



DHARANI FINANCE LIMITED

Regd. & Admn. Office :

"PGP HOUSE", (Old No.57) New No.59, Sterling Road, Nungambakkam, Chennai - 600 034.

Tel. : 044-28254176, 28254609, 28311313, 28207482, Fax : 044-28232074

Email : pgp_dfl@yahoo.com / secretarial@dharanifinance.in

Website : www.dharanifinance.in CIN No.: L65191TN1990PLC019152

DFL/AGM/BSE/2018

September 26, 2018

To
The Dy General Manager
BSE Limited
Corporate Relationship Dept
1st Floor New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Fort, Mumbai – 400 001

Dear Sir,

Sub: Disclosure as per Regulation No. 30 & Regulation No. 34 of LODR 2015

In accordance with regulation No. 30, Schedule (III) Item A (10), the report on the proceedings of the Annual General Meeting is submitted.

- (1) The Annual General Meeting of shareholders of the Company was held on Tuesday, 25th September 2018 at 10.00 A.M., at Sathguru Gnananda, Mini Hall, Narada Gana Sabha, No. 314, T. T.K Road, Alwarpet, Chennai – 600 018. 45 No. of shareholders (Promoters 10 Nos + Public Non-Institutions-35 Nos) were present in person and there was two proxy. Required quorum was present. Dr. Palani G Periasamy was the Chairman of the Meeting. The Chairmen of the Audit Committee, Nomination & Remuneration Committee & Stake Holders & Relationship Committee were present, along with the Statutory Auditors and Secretarial Auditors, and the Company Secretary.
- (2) The following 3 resolutions were considered at the meeting.
 - (a) To adopt the audited financial statements as on 31st March 2018.
 - (b) To Appoint a Director – Mrs Visalakshi Periasamy.
 - (c) To consider remuneration payable to Managing Director.
- 3) Before the resolutions were put up for voting, Chairman briefly explained the nature of each resolution and the background to them.
 - a) As provided in the Companies Act 2013, and in compliance with SEBI directives through the Listing Obligations Disclosure Regulations, the Company had made necessary arrangements through CDSL to enable the members to exercise their right to vote on the resolutions through Electronic Voting.
 - b) In addition polling was also held and the shareholders were provided the ballot paper for exercising their votes.





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- c) M/s. Damodaran & Associates, practicing Company secretaries who were appointed as Scrutinizers, submitted their report of the E-voting along with the Poll result.

This report was received on 26th September 2018. Thereafter the results were declared and also placed on the website of the company. They were also sent to the Stock Exchange.

- d) All the 3 resolutions were declared passed.

A copy of the Annual Report duly approved in the Annual General Meeting is sent herewith, as required by Regulation 34 of the Listing Obligations and Disclosure Regulations 2015.

Thanking you,

Yours faithfully,
For Dharani Finance Limited


P. Raja Sekaran
Company Secretary



Encl.: as above



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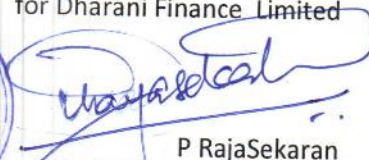
DECLARATION

Based on the report dated 26th September 2018 of the Scrutinizers Mr M Damodaran & Associates, Practising Company Secretary, Chennai. I, P RajaSekaran (Company Secretary) duly authorised by Chairman on this behalf do hereby declare the results of voting by the equity shareholders at the Annual General Meeting held on 25th September 2018 as follows.

Sl.No	Resolutions	% Votes in favour	Results
Ordinary Resolutions			
01	To adopt the Financial Statements for the year ended 31 st March 2018.	100.00	Passed with majority
02	To Appoint a Director – Mrs Visalakshi Periasamy	100.00	Passed with majority
Special Resolution			
03	To consider remuneration payable to Managing Director.	100.00	Passed with requisite majority



for Dharani Finance Limited


P RajaSekaran
Company Secretary
Duly authorised by Chairman to
declare the results

Place: Chennai
Date: 26.09.2018

New No.6, Old No.12,
Appavoo Gramani 1st Street,
Mandaveli,
(Opp. to Church Near by BSNL Office)
Chennai - 600 028.
Ph : 044-4360 1111
E-mail : secretarial@mdassociates.co.in
accounts@mdassociates.co.in



M. DAMODARAN & ASSOCIATES
Practicing Company Secretaries



M. Damodaran, B.Com, F.C.S. L.L.B.
Mobile:98412 81693

CONSOLIDATED SCRUTINIZER'S REPORT

(REMOTE E-VOTING & INSTA POLL)

Form NO. MGT-13

[Pursuant to Section 108 and 109 of the Companies Act, 2013 and
Companies (Management and Administration) Rules, 2014 as amended and the provisions of
Regulation 44 of the SEBI LODR, Regulations 2015]

To,

The **Chairman** of 28th Annual General Meeting of the Equity Shareholders of M/s DHARANI FINANCE LIMITED (CIN: L65191TN1990PLC019152) held on Tuesday, the 25th September 2018 at 10.00 A.M., at Sathguru Gnanananda, Mini Hall, Narada Gana Sabha, No. 314, T T K Road, Alwarpet, Chennai - 600 018.

Dear Sir,

1. I, M.Damodaran, Company Secretary in Practice having office at New No. 6, Old No. 12, Appavoo Gramani 1st Street, Mandaveli, Chennai, Tamil Nadu 600028 have been appointed as a scrutinizer by the Board of Directors of M/s DHARANI FINANCE LIMITED (the company) for the purpose of :

(i) Scrutinizing the e-voting process (remote e- voting) under the provisions of Section 108 of The Companies Act 2013 (the 2013 Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (Rules) and the provisions of Regulation 44 of the SEBI LODR, Regulations 2015.

(ii) Poll through Ballot paper (Insta Poll) under the provisions of Section 109 of the Companies Act 2013 read with Rule 21 of the Rules, on the resolutions contained in the notice to the 28th Annual General Meeting (AGM) of the Equity Shareholders of the Company, held on Tuesday, the 25th September 2018 at 10.00 A.M., at Sathguru Gnanananda, Mini Hall, Narada Gana Sabha, No. 314, T T K Road, Alwarpet, Chennai - 600 018.

2. The management of the Company is responsible to ensure the compliance with the requirement of the Companies Act 2013 and Rules relating to voting through electronic means [i.e. by remote e-voting and voting by Poll by Ballot paper (Insta Poll) at the AGM] for the resolutions contained in the Notice to the 28th AGM of the Equity Shareholders of the company. My responsibility as a scrutinizer for the voting process of voting through electronic means (i.e by remote e-voting and Insta Poll at AGM) is restricted to making a consolidated scrutinizer's report of the vote cast "in favour "or "against" the resolution stated above, based on the report generated from the e-voting system provided by Central Depository Services Limited (CDSL), the Agency authorized under the Rules and engaged by the company to provide e-voting facilities for voting through electronic means.





Results of E-Voting and Insta Poll of M/s DHARANI FINANCE LIMITED

Item No: 1

Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors etc., for the FY 2017-18.

Passed as an Ordinary Resolution as follows:

Mode of Voting	Total Valid Polls Received & valid e-voting casted (3)+(6)	Favour			Against			Total % of valid Votes in Favour & Against (5)+(8)
		Number of Polls & e-voting	Number of shares Voted	%	Number of Polls & e-voting	Number of shares Voted	%	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Insta Poll	2	2	200	100	0	0	0	100
E-Voting	39	39	1491051	100	0	0	0	100
Total	41	41	1491251	100	0	0	0	100

Details of invalid Votes:

Mode of Voting	Number of shares
Insta Poll	0
E-Voting	0
Total	0

M. Damodaran



M. DAMODARAN & ASSOCIATES
Practicing Company Secretaries



Item No: 2

Re-appointment of Mrs. Visalakshi Periasmy, (DIN 00064517) as Director, who retires by rotation.

Passed as an Ordinary Resolution as follows:

Mode of Voting	Total Valid Polls Received & valid e-voting casted (3)+(6)	Favour			Against			Total % of valid Votes in Favour & Against (5)+(8)
		Number of Polls & e-voting	Number of shares Voted	%	Number of Polls & e-voting	Number of shares Voted	%	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Insta Poll	2	2	200	100	0	0	0	100
E-Voting	39	39	1491051	100	0	0	0	100
Total	41	41	1491251	100	0	0	0	100

Details of invalid Votes:

Mode of Voting	Number of shares
Insta Poll	0
E-Voting	0
Total	0





M. DAMODARAN & ASSOCIATES
Practicing Company Secretaries



SPECIAL BUSINESS

Item No: 3

Fixing of Revised Remuneration to Mr.K. Kandasamy, Managing Director (DIN:00277906)

passed as Special Resolution as follows:

Mode of Voting	Total Valid Polls Received & valid e-voting casted (3)+(6)	Favour			Against			Total % of valid Votes in Favour & Against (5)+(8)
		Number of Polls & e-voting	Number of shares Voted	%	Number of Polls & e-voting	Number of shares Voted	%	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Insta Poll	2	2	200	100	0	0	0	100
E-Voting	39	39	1491051	100	0	0	0	100
Total	41	41	1491251	100	0	0	0	100

Details of invalid Votes:

Mode of Voting	Number of shares
Insta Poll	0
E-Voting	0
Total	0



M. Kandasamy



M. DAMODARAN & ASSOCIATES
Practicing Company Secretaries



3. The electronic data and all other relevant records relating to e voting is under my safe custody and will be handed over to the director for preserving safely after the Chairman considers, approves and signs the minutes of the AGM.

Thanking You,
Yours faithfully,


M. Damodaran
Practicing Company Secretary
C.P No: 5081

Place: Chennai
Date: 26.09.2018



DHARANI FINANCE LIMITED
CHAIRMAN'S SPEECH

25th September 2018

Dear Shareholders,

On behalf of the Board of Directors, I am glad to welcome you to the 28th Annual General Meeting of your company. Your continued trust, encouragement and support are what gives us energy, enthusiasm, confidence and motivation to continuously strive for improvement.

India continues to be among the world's fastest growing major economies, despite temporary hiccups caused by demonetisation and goods and services tax (GST) implementation. The country's GDP growth is pegged at 6.7% in 2017 and likely to accelerate to 7.4% in 2018 and 7.8% in 2019. The Indian economy is looking at brighter side ahead with revival of domestic demand in most sectors which has further boosted output of both manufacturing and services. Per capita growth rates "are strong" and are expected to help bring down poverty in coming years.

India's economy grew at an impressive 8.2 per cent in the first quarter of 2018-19 financial year ending June 30 on the back of a strong core performance and a healthy base. India's growth is expected to pick up further to 7.60% in 2019-20 as efforts to strengthen the banking system and continued corporate deleveraging are likely to bolster private investment.

NBFC Services in India:

NBFCs (Non Banking Financial Companies) play an important role in promoting inclusive growth in India, by catering to the diverse financial needs of bank excluded customers. Further NBFCs often take lead role in providing innovative financial services to Micro, Small and Medium Enterprises (MSMEs) most suitable to their business requirements.

NBFCs do play a critical role in participating in the development of an economy by providing a fillip to transportation, employment generation, wealth creation, bank credit in rural segments and to support financially weaker sections of the society. Emergency services like financial assistance and guidance is also provided to the customers in the matters pertaining to insurance.



NBFCs are financial intermediaries engaged in the business of accepting deposits, delivering credit and play an important role in channelizing the scarce financial resources to capital formation. They supplement the role of the banking sector in meeting the increasing financial needs of the corporate section delivering credit to the unorganized sector and to small local borrowers. NBFC are bound by the Indian Banking Industry rules and regulations.

NBFC focuses on business related loans and advances, acquisition of shares, Stocks, bonds, debentures, securities issued by government or local authority or other securities of like marketable nature, leasing, hire purchase, insurance business, chit business.

The role of NBFCs is critical and their presence in a country would only boost the economy in the right direction. Your Company being a NBFC, though small is contributing towards this by engaging in the above business and through financing & leasing arrangements. During the year 2017-18, the Company's income was Rs.374.75 lakhs with a profit of Rs.139.11 lakhs. The profits are being ploughed back to increase its range of financial services to conform to RBI's requirement for a NBFC. In the first quarter of 2018-19, your Company has been able to continue to report a satisfactory performance of Rs.4.72 lakhs profit.

I take this opportunity to convey my gratitude to my colleagues on the board for their co-operation and help during the year. I thank for every member of Dharani Family for their dedication and hard work. I thank the bankers, for their support and continued patronage. I gratefully acknowledge the support received from Government departments both at the central and state levels.

