



DHARANI FINANCE LIMITED

19th

**ANNUAL REPORT
2008 - 2009**



CONTENTS	Page Nos.
Board of Directors	3
Notice to Shareholders	5
Directors' Report	8
Corporate Governance	11
Auditors' Report	23
Balance Sheet	26
Profit and Loss Account	27
Schedules	28
Notes on Accounts	34
Balance Sheet Abstract	43
Cash Flow Statement	44



BOARD OF DIRECTORS

Chairman : **Dr Palani G Periasamy**

Directors : **Ms 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**

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



S.No.	Place	Address
1	CHENNAI	PGP House No.57 Sterling Road, Nungambakkam, Chennai- 600 034.

BRANCH

S.No.	Place	Address
2	NAMAKKAL	Ram Buildings No.145-D, Trichy Road, Namakkal - 638 001.



NOTICE TO SHAREHOLDERS

Notice is hereby given that the **NINETEENTH ANNUAL GENERAL MEETING** of the members of the Company will be held on **Monday, the 3rd August 2009 at 10.00 A.M.**, at Sathguru Gnanananda Mini Hall, Narada Gana Sabha, No.314, T T K Road, Alwarpet, Chennai - 600018 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2009 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 Justice (Retd.) S Sivasubramaniyam, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr.M.Ganapathy, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

5. Re appointment of Mr K Kandasamy as Managing Director.

To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution.

"RESOLVED THAT pursuant to Sections 198, 269, 309 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such other approvals or consents as may be necessary, Mr K Kandasamy, be and is hereby reappointed as Managing Director,

not subject to retirement by rotation, for a further period of five years from 25.06.2009 to 24.06.2014 on the same conditions without any immediate increase.

Salary	Rs. 85,000/- per month in the scale of Rs. 85,000 - 90000-5000-105000
Perquisites	Perquisites as per schedule XIII of the Companies Act 1956 shall be allowed. It shall however be restricted to an amount equal to the annual salary. a. Superannuation contribution @ 15% of pay b. Company's contribution to PF @ 12% of pay c. Gratuity not exceeding half a month's pay

Perquisites, other than contribution to Provident Fund, Superannuation Fund, gratuity, as admissible according to existing regulations, are presently classified as follows:

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 Managing 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.

Housing II - In case accommodation is owned by the Company, 10% of the salary of the Managing Director shall be deducted by the Company.

Housing III - In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent



Allowance subject to the ceiling laid down in Housing I.

Part B

He will be entitled to Leave Travel Allowance as per Company Policy. He will also be entitled to reimbursement of Medical expenditure as per Company Policy.

However Leave Travel Allowance and Medical reimbursement will each be restricted to one month's salary.

Part C

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

In the event of absence or inadequacy of profits in any financial year of the Company during the period of appointment, the salary and other allowances aforementioned shall be regulated and restricted to the minimum admissible in accordance with Section II of Part II of Schedule XIII.

By Order of the Board
For Dharani Finance Limited

Place : Chennai 34
Date : 25.05.2009

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 25th July 2009 to 3rd August 2009 (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.
8. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business set out against item No. 5 is annexed here to.

By Order of the Board
For Dharani Finance Limited

Place : Chennai 34
Date : 25.05.2009

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



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

Item No. 5.

Mr K Kandasamy was appointed as Managing Director with effect from 24.06.2004 in the scale of Rs.65000-5000-85000 in the AGM held on 4th August 2004. His present pay is Rs.85,000/-. His term of office comes to a close on 25.06.2009. The Board of Directors have in their meeting held on 25.05.2009 passed a resolution to reappoint him for a further period of 5 years with effect from 25.06.2009 to 24.06.2014 on the same conditions without any immediate increase in salary, in the scale Rs.85,000-5000-105000.

Mr K Kandasamy, aged 51, is a Bachelor in Law and holds a Masters Degree in Business Administration and has an overall experience of 20 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. He has additionally qualified as Insurance agent. This will help the Company in taking up Insurance Business if considered useful.

Mr. K. Kandasamy holds equity shares to the extent of 1.30% of the equity capital of the Company.

Approval of the shareholders is now sought for his reappointment as mentioned in the Resolution.

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

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

Place : Chennai 34
Date : 25.05.2009

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

**DIRECTORS' REPORT**

Dear Members,

The Board of Directors present herein the **NINETEENTH** Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2009.

