	-	-	-	126.80
Extra Ordinary items	-	-	-	-
Net Profit	-	-	-	126.80
<b>OTHER INFORMATION</b>				
Segment Assets	522.49	238.21	-	760.70
Unallocated Corporate Assets	2.04	-	-	2.04
Total Assets	524.53	238.21	-	762.74
Segment Liabilities	3.38	100.00	-	103.38
Unallocated Corporate Liabilities	15.14	-	-	15.14
Total Liabilities	18.52	100.00	-	118.52
Capital Expenditure	-	-	-	-
Depreciation	3.25	39.94	-	43.19
Non-cash expenses other than depreciation	-	-	-	-

**2. Stock on hire is stated at agreement values less amounts received.**

In respect of certain vehicles financed under Hire Purchase Scheme, ownership has not been transferred in the name of hirers.

3. Rates & Taxes includes a sum of Rs. Nil (Previous year - Rs. 8493/-) being the interest for delayed remittance of tax.

**4. Expenditure on Employees**

	2009-2010	2008-2009
(a) Number of employees employed throughout of the period and were in receipt of remuneration of more than Rs.24,00,000/-p.a.	NIL	NIL
(b) Number of employees employed for part of the period and were in receipt of remuneration of more than Rs. 2,00,000/-p.m.	NIL	NIL

5. (a) Expenditure in Foreign currency	Rs.6,592/-	Rs. 4,780/-
(b) Earnings in Foreign Exchange	NIL	NIL

6. Previous year's figures have been regrouped, recast and reclassified wherever necessary.

7. The Company has followed Prudential Norms for Income Recognition and Provisioning for Bad & Doubtful Assets as prescribed by the Reserve Bank of India for Non Banking Financial Companies during the year.

**8. Managerial Remuneration**

	2009-2010 Rs.	2008-2009 Rs.
<b>Managing Director</b>		
Salary	10,20,000	10,06,000
Rent	90,000	90,000
Leave Travel Allowance	-	80,000
Perquisites	-	24,000
Contribution to PF	1,22,400	1,20,720
Gratuity	9,597	25,637
Superannuation	1,53,000	1,50,900
Medical Reimbursements	85,000	-
<b>Total</b>	<b>14,79,997</b>	<b>14,97,257</b>

**9. Related Party disclosures :****(a) Name of Related Parties.**

Associate Companies	M/s. Dharani Sugars and Chemicals Limited M/s. Appu Hotels Limited M/s. PGP Educational & Welfare Society
Key Management Personnel	Dr.Palani G Periasamy – Chairman Mrs. Visalakshi Periasamy – Director Mr.K Kandasamy – Managing Director

**(b) Aggregated Related Party transactions during 2009-2010**

	Value in Lakhs	
	Associate Companies	Key Management Personnel
Remuneration paid to	--	14.80
Rent for Premises paid to	0.60	3.80
Sitting Fees Paid to	--	0.33
Services rendered to (air ticket Sales & car rentals)	238.80	--
Outstanding as on 31.03.2010 against services rendered during the year.	54.17	--

10. Other Income (Income – Finance Operations) includes Rs. (14,403) (previous year - Rs.1,09,279/-) representing income / (loss) from Forex operations in the status of Money Changer.

11. Lease Terminal adjustment account has been shown as a deduction from net block of Fixed assets as per the guidance note of ICAI.

**12. Disclosure as per AS – 15 (Revised) 'Employee benefits for the year ended 31.03.2010.**

Description of Benefits Plans	Unfunded Gratuity
Present value of projected benefit obligation	Rs. 6,36,825/-
<b>A) Actuarial assumptions</b>	<b>31.03.2010</b>
Discount rate	7%
Salary escalation rate	15%
Attrition Rate	24%

The present value of obligation towards compensated absences, as per actuarial certificate, as on 31.03.2010 was Rs. 38,291/- and is provided for in the books of accounts.