Before I close, I place on record my deep appreciation for the dedication and hard work put in by all employees of your Company. Once again I thank you all.

With the Positive feeling, let us commence the proceedings of the Annual General Meeting.

Dr Palani G Periasamy
Chairman

Place: Chennai
Date: 25.09.2018

Note: This does not purport to be a report of the proceeding at the Annual General Meeting.



DHARANI FINANCE LIMITED



28th

ANNUAL REPORT
2017-2018



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DHARANI FINANCE LIMITED

BOARD OF DIRECTORS

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

Chief Financial Officer	:	Mr R Muralidharan
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Auditors	:	M/s CNGSN & Associates LLP Flat No.6 First Floor, Vignesh Apartment North Avenue, Sri Nagar Colony Little Mount, Chennai 600 015. Firm Regn. No. 004915S/S200036
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Internal Auditors	:	R Balachandran & Co., Flat-3B, 3rd Floor, 3rd Block, Bajaj Apartments, 7/4, Nandanam Extension, Main Road, Nandanam,Ch-600035. Firm Regn. No. : 000323S
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Bankers	:	Indian Bank, Sterling Road Branch, Nungambakkam, Chennai – 600 034.
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Admn. & Registered Office	:	“PGP House” No.59 Sterling Road Nungambakkam, Chennai – 600 034. Phone Nos. 044-2831 1313, 28311414 Fax No. 044 – 2823 2074 Email: secretarial@dharanifinance.in Website : www.dharanifinance.in CIN – L65191TN1990PLC019152
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DHARANI FINANCE LIMITED

NOTICE TO SHAREHOLDERS

Notice is hereby given that the **TWENTY EIGHTH ANNUAL GENERAL MEETING** of the members of the Company will be held on **Tuesday 25th September 2018 at 10.00 A.M.**, at Sathguru Gnanananda, Mini Hall, Narada Gana Sabha, No. 314, T T K Road, Alwarpet, Chennai - 600 018 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements including Balance Sheet as at 31st March 2018, the Statement of Profit and Loss and Cash Flow Statements for the year ended on that date and consider the reports of the Board of Directors and Auditors.
2. To appoint a Director in place of Mrs Visalakshi Periasamy, (DIN 00064517) who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESS

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

(a) **"RESOLVED THAT** pursuant to the procedure indicated in Part II Section II of Schedule V read with Section 196, 197 & 203, of the Companies Act 2013, subject to such sanctions as may be necessary, approval and sanction of the Company be and is hereby accorded to the payment of the following remuneration to Mr K Kandasamy (DIN: 00277906) Managing Director of the Company having inadequate profits during the year 2017-18 for the year 01.04.2017 to 31.03.2018.

In Rs.

Salary	1260000.00
Perquisites	
HRA	90000.00
Medical Reimbursement	0
LTA	0
Total	1350000.00

- (b) **RESOLVED THAT** in modification of the resolution passed in the Annual General Meeting held on 25th September 2014, the remuneration payable to Mr K Kandasamy, Managing Director for the remaining period of his term of office from 01.04.2018 to 24.06.2019 be amended as follows:

1. Salary (Rs.)	Nil
2. Perks (Rs.)	HRA- 7500.00 (per month)

He will not be entitled to any other perquisites, except provision of a car with driver and telephone at residence for official use only.

By Order of the Board

For Dharani Finance Limited

Place : Chennai

K Kandasamy

Date : 29th May 2018

Managing Director

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**

The proxy form, in order to be effective must be duly completed, stamped and lodged with the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.

A proxy need not be a member of the Company.

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

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

2. The Share Transfer Books of the Company will remain closed from 19th September 2018 to 25th September 2018 (both days inclusive)
3. Members/ Proxy holders must bring the Attendance Slip duly signed to the meeting and hand it over at the entrance. Xerox copy/ torn attendance slips will not be accepted. Only members and proxy holders will be admitted to the auditorium.
4. Members holding shares in physical form are requested to quote their Registered Folio numbers and those holding shares in demat form to quote their ID Numbers in the attendance slips and in all correspondence with the Company and notify the Company/



DHARANI FINANCE LIMITED

- 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 for the year 2011-12 may send the same to the Registered Office or Share Transfer Agent for revalidation.
 8. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business set out against item No.3 is annexed hereto.
 9. Unpaid dividend for over 7 years will be transferred to Central Government. Members may refer to page No. 14 of the Annual Report and lodge their claim, if any, immediately. Similarly shares relating to them will also be transferred to Investor Education and Protection Fund
 10. The Ministry of Corporate Affairs vide its Circular dated 21st April 2011 allowed the Companies to send notices, annual reports and other documents by means of e-mail to the members of the Company as part of its green initiative programme in Corporate Governance. Hence members, who have not registered their e-mail addresses, are requested to register their e-mail addresses with the Company/Registrar.
 11. Pursuant to section 108 of the Companies Act, 2013 and in compliance with SEBI directives through the Listing Obligations Disclosure Regulations, the Company has made necessary arrangements to enable the members to exercise their right to vote on the resolutions through Electronic Voting. The detailed procedure for availing this facility is explained in the annexure.

By Order of the Board

For Dharani Finance Limited

Place : Chennai
Date : 29th May 2018

K Kandasamy
Managing Director
DIN No. : 00277906

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

Item No. 2 – Re-appointment of Mrs Visalakshi Periasamy – Director.

1	Name	Mrs Visalakshi Periasamy
	Age	72
	Qualification	B.B.A
	Date of Appointment	10.05.1990
	Experience	29 years
	Other Directorship	1. Appu Hotels Limited 2. Dharani Sugars and Chemicals Limited 3. Dharani Credit & Finance (P) Limited 4. PGP Educational & Welfare Society
	Member of Committees	Management Committee, Nomination & Remuneration Committee
	No of Shares held in the Company & %	145198 & 2.91%
	Relationship between directors inter-se	She is the spouse of Dr Palani G Periasamy, Chairman

**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013.****Item No.3****Remuneration to Mr K Kandasamy – Managing Director**

Mr K Kandasamy, (DIN 00277906) was re-appointed as Managing Director for a period of 5 years from 25.06.2014 with the following remuneration as per Section 196, 197 and 198 of the Companies Act, 2013 and approval of Shareholders was obtained through a Special Resolution in the Annual General Meeting held on 25th September 2014.

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

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

It was also provided therein that in case there are no profits or if the profits are insufficient, in any year payment of remuneration will be regulated within the limits, i.e., Rs.30 lakhs (since revised to Rs. 60 lakhs) per year prescribed in Section II Part II of the Schedule V to the Companies Act, 2013 and after following the prescribed procedure. As the profits for the year 2017-18 are insufficient, this procedure is being followed. The following remuneration which is within the prescribed limits is recommended for the period 01-04-2017 to 31-03-2018 by the Nomination & Remuneration Committee and approved by the Board.

1. Salary	Rs. 12.60 lakhs
2. Perquisites	Rs. 0.90 lakhs
Total	Rs. 13.50 lakhs

Due to inadequate profits Mr K Kandasamy, Managing Director has offered to forego his remuneration for the remaining period of the present term of office i.e., 01-04-2018 to 24-06-2019. This offer has been recommended to be accepted by the Nomination and Remuneration Committee and accepted by the Board and accordingly terms of remuneration for the period 01-04-2018 to 24-06-2019, are being modified as follows:

1. Salary (Rs.)	Nil
2. Perquisites	HRA- Rs.7500.00 (per month) No other remuneration or perquisites is payable.

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



DHARANI FINANCE LIMITED

I. General Information	
1 Nature of industry	Services
2 Date or expected date of commencement of commercial production	10.05.1990
3 In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA
4 Financial performance based on given indicators	Provided in the Board's Report
5 Foreign investments or collaborations, if any	Nil
II. Information about the appointee	
1 Background details	Mr K Kandasamy belongs to the promoter group. He is a Law Graduate and MBA. He has been member of the Company since its formation.
2 Past Remuneration	Rs.13.50 Lakhs + Contribution to Provident Fund, Superannuation Fund
3 Recognition or awards	Nil
4 Job Profile and his suitability	He has more than 20 years experience in General administration in the group.
5 Remuneration proposed	Rs.13.50 lakhs per annum
6 Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Rs.25,00,000/- + perquisites per annum
7 Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	One of the promoters. Holds 82990 equity shares (1.66%) in Dharani Finance Limited
III. Other information	
1 Reasons of loss or inadequate profits	General economic depression
2 Steps taken or proposed to be taken for improvement	Propose to expand its financial services activities
3 Expected increase in productivity and profits in measurable terms	20% increase

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



Procedure for E- Voting Process

1. The Company is pleased to provide members facility to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means as required by Regulation 44 of the Listing Obligation Disclosure Regulations and Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014. This business would be transacted through e-Voting services provided by Central Depository Services (India) Limited (CDSL).
 - (v) Now, fill up the following details in the appropriate boxes:
 - * Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name in block letters and the sequence number (8 digits) printed in the address slip in the PAN field.

please enter any one of the details in order to login.
 - (vi) After entering these details appropriately, click on "SUBMIT" tab.
 - (vii) Members holding shares in physical form will then reach directly to the voting screen. However, members holding shares in demat form will now reach 'Password Change' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@ # \$ % & *). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
2. E-Voting commences on **22nd September 2018. e-Voting through electronic mode shall not be allowed beyond 5.00 p.m. on 24th September 2018.** During this period, shareholders of the Company, holding shares as on the cutoff date i.e, Tuesday, the **18th September 2018** are entitled to cast their vote electronically.
3. Instructions for e-Voting for members receiving an email from CDSL pursuant to their email IDs having been registered with the Company/ Depository Participants:
 - (i) User ID and password are required for e-Voting. If you are holding shares in Demat form and logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used. Else, follow clause (v) to (vii) for login.
 - (ii) Launch the internet browser during the voting period. Type the URL in the address bar www.evotingindia.com. Home screen opens.
 - (iii) Click on "Shareholders" tab to cast your vote.
 - (iv) Now, select the Electronic Voting Sequence Number - "EVSN" along with "COMPANY NAME" from the drop down menu and click on "SUBMIT"
 - (viii) Select EVSN (Electronic Voting Sequence number) of Dharani Finance Limited.
 - (ix) On the voting page, you will see Resolution Description and against the same the option "YES/ NO" for voting. Select the option as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (x) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
 - (xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

	For Members holding shares in Demat Form and Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN (case sensitive) issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.



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- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
4. In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the Company/ depository participant(s) or requesting physical copy]:
- (i) Please follow all steps from sl. no. (ii) to sl. no. (xii) Above, to cast vote.
5. E-voting cannot be exercised by a proxy. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
6. During the voting period, security holders can login any number of times till they have voted on all the resolutions. They can also decide to vote only on some of the resolutions.
7. A member who has cast his vote by electronic means is not entitled to vote in person again at the AGM.
8. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or send an email to “helpdesk.evoting@cdslindia.com.”
9. The voting rights of shareholders shall be in proportion to their shareholding as on the cutoff date Viz., Tuesday, the 18th September 2018.
10. Mr M Damodaran, Practicing Company Secretary (Membership No. 005837) has been appointed as the Scrutinizer.
11. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witness not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutiniser’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same;
- The Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.
12. The results will be declared on or after the AGM of the company. The results declared along with the Scrutinizer’s report will be placed on the company’s website www.dharanifinance.in and on the website of CDSL www.evotingindia.co.in within two (2) days of passing of the resolutions at the AGM of the Company and communicated to BSE.



DHARANI FINANCE LIMITED

BOARD'S REPORT

Dear Members,

The Board of Directors present herein the **TWENTY EIGHTH** Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2018.

FINANCIAL SUMMARY

The Financial results for the year ended 31st March 2018 are briefly as follows: -

Particulars	Rs. in Lakhs	
	For the year Ended 31.03.2018	For the year Ended 31.03.2017
Income through Travel Operations, Finance Services and others	374.75	281.39
Expenditure (Employee & Administrative Expenses)	218.44	235.91
Profit	156.31	45.49
Depreciation	7.57	3.26
Interest & Bank Charges	2.97	-
Profit after depreciation & Interest	145.77	42.23
Provision for Income Tax		
- Current	0.45	4.00
- MAT		-
- Deferred	6.21	5.25
Profit after Tax	139.11	32.97
Surplus brought forward	137.08	110.70
Profit available for appropriation	276.19	143.67
APPROPRIATIONS	-	-
Transfer to Statutory Reserves	27.82	6.59
Proposed Dividend	-	-
Dividend Distribution Tax	-	-
Net Surplus carried over	248.37	137.08

PERFORMANCE

Total Income of the Company is Rs 374.75 lakhs as against Rs 281.39 lakhs in the previous year though income through travel operations has come down to Rs 81.91 lakhs from Rs. 235.92 lakhs. Company provides travel services to the guests of the Group's 5 star hotels at Chennai and Coimbatore. There was a decrease in the amount of dividend received on long term investments from Rs 10.31 lakhs in the previous year to Rs.4.48 lakhs in the current year. However, the Company has managed to improve its earnings from financial services. Proceeds of sale of some financial investments at profitable rates were used for extending loans of Rs. 6.27 crores.