FINANCIAL RESULTS

The Financial results for the year ended 31st March 2009 are briefly as follows: -

Particulars	For the year	For the year
	Ended 31.03.2009	Ended 31.03.2008
	(Rs. in Lakhs)	
Income through Travel Operations, Finance Services and others	242.14	330.06
Expenditure (Employee & Admn. Expenses)	151.02	159.41
Profit	91.12	170.65
Provision for diminution in value of investments	63.82	20.23
Provision for NPA	(7.00)	(22.76)
Depreciation	41.23	40.62
Interest & Bank Charges	0.26	0.69
Profit/(Loss) after depreciation & interest	(7.19)	131.88
Provision for Income Tax - Current	23.80	26.78
- Deferred	(3.06)	5.46
Profit/(Loss) after Tax	(27.92)	99.64
Surplus/(deficit) brought forward	4.56	(45.91)
Profit available for appropriation	(23.36)	53.72
APPROPRIATIONS		
Transfer to Statutory Reserves	-	19.93
Proposed Dividend	-	24.98
Dividend Tax	-	4.25
Net Surplus/(Deficit) carried over	(23.36)	4.56

PERFORMANCE

Despite the reduction in income from Rs.330.06 lakhs to Rs.242.14 lakhs, the Company could earn a gross profit of Rs.91.12 lakhs. However, due to the general recession, value of investments took a beating and your company had to make a provision of Rs.63.82 lakhs for diminution in value of investments, thus wiping out major portion of the gross profit of Rs.91.12 lakhs. After provision of Rs.41.23 lakhs towards depreciation which is more or less the same as last year, and Rs.20.73 lakhs towards taxes, the final figure works out to a loss of Rs.27.92 lakhs for the year.

OUT LOOK

The general economic situation is expected to 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, not so bright a scenario.

DIVIDEND AND RESERVES

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

DEPOSITS

The Company does not hold any public deposits as on 31st March 2009. 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.



DIRECTORS

Justice (Retd.) S Sivasubramaniam and Mr M Ganapathy retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Mr. K. Kandasamy is being proposed for re-appointment as Managing Director for a fresh term of 5 years.

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.

LISTING WITH STOCK EXCHANGES

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

- a. **Bombay Stock Exchange Ltd. Floor 25, P.J. Towers, Dalal Street, Mumbai.**
- b. **Madras Stock Exchange Ltd, No 11 Second Line Beach, Chennai 600 001.**

The Listing Fees for the Bombay Stock Exchange has been paid upto date. Share holders had in the Annual General Meeting held on 27th July 2007, approved a Special Resolution for de-listing from Madras Stock Exchange. Accordingly, the Company had taken the prescribed steps for de-listing. The Company had submitted all the papers to the Madras Stock Exchange as early as 27th July 2007. Clarifications sought for and additional documents asked for were also provided during 2008. The Stock Exchange has still not officially communicated its approval. The Company has been reminding them periodically. Listing fees for the year 2008-09 have been paid as the decision on de-listing is still pending and the Company is technically considered as still listed. The Company has also reported the fact of non-reply from the Stock Exchange to SEBI, but there has been no communication from SEBI.

**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.

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	2008 - 09	2007 - 08
Foreign exchange earnings	Nil	Nil
Foreign exchange outgo	Rs. 4780.00	Rs. 6076.00

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

Place : Chennai 34
Date : 25.05.2009

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 & management information.

2. Board of Directors

Composition of the Board of Directors

Category	No. of Directors	% of total number of Directors
Total No. of Directors	6	-
Promoter	2	33.33
Executive Directors	1	16.67
Non - Executive Directors	5	83.33
Non - Executive / Independent Directors	3	50.00

Chairman is non-executive 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, 5 Board Meetings were held on 28.05.2008, 11.06.2008, 22.08.2008, 18.11.2008 and 29.01.2009.

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



Sl. No.	Name of the Directors	Category of 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	5	Yes	3	3	-
2	Visalakshi Periasamy	Non Executive	2	No	2	-	2
3	Justice (Retd.) Sivasubramaniam	Non Executive Independent	5	Yes	-	2	1
4	R.K. Viswanathan	Non Executive Independent	5	Yes	-	1	2
5	K. Kandasamy	Executive	5	Yes	1	-	5
6	M. Ganapathy	Non Executive Independent	5	Yes	-	-	2

3. Management Committee Meetings

As Board Meetings were held promptly, there was no general urgency for holding frequent Management Committee Meetings. However Committee met on two occasions during this year on 29.07.2008 and 23.10.2008

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) Sivasubramaniam

Justice (Retd) Sivasubramaniam and Mr M Ganapathy, who retire by rotation at this Annual General Meeting, are being proposed for reappointment. Particulars of these Directors are given below.



1	Name	Justice Sivasubramaniam
	Age	81 years
	Qualification	B.A.B.L.,
	Date of Appointment	07.11.1990
	Experience	Retired Judge of Madras High Court.
	Other Directorship / Membership	Nil
	Member of Committees	Management / Audit / Remuneration Committee
	No. of shares held	5000 shares
	Percentage of shares	0.10%

2	Name	Mr M Ganapathy
	Age	70 years
	Qualification	IFS (Retd.), MA Economics
	Date of Appointment	24.08.2005
	Experience	Retired Indian Foreign Service Officer, worked in Indian Embassies in many countries
	Other Directorship / Membership	Nil
	Member of Committees	Audit / Remuneration Committees
	No. of shares held	Nil
	Percentage of shares	Nil

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: -

- a. To review the financial statements before submission to the Board.
- b. To recommend appointment of Auditors and fix their Audit Fees.
- c. To review the internal control systems and improvement thereof.

