

Banking Financial Companies whose equity capital is low and who do not collect Public Deposits, like ours, find it difficult to function effectively as a finance company and to meet the pressures and the Reserve Bank of India's criteria. Your Company is therefore re-examining the advantages of continuing as a NBFC.

Despite the uncertain global economy, due to measures planned by the Government there is hope that the situation will improve, as the Government appears to be serious in attending to the apprehensions and the slippages. Your Company is hopeful of increasing its business with regard to travel operations. If the Coimbatore Hotel - Le Meridien-Coimbatore of our Group improves its performance on expected lines, income from Travel operations may go up with resultant higher profit margin in the coming year. As an experimental measure, your Company has in July 2012 exported 520 MT of sugar against orders received from abroad, bought from our sister Company, Dharani Sugars and Chemicals Limited, by which your company could earn some extra income. If this experiment succeeds, your company can, whenever similar opportunity arises, repeat this. Similarly your Company has set up an IT Division and is in the process of developing software on a commercial basis. We hope to pick up some business on this count in the near future. The unaudited results for the quarter ended 30th June 2012, published recently indicate possibilities of achieving better results in the current year.

I take this opportunity to thank every member of the Dharani Family for their dedication and hard work.

Above all, we are deeply grateful for the continuing invaluable support extended by the family of shareholders of the Company. Once again I thank you all.

Chennai - 600 034
Date: 20.09.2012

Dr. Palani G Periasamy
Chairman

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



PGP GROUP

DHARANI FINANCE LIMITED

CHAIRMAN'S SPEECH

20.09.2012

22nd ANNUAL GENERAL MEETING

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



DHARANI FINANCE LIMITED

CHAIRMAN'S SPEECH

Dear Shareholders,

I welcome you all to this 22nd Annual General Meeting of your Company. The Annual statement of accounts has been sent to you some time back and I seek your permission to take it as read.

I shall briefly dwell upon the economic situation worldwide with emphasis on India.

Developments across the world continue to exert severe pressure on the global financial systems. Much of Europe including U.K. is in the throes of a recession. The U.S. economy is facing a number of challenges as well, besides being compounded by election year politics. Even though most emerging and developing economies grew at reasonably healthy rates, the continuing problems of Europe combined with the overall slowdown in world economy are bound to affect them and India is no exception.

The Indian economy has been besieged by problems for quite a while. The problems are visible in all the four dimensions - real, financial, fiscal and external. Reserve Bank of India in its annual review has warned that growth will not be higher than 6.5 and there is a chance of even a downward revision. Unsatisfactory monsoon, drought and its impact is also a reason for such downward revision. Below potential GDP growth and sticky inflation might complicate monetary policy response. Global and domestic conditions indicate that GDP growth will be weak in 2012-13. While inflation has come down from double digits high, it is still above the threshold level and as far away from Reserve Bank of India's comfort zone of 3-4%.

Indian economy has been struggling with higher levels of revenue deficit and fiscal deficit. Considerable slowdown in economic growth projects an estimate for 2013 between 5.5 and 6.5. The news on the monsoon front has not been encouraging with

14% deficit rainfall till August. 10% of total area is still affected by severe drought lowering sowing areas. Delayed sowing and lower sowing area for the rice, cereals, pulses, oil seeds might contribute to rise in food inflation. Structural impediments have also been affecting business confidence. Some of the International rating agencies have lowered their outlook on India citing the slowing investment, lower economic growth, widening current account deficit, falling foreign exchange reserves. Persistent weakness in the rupee against dollar during the last 6 months has also affected the economy neutralising the fall in global commodity prices and had little effect on inflation. Industrial growth has been negligible in the last few months. GDP Figures released for the April - June quarter show a growth of 5.5%. While financing, business services showed improvement in growth, the services sector specially Trade, Hotels, Transport, Communications have been affected. The Honourable Finance Minister has spoken of steps being taken to move the economy at a faster rate, including steps to improve the business confidence nationally and internationally. Sustainable high growth needs sound policies and their implementation in the right spirit. We hope that the Government acts promptly and decisively on the proposed steps to revive the momentum in the economy.

Coming to your Company's performance, I am glad to inform that the income of the Company during the year 2011-12 rose to Rs.351.32 lakhs from Rs. 293.74 lakhs in the previous year. This is an increase of 28.07%. The gross profit is Rs.154.29 lakhs against Rs.104.91 lakhs in the previous year. We had sold some of investments in the market at attractive price and this gain contributed to the increase in profits.