The Company's expenses have decreased marginally to Rs. 218.44 lakhs from the previous year's Rs 219.67 lakhs. The gross profits are Rs 156.31 lakhs an increase from previous year's Rs 45.49 lakhs. This was mainly due to sale of investments in mutual funds and equity shares at profitable market rates resulting in a profit of Rs. 1.93 crores. Software services, which the company commenced earlier, could not bring in much business. After providing Rs 7.57 lakhs towards depreciation, and Rs.2.97 lakhs as finance costs, net profit comes to Rs 145.77 lakhs an increase from Rs 42.23 lakhs in the previous year, while profit after tax works out to Rs 139.11 lakhs against Rs 32.97 lakhs in the previous year.

OUTLOOK

Your company is also exploring the possibility of increasing its resources by additional capital or borrowings. In addition, by using its surplus, your Company proposes to increase its financial services activities.

DIVIDEND

The profits for the year are proposed to be ploughed back to increase its range of financial services activities, and achieve the required % of financial assets and income from financial services as advised by RBI to retain the certificate of registration as an NBFC. Your directors therefore regret their inability to recommend any dividend.

RESERVES

A sum of Rs. 27.82 lakhs is being transferred to the Statutory Reserves, as required by RBI regulations. With this, total Statutory Reserves comes to Rs. 145.41 lakhs.

SHARE CAPITAL

There is no change in the Share Capital of the Company- either the Authorised Capital or the Issued Capital. The paid up equity capital as on March 31, 2018 continues to remain at Rs.4,99,44,000.00. The Company has not issued any shares during the period.

EXTRACT OF ANNUAL RETURN

Extract of the Annual Return in form MGT-9 as provided under Section 92(3) of the Companies Act, 2013 is attached herewith. Annexure - I

BOARD MEETINGS

Board consists of the following directors including one Woman Director.



DHARANI FINANCE LIMITED

During the year 2017-18 six Board Meetings were held on 27.04.2017, 25.05.2017, 15.07.2017, 09.08.2017, 10.11.2017 and 09.02.2018. Attendance at these meeting is given below.

Sl. No	Name of the Director	Category of Directorship	No. of Board Meetings Attended
1	Dr Palani G Periasamy (DIN 00081002)	Chairman (Non Executive) - Promoter	6
2	Mrs. Visalakshi Periasamy (DIN 00064517)	Non Executive - Promoter	6
3	Mr. K Kandasamy (DIN 00277906)	Executive - Promoter	6
4	Mr. M Ganapathy (DIN 00234337)	Non Executive - Independent Director	6
5	Dr. S Muthu (DIN 03331664)	Non Executive - Independent Director	6

LOANS, GUARANTEES OR INVESTMENTS

Company has granted the following Loans, as part of expanding its financial services activities.

Sl. No	Company Name	Amount	Terms & Conditions
01	Aryav Exports Private Limited	Rs.2.00 Crores	Rate of Interest - 12% p.a. Repayment before- 30-09-2019 Interest payable - at the end of every year.
02	Appu Hotels Limited	Rs 4.27 Crores	Rate of Interest - 12% p.a. Repayment before - 31st March 2020. Interest payable - at the end of every year.

CONTRACTS, ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1)

All related party transactions that were entered into during the financial year were in the ordinary course of the business and were on arm's length basis. The statement in form AOC 2 is attached. Annexure - II. There are no materially significant related party transactions entered into by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

AUDITOR'S REPORT

The observations made in the Auditors' Report read together with relevant notes thereon are self explanatory and do not call for any further comments under Section 134 of the Companies Act, 2013. There are no qualifications reservations, or adverse remarks. Their report is an unmodified one.

MATERIAL CHANGES AND COMMITMENTS

The Company has leased its entire fleet of vehicles to a group Company as part of expansion of leasing services activities and also to regulate the income from such finance activities at levels prescribed by RBI.

FOREIGN EXCHANGE EARNINGS AND OUT-GO, CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

- A. During the year there were no Foreign Exchange Earnings & Outflow.
- B. Conservation of Energy & Technology absorption. These guidelines are not applicable to this Company.

SUBSIDIARY COMPANIES

The Company does not have any subsidiary or any associate Company. Hence no report on subsidiary, associate, joint venture Company is provided.

RISK MANAGEMENT POLICY

The Company has developed a risk management policy. Pursuant to Section 134 (3) (n) of the Companies Act, 2013 details of the Policy are disclosed in the Company's Website.

At present the Company has not identified any element of risk which may threaten the existence of the Company. In this context, report against heading 'Material Changes of Commitments' given above may be referred to.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mrs Visalakshi Periasamy, (DIN 00064517) Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment.

Mr N Subramanian, Company Secretary and one of the Key Managerial Personnel resigned with effect from 9th August 2017. Company is taking action to fill up the vacancy by a suitable person.

SIGNIFICANT AND MATERIAL ORDERS

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future. Reserve Bank of India have however advised the Company to improve the financial services business and the financial assets to conform to RBI's norms for continuing its registration as a NBFC.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the assignment order. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board & to the Chairman of the Board.



The Internal Audit monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal auditor, management undertakes corrective action and thereby strengthen the controls. Significant audit observations wherever made and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

DEPOSITS

The Company does not hold any public deposits as on 31st March 2018. Your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

The Company has stopped collecting public deposits and had got its Licence amended by Reserve Bank of India to indicate that it is a non deposit taking NBFC. Your Company does not propose to collect public deposits in the coming year.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have given their declarations as per Section 149 (6) to the effect that they meet the criteria of Independence. 2 Independent Directors were appointed as Independent Directors in the Annual General Meeting 25th September 2014 to hold office for 5 years from 25.09.2014 to 24.09.2019.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Your Company does not fall within the parameters as per Section 135 of the Companies Act and hence not mandated to formulate a Corporate Social Responsibility Policy or spend the prescribed amounts.

AUDIT COMMITTEE

A qualified Audit Committee is in position consisting of the following directors.

Mr M Ganapathy – Chairman, Dr S Muthu and Mr K Kandasamy, Managing Director.

The Audit Committee met 5 times on 25.05.2017, 15.07.2017, 09.08.2017, 10.11.2017 and 09.02.2018. There was no instance where the recommendation of the Audit Committee was not accepted by the Board.

Sl. No	Name of the Director	Category of Directorship	No. of Meetings Attended
1	Mr K Kandasamy	Executive -Promoter	5
2	Mr. M Ganapathy	Non Executive Independent Director	5
3	Dr S Muthu	Non Executive Independent Director	5

SECRETARIAL AUDIT

Pursuant to provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Mr M Damodaran and Associates, Company Secretaries in practice to undertake the Secretarial Audit of the Company. Their Audit report as on 31.03.2018 is annexed herewith as “Annexure – III. The following are the qualifications mentioned.

Observations	Reasons
a. The Company has not complied with the provisions of Section 203 of the Companies Act, 2013 with regard to the appointment of Whole-time Company Secretary.	Company is taking necessary action to fill up the vacant Company Secretary post at the earliest
b. The Company has not transferred shares to IEPF account as per section 124(6) of the Companies Act, 2013 read with Rule 6(5) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.	Indian Bank has not furnished the detailed list of shareholders whose dividend has not been paid.
c. The Company has not filed form IEPF-4 under rule 6(5) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016	Matter is being pursued with the Bank at a higher level. We hope to comply with this requirement very shortly.
d. There was delay in filing form IEPF-6 as per Rule 8 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2015.	Delay was due to Bank’s delay in providing the information despite Company pursuing the matter. This will be ensured in future.

It is declared that Company has complied with all the applicable Secretarial Standards.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation is carried out is based on criteria approved by the Board which is available on the Company’s Website.

VIGIL MECHANISM FOR DIRECTORS & EMPLOYEES

A competent Vigil mechanism has been established and a whistle blower policy has been designed to help Directors and Employees to report genuine concerns. The complete mechanism is given in the company’s website.



NOMINATION AND REMUNERATION COMMITTEE

As required by Section 178 of the Companies Act, 2013 a Nomination & Remuneration Committee has been set up. Mr M Ganapathy and Dr S Muthu and Mrs Visalakshi Periasamy are the members and Mr M Ganapathy is the Chairman. The Committee has formulated appropriate criteria for appointment of Directors and their remuneration.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is available in Website. Only one Meeting was held during 2017-18 on 25.05.2017.

Sl. No	Name of the Director	Category of Directorship	No. of Meetings Attended
1	Mrs Visalakshi Periasamy	Non Executive - Promoter	1
2	Mr. M Ganapathy	Non Executive Independent Director	1
3	Dr S Muthu	Non Executive Independent Director	1

CORPORATE GOVERNANCE

This requirement is not applicable to this Company at present, as per Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements), as it's paid up capital is less than Rs. 10 crores and Net worth less than Rs.25 crores.

The above is also to be treated as Management discussion and analysis. Related Party disclosures are available in Notes 28 to the accounts.

MANAGERIAL REMUNERATION

A	Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. (Applicable to listed Company)	Annexure (IV) - enclosed
B	Details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	There are no employees falling within the requirements of Section 197 read with rule 5 (2) (second part) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
C	Any director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report.	NIL
D	The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statement: as per Schedule V, Part -II, Section -II of the Companies Act, 2013	

In Rupees

(i) all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;	Salary HRA Total Gratuity Total	12,60,000.00 90,000.00 13,50,000.00 63,000.00 14,13,000.00
(ii) details of fixed component and performance linked incentives along with the performance criteria;	NA	
(iii) service contracts, notice period, severance fees;	5 years, 3 months, Nil	
(iv) stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	Nil	



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As the profits of the Company for the year were inadequate, remuneration within the prescribed limits as given in D (i) above has been proposed to be paid to the Managing Director. Approval of the Shareholders in accordance with Schedule V Part II Section II of the Companies Act, 2013 for making this payment is being obtained through a special resolution .

Mr K Kandasamy, Managing Director has offered to forego his managerial remuneration for the remaining period of this term, (01.04.2018 to 24.06.2019) in view of the need for profits for the Company.

• The information as per Rule 5(2) of the rules, forms part of this report. However as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(2) of the Rules, the Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2) (first part) of the Rules. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE

The Company has in place an Anti Sexual harassment policy in line with the requirements of the Section 4 of the Sexual harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received sexual harassment. All employees are covered under this policy. Details have been displayed prominently in the work place and also in the Company's Website.

No complaints were received during the year 2017-18.

STATUTORY AUDITORS

M/s. CNGSN & Associates LLP, Chartered Accountants (Firm Regn. No. 004915S/S200036), Chennai will continue as Statutory Auditors.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review.
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- The directors have prepared the annual accounts on a going concern basis.
- The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

MANAGEMENT COMMITTEE

The Members of the Management Committee are:

Only one Meeting was held during 2017-18 on 09.05.2017.

Sl. No	Name of the Director	Category of Directorship	No. of Meetings Attended
1	Dr Palani G Periasamy	Chairman Non-Executive Promoter	1
2	Mrs Visalakshi Periasamy	Non Executive – Promoter	1
3	Mr K Kandasamy.	Executive - Promoter	1

STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholders' Relationship 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 25.05.2017. The Members of the Stakeholders Relations Committee are Mr M Ganapathy, Independent Director (Chairman) and Mr K Kandasamy, Managing Director.

Sl. No	Name of the Director	Category of Directorship	No. of Meetings Attended
1	Mr. M Ganapathy	Non Executive Independent Director	1
2	Mr K Kandasamy	Executive - Promoter	1

CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company.

The Code has been posted on the Company's website www.dharanifinance.in

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of disclosures & a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. This has been disclosed in the Company's website. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive



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information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All the Directors and the designated employees have confirmed compliance with the Code.

UNCLAIMED DIVIDEND

Pursuant to Section 124 & 125 of the Companies Act, 2013, dividend remaining unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Reminders are sent to the shareholders as per records every year, for the unpaid dividends.