The Company Secretary is the Secretary of the Audit Committee.

During 2008 - 2009, the Audit Committee met four times, on 11.06.2008, 22.08.2008, 18.11.2008 and 29.01.2009.

Sl. No.	Name of the Directors	Category	No. of Meetings held Four (4)
			Attended
1	Mr. M. Ganapathy	Non - Executive Independent	4
2	Mr. R.K. Viswanathan	Non - Executive Independent	4
3	Justice (Retd) Sivasubramaniam (Chairman)	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 (Chairman)	Non - Executive Independent
3	Mr. M. Ganapathy	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 11.06.2008 to approve the remuneration payable to Mr. K Kandasamy for the year 2007 - 08

Remuneration paid to Mr K Kandasamy, Managing Director during 2008-09 is as follows :

This is in accordance with the approval of the Shareholders in the AGM held on 4th August 2004 & within the limits prescribed in Schedule XIII to the Companies Act, 1956.

Remuneration committee had recommended the payment.

Particulars	Amount in Rs.
1. Salary	10,06,000.00
2. LTA & Medical Allowances	1,04,000.00
3. House Rent	90,000.00
Total	12,00,000.00
Company's Contribution towards	
4. Provident Fund	1,20,720.00
5. Superannuation	1,50,900.00
6. Gratuity	25,637.00
Total	14,97,257.00

Remuneration by way of sitting fees paid to non - executive directors during 2008-09.

(in Rupees)

Name of the Directors	Board	Committee
Dr. Palani G Periasamy	5000	-
Ms. Visalakshi Periasamy	2000	1000
Mr. R.K. Viswanathan	5000	6000
Mr. M. Ganapathy	5000	5000
Justice (Retd) Sivasubramaniam	5000	7000

**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) Sivasubramaniyam	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 11.06.2008.

Sl.No.	Name of 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 2008 -2009	10 (Ten only)
Pending complaints as on 31.03.2009	Nil
email of the Compliance Officer	pgpsecretarial@hotmail.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
2007 - 2008	Narada Gana Sabha New No.314 TTK Road Alwarpet Chennai 600 018	30.09.2008	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
2005 - 2006	Narada Gana Sabha New No.314 TTK Road Alwarpet Chennai 600 018	25.08.2006	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

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.

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

i. Time, Date and Venue of Annual General Meeting	3 rd August, 2009 at 10.00 A.M., Mini Hall, Narada Gana Sabha, New No. 314, TTK Road, Alwarpet, Chennai 600018.		
ii. Financial Year	April 2008 - March 2009		
iii. Date of Book Closure	25.07.2009 to 03.08.2009		
iv. Listing on Stock Exchanges	1. Madras Stock Exchange 2. Bombay Stock Exchange Company's request for voluntary delisting from Madras Stock Exchange is pending approval by the Exchange.		
v. Stock Code	Bombay Stock Exchange 511451		
vi. Market Price Data High/Low during each month of the Financial year	No trading has taken place in Madras Stock Exchange. Bombay Stock Exchange		
	(in Rupees)		
	Months	High	Low
	April 2008	6.58	4.25
	May 2008	6.78	5.83
	June 2008	7.32	5.00
	July 2008	7.70	6.11
	August 2008	7.15	6.00
	September 2008	7.63	6.27
	October 2008	7.87	5.31
	November 2008	8.00	7.23
	December 2008	7.89	6.67
	January 2009	8.22	7.17
	February 2009	7.20	5.09
	March 2009	6.11	5.56

**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 Agent. 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. : 28462700 (six lines)
Fax No. : 044- 28460129,
Email : cameo@cameoindia.com

viii. Shareholdings Details as on 31st March 2009.**a. Distribution of Shareholding**

Shareholding of Nominal Value of Rs.	Shareholders		Shares in Amount	
	Number	%	In Rs.	%
Upto - 5000	16973	95.99	22920170	45.89
5001 - 10000	455	2.57	3634660	7.28
10001 - 20000	122	0.69	1781530	3.57
20001 - 30000	50	0.29	1265730	2.53
30001 - 40000	18	0.10	675140	1.35
40001 - 50000	12	0.06	565680	1.13
50001 - 100000	15	0.08	1215960	2.43
100001 and above	37	0.22	17885130	35.82
TOTAL	17682	100	49944000	100

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 31.03.2009, **1556787** Shares constituting **31.17%** have been dematerialised.

	No. of Shares	% of Shares
National Securities Depository Limited	1265011	25.33
Central Depository Services (I) Ltd	291776	5.84
Total	1556787	31.17

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 2008-09 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 and 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 pgpsecretarial@hotmail.com.