**13. Provision for Non- performing Assets as detailed below has been made as per RBI norms, and has been shown separately in the Balance Sheet.**

Particulars	(Rs. in Lakhs)	
	2009-2010	2008-2009
Loans & Advances	2.17	2.17
<b>Total</b>	<b>2.17</b>	<b>2.17</b>

14. Earnings Per Share:	2009-2010	2008-2009
a) Net Profit/(Loss) as per Profit and (Loss) Account (Rs.in Lakhs)	126.80	(27.93)
b) No. of Equity Shares	4994400	4994400
c) Earnings per Share (in Rupees)	2.54	(0.56)

**15. Dues to Small- Scale Industrial undertakings**

The Company has no outstanding dues to small-scale industrial undertakings as on 31st March 2010 and 31st March 2009.

Signatories to Schedule 1 to 14

For **K. RAMKRISH & CO.,**  
Chartered Accountants  
(Registration # 003017S)

On behalf of the Board of Directors

**K. RAMKRISHNAN**  
Partner  
Membership # 20963

**N.SUBRAMANIAN**  
Company Secretary

**K. KANDASAMY**  
Managing Director

**Dr. PALANI G PERIASAMY**  
Chairman

Place : Chennai - 34  
Date : 26.05.2010



Schedule to the Balance Sheet for the year ended 31st March 2010 (as required in terms of paragraph 13 of Non-Banking Financial Non Deposit accepting or holding Companies Prudential Norms (Reserve Bank of India) Directions, 2007.

SL. No	Particulars	(Rs. in Lakhs)	
		Amount Outstanding	Amount Overdue
	<b>LIABILITIES SIDE</b>		
1	<b>Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :</b>		
	(a) Debentures : Secured	Nil	Nil
	: Unsecured	Nil	Nil
	(other than falling within the meaning of public deposits *)		
	(b) Deferred Credits	Nil	Nil
	(c) Term Loans	Nil	Nil
	(d) Inter-Corporate loans and borrowing	Nil	Nil
	(e) Commercial Paper	Nil	Nil
	(f) Other Loans (Specify nature)	Nil	Nil
	<b>ASSETS SIDE</b>	<b>Amount Outstanding</b>	
2	<b>Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :</b>		
	(a) Secured	Nil	
	(b) Unsecured	58.70	



SL. No	Particulars	(Rs. in Lakhs)
		Amount Outstanding
3	<b>Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities</b> (i) Lease assets including lease rentals under sundry debtors : (a) Financial lease (b) Operating lease (ii) Stock on hire including hire charges under sundry debtors : (a) Assets on hire (b) Repossessed Assets (iii) Other loans counting towards AFC activities : (a) Loans where assets have been repossessed (b) Loans other than (a) above	   Nil Nil  100.05 Nil   Nil Nil
4	<b>Break-up of Investments</b> <b>Current Investments :</b> <b>1. Quoted :</b> (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of Mutual funds (iv) Government Securities (v) Others (Please specify) <b>2. Unquoted :</b> (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of Mutual Funds (iv) Government Securities (v) Others (please specify)	      Nil Nil Nil Nil Nil Nil    Nil Nil Nil Nil Nil Nil



SL. No	Particulars	(Rs. in Lakhs)		
	<b>Long Term Investments</b>			
	<b>1. Quoted :</b>			
	(i) Shares :			
	(a) Equity			275.18
	(b) Preference			Nil
	(ii) Debentures and Bonds			Nil
	(iii) Units of Mutual funds			30.00
	(iv) Government Securities			Nil
	(v) Others (Please specify)			Nil
	<b>2. Unquoted :</b>			
	(i) Shares :			
	(a) Equity			0.06
	(b) Preference			Nil
	(ii) Debentures and Bonds			Nil
	(iii) Units of Mutual Funds			Nil
	(iv) Government Securities			Nil
	(v) Others (please specify)			Nil
5	<b>Borrower group-wise classification of all assets, Financed as in (2) and (3) above</b>			
	<b>Category</b>	<b>Amount net of provisions</b>		
		<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	1. Related Parties			
	(a) Subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil	Nil	Nil
	(c) Other related parties	Nil	Nil	Nil
	2. Other than related parties	100.05	56.54	156.59
	<b>Total</b>	<b>100.05</b>	<b>56.54</b>	<b>156.59</b>



SL. No	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
		(Rs. in Lakhs)	
6	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)</b>		
	1. Related Parties		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	121.17	79.26
	2. Other than related parties	291.25	216.45
	<b>Total</b>	<b>412.42</b>	<b>295.71</b>