Year	% of Dividend	Date of Declaration	Amt in lakhs	Due date for transfer to IEPF
2010-11	5%	20.10.2011	Rs. 4,97,151.50	30.10.2018
2011-12	7%	15.10.2012	Rs.7,55,444.50	24.10.2019

The Company transferred the following amounts of unclaimed dividend to the IEPF of the Central Government during this period.

Year	% of Dividend	Date of Declaration	Amt in lakhs	Due date for transfer to IEPF
2009-10	5%	01.10.2010	Rs.4,80,790.00	11.10.2017

MCA by notification GSR 352 (E) dated 10.05.2012 has stipulated publication of details of unclaimed/ unpaid dividend in the Company website and MCA website. This will enable investors track unclaimed dividend by checking the status online and real time. Our company has already uploaded the requisite details that will get updated every year within 90 days of Annual General Meeting.

Shares against the unpaid dividend for 7 years were due to be transferred to IEPF Account. This is in under progress and is hoped to be completed early.

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

DR PALANI G PERIASAMY
CHAIRMAN

Place : Chennai
Date : 29th May 2018

(DIN 00081002)

**DHARANI FINANCE LIMITED**

Annexure - I

Board's Report**Form No. MGT-9****EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2018****[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]****I REGISTRATION & OTHER DETAILS:**

i	CIN	L65191TN1990PLC019152
ii	Registration Date	10.05.1990
iii	Name of the Company	Dharani Finance Limited
iv	Category/Sub-category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	No.59 Sterling Road, Nungambakkam, Chennai - 34 Phone : 044 - 28311313 secretarial@dharanifinance.in
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Cameo Corporate Services Ltd, No.1 Club House Road, Subramanian Building, Chennai - 1 Ph : 044 - 28461832

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated.

SL No	Name & Description of main products/services	NIC Code of the Product / Service	% to total turnover of the Company
	Other Financial Service activities except Insurance	64990	100%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SL No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
NIL					

**IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
Category - Wise Share holding**

Sl.No.	Category of Shareholders	No. of shares held at the beginning of the year-01.04.2017				No. of shares held at the end of the year -31.03.2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Shareholding Of Promoter And Promoter Group									
1.	INDIAN									
A.	Individuals/hindu Undivided Family	814283	0	814283	16.30	815283	0	815283	16.32	0.02
B.	Central / State Government(S)	0	0	0	0.00	0	0	0	0.00	0.00
C.	Bodies Corporate	595119	0	595119	11.92	595119	0	595119	11.92	0.00
D.	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
E.	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub - Total (a)(1)	1409402	0	1409402	28.22	1410402	0	1410402	28.24	0.02



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Category - Wise Share holding Contd.,

	Category of Shareholders	No. of shares held at the beginning of the year-01.04.2017				No. of shares held at the end of the year -31.03.2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	Foreign									
A.	Individuals (non- Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
B.	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
C.	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
D.	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
E.	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub - Total (a)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Share Holding Of Promoter And Promoter Group (a) = (a)(1)+(a)(2)	1409402	0	1409402	28.22	1410402	0	1410402	28.24	0.02
B.	Public Shareholding									
1.	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
A.	Mutual Funds/uti	0	0	0	0.00	0	0	0	0.00	0.00
B.	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
C.	Central / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
D.	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
E.	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
F.	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
G.	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
H.	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
I.	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub - Total (b)(1)	0	0	0	0.00	0	0	0	0.00	0.00
2.	Non-institutions	0	0	0	0.00	0	0	0	0.00	0.00
A.	Bodies Corporate	49503	2700	52203	1.05	207143	2700	209843	4.20	3.16
B.	Individuals -									
	I Individual Shareholders Holding Nominal Share Capital Upto Rs. 1 Lakh	1059756	1748571	2808327	56.23	1042758	1718071	2760829	55.28	-0.95
	II Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 Lakh	303343	290400	593743	11.89	342840	94400	437240	8.76	-3.13
C.	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
D.	Any Other									
	Clearing Members	300	0	300	0.00	3111	0	3111	0.06	0.06
	Hindu Undivided Families	22370	400	22770	0.45	51282	400	51682	1.03	0.58
	Non Resident Indians	39205	68350	107555	2.15	52843	68350	121193	2.43	0.28
	Trusts	100	0	100	0.00	100	0	100	0.00	0.00
	Total	61975	68750	130725	2.62	107336	68750	176086	3.53	0.91
	Sub - Total (B)(2)	1474577	2110421	3584998	71.78	1700077	1883921	3583998	71.76	-0.02
	Total Public Shareholding (b) = B)(1)+(b)(2)	1474577	2110421	3584998	71.78	1700077	1883921	3583998	71.76	-0.02
	Total (a)+(b)	2883979	2110421	4994400	100	3110479	1883921	4994400	100	0.00
C.	Shares Held By Custodians And Against Which Depository Receipts Have Been Issued									
	Promoter And Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
	Public	0	0	0	0.00	0	0	0	0.00	0.00
	Total Custodian (c)	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (a)+(b)+©	2883979	2110421	4994400	100	3110479	1883921	4994400	100	0.00



DHARANI FINANCE LIMITED

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) . contd.,

(ii) Shareholding of promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Dharani Credit & Finance (p) Ltd	229133	4.59	-	229133	4.59	-	0.00
2	Dharani Developers Private Ltd	226986	4.54	-	226986	4.54	-	0.00
3	Dharani Sugars & Chemicals Ltd	139000	2.78	-	139000	2.78	-	0.00
4	K Vijayalakshmi	101568	2.03	-	101568	2.03	-	0.00
5	K Kandasamy	82990	1.66	-	82990	1.66	-	0.00
6	Visalakshi Periasamy	145198	2.91	-	145198	2.91	-	0.00
7	Palani G Periasamy	353112	7.07	-	354112	7.09	-	0.02
8	R Murugavel	21283	0.43	-	21283	0.43	-	0.00
9	Ananthi Periasamy	30044	0.60	-	30044	0.60	-	0.00
10	Santhi Periasamy	30044	0.60	-	30044	0.60	-	0.00
11	Nalini Periasamy	30044	0.60	-	30044	0.60	-	0.00
12	Jayanthi Periasamy	20000	0.40	-	20000	0.40	-	0.00
	Total	1409402	28.22	-	1410402	28.24	-	0.02

iii. Changes in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year- 01.04.2017		Cumulative Shareholding during the year- 31.03.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	PALANI G PERIASAMY				
	At the beginning of the year 01.04.2017	353112	7.07		
	Purchased during June 2017	1000	0.02		
	At the end of the Year 31-Mar-2018			3543112	7.09
2	DHARANI CREDIT AND FINANCE (P) LTD				
	At the beginning of the year 01.04.2017	229133	4.59		
	At the end of the Year 31-Mar-2018			229133	4.59
3	DHARANI DEVELOPERS PRIVATE LIMITED				
	At the beginning of the year 01.04.2017	226986	4.54		
	At the end of the Year 31-Mar-2018			226986	4.54


DHARANI FINANCE LIMITED
iii. Change in Promoters' Shareholding (please specify, if there is no change) Contd....

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year- 01.04.2017		Cumulative Shareholding during the year- 31.03.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	VISALAKSHI PERIASAMY				
	At the beginning of the year 01.04.2017	145198	2.91		
	At the end of the Year 31-Mar-2018			145198	2.91
5	DHARANI SUGARS AND CHEMICALS LIMITED				
	At the beginning of the year 01.04.2017	139000	2.78		
	At the end of the Year 31-Mar-2018			139000	2.78
6	K VIJAYALAKSHMI				
	At the beginning of the year 01.04.2017	101568	2.03		
	At the end of the Year 31-Mar-2018			101568	2.03
7	K KANDASAMY				
	At the beginning of the year 01.04.2017	82990	1.66		
	At the end of the Year 31-Mar-2018			82990	1.66
8	R MURUGAVEL				
	At the beginning of the year 01.04.2017	21283	0.43		
	At the end of the Year 31-Mar-2018			21283	0.43
9	ANANTHI PERIASAMY				
	At the beginning of the year 01.04.2017	30044	0.60		
	At the end of the Year 31-Mar-2018			30044	0.60
10	SANTHI PERIASAMY				
	At the beginning of the year 01.04.2017	30044	0.60		
	At the end of the Year 31-Mar-2018			30044	0.60
11	NALINI PERIASAMY				
	At the beginning of the year 01.04.2017	30044	0.60		
	At the end of the Year 31-Mar-2018			30044	0.60
12	JAYANTHI PERIASAMY				
	At the beginning of the year 01.04.2017	20000	0.40		
	At the end of the Year 31-Mar-2018			20000	0.40



DHARANI FINANCE LIMITED

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs):

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year- 01.04.2017		Cumulative Shareholding during the year- 31.03.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	SANTOSH KUMAR KHEMKA JT1 : VINEET KHEMKA				
	At the beginning of the year 01.04.2017	151000	3.02		
	Sale 18-Aug -2017	-131000	2.62		
	Sale 29-Dec-2017	-20000	0.40		
	At the end of the Year 31-Mar-2018			0	0.00
2	LALIT KISHORE CHOUDHURY				
	At the beginning of the year 01.04.2017	93692	1.88		
	Sale 28-Apr-2017	-25000	0.50		
	Sale 09-June -2017	-30000	0.60		
	Sale 11-Aug -2017	-5000	0.10		
	Sale 17-Nov-2017	-3000	0.06		
	Sale 24-Nov -2017	-23692	0.48		
	Sale 01-Dec-2017	-7000	0.14		
	At the end of the Year 31-Mar-2018			0	0.00
3	SANTOSH KUMAR KHEMKA JT1 : CHITRA KHEMKA				
	At the beginning of the year 01.04.2017	83000	1.66		
	Demated 30-June -2017	200	0.00		
	Purchase 18-Aug -2017	45000	0.90		
	Purchase 25-Aug-2017	131000	2.62		
	Sale 17-Nov-2017	-79200	1.59		
	Sale 24-Nov-2017	-85000	1.70		
	Sale 01-Dec-2017	-65000	1.30		
	Sale 08-Dec-2017	-30000	0.60		
	Purchase 05-Jan 2018	16000	0.32		
	Sale 12-Jan 2018	-16000	0.32		
	At the end of the Year 31-Mar-2018			0	0.00
	4	SANTOSH KUMAR KHEMKA JT1 : CHITRA KHEMKA			
At the beginning of the year 01.04.2017		45000	0.90		
Demated 18-Aug -2017		-45000	0.90		
At the end of the Year 31-Mar-2018				0	0.00


DHARANI FINANCE LIMITED

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year-01.04.2017		Cumulative Shareholding during the year-31.03.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5	JAGANATHAN M				
	At the beginning of the year 01.04.2017	35166	0.70		
	At the end of the Year 31-Mar-2018			35166	0.70
6	DINESH KUMAR MURARKA				
	At the beginning of the year 01.04.2017	30000	0.60		
	At the end of the Year 31-Mar-2018			30000	0.60
7	AJIT BABURAO VANKUDRE				
	At the beginning of the year 01.04.2017	21000	0.42		
	At the end of the Year 31-Mar-2018			21000	0.42
8	VIJAY JANAKIRAMAN JT1 : MALLIGA JANAKIRAMAN				
	At the beginning of the year 01.04.2017	20032	0.40		
	At the end of the Year 31-Mar-2018			20032	0.40
9	NILOUFER B KOSI JT1 : MR GAFFOUR A KOSI				
	At the beginning of the year 01.04.2017	20000	0.40		
	At the end of the Year 31-Mar-2018			20000	0.40
10	CHITRA KHEMKA JT1. VINEET KHEMKA				
	At the beginning of the year 01.04.2017	14600	0.29		
	Demated 30-June -17	600	0.01		
	Sale 17-Nov-17	-15200	0.30		
	At the end of the year 31-Mar-2018			0	
11	MASTER CAPITAL SERVICES LTD				
	At the beginning of the year 01-Apr-2017	0			
	Purchase 28-Jul-2017	1849	0.37		
	Sale 18-Aug-17	-1849	0.37		
	Purchase 01-Dec-2017	25000	0.50		
	Purchase 15-Dec-2017	31483	0.63		
	Sale 05-Jan-2018	-300	0.00		
	Purchase 12-Jan-2018	16547	0.33		
	Purchase 19-Jan-2018	79506	1.60		
	Purchase 25-Jan-2018	56500	1.13		
	Purchase 09-Feb-2018	15000	0.30		
	Purchase 16-Feb-2018	8764	0.17		
	Sale 23-Feb-2018	-8450	0.17		
	Sale 02-Mar-2018	-56300	1.12		
	At the end of the year 31-March -2018			167750	3.36