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 31st March 2009, 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

K. RAMKRISHNAN
Partner
Membership No. 20963

Place : Chennai
Date : 25.05.2009



**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, 2009, 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, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 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, 2009.

(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

K. RAMKRISHNAN
Partner

Membership No. 20963

Place : Chennai
Date : 25.05.2009



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, 2009:

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 31st March 2009 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

K. RAMKRISHNAN
Partner

Place : Chennai
Date : 25.05.2009

Membership No. 20963

**BALANCE SHEET AS AT 31ST MARCH 2009**

Particulars	Schedule No.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
I. SOURCES OF FUNDS			
1. Shareholder's Funds			
Share Capital	1	49,972,000	49,972,000
2. Reserves & Surplus	2	5,179,142	5,635,531
3. Secured Loans			
4. Unsecured Loans			
Total		55,151,142	55,607,531
II. APPLICATION OF FUNDS			
1. Fixed Assets	3		
Gross Block		64,193,429	64,782,164
Less : Depreciation		32,401,626	28,731,286
		31,791,803	36,050,878
Less : Lease Adjustment Account		25,144,647	25,144,647
Net Block		6,647,156	10,906,231
2. Investments	4	18,962,473	7,823,553
3. Current Assets, Loans & Advances			
Current Assets	5	28,582,183	39,812,831
Loans & Advances	6	7,860,624	6,911,249
		36,442,807	46,724,080
Less : Current Liabilities & Provisions	7	9,813,997	10,115,572
		26,628,810	36,608,508
4. Deferred Tax Assets		576,200	269,239
5. Profit & Loss Account	8	2,336,503	
6. Miscellaneous Expenditure (To the extent not written off or adjusted)			
Notes on Accounts	14		
Total		55,151,142	55,607,531

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

Notes referred to in Schedule 15 form an Integral part of this Balance Sheet and should be read in conjunction therewith

For **K. RAMKRISHNAN & CO.,**
Chartered Accountants

On behalf of the Board of Directors

K. RAMKRISHNAN
Partner
Membership No. 20963
Place : Chennai - 34
Date : 25.05.2009

N.SUBRAMANIAN
Company Secretary

K. KANDASAMY
Managing Director

Dr. PALANI G PERIASAMY
Chairman

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009**

Particulars	Schedule No.	For the year Ended 31.03.2009 Rs.	For the year ended 31.03.2008 Rs.
I. INCOME			
Income - Finance Charges	9	3,442,268	9,532,411
Income - Travel Operations	10	20,771,400	23,474,098
Total		24,213,668	33,006,509
II. EXPENDITURE			
Interest & Bank Charges	11	25,475	69,021
Employee Expenses	12	3,035,920	1,750,140
Administrative Expenses	13	12,066,399	14,190,598
Provision Against Non Performing Assets		(700,598)	(2,276,420)
Provision for Diminution in the value of Investments		6,382,044	2,023,222
Depreciation		4,123,281	4,062,492
		24,933,521	19,819,053
Profit/(Loss) Before Taxation		(719,853)	13,187,456
Provision for Taxation			
- Income Tax		2,150,000	2,400,000
- Fringe Benefit Tax		230,000	278,000
- Deferred Tax		(306,961)	546,073
		2,073,039	3,224,073
Profit/(Loss) After Taxation		(2,792,892)	9,963,383
Surplus (Deficit) Brought forward		456,389	(4,591,079)
		(2,336,503)	5,372,304
III. APPROPRIATIONS			
Statutory Reserves		-	1,992,677
Proposed Dividend		-	2,498,600
Dividend Tax		-	424,638
Profit and Loss Account		(2,336,503)	456,389
		(2,336,503)	5,372,304
Notes on Accounts	14		
Nominal Value of Share		Rs.10.00	Rs.10.00
Basic Earnings Per Share = Profit/(Loss) After Tax and Deferred Tax Divided by 49,94,400 Equity Shares		(0.56)	1.99

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

Notes referred to in Schedule 15 form an Integral part of this Profit &
Loss Account and should be read in conjunction therewith

For **K. RAMKRISH & CO.,**
Chartered Accountants

On behalf of the Board of Directors

K. RAMKRISHNAN
Partner
Membership No. 20963

N.SUBRAMANIAN
Company Secretary

K. KANDASAMY
Managing Director

Dr. PALANI G PERIASAMY
Chairman

Place : Chennai - 34

Date : 25.05.2009

**SCHEDULES****SCHEDULE 1****SHARE CAPITAL****Authorised**

5,000,000 Equity Shares of Rs.10/- each

As at
31.03.2009
Rs.As at
31.03.2008
Rs.50,000,00050,000,000**Issued Subscribed and Paid up**