SL. No	Particulars	Amount (Rs. in Lakhs)
7	<b>Other Information</b>	
	(i) Gross Non - Performing Assets	
	(a) Related parties	Nil
	(b) Other than related parties	2.17
	(ii) Net Non-performing Assets	
	(a) Related parties	Nil
	(b) Other than related parties	Nil
(iii) Assets acquired in satisfaction of debt	Nil	



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

(Amount in Rs. '000 s)

**I. Registration Details**

Registration No.	: 18-19152 of 1990	State Code	: 18
Balance Sheet Date	: 31.03.2010		

**II. Capital raised during the year**

Public Issue	: NIL	Right Issue	: NIL
Bonus Issue	: NIL	Private Placement	: NIL

**III. Position of Mobilisation and Deployment of Funds**

Total Liabilities	: 62581	Total Assets	: 62581
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**Sources of Funds**

Paid up Capital	: 49972	Reserves & Surplus	: 12609
Secured Loans	: NIL	Unsecured Loans	: NIL

**Application of Funds**

Net Fixed Assets	: 5916	Investments	: 29571
Net Current Assets	: 26021	Misc. Expenditure	: NIL
Accumulated (Loss)	: NIL	Deferred Tax Asset	: 1073

**IV. Performance of Company**

Turnover	: 22935	Total Expenditure	: 8902
Profit/(Loss) Before Tax	: 14032	Profit/(Loss) After Tax	: 12680
EPS in Rs.	: 2.54	Dividend rate (%)	: 5%

**V. Generic Names of Three Principal Products / Services of Company.**

The Company is engaged in the business of financial services and Travel operations.

For **K. RAMKRISH & CO.,**  
Chartered Accountants  
(Registration # 003017S)

On behalf of the Board of Directors

**K. RAMKRISHNAN**  
Partner  
Membership # 20963

**N.SUBRAMANIAN**  
Company Secretary

**K. KANDASAMY**  
Managing Director

**Dr. PALANI G PERIASAMY**  
Chairman

Place : Chennai - 34  
Date : 26.05.2010



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	As at 31.03.2010	As at 31.03.2009
(Rs. in Lakhs)		
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary Items	140.33	-7.19
Adjustment for :		
Depreciation	43.19	41.23
Interest	1.97	0.26
Loss/(Profit) on sale of Assets - Net	-2.36	0.80
Loss/(Profit) on sale of Investment - Net	0.00	0.00
Provision for NPA	0.00	-7.01
Provision for Dimunition in the value of Investments	-95.71	63.82
<b>Operating profit before working capital changes</b>	<b>87.42</b>	<b>91.91</b>
Adjustment for :		
Trade and Other Receivables (refer note 1)	-44.28	50.81
Inventories - Stock on Hire	10.67	-30.37
Trade payables (refer note 2)	1.88	9.42
<b>Cash Generated from Operations</b>	<b>55.69</b>	<b>121.77</b>
Interest Paid	0.00	0.00
Cash Flow before Extraordinary items	55.69	121.77
Extraordinary items	0.00	0.00
<b>Net Cash from Operating Activities</b>	<b>(A) 55.69</b>	<b>121.77</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-36.51	-0.69
Sale of Fixed Assets	3.00	1.25
Purchase of Investments	-10.38	-175.21
Sale of Investment - net	0.00	0.00
<b>Net Cash used in Investing Activities</b>	<b>(B) -43.89</b>	<b>-174.65</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	-	-
Proceeds from long term borrowings	-	-
<b>REPAYMENT OF FINANCE / LEASE LIABILITIES :</b>		
Interest Paid	1.97	0.26
Dividends Paid	0.00	29.23
<b>Net Cash used in Financing Activities</b>	<b>(C) -1.97</b>	<b>-29.50</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(A+B+C) 9.82</b>	<b>-82.38</b>
<b>Cash and Cash Equivalents as at 01.04. 2009</b>	<b>(O.B) 135.77</b>	<b>218.15</b>
<b>Cash and Cash Equivalents as at 31.03. 2010</b>	<b>(C.B) 145.59</b>	<b>135.77</b>