DHARANI FINANCE LIMITED

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year- 01.04.2017		Cumulative Shareholding during the year- 31.03.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
12	AMIT ARORA				
	At the beginning of the year 01-Apr-2017	0	0.00		
	Purchase 02-Feb-2018	10048	0.20		
	Purchase 16-Feb-2018	63877	1.28		
	Purchase 23-Feb-2018	18500	0.37		
	Purchase 16-Mar-2018	100	0.00		
	At the end of the year 31-Mar-2018			92525	1.86
13	SHASHI KIRAN BHAUKA				
	At the beginning of the year 01-Apr-2017	0	0.00		
	Purchase 29-Dec-2017	1031	0.02		
	Purchase 12-Jan -2018	4229	0.08		
	Sale 19-Jan-2018	-5260	0.10		
	Purchase 02-Mar-2018	50000	1.00		
	At the end of the year 31-Mar-2018			50000	1.00
14	JAYESHKUMAR MANILAL PATEL				
	At the beginning of the year 01-Apr-2017	0	0.00		
	Purchase 08-Dec-2017	20000	0.40		
	At the end of the year 31st Mar 2018			20000	0.40
15	ANKIT GULATI				
	At the beginning of the year 1st Apr -2017	0	0.00		
	Purchase 08-Dec-2017	5000	0.10		
	Purchase 12-Jan-2018	3000	0.06		
	Purchase 19-Jan-2018	2851	0.05		
	Purchase 09-Feb-2018	5000	0.10		
	Purchase 16-Feb-2018	100	0.00		
	Purchase 23-Feb-2018	500	0.01		
	At the end of the year 31st March 2018			16451	0.33



DHARANI FINANCE LIMITED

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors KMP	Shareholding at the beginning of the year-01.04.2017		Cumulative Shareholding during the year-31.03.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
A	Directors				
1	Dr Palani G Periasamy	353112	7.07	354112	7.09
2	Mrs Visalakshi Periasamy	145198	2.91	145198	2.91
3	Mr K Kandasamy	82990	1.66	82990	1.66
4	Mr M Ganapathy	0	0.00	0	0.00
5	Dr S Muthu	0	0.00	0	0.00
	Total	581500	11.64	582500	11.66
	Key Managerial Personnel				
1	Mr R Muralidharan	0	0.00	0	0.00
2.	Mr. N. Subramanian	0	0.00	0	0.00
	At the beginning of the year	581500	11.64	582500	11.66
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0.00	0	0.00
	At the end of the year	581500	11.64	582500	11.66

V INDEBTEDNESS

In Lakhs

Indebtedness of the Company including interest outstanding/accrued but not due for payment			
	Secured Loans excluding deposits	Unsecured Loans	Deposits
Indebtedness at the beginning of the financial year	-	-	-
i) Principal Amount	-	-	-
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	-	-	-
Change in Indebtedness during the financial year			
Additions	27.00	-	-
Reduction	0	-	-
Net Change	0	-	-
Indebtedness at the end of the financial year			
i) Principal Amount	20.16	-	-
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	20.16	-	-



DHARANI FINANCE LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.

(a) Remuneration to Managing Director, Whole time director and/or Manager:

In Rs.

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager	
		K Kandasamy	Total Amount
1	Gross salary	12,60,000.00	12,60,000.00
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	90,000.00	90,000.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.		
2	Stock option		
3	Sweat Equity		
4	Commission as % of Profit		
5	others (specify) – Gratuity, Provident Fund, superannuation Fund	63,000.00	63,000.00
	Total (A)	14,13,000.00	14,13,000.00
	Ceiling as per the Act	60,00,000.00	60,00,000.00

(b) Remuneration to other directors:

In Rs.

Sl.No	Particulars of Remuneration	Name of the Directors				Total Amount
		Dr Palani G Periasamy (Non Executive Director)	Mrs Visalakshi Periasamy (Non Executive Director)	Dr S Muthu Independent Director	M Ganapathy Independent Director	
	(a) Fee for attending board committee meetings	6000.00	7000.00	13000.00	12000.00	38000.00
	(b) Commission	0	0	0	0	0
	(c) Others, please specify					
	Total	6000.00	7000.00	13000.00	12000.00	38000.00
	Overall Ceiling as per the Act					NA

(c) Remuneration to Key Managerial Personnel Other than Managing Director/ Manager / Whole Time Director.

In Rs.

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary (Upto 09.08.2017)	Total
1	Gross Salary			
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	7,65,879.00	2,78,871.00	10,44,750.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00		
2	Stock Option	0.00		
3	Sweat Equity	0.00		
4	Commission as % of Profit	0.00		
5	Others, specify Superannuation, Provident Fund, Gratuity	26,534.00	0	26,534.00



DHARANI FINANCE LIMITED

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal/ made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NIL

For DHARANI FINANCE LIMITED

Place : Chennai
Date : 29th May 2018

Dr Palani G Periasamy
Chairman
DIN No. : 00081002

Annexure - II

Annexure to Boards Report Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)
Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis : Nil
2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions.	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any.	Date(s) of approval by the Board, if any.	Amount paid as advances, if any
Appu Hotels Ltd: (Directors hold more than 2% of the paid up Capital.)	Providing Travel Services – cars for the guests	One year from 01.04.2017	Rs. 6 crs p.a.	25.05.2017	-
	Leasing of Vehicles	3 years from 01.09.2017	Rs.48.60 lakhs p.a.	10.11.2017	-
	Grant of Loan	Repayment 31.03.2020	Not exceeding Rs.5 crs. @ 12% interest	09.08.2017	-
Dr Palani G Periasamy - Chairman and Mrs Visalakshi Periasamy, Director	Taking on Rent Registered Office Premises 1250 Sq.ft	3 years from 01.06.2017	Rs.9.00 lakhs p.a. Not exceeding Market rates	25.05.2017	-

For DHARANI FINANCE LIMITED

Place : Chennai
Date : 29th May 2018

Dr Palani G Periasamy
Chairman
DIN No. : 00081002



Form No. MR-3

**SECRETARIAL AUDIT REPORT
For The Financial Year Ended On 31.03.2018**

**(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)**

To,
The Members,
DHARANI FINANCE LIMITED
CIN: L65191TN1990PLC019152
PGP House, NO.57, Sterling Road,
Nungambakkam, Chennai -600 034.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. DHARANI FINANCE LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion there on.

Based on my verification of **M/s. DHARANI FINANCE LIMITED's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made here in after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. DHARANI FINANCE LIMITED** ("the Company") for the financial year ended on 31.03.2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Companies Amendment Act, 2017;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (vii) Reserve Bank of India Act, 1934 and Guidelines and Directions issued by the RBI as applicable to the NBFC Companies.

I have also examined compliance with the applicable Regulations and standards of the following:

- (i) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as per the Listing Agreement entered into by the Company with Bombay Stock Exchange Limited; and
- (ii) The Secretarial Standards including revised Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:



DHARANI FINANCE LIMITED

- a) The Company has not complied with the provisions of Section 203 of the Companies Act, 2013 with regard to the appointment of Whole-time Company Secretary.
- b) The Company has not transferred shares to IEPF account as per section 124(6) of the Companies Act, 2013 read with Rule 6(5) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
- c) The Company has not filed form IEPF-4 under rule 6(5) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
- d) There was delay in filing form IEPF-6 as per Rule 8 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2015.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors and there were no changes in the

composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there was no major/specific events in the company.

Place : Chennai
Date : 29th May 2018

M. DAMODARAN
ACS/FCS No.5837
C P No.5081

**DHARANI FINANCE LIMITED****Board's Report**

Annexure - IV

Particulars pursuant to section 197(12) and Rule 5 of Companies (Appointment and Remuneration) rules 2014.

(i)	The ratio of the remuneration of each director to the median employee's remuneration for the Financial year.	Only Managing Director is paid remuneration. Other Directors are not paid any remuneration except sitting fees. Sitting fees paid to the Directors have not been considered as Remuneration. Ratio in respect of Managing Director is 7.24
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(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial year:

Sl.No	Name	Designation	% of Increase/decrease
1	Mr K Kandasamy	Managing Director	-2.74 (Decrease)
2	Mr N Subramanian	Company Secretary	-4.79 (Decrease)
3	Mr R Muralidharan	Chief Financial Officer	-1.15 (Decrease)

iii	The percentage increase in the median remuneration of employees in the financial year:	1.59%
iv	The number of permanent employees on the rolls of company as on 31st Mar 2018	3

v	Average percentile increase already made in the salaries of employees' other than the managerial personnel in the last Financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration	There is no increase in the remuneration of Managing Director. CFO & Company Secretary.
vi	If remuneration is as per the remuneration policy of the Company	Yes

For DHARANI FINANCE LIMITED**Dr Palani G Periasamy**
Chairman
DIN No. : 00081002**Place : Chennai**
Date : 29th May 2018



INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. Dharani Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Dharani Finance Limited, ("the Company"), which comprise of the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's board of directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under Section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit and cash flows for the year ended as on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in Annexure "A" a statement on the matters specified in clauses 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, based on our audit we report that:



DHARANI FINANCE LIMITED

- a) we have sought and 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 it appears from our examination of those books;
- c) in our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- d) the balance sheet, the statement of profit and loss and the statement of cash flow dealt with by this report are in agreement with the books of account;
- e) on the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
- g) with respect to the other matters to be included in the auditors' report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigation which would impact its financial position
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Company.

Other matters

The financial statements of the Company for the year ended March 31, 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 25, 2017 expressed an unmodified opinion on those financial statements.

For CNGSN & Associates LLP

Chartered Accountants

Firm Registration No.004915S/ S200036

(CHINNSAMY GANESAN)

Place : Chennai

Partner

Date : 29th May 2018

Membership No. 027501



**ANNEXURE A TO THE INDEPENDENT
AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Dharani Finance Limited of even date)

1. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The Company is in the process of updating certain particulars regarding the fixed assets. In our opinion, this will not have any material impact on the financial statements.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the company does not possess any immovable property. Accordingly, paragraph 3(i)(c) of the order is not applicable.
2. The company is a non-deposit accepting NBFC and accordingly does not hold any inventories. Accordingly, paragraph 3(ii) of the order is not applicable.
3. According to information and explanation given to us, the company has granted inter corporate loans to a Company covered in the register required to be maintained under section 189 of the Companies Act, 2013. The Company has not granted any other loans, secured or unsecured to firms, limited liability partnerships or other parties covered in the register required to be maintained under section 189 of the Companies Act, 2013. In respect of such deposits, we report that
 - (a) the terms and conditions of the acceptances of such deposits are, in our opinion, prima facie, not prejudicial to the Company's interest;
 - (b) the schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and interest have been regular as per stipulations; and
 - (c) there is no overdue amount remaining receivable as at the year-end
4. In our opinion and according to information and explanation given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and accordingly, the provisions of the paragraph 3 (v) of the Order are not applicable to the Company.
6. According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Companies Act 2013. Accordingly, paragraph 3 (vi) of the Order is not applicable.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and services tax, customs duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of provident fund, employees' state Insurance, income tax, sales tax, service tax, value added tax, goods and services tax, customs duty, excise duty, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable, except tax deducted at source of Rs.1.51 Lakhs, GST of Rs.3.16 lakhs and service tax of Rs.0.70 which are remaining unpaid as at March 31, 2018 for a period or more than six months from the date they become payable; and



DHARANI FINANCE LIMITED

- (c) There are no dues of income tax, sales tax, service tax, excise duty, value added tax and goods and services tax which have not been deposited as at March 31, 2018 on account of dispute:
- 8 The Company has not defaulted in repayment of loans or borrowing from banks. The Company did not have any outstanding dues to any financial institutions, government or debenture holders during the year.
- 9 In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- 10 To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- 11 In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 12 The Company is not a Nidhi Company and accordingly, reporting under clause 3 (xii) of the Order is not applicable to the Company.
- 13 According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14 According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
- 15 According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
16. According to the information and explanations given to us and based on our examination of the records of the company, the company is required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Accordingly, registration has been obtained.