4,994,400 Shares of Rs.10/- each

49,944,00049,944,00049,944,00049,944,000

Add : Shares Forfeited

28,00028,00049,972,00049,972,000**SCHEDULE 2****RESERVES & SURPLUS****Statutory Reserve - Special Reserve**

Opening Balance

5,179,142

3,186,465

Add : Transferred from Profit & Loss
account during the year1,992,6775,179,142

5,179,142

Surplus from Profit & Loss Account5,179,142

456,389

5,635,531

SCHEDULE 3

FIXED ASSETS

(in Rupees)

Sl. No.	Description of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK				
		As at 01.04.2008	Additions during the year	Deletions	As at 31.03.2009	Up to 31.03.2008	For the Year	Disposal	Up to 31.03.2009	Net Book Value	Lease Adjustment Account as at 31.03.2009	As at 31.03.2009	As at 31.03.2008
1.	Furniture & Fixtures	2,854,700	8190	-	2,862,890	2,434,444	180,746	-	2,615,190	247,700	-	247,700	420,256
2.	Air Conditioner	-	60,535	-	60,535	-	240	-	240	60,296	-	60,296	-
3.	Office Equipments	1,479,609	-	-	1,479,609	1,106,869	93,659	-	1,200,528	279,081	-	279,081	372,740
4.	Vehicles	23,450,182	-	657,460	22,792,722	13,594,563	3,801,275	452,941	16,942,897	5,849,825	-	5,849,825	9,855,619
5.	Safe Vault & locker	577,025	-	-	577,025	489,371	36,526	-	525,897	51,128	-	51,128	87,654
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	58,165	10,836	-	69,001	159,126	-	159,126	169,962
	TOTAL	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
	PREVIOUS YEAR	68,101,644	754,500	4,073,980	64,782,164	28,409,925	4,062,490	3,741,131	28,731,284	39,050,878	25,144,647	10,906,231	14,547,072



**SCHEDULE 4****As at
31.03.2009
Rs.** **As at
31.03.2008
Rs.****INVESTMENTS - LONG TERM (STATED AT COST)****EQUITY SHARES**

Dharani Sugars & Chemicals Ltd., 248039 Shares @ Rs.31.96 (Market Value Rs.48,36,761)	7,925,845	7,739,129
South Indian Bank Ltd., 1712 Shares @ Rs.52.80 (Including 342 Bonus Shares)(Market Value Rs.87,654)	90,394	90,394
Maruthi 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.39,750)	217,500	217,500
Sri Nachammai Cotton Mills Ltd., 700 Shares @ Rs.70/- each (Market Value Rs. 4,305)	49,000	49,000
Central Bank of India Ltd. 686 Shares @ Rs. 102/- each (Market Value Rs. 23,324)	69,972	69,972
Harig crank shafts Ltd. 5000 shares @ Rs. 4,36/- each (Market Value Rs.2,850)	21,808	21,808
Bank of India 1000 shares @ Rs.434.39/- each (Market Value Rs.2,19,400)	434,390	434,390
Canara Bank 700 shares @ Rs.228.01/- each (Previous year - NIL) (Market Value Rs.1,15,990)	159,606	115,305
Corporation Bank 500 shares @ Rs.286.99 each (Previous year - NIL) (Market Value Rs.90,300)	143,497	143,496
Reliance Petroleum Limited 1000 shares @ Rs.157.09 each (Previous year - NIL) (Market Value Rs.95,100)	157,092	78,050
HDFC Bank 7479 shares @ Rs.1,282.65/- each (Previous year - NIL) (Market Value Rs.72,80,059)	9,596,705	-
LARSEN & TURBO 2250 Shares @ Rs.1,429.65 each (Including 1000 Bonus Shares) (Previous year - NIL) (Market Value Rs.15,10,650)	3,216,715	-



	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
RELIANCE INDUSTRIES 1000 shares @ Rs.2,366.14 each (Previous year - NIL) (Market Value Rs.15,24,750)	2,366,140	-
STATE BANK OF INDIA 800 shares @ Rs.1517.37 each (Previous year - NIL) (Market Value Rs.8,53,680)	1,213,897	-
ICICI Bank 2000 shares @ Rs.408.72 each (Previous year - NIL) (Market Value Rs.6,65,200)	817,447	-
MUTUAL FUND		
LIC Mutual Fund top 100 fund 2,00,000 units @ Rs.10 each (Previous year - NIL) (Market Value Rs.10,28,000)	2,000,000	2,000,000
UTI Infrastructure fund - series 1 1,00,000 units @ Rs.10 each (Previous year - NIL) (Market Value Rs.5,83,000)	1,000,000	1,000,000
	<u>29,486,008</u>	11,965,044
Less: Provision for Diminution in the Value of Share Investments	9,134,335	3,714,691
Less: Provision for Diminution in the Value of Mutual Fund Investments	1,389,200	426,800
	<u>18,962,473</u>	<u>7,823,553</u>
SCHEDULE 5		
CURRENT ASSETS		
Stock on Hire Purchase (At agreement value less amounts received)	14,867,247	10,823,633
Less: Unmatured Finance Charges	3,795,102	2,788,411
	11,072,145	8,035,222
Sundry Debtors - Considered Good More than 6 Months	734,033	691,934
Less than 6 Months	3,198,963	9,270,533
Cash on Hand	608,898	515,717
Balance with Scheduled Banks		
In Current Account	5,360,220	12,989,494
In Deposit Account	7,607,924	8,309,931
	<u>28,582,183</u>	<u>39,812,831</u>