**DHARANI FINANCE LIMITED**

	As at 31.03.2010	As at 31.03.2009
(Rs. in Lakhs)		
<b>Note 1 :</b>		
<b>TRADE AND OTHER RECEIVABLES</b>		
Bills Receivable	0.00	0.00
Sundry Debtors	54.23	39.33
Lease Rentals Receivable	0.00	0.00
<b>Loans &amp; Advances :</b>		
Deposits	2.04	
Loans & Advances	4.47	
Advance Tax - Tax Deducted at source	101.47	
Other Advance	0.01	
	<u>107.99</u>	<u>78.61</u>
	<u>162.22</u>	<u>117.94</u>
<b>NET</b>	<b>-44.28</b>	

<b>Note 2 :</b>		
<b>TRADE PAYABLES</b>		
<b>Current Liabilities :</b>		
Creditors for Expenses	21.27	18.61
Other Liabilities	1.59	2.37
	<u>22.86</u>	<u>20.98</u>
<b>NET</b>	<b>1.88</b>	<b>9.42</b>

For **K. RAMKRISH & CO.,**  
Chartered Accountants  
(Registration # 003017S)

**K. RAMKRISHNAN**  
Partner  
Membership # 20963  
Place : Chennai - 34  
Date : 26.05.2010

**N.SUBRAMANIAN**  
Company Secretary

**K. KANDASAMY**  
Managing Director

**Dr. PALANI G PERIASAMY**  
Chairman

On behalf of the Board of Directors

**AUDITOR'S CERTIFICATE**

We have examined the attached Cash Flow Statement of M/s. Dharani Finance Limited for the year ended 31st March 2010. The Statement has been prepared by the Company in accordance with the listing requirements of the Stock Exchange and is based on and derived from the audited accounts of the company for the year ended 31st March 2010

Place : Chennai - 34  
Date : 26.05.2010

For **K. RAMKRISH & CO.,**  
Chartered Accountants  
(Registration # 003017S)

**K. RAMKRISHNAN**  
Partner  
Membership # 20963



**DHARANI FINANCE LIMITED**

Regd. Office : "PGP House" No.57 Sterling Road, Nungambakkam, Chennai 600 034.

**ADMISSION SLIP**

To be handed over at entrance of Meeting Hall

Folio No.  
ID No

Shares :

I hereby record my presence at the

**Twentieth Annual General Meeting**

Venue: Mini Hall, Narada Gana Sabha  
No.314 TTK Road  
Alwarpet  
Chennai 600 018.

Date : 7<sup>th</sup> September 2010.

Time : 10.00 A.M.

<b>Proxy's name in Block Letters</b>	<b>Member/Proxy's Signature</b>
--------------------------------------	---------------------------------

**DHARANI FINANCE LIMITED**

Regd. Office : "PGP House" No.57 Sterling Road, Nungambakkam, Chennai 600 034.

**PROXY FORM**

I/We \_\_\_\_\_ Folio / ID.No : \_\_\_\_\_  
of \_\_\_\_\_ being a Member / Members of **Dharani Finance Limited** hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to attend and vote for me/us on my/our behalf at the Twentieth Annual General Meeting of the Company to be held at 10.00 a.m. on **Tuesday, the 7<sup>th</sup> September 2010**, and at any adjournment thereof.

Signed this ..... Day of .....2010

**FOR OFFICE USE ONLY**

No. of Shares :
Proxy No. :

Affix  
Revenue  
Stamp  
Signature

- Note: 1. The Proxy need NOT be a Member  
 2. The Proxy Form duly signed across revenue stamp should reach the Company's Registered Office at least 48 hours before the scheduled time of Meeting.  
 3. Proxy cannot speak at the Meeting or vote on a show of hands.



**SHAREHOLDERS ARE INFORMED THAT  
NO GIFTS WILL BE DISTRIBUTED DURING  
OUR ANNUAL GENERAL MEETINGS**

**Book-Post**

**To**



**If Undelivered, please return to**  
**DHARANI FINANCE LIMITED**  
**(Secretarial Division)**  
**"PGP House" No.57, Sterling Road,**  
**Nungambakkam, Chennai - 600 034.**