For CNGSN & Associates LLP

Chartered Accountants

Firm Registration No.004915S/ S200036

(CHINNSAMY GANESAN)

Place : Chennai Partner

Date : 29th May 2018 Membership No. 027501



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Dharani Finance Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Dharani Finance Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For CNGSN & Associates LLP

Chartered Accountants

Firm Registration No.004915S/ S200036

(CHINNSAMY GANESAN)

Partner

Place : Chennai

Date : 29th May 2018

Membership No. 027501



DHARANI FINANCE LIMITED

Balance Sheet as at March 31, 2018

(All Amounts are in Indian Rupees except otherwise stated)

Particulars	Note No.	As at 31-03-2018	As at 31-03-2017
I. Equity and liabilities			
Shareholders' funds			
Share capital	3	49,972,000	49,972,000
Reserves and surplus	4	39,377,773	25,466,880
		89,349,773	75,438,880
(1) Non-current liabilities			
Long Term Borrowings	5	996,048	-
Other long term liabilities	6	136,100	317,200
Long term Provisions	7	1,401,772	1,658,316
		2,533,920	1,975,516
(2) Current liabilities			
Trade Payables	8	3,171,871	1,541,110
Other current liabilities	9	4,031,503	3,051,790
Short Term Provisions	10	4,993,794	182,688
		12,197,168	4,775,588
Total Equity and Liabilities		104,080,861	82,189,984
II. Assets			
(1) Non-current assets			
Property, plant and equipment	11	3,722,458	1,206,658
Non-current investments	12	4,561,752	40,351,371
Non-Current Loans and advances	13	67,573,146	3,042,564
Deferred tax assets (net)		1,086,374	1,707,169
Other Non-Current assets	14	1,258,097	5,967,484
		78,201,827	52,275,246
(2) Current assets			
Trade receivables	15	19,553,142	19,888,957
Cash and bank balances	16	609,137	9,786,242
Other current assets	17	5,716,755	239,539
		25,879,034	29,914,738
Total Assets		104,080,861	82,189,984

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No. 004915S/ S200036

For and on behalf of the board of directors of
Dharani Finance Limited

CHINNSAMY GANESAN
Partner
Membership No.027501

K. Kandasamy
Managing Director

Dr Palani G Periasamy
Chairman

Place : Chennai
Date : 29th May 2018

R Muralidharan
Chief Financial Officer

**DHARANI FINANCE LIMITED****Statement of Profit & Loss for the year ended March 31, 2018**

(All Amounts are in Indian Rupees except otherwise stated)

Particulars	Note No	For the year Ended 31-03-2018	For the year Ended 31-03-2017
I. Income			
Revenues from operations	18	26,496,530	1,131,256
Other income	19	10,978,330	27,007,765
Total Income		37,474,860	28,139,021
II. Expenditure			
Employee benefits expense	20	7,874,001	10,696,688
Finance Cost	21	296,690	-
Depreciation and amortization expense	22	757,151	325,854
Other expenses	23	13,970,330	12,893,684
Total expenditure		22,898,172	23,916,226
III. Profit before tax		14,576,688	4,222,795
IV. Tax expenses			
Current tax		3,789,540	400,000
Taxes relating to previous years		45,000	-
MAT Entitlement credit		(3,789,540)	-
Deferred tax		620,795	525,821
Total tax expense		665,795	925,821
Profit for the year from continuing operations		13,910,893	3,296,974
Profit for the year from discontinued operations	24	-	-
Tax expense of discontinued operations		-	-
Profit from discontinued operations after tax		-	-
V. Net profit after tax for the period		13,910,893	3,296,974
VI. Earnings per equity share			
(a) Basic	25	2.79	0.66
(b) Diluted		2.79	0.66

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No. 004915S/ S200036

For and on behalf of the board of directors of
Dharani Finance Limited

CHINNSAMY GANESAN
Partner
Membership No.027501

K. Kandasamy
Managing Director

Dr Palani G Periasamy
Chairman

R Muralidharan
Chief Financial Officer

Place : Chennai
Date : 29th May 2018



DHARANI FINANCE LIMITED

Cash flow statement for the year ended March 31, 2018 (All Amounts are in Indian Rupees except otherwise stated)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
A. Cash flows from operating activities		
Profit before tax	14,576,688	4,222,795
<i>Adjustments for :</i>		
Depreciation	757,151	325,854
(Profit) / loss on sale / write off of assets	(313,005)	(760,000)
Dividend income	(447,655)	(1,031,704)
Adjustments to the carrying amount of investments	4,457,302	(1,623,281)
Interest expenses	296,690	-
Operating profit before working capital changes	19,327,171	1,133,664
<i>Adjustments for :</i>		
(Increase) / decrease in Trade receivables	335,815	(1,255,897)
(Increase) / decrease in loans and advances	(64,530,582)	(150,144)
(Increase) / decrease in Other current assets	4,370,442	(529,293)
Increase / (decrease) Trade Payables	1,630,761	1,541,110
Increase / (decrease) Other current liabilities	798,612	(487,877)
Increase / (decrease) provisions	4,554,562	(249,002)
Cash generated from operations	(33,513,219)	2,561
Income taxes paid	(45,000)	(400,000)
Net cash provided by operating activities (A)	(33,558,219)	(397,439)
B. Cash flows from investing activities		
Capital expenditure on fixed assets, including capital advances	(3,424,946)	-
Proceeds from sale of fixed assets	465,000	760,000
Bank balances not considered as cash and cash equivalents	9,108,203	(486,437)
(Purchase)/ disposal of investments (net)	31,332,318	(859,885)
Net cash flow from discontinued operations	-	-
Dividend received - Others	447,655	1,031,704
Interest Income	(5,138,271)	-
Net cash used in investing activities (B)	32,789,959	445,382
C. Cash flows from financing activities		
Proceeds from/ (repayment of) long term borrowings (net)	996,048	-
Interest paid	(296,690)	-
Net cash used in financing activities (C)	699,358	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(68,902)	47,943
Cash and cash equivalents at the beginning of year	678,039	630,096
Cash and cash equivalents at the end of year (also refer note 16)	609,137	678,039
Cash and cash equivalents at the end of the year *		
Cash in hand	25,361	50,058
Balances with banks in current accounts	583,776	627,981
Total	609,137	678,039

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No. 004915S/ S200036

For and on behalf of the board of directors of
Dharani Finance Limited

CHINNSAMY GANESAN
Partner
Membership No.027501

K. Kandasamy
Managing Director

Dr Palani G Periasamy
Chairman

Place : Chennai
Date : 29th May 2018

R Muralidharan
Chief Financial Officer

**Notes to Financial Statements for the year ended March 31, 2018****1 Corporate Information**

The Company is a registered non-banking finance company engaged in the business of NBFC. The Company is registered with the Reserve Bank of India as a Non-Banking Finance Company (NBFC) and carrying on non banking financial services, including leasing of vehicles. In addition the company is also engaged in providing travel and tourism services.

2 Basis of preparation of financial statements**Statement of compliance**

The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards ('AS') under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non-Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except for the change in accounting policies explained below. The complete financial statements have been prepared along with all disclosures.

All assets and liabilities have been classified as current or non-current as per the criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the products and services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of its assets and liabilities.

a) System of Accounting

- (i) The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except in case of significant uncertainties.

- (ii) Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of changing value in the purchasing power of money.

- (iii) The preparation of financial statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as on the date of financial statements. The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

b) Property, plant and equipment, depreciation/amortisation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on tangible fixed assets

Depreciation is provided on a pro-rata basis for all tangible assets on straight line method over the useful life of assets. Useful lives of assets are determined by the Management by an internal technical assessment except where such assessment suggests a life significantly different from those prescribed by Schedule II – Part C of the Companies Act, 2013 where the useful life is as assessed and certified by a technical expert.

Depreciation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.

Assets having unit value up to Rs.5,000 is charged off fully in the year of purchase of assets, based on technical assessment made by internal experts.



Notes to Financial Statements for the year ended March 31, 2018

c) Impairment of assets

An assessment is done at each Balance Sheet date as to whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

d) Investments

Investments maturing within twelve months from the date of acquisition and investments made with the specific intention to dispose off within twelve months from the date of acquisition are classified as short-term/current investments and are carried at their cost or market value/net realisable value, whichever is lower. Investments maturing within three months from the date of acquisition are classified as cash equivalents if they are readily convertible into cash.

Investments other than short-term/current investments are carried at their cost of acquisition. Long-term investments maturing within twelve months from the close of the year (i.e. current maturities) are reclassified as current investments. Provision for diminution in value of investments, if any, is made if, in the opinion of the Management, such diminution is other than temporary.

e) Revenue Recognition

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

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.

Interest accrued on Investments and Deposits are accounted for on accrual basis. Delayed payment charges are accounted on receipt basis.

f) Employee Benefits

Short Term

Short term employee benefits are recognised as an expense as per the Company's scheme based on expected obligations.

Post Retirement

Post retirement benefits comprise of provident fund and gratuity which are accounted as follows :

Provident Fund

This is a defined contribution plan. Contributions remitted to provident fund authorities in accordance with the relevant statute/rules are charged to statement of profit and loss as and when due. The Company has no further obligations other than its monthly contributions.

Gratuity

This is a defined benefit plan. The company's scheme is administered by Life Insurance Corporation of India. The liability is determined based on actuarial valuation using projected unit credit method. Actuarial gains and losses, comprising of experience adjustments and the effects of changes in actuarial assumptions are recognised immediately in the statement of profit and loss.

Compensated Absence

As per the policy of the company, compensated absences are not entitled to be carried forward to the subsequent financial year and lapses at the end of the reporting period. Accordingly, no liability towards compensated absences are recognised in these financial statements.

g) Taxes

Provision for taxation is made on the basis of the taxable profits computed for the current accounting period in accordance with the Income Tax Act, 1961. Deferred tax resulting from timing differences between book profits and tax profits is accounted for at the current

**Notes to Financial Statements for the year ended March 31, 2018**

rate of tax or the substantively enacted rate of tax to the extent the timing differences are expected to crystallise, in case of deferred tax liabilities with reasonable certainty and in case of deferred tax assets with reasonable certainty that there would be adequate future taxable income against which deferred tax assets can be realised. However, deferred tax asset arising on account of unabsorbed depreciation and business losses are recognised only if there is virtual certainty supported by convincing evidence that there would be adequate future taxable income against which the same can be realised/set off.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

h) Provisions and contingent liabilities**Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Necessary provision for doubtful debts, claims, etc., are made if realisation of money is doubtful in the judgement of the management.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or

more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

i) Leases

The Company has given certain vehicles on lease. The lease term is , which is subject to renewal at mutual consent thereafter. The cancellable arrangements can be terminated by either party after giving due notice.

j) Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

k) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

l) Earnings per share

"The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate"



DHARANI FINANCE LIMITED

Notes to Financial Statements for the year ended March 31, 2018 Contd.,
(All Amounts are in Indian Rupees except otherwise stated)

3. SHARE CAPITAL

Particulars	31-03-2018	31-03-2017
Authorized share Capital 50,00,000 (Previous year 50,00,000) Equity Shares of Rs.10/- each	50,000,000	50,000,000
Issued and Subscribed Capital 49,94,400 (Previous year 49,94,400) Equity shares of Rs.10/- each	49,944,000	49,944,000
Paid up Share Capital 49,94,400 (Previous year 49,94,400) Equity shares of Rs.10/- each	49,944,000	49,944,000
Add: Equity shares forfeited (paid up)	28,000	28,000
Total	49,972,000	49,972,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	31-03-2018		31-03-2017	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	49,94,400	4,99,44,000	49,94,400	4,99,44,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	49,94,400	4,99,44,000	49,94,400	4,99,44,000

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

During the year ended 31 March 2018, the amount of per share dividend recognized as distributions to equity shareholders was Rs. NIL (31 March 2017: Rs. NIL).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

c. Details of shareholders holding more than 5% shares in the Company

Class of Shares / Name of the Share holders	31-03-2018		31-03-2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares with voting rights				
Dr. Palani G Periasamy	3,54,112	7.09	3,53,112	7.07


DHARANI FINANCE LIMITED
Notes to Financial Statements for the year ended March 31, 2018 Contd.,
 (All Amounts are in Indian Rupees except otherwise stated)