	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE 6		
LOANS AND ADVANCES		
Deposits	213,606	216,681
Loans & Advances	628,548	871,047
Advance Tax		
- Income Tax	5,878,007	5,069,849
- Fringe Benefit Tax	987,754	638,722
Other Advances	152,709	114,950
	<u>7,860,624</u>	<u>6,911,249</u>
SCHEDULE 7		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
a) Creditors for Expenses	1,861,364	838,006
b) Liability towards Investor Education and Protection Fund under Section 205-C of the Companies Act, 1956, not due		
c) Other Liabilities	236,836	317,933
Provisions		
Provision for Taxation		
- Income Tax	6,549,000	4,399,000
- Fringe Benefit Tax	950,000	720,000
Non Performing Assets	216,797	917,395
Proposed Dividend	-	2,498,600
Dividend Tax	-	424,638
	<u>9,813,997</u>	<u>10,115,572</u>
SCHEDULE 8		
PROFIT AND LOSS ACCOUNT		
Deficit from Profit & Loss Account	(2,336,503)	-
	<u>(2,336,503)</u>	
	For the year Ended 31.03.2009 Rs.	For the year Ended 31.03.2008 Rs.
SCHEDULE 9		
INCOME - FINANCE OPERATIONS		
Finance Charges	1,424,329	1,021,404
Profit on sale of Investments	-	5,499,687
Interest Income	1,406,711	2,692,179
Others	611,228	319,141
	<u>3,442,268</u>	<u>9,532,411</u>



For the year Ended 31.03.2009
Rs.

For the year Ended 31.03.2008
Rs.

SCHEDULE 10**INCOME - TRAVEL OPERATIONS**

Commission on Air Ticket Sales	65,210	235,689
Car Rental Income - Net	19,819,713	22,322,160
Profit on Sale of Assets	-	324,988
Other Income	886,477	591,261
	<u>20,771,400</u>	<u>23,474,098</u>

SCHEDULE 11**INTEREST & BANK CHARGES**

Bank Charges	26,475	69,021
	<u>26,475</u>	<u>69,021</u>

SCHEDULE 12**EMPLOYEE EXPENSES**

Salaries & Allowances	2,446,386	1,417,413
Staff Welfare Expenses	186,315	22,873
Contribution to PF and other Funds	403,219	120,948
	<u>3,035,920</u>	<u>1,561,234</u>

SCHEDULE 13**ADMINISTRATIVE EXPENSES**

Printing & Stationery	408,818	140,228
Rent & Electricity	507,032	532,373
Rates & Taxes	234,369	24,305
Travelling & Conveyance	5,460	21,735
Postage & Telephone	319,769	208,484
Advertisement & Publicity	429,012	499,588
Directors' Remuneration	1,497,257	1,445,253
Directors' Sitting Fees	43,000	40,000
Consultancy & Legal Charges	170,319	245,479
Fees & Subscriptions	85,981	81,016
Audit Fees		
For Audit	67,416	67,416
For Tax Audit	75,054	45,016
Meeting and Conference	26,943	98,907
Insurance	423,528	653,434
Vehicle Maintenance	7,301,932	8,589,987
Bad Debts written off	145,638	1,436,899
Repairs & Maintenance	57,407	136,548
Miscellaneous Expenses	267,464	112,836
	<u>12,066,399</u>	<u>14,379,504</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 31.03.2009 is given below

(Rs. in Lakhs)

DESCRIPTION	ASSET	LIABILITY
Timing Difference in Depreciable Asset	2.86	-
Timing Difference in Provision against NPA	2.90	-
Total	5.76	-
Net Deferred Tax Asset	5.76	-

**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 31ST MARCH 2009
INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS**

(Rs. in Lakhs)