Particulars	As at 31-03-2018	As at 31-03-2017
4 RESERVES & SURPLUS		
Statutory Reserve		
Balance at the beginning of the year	11,759,069	11,099,674
Add: Amount transferred from surplus in the statement of profit and loss	2,782,179	659,395
Balance at the end of the year	14,541,248	11,759,069
Surplus in the profit and loss account		
Balance at the beginning of the year	13,707,811	11,070,232
Profit for the year	13,910,893	3,296,974
Less: Appropriations		
Transfer to statutory reserve	(2,782,179)	(659,395)
Net surplus in profit and loss account	24,836,525	13,707,811
Total	39,377,773	25,466,880
5 LONG TERM BORROWINGS		
From banks		
Vehicle loans	2,015,976	-
Less : Current maturities disclosed under Other current liabilities (Refer note 9)	(1,019,928)	-
Total	99,60,48	-
6 OTHER LONG TERM LIABILITIES		
Others (Deposits)	136,100	317,200
Total	136,100	317,200
7 LONG TERM PROVISIONS		
Provision for gratuity	912,083	1,658,316
Contingent provision against standard assets	489,689	-
Total	1,401,772	1,658,316
8 TRADE PAYABLES		
a) Dues to micro, small & medium enterprises	-	-
b) Due to others	3,171,871	1,541,110
Total	3,171,871	1,541,110
9 OTHER CURRENT LIABILITIES		
Current maturities of long-term debts (Refer note 5)	1,019,928	-
Unpaid / unclaimed dividends	1,253,097	1,750,866
Statutory payables	259,865	262,827
Employee related payable	1,293,914	1,038,097
Payment due to previous auditor	204,699	-
Total	4,031,503	3,051,790
10 SHORT TERM PROVISIONS		
Provision for gratuity	1,036,791	182,688
Provision for income tax (net off advance tax)	3,957,003	-
Total	4,993,794	182,688



Notes to Financial Statements for the year ended March 31, 2018 Contd.,
(All Amounts are in Indian Rupees except otherwise stated)

11. PROPERTY, PLANT AND EQUIPMENT

Description	Plant and Machinery	Furniture & Fixtures	Motor Vehicles	Office Equipments	Total
Gross block					
Balance as at April 1, 2016	36,192,521	2,912,890	39,880,665	3,560,307	82,546,383
Additions	-	-	-	-	-
Disposals	-	-	(4,949,607)	-	(4,949,607)
Balance as at March 31, 2017	36,192,521	2,912,890	34,931,058	3,560,307	77,596,776
Additions	-	-	3,424,946	-	3,424,946
Disposals	-	-	(3,039,899)	-	(3,039,899)
Balance as at March 31, 2018	36,192,521	2,912,890	35,316,105	3,560,307	77,981,823
Depreciation					
Balance as at April 1, 2016	11,047,874	2,875,169	39,033,239	2,912,942	55,869,224
Charge for the year	-	5,083	263,952	56,819	325,854
Disposals	-	-	(4,949,607)	-	(4,949,607)
Balance as at April 1, 2017	11,047,874	2,880,252	34,347,584	2,969,761	51,245,471
Charge for the year	-	5,083	695,250	56,818	757,151
Disposals	-	-	(2,887,904)	-	(2,887,904)
Balance as at April 1, 2018	11,047,874	2,885,335	32,154,930	3,026,579	49,114,718
Impairment					
Balance as at April 1, 2016	25,144,647	-	-	-	25,144,647
Charge for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at April 1, 2017	25,144,647	-	-	-	25,144,647
Charge for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at April 1, 2018	25,144,647	-	-	-	25,144,647
Net Block					
As at March 31, 2017	-	32,638	583,474	590,546	1,206,658
As at March 31, 2018	-	27,555	3,161,175	533,728	3,722,458

**DHARANI FINANCE LIMITED****Notes to Financial Statements for the year ended March 31, 2018 Contd.,**
(All Amounts are in Indian Rupees except otherwise stated)

Particulars	As at 31-03-2018	As at 31-03-2017
12. NON CURRENT INVESTMENTS		
Non Trade - Quoted		
(a) Investment in Equity Instruments		
Dharani Sugars & Chemicals Ltd. [2,68,182 (Previous year : 2,68,182) fully paid equity shares of Rs.10/- each]	8,288,553	8,288,553
HDFC Bank [Nil (Previous year : 16,529) fully paid equity shares of Rs. 2 each]	-	10,345,551
Maruti Industrial Carbo Hydrates Limited [600 (Previous year : 600) fully paid equity shares of Rs.10/- each]	6,000	6,000
Indbank Merchant Bank Services Ltd. [5,000 (Previous year : 5000) fully paid equity shares of Rs.10/- each]	217,500	217,500
Sri Nachammai Cotton Mills Ltd. [700 (Previous year : 700) fully paid equity shares of Rs.10/- each]	49,000	49,000
Harig Crank Shafts Ltd. [5,000 (Previous year : 5000) fully paid equity shares of Rs.1/- each]	21,808	21,808
Bank of India [1,000 (Previous year : 1000) fully paid equity shares of Rs.10 each]	434,390	434,390
Corporation Bank [2500 (Previous year : 2500) fully paid equity shares of Rs.2 each]	143,497	143,497
IDFC Limited [7,000 (Previous year : 7,000) fully paid equity shares of Rs.10 each]	1,273,126	1,273,125
Reliance Industries Limited [Nil (Previous year : 3,124) fully paid equity shares of Rs.10 each]	-	3,561,083
State Bank Of India [Nil (Previous year : 5000) fully paid equity shares of Rs. 1 each]	-	867,336
Total	10,433,874	25,207,843


DHARANI FINANCE LIMITED
Notes to Financial Statements for the year ended March 31, 2018 Contd.,
 (All Amounts are in Indian Rupees except otherwise stated)

Particulars	As at 31-03-2018	As at 31-03-2017
(b) Investment in mutual funds - Quoted		
Axis Enhanced Arbitrage Fund - Dividend [Nil (Previous year: 2,50,474.28) units of Rs.10/- each]	-	2,764,253
SBI Arbitrage Opportunities Fund - Dividend [Nil (Previous year 2,38,485.19) units of Rs.10/- each]	-	3,283,786
ICICI Prudential Flexi Income Plan - Daily Dividend [Nil (Previous year 73,896.260) units of Rs.105.74 each]	-	8,265,956
HDFC Liquid Fund- Dividend- Daily Reinvest [Nil (Previous year 1,049.994) units of Rs.10 each]	-	1,121,859
HDFC Liquid Fund- Dividend Weekly [Nil (Previous year 1,037.385) units of Rs.10 each]	-	1,122,494
	-	16,558,348
Total	10,433,874	41,766,191
Less: Provision for diminution in value of investments	5,872,122	1,414,820
Total	4,561,752	40,351,371
Aggregate cost of unquoted investments	-	-
Aggregate cost of quoted investments	10,433,874	41,766,191
Aggregate market value of quoted investments	4,561,752	40,351,371
13 NON-CURRENT LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)		
Security deposit	208,606	208,606
Loans and advances to related parties *	42,700,000	-
Other loans and advances	20,000,000	-
Advance income tax (net of provisions)	-	1,958,958
MAT credit entitlement	4,664,540	875,000
Other loans and advances - Vehicles		
Doubtful	216,797	216,797
Total	67,789,943	3,259,361
Less: Provision for other doubtful loans and advances	216,797	216,797
Total	67,573,146	3,042,564
* Also refer note 28 on related party transactions		


DHARANI FINANCE LIMITED
Notes to Financial Statements for the year ended March 31, 2018 Contd.,
 (All Amounts are in Indian Rupees except otherwise stated)

Particulars	As at 31-03-2018	As at 31-03-2017
14 OTHER NON CURRENT ASSETS (Unsecured, considered good)		
Non-current bank balances (maturing after 12 months from the reporting date)	1,258,097	5,967,484
Total	1,258,097	5,967,484
15 TRADE RECEIVABLES * (Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	9,590,903	9,590,907
Other debts	9,962,239	10,298,050
Total	19,553,142	19,888,957
* Also refer note 28 on related party transactions		
16 CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks:		
On current accounts	583,776	627,981
Cash in hand	25,361	50,058
Total	609,137	678,039
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	-	9,108,203
Margin money deposit	-	4,211,868
Unpaid dividend accounts	1,258,097	1,755,616
Total	1,258,097	15,075,687
Less : Amount disclosed under the non-current assets		
Unpaid dividend accounts	1,258,097	1,755,616
Margin money deposit	-	4,211,868
	1,258,097	5,967,484
Total	609,137	9,786,242
17 OTHER CURRENT ASSETS (Unsecured, Considered good)		
Interest accrued on deposits	5,377,810	239,539
Prepaid expenses	92,035	-
Income tax refund receivable	246,910	-
Total	5,716,755	239,539



DHARANI FINANCE LIMITED

Notes to Financial Statements for the year ended March 31, 2018 Contd., (All Amounts are in Indian Rupees except otherwise stated)

Particulars	As at 31-03-2018	As at 31-03-2017
18 INCOME FROM OPERATIONS		
Income from financial services		
Interest and locker rent	5,651,234	1,131,256
Leasing income	1,540,000	-
Income from sale of investments	19,305,296	-
Total	26,496,530	1,131,256
19 OTHER INCOME		
Income from travel operations	8,191,515	23,592,780
Dividend from long term investments	447,655	1,031,704
Liabilities no longer required written back	2,026,155	1,623,281
Profit on sale of assets (net)	313,005	760,000
Total	10,978,330	27,007,765
20 EMPLOYEE BENEFITS EXPENSES		
Salaries and allowances	3,612,440	7,649,250
Contributions to provident and other funds	2,689,162	1,090,216
Staff welfare expenses	159,399	270,354
Directors' remuneration	1,413,000	1,686,868
Total	7,874,001	10,696,688
21 FINANCE COST		
Interest on car loans	165,916	-
Interest on others	130,774	-
Total	296,690	-
22 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of tangible assets	757,151	325,854
Total	757,151	325,854
23 OTHER EXPENSES		
Rent and electricity	1,060,750	1,104,261
Insurance	698,800	688,980
Rates and taxes	378,125	1,584
Postage and telephone	202,602	447,971
Payments to auditors	317,100	69,000
Legal professional and consultancy charges	570,178	495,574
Advertisement, publicity and sales promotion	337,959	220,380
Provision for diminution in value of investments	4,457,302	-
Directors' sitting fees	38,000	31,000
Vehicle maintenance	2,985,325	8,827,639
Miscellaneous expenses	2,894,345	903,131
Bank charges	29,844	104,164
Total	13,970,330	12,893,684
Payment to auditors		
For statutory audit	225,000	69,000
For limited review of quarterly results	75,000	-
Other services *	17,100	-
	317,100	69,000
* includes amounts paid to erstwhile auditors Rs.17,100/-		



DHARANI FINANCE LIMITED

Notes to Financial Statements for the year ended March 31, 2018 Contd., (All Amounts are in Indian Rupees except otherwise stated)

24 DETAILS OF SECURITY AND TERMS AND CONDITIONS OF LOANS

Vehicle Loan

"HDFC Bank Auto Loan A/C 47195188 and HDFC Bank Auto Loan A/C 47195599 was sanctioned during the financial year 2017-18 for a total sum of Rs.13.50 lakhs each which carries interest of 8.50% p.a. The loan is repayable in 36 monthly instalments of Rs.42,479/- each, commencing from June 2017, along with interest. The loan is secured by hypothecation of vehicles in favour of HDFC Bank"

	As at March 31, 2018	As at March 31, 2017
25 Expenditure in Foreign currency	Nil	Nil
26 Earnings in Foreign Exchange	Nil	Nil
27 The Company has followed prudential norms for income recognition and provisioning for bad and doubtful assets as prescribed by the Reserve Bank of India for Non Banking Financial Companies during the year.		