PARTICULARS	FINANCIAL SERVICES	TRAVEL OPERATIONS	UNALLOCATED	TOTAL
REVENUE				
Financial Services	34.42	-	-	34.42
Travel Operation	-	207.72	-	207.72
Other Income	-	-	-	-
Total Revenue	-	-	-	242.14
RESULT	(62.98)	55.79	-	(7.19)
Segment Result				
Unallocated Corporate Expenses	-	-	-	-
Operating Profit	-	-	-	(7.19)
Interest Expenses	-	-	-	-
Interest Income	-	-	-	-
Income Taxes	-	-	-	20.73
Profit from Ordinary Activities	-	-	-	(27.92)
Extra Ordinary items	-	-	-	-
Net Profit	-	-	-	(27.92)
OTHER INFORMATION				
Segment Assets	404.54	213.24	-	617.78
Unallocated Corporate Assets	2.74	-	-	2.74
Total Assets	407.28	213.24	-	620.52
Segment Liabilities	12.00	79.64	-	91.64
Unallocated Corporate liabilities	6.50	-	-	6.50
Total liabilities	18.50	79.64	-	98.14
Capital Expenditure	-	-	-	-
Depreciation	3.22	38.01	-	41.23
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. 8,493/- being the interest for delayed remittance of tax.

4. Expenditure on Employees

Particulars	2008-2009	2007-2008
(a) Number of employees employed throughout 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 Payment to IATA	Rs.4,780/-	Rs. 6,076/-
(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

Managing Director	2008-2009 Rs.	2007-2008 Rs.
1. Salary	10,06,000	9,46,000
2. Rent	90,000	90,000
3. Leave Travel Allowance	80,000	75,000
4. Perquisites	24,000	78,833
5. Contribution to PF	1,20,720	1,13,520
6. Gratuity	25,637	
7. Superannuation	1,50,900	1,41,900
Total	14,97,257	14,45,253

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

Associate Companies	M/s. Dharani Sugars and Chemicals Ltd M/s. Appu Hotels Ltd. 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 2008-2009

	Value in Lakhs	
	Associate Companies	Key Management Personnel
Remuneration paid to	--	14.97
Rent for Premises paid to	0.60	3.84
Sitting Fees Paid to	--	0.10
Services rendered to (air ticket Sales & car rentals)	229.73	--
Outstanding as on 31.03.2009 against services rendered during the year.	39.06	--

10. Other Income (Income-Finance Operations) includes Rs.(1,09,279) (previous year - Rs.10,490/-) 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. 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)	
	2008-2009	2007-2008
a) Stock on Hire	-	7.00
b) Loans & Advances	2.17	2.17
Total	2.17	9.17

13. Earnings Per Share:

	2008-2009	2007-2008
Net Profit/(Loss) as per Profit & Loss Account (Rs.in Lakhs)	(27.93)	99.63
No. of Equity Shares	4994400	4994400
Earnings per Share (in Rupees)	(0.56)	1.99

Signatories to Schedule 1 to 14

For **K. RAMKRISH & CO.,**
Chartered Accountants

On behalf of the Board of Directors

K. RAMKRISHNAN
Partner
Membership No. 20963

N.SUBRAMANIAN
Company Secretary

K. KANDASAMY
Managing Director

Dr. PALANI G PERIASAMY
Chairman

Place : Chennai - 34
Date : 25.05.2009



Schedule to the Balance Sheet for the year ended 31st March 2009 (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
1	LIABILITIES SIDE		
	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :		
	(a) Debentures : Secured	Nil	Nil
	: Unsecured (other than falling within the meaning of public deposits *)	Nil	Nil
	(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	
2	ASSETS SIDE	Amount Outstanding	
	Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :		
	(a) Secured	Nil	
(b) Unsecured	47.14		



SL. No	Particulars	(Rs. in Lakhs)
		Amount Outstanding
3	Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities	
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Financial lease	Nil
	(b) Operating lease	Nil
	(ii) Stock on hire including hire charges under sundry debtors :	
	(a) Assets on hire	110.72
	(b) Repossessed Assets	Nil
	(iii) Other loans counting towards AFC activities :	
	(a) Loans where assets have been repossessed	Nil
	(b) Loans other than (a) above	Nil
4	Break-up of Investments	
	Current Investments :	
	1. Quoted :	
	(i) Shares :	
	(a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of Mutual funds	Nil
	(iv) Government Securities	Nil
	(v) Others (Please specify)	Nil
	2. Unquoted :	
	(i) Shares :	
	(a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of Mutual Funds	Nil
	(iv) Government Securities	Nil
	(v) Others (please specify)	Nil



SL. No	Particulars	(Rs. in Lakhs)		
	Long Term Investments			
	1. Quoted :			
	(i) Shares :			
	(a) Equity		264.80	
	(b) Preference		Nil	
	(ii) Debentures and Bonds		Nil	
	(iii) Units of Mutual funds		30.00	
	(iv) Government Securities		Nil	
	(v) Others (Please specify)		Nil	
	2. Unquoted :			
	(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	Borrower group-wise classification of assets, financed as in (2) and (3) above :			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	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	110.72	44.97	155.69
	Total	110.72	44.97	155.69



SL. No	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
		(Rs. in Lakhs)	
6	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)		
	1. Related Parties		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	48.37	48.37
	2. Other than related parties	141.25	141.25
	Total	189.62	189.62