28 RELATED PARTY DISCLOSURES :

(a) Name of related party and nature of relationship

Enterprises in which Key Management Personnel exercise significant influence
M/s. Dharani Sugars and Chemicals Ltd
M/s. Appu Hotels Ltd
M/s. PGP Educational and Welfare Society
M/s. Dharani Credit and Finance Private Ltd
M/s. Dharani Developers Private Limited

Key Management Personnel Dr.Palani G Periasamy – Chairman
Mrs.Visalakshi Periasamy – Director
Mr.K Kandasamy – Managing Director

(b) Transactions with related parties during the year

S.No	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
1	Remuneration paid to Managing Director Mr. K.Kandasamy	1,413,000	1,686,878
2	Rent for Premises paid to Dr Palani G Periasamy Mrs.Visalakshi Periasamy	855,750 180,000	852,376 150,000
3	Sitting fees paid to Dr Palani G Periasamy Mrs.Visalakshi Periasamy	6,000 7,000	6,000 4,000
4	Appu Hotels Limited Inter corporate deposit given Services rendered to (Air ticket and car rental) Interest received on inter corporate loans Rent paid	42,700,000 11,257,274 5,377,807 25,000	- 25,005,540 - 60,000
5	Services rendered to (Air ticket and car rental) Dharani Sugars and Chemicals Limited	26,786	65,291



DHARANI FINANCE LIMITED

Notes to Financial Statements for the year ended March 31, 2018 Contd., (All Amounts are in Indian Rupees except otherwise stated)

(c) Balances outstanding as at the year end

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Dharani Sugars and Chemicals Limited Trade Receivable	474,132	447,346
Dharani Developers Private Limited Trade Receivable	27,258	27,258
Appu Hotels Limited Trade Receivable	19,690,087	19,471,130
Loans given	42,700,000	-
Accrued Interest receivable	5,377,810	-

29. Disclosure as per AS – 15 (Revised) 'Employee benefits' for the year ended March 31, 2018

Defined benefit plan – Gratuity (Unfunded)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Changes in present value of obligation		
Present value of obligation at the beginning of the year	1,841,004	1,731,596
Interest cost	138,075	129,689
Current service cost	182,602	140,049
Past Service Cost	873,791	-
Benefits paid	-	(94,638)
Actuarial (gain)/loss on obligation	(1,086,598)	(65,692)
Present value of obligation as at the end of the year	1,948,874	1,841,004
Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	-	-
Contributions	-	94,638
Benefits paid	-	(94,638)
Fair value of plan assets at the end of the year	-	-
Amount recognised in the Balance Sheet		
Present value of obligation as at the end of the year	1,948,874	1,841,004
Fair value of plan assets at the end of the year	-	-
Net defined benefit of the plan (asset)/ liability	1,948,874	1,841,004
Amounts recognised in the statement of profit and loss		
Current service cost	182,602	140,049
Interest cost	138,075	129,689
Past Service cost	873,791	-
Expenses recognised in the statement of profit or loss	1,194,468	269,738
Principal actuarial assumptions		
Discount rate	7.21%	7.50%
Salary escalation	5.00%	5.00%
Attrition rate	10.00%	5.00%

The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.



DHARANI FINANCE LIMITED

Notes to Financial Statements for the year ended March 31, 2018 Contd., (All Amounts are in Indian Rupees except otherwise stated)

- 30 The company is engaged in the business of "NBFC activities and also provides travel and tourism services" and therefore, has three reportable segments in accordance with AS 17 'Operating Segments', namely financial services, travel operations and unallocated.

Particulars	March 31, 2018	March 31, 2017
Segment Revenue (Net Sales/ Income from each segment)		
a. Financial Services	26,878,301	2,162,960
b. Travel Services	8,570,404	24,352,780
c. Others	2,026,155	1,623,281
Total	37,474,860	28,139,021
Less: Inter Segment Revenue	-	-
Net Sales/ Income from Operations	37,474,860	28,139,021
Segment Results (Profit/(Loss) before tax and interest)		
a. Financial Services	13,028,225	(187,205)
b. Travel Services	1,845,153	4,410,000
c. Others	-	-
Total	14,873,378	4,222,795
Less:		
i. Interest	296,690	-
ii. Other unallocable expenditure net off	-	-
Total profit/(loss) before tax	14,576,688	4,222,795
Capital Employed (Segment Assets - Segment Liabilities)		
a. Financial Services	67,041,490	50,306,000
b. Travel Services	20,763,116	23,752,000
c. Others	458,793	(326,289)
Total	88,263,399	73,731,711

31 Operating Lease Arrangements

The Company has given certain vehicles on lease. The lease term is , which is subject to renewal at mutual consent thereafter. The cancellable arrangements can be terminated by either party after giving due notice. The lease rent income recognized during the year amounts to Rs.15,40,000/- (Previous year Rs. Nil)



DHARANI FINANCE LIMITED

Notes to Financial Statements for the year ended March 31, 2018 Contd., (All Amounts are in Indian Rupees except otherwise stated)

32 Earnings per share

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to the equity share holders	13,910,893	3,296,974
Weighted average number of equity shares outstanding	4,994,400	4,994,400
Face value of each share	10	10
Earnings per share (Basic/ Diluted)	2.79	0.66

33 Dues to Micro, Small and Medium Scale Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 02, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. The amount paid/ payable to these parties is considered to be Nil.

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

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No. 004915S/ S200036

For and on behalf of the board of directors of
Dharani Finance Limited

CHINNSAMY GANESAN
Partner
Membership No.027501

K. Kandasamy
Managing Director

Dr Palani G Periasamy
Chairman

Place : Chennai
Date : 29th May 2018

R Muralidharan
Chief Financial Officer


DHARANI FINANCE LIMITED

Schedule to the Balance Sheet for the year ended March 31, 2018
(as required in terms of paragraph 13 of Non-Banking Financial (Non deposit accepting or holding)
Companies Prudential Norms (Reserve Bank of India) Directions, 2015.

(Rs. in Lakhs)

Sl.No.	Particulars	Amount Outstanding	Amount Overdue
1	<p>Liabilities Side :-</p> <p>Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:</p> <p>(a) Debentures : Secured : Unsecured (other than falling within the meaning of public deposits *)</p> <p>(b) Deferred Credits</p> <p>(c) Term Loans</p> <p>(d) Inter-Corporate loans and borrowing</p> <p>(e) Commercial Paper</p> <p>(f) Other loans(specify nature)</p>	<p>Nil</p> <p>Nil</p> <p>Nil</p> <p>20.16</p> <p>Nil</p> <p>Nil</p> <p>Nil</p>	<p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p>
2	<p>Assets side :-</p> <p>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</p> <p>(a) Secured</p> <p>(b) Unsecured</p>	Amount Outstanding	
			<p>Nil</p> <p>824.70</p>
3	<p>Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities</p>		
		<p>Nil</p> <p>30.99</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p>	
4	<p>Break-up of Investments :-</p> <p>Current Investments :</p> <p>1. Quoted :</p> <p>(i) Shares : (a) Equity (b) Preference</p> <p>(ii) Debentures and Bonds</p> <p>(iii) Units of mutual funds</p> <p>(iv) Government Securities</p>	<p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p>	


DHARANI FINANCE LIMITED
Schedule to the Balance Sheet Contd.,

(Rs. in Lakhs)

Sl.No.	Particulars	Amount Outstanding
	(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
	Long Term investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	104.34
	(b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of mutual funds	-
	(iv) Government Securities	Nil
	(v) Others (please specify)	Nil
	2. Unquoted :	
	(i) Shares : (a) Equity	0.00
	(b) preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government Securities	Nil
	(v) Others (please specify)	Nil

(Rs. in Lakhs)

5	Borrower group-wise classification of all assets, Furnished as in (2) and (3) above :	Amount net of provisions		
	Category	Secured	Unsecured	Total
	1. Related Parties			
	(a) Subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil	427.00	427.00
	(c) Other related parties	Nil	194.70	194.70
	2. Other than related parties	0.00	203.00	203.00
	Total	0.00	824.70	824.70

Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Sl.No.	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
6	1. Related Parties		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	39.42	39.42
	(c) Other related parties	Nil	Nil
	2. Other than related parties	6.29	6.19
	Total	45.71	45.61
7	Other information	Amount Outstanding	
	(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	



DHARANI FINANCE LIMITED

**UPDATION OF PAN & BANK DETAILS
WHO ARE HOLDING SHARES IN PHYSICAL FORM**

PAN MANDATE FORM

NAME OF THE COMPANY		FOLIO NO.									
Dharani Finance Limited											
First /Sole Shareholder Name		PAN1									
First Jt. Holder Name		PAN2									
Second Jt. Holder Name		PAN3									
Third Jt. Holder Name		PAN4									

(SELF-ATTESTED COPIES OF PAN CARD ENCLOSED HEREWITH)

ECS MANDATE FORM

Name of the Bank	
Branch Name & Address	
Bank A/c Type (SB A/c / Current A/c)	
Bank A/c No.	
Bankers MICR ECS code No	
Bankers IFSC Code	

(ORINGAL CANCELLED CHEQUE LEAF WITH THE NAME OF SHAREHOLDER PRINTED ATTACHED HEREWITH)

EMAIL REGISTRATION FORM

Email ID	
Telephone No. / Mobile No.	

I hereby convey my consent to receive all communications, Annual Report / Notice of the Meetings and from the company through Email rather than hard copy

SIGNATURE OF THE FIRST/SOLE SHAREHOLDER :



DHARANI FINANCE LIMITED

DHARANI FINANCE LIMITED

Regd. Office : "PGP House" No.57, Sterling Road, Nungambakkam, Chennai - 600 034.
CIN - L65191TN1990PLC019152, Phone Nos. 044-2831 1313, 2825 4176, Fax No. 044 - 2823 2074
Email : secretarial@dharanifinance.in, Website : www.dharanifinance.in

ADMISSION SLIP

To be handed over at entrance of Meeting Hall

Folio No. / ID No. : _____ Shares : _____

I hereby record my presence at the Twenty Eighth Annual General Meeting of the Company, at Narada Gana Sabha, Mini Hall, No.314, TTK Road, Alwarpet, Chennai - 600 018. at 10.00 a.m, on Tuesday 25th September 2018.

Name of the shareholder / proxy"	Signature of the shareholder / proxy*

*Strike Out shareholder / proxy.

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Email : secretarial@dharanifinance.in, Website : www.dharanifinance.in

PROXY FORM - MGT - I 1

Folio No. / ID No. : _____

I / we being the member(s) of shares of the above named company hereby appoint

1. Name	2. Name	3. Name
Address	Address	Address
e-mail id	e-mail id	e-mail id
Signature	Signature	Signature
Or Falling him	Or Falling him	

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company to be held on **Tuesday, 25th September 2018**. at 10.00 a.m. at Chennai and at any adjournment thereof in respect of such resolutions, as are indicated overleaf.

- 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 atleast 48 hours before the scheduled time of meeting.
 3. Proxy cannot speak at the meeting or vote on a show of hands.

(PTO)



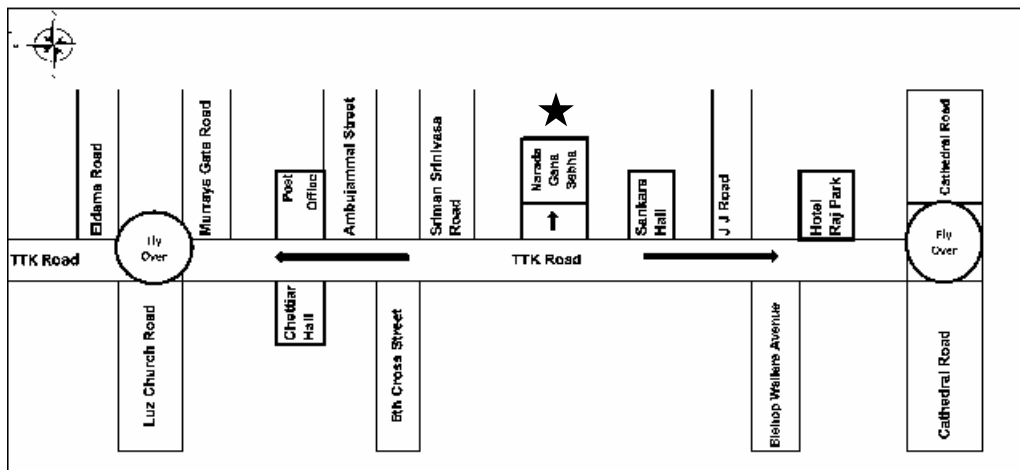
SL.No.	Resolutions	For	Aganist
	ORDINARY BUSINESS		
1	To adopt Audited Statement of Profit and Loss for the Year ended 31.03.2018 and Balance Sheet.		
2	To Appoint a Director - Mrs. Visalakshi Periyasamy		
	SPECIAL BUSINESS		
3	To consider remuneration to Managing Director		

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

SHAREHOLDERS HOLDING SHARE CERTIFICATES IN PHYSICAL FORMAT ARE ADVISED TO GET THEM DEMATERIALIZED.

SEBI HAS MANDATED THAT, AFTER 5TH DECEMBER 2018 ONLY SHARES IN DEMATERIALIZED FORMAT CAN BE TRANSFERRED OR SOLD.

ROUTE MAP



Registered Book Post / Courier

To



If Undelivered, Please return to
DHARANI FINANCE LIMITED
(Secretarial Division)
"PGP HOUSE"

New No.59, (Old No. 57), Sterling Road, Nungambakkam, Chennai - 600 034.