SL. No	Particulars	Amount (Rs. in Lakhs)
7	Other Information	
	(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****I. Registration Details**

(Amount in Rs. '000 s)

Registration No.	: 18-19152 of 1990	State Code	: 18
Balance Sheet Date	: 31.03.2009		

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	: 55151	Total Assets	: 55151
-------------------	---------	--------------	---------

Sources of Funds

Paid up Capital	: 49972	Reserves & Surplus	: 5179
Secured Loans	: NIL	Unsecured Loans	: NIL

Application of Funds

Net Fixed Assets	: 6647	Investments	: 18962
Net Current Assets	: 26628	Misc. Expenditure	: NIL
Accumulated (Loss)	: (2336)	Deferred Tax Asset	: 576

IV. Performance of Company

Turnover	: 24213	Total Expenditure	: 24933
Profit/(Loss) Before Tax	: (719)	Profit/(Loss) After Tax	: (2792)
EPS in Rs.	: (0.56)	Dividend rate (%)	: -

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

On behalf of the Board of Directors

K. RAMKRISHNAN
Partner
Membership No. 20963

N.SUBRAMANIAN
Company Secretary

K. KANDASAMY
Managing Director

Dr. PALANI G PERIASAMY
Chairman

Place : Chennai - 34
Date : 25.05.2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009**

	As at 31.03.2009	As at 31.03.2008 (Rs. in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	-7.19	131.87
Adjustment for :		
Depreciation	41.23	40.62
Interest	0.26	0.69
Loss/(Profit) on sale of Assets - Net	0.80	-3.25
Loss/(Profit) on sale of Investment - Net	0.00	-55.00
Provision for NPA	-7.01	-22.76
Provision for Diminution in the value of Investments	63.82	20.23
Operating profit before working capital changes	91.91	112.41
Adjustment for :		
Trade and Other Receivables (refer note 1)	50.81	36.40
Inventories - Stock on Hire	-30.37	-22.10
Trade payables (refer note 2)	9.42	-5.34
Cash Generated from Operations	121.77	121.36
Interest Paid	0.00	0.00
Cash Flow before Extraordinary items	121.77	121.36
Extraordinary items	0.00	0.00
Net Cash from Operating Activities	(A) 121.77	121.36
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-0.69	-7.55
Sale of Fixed Assets	1.25	6.58
Purchase of Investments	-175.21	-38.63
Sale of Investment - net	0.00	57.23
Net Cash used in Investing Activities	(B) -174.65	17.63
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	0.00	0.00
Proceeds from long term borrowings	0.00	0.00
REPAYMENT OF FINANCE / LEASE LIABILITIES :		
Interest Paid	0.26	0.69
Dividends Paid	29.23	0.00
Net Cash used in Financing Activities	(C) -29.50	-0.69
Net Increase in Cash and Cash Equivalents	(A+B+C) -82.38	138.30
Cash and Cash Equivalents as at 01.04.2008	(O.B) 218.15	79.85
Cash and Cash Equivalents as at 31.03.2009	(C.B) 135.77	218.15

**Note 1 :**

As at 31.03.2009	As at 31.03.2008
(Rs. in Lakhs)	

TRADE AND OTHER RECEIVABLES

Bills Receivable	0.00	0.00
Sundry Debtors	39.33	99.62
Lease Rentals Receivable	0.00	0.00
Loans & Advances :		
Deposits	2.14	
Loans & Advances	6.28	
Advance Tax - Tax Deducted at source	68.66	
Other Advance	1.53	
	78.60	69.11
	117.93	168.74
NET	50.81	

Note 2 :**TRADE PAYABLES****Current Liabilities :**

Creditors for Expenses	18.61	8.38
Other Liabilities	2.37	3.18
	20.98	11.56
NET	9.42	

For **K. RAMKRISH & CO.,**
Chartered Accountants

On behalf of the Board of Directors

K. RAMKRISHNAN
Partner
Membership No. 20963

N.SUBRAMANIAN
Company Secretary

K. KANDASAMY
Managing Director

Dr. PALANI G PERIASAMY
Chairman

Place : Chennai - 34
Date : 25.05.2009

AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of M/s. Dharani Finance Limited for the year ended 31st March 2009. 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 2009

For **K. RAMKRISH & CO.,**
Chartered Accountants

K. RAMKRISHNAN
Partner
Membership No. 20963

Place : Chennai - 34
Date : 25.05.2009



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

Nineteenth Annual General Meeting

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

Date : 3rd August 2009.

Time : 10.00 A.M.

Proxy's name in Block Letters

Member/Proxy's Signature

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 Nineteenth Annual General
Meeting of the Company to be held at 10.00 a.m. on **Monday, the 3rd August 2009.** and at any
adjournment thereof.

Signed this Day of2009

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



PGP GROUP

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