Depreciation was provided at Rs.55.75 lakhs against Rs. 44.95 lakhs of the previous year. After making provision for taxes, the net profit works out Rs.44.84 lakhs. Directors are happy to recommend an increased dividend of 7% this year as against 5% in the last year. This involves an outflow of Rs.34.98 lakhs plus dividend distribution tax of Rs.5.67 lakhs. Though the Company's profits come from both financial services and travel operations, the share from financial services has been declining in the last few years. Medium size Non-



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Fax : 044-28232074 email : pgp_dfl@yahoo.com

Minutes of the Twenty Second Annual General Meeting of the Shareholders of Dharani Finance Limited held on Thursday the 20th September 2012 at 10.00 A.M at Narada Gana Sabha Min Hall, No.314, T T K Road, Alwarpet, Chennai – 600 018.

Members Present

Dr Palani G Periasamy
Ms. Visalakshi Periasamy
Shri K Kandasamy
Shri R K Viswanathan
Shri M P Kaliannan
Shri R Murugavel
Shri B Murugesan
Shri C Konguvel
Shri E.P. Sakthivel - (Representing Dharani Sugars and Chemicals Ltd.)
Shri S Gopal - (Representing Dharani Credit & Finance Pvt. Ltd.)
Shri A R Sundaram - (Representing Dharani Developers (P) Ltd.)
Shri P Jayachandran

and Other Shareholders and proxy holders

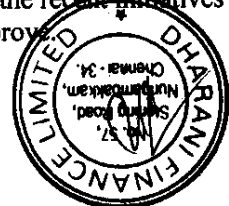
By Invitation

Shri M Ganapathy : Director & Chairman of Audit Committee
Dr S Muthu : Director
Shri N Subramanian : Company Secretary

Shri K Ramkrishnan } M/s. Ramakrish & Co.
S Bhaskar } Statutory Auditors
Shri M. Damodharan : Practising Company Secretary
Smt. S. Radha } Cameo Corporate Services Ltd.,
(Registrar for Dematerialisation and
Transfer Agents)

Dr Periasamy, Chairman of the Board of Directors occupied the chair and commenced the proceedings with a welcome to all the shareholders and other guests. After welcoming, he introduced the Directors and other members on the dais to the shareholders. It was noted that 198 shareholders were present in person and 4 through proxy. Accordingly Chairman declared that there is the prescribed quorum and called the meeting to order.

In his speech to the shareholders, he touched briefly on the world economy and how it is affecting Indian economy. The Indian economy has been besieged by problems. Reserve Bank of India has warned that growth will not be higher than 6.5 and there is a chance of even a downward revision. Unsatisfactory monsoon, drought and its impact is also a reason for such downward revision. GDP growth and sticky inflation might restrict the Government's ability to make major changes in monetary policy. He referred to the recent initiatives declared by the Government and hoped if they pursue them in real earnest, things might improve.



DHARANI FOR DEPENDABILITY

Branches : Chennai Namakkal



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Coming to the Company's performance he reported that the income of the Company during the year 2011-12 rose to Rs.351.32 lakhs from Rs. 293.74 lakhs. The Company had sold some of investments in the market at attractive price and this gain contributed to the increase in profits. After making provision for taxes, the net profit works out Rs.44.84 lakhs out of which Directors have recommended an increased dividend of 7% involving an outflow of Rs.34.98 lakhs plus. Chairman indicated that though the Company's profits come from both financial services and travel operations, the share from financial services has been declining in the last few years. He said that the Company is exploring ways and means to increase its earning potential.

1,NOTICE

With the consent of all the shareholders, the notice for the meeting was taken as read. He then took up for consideration the business as per the notice circulated.

2. AUDITORS' REPORT

Shri N. Subramanian, Sr. Vice President (Corporate Affairs) and Company Secretary read the Auditor's Report on the accounts to the shareholders.

3. CONSIDERATION OF ACCOUNTS.

The first resolution was then proposed.

Mr. A R Sundaram, representing Dharani Developers Private Limited, a shareholder proposed the following resolution

"RESOLVED THAT the Audited Balance Sheet and Statement of Profit and Loss together with the reports of the Auditors and Directors thereon for the year ended 31st March 2012 be and is hereby adopted.

This was seconded by another shareholder Mr. M. P. Kaliannan (Client Id : 80058046)

At this stage, Chairman invited the shareholders to seek any clarifications they want to, on the accounts. One shareholder expressed his disappointment that the returns on the investment made years back are not high enough and that the company should improve its performance so that shareholders get a decent dividend. Chairman replied to him suitably about the various steps being taken to diversify into other activities, like IT Development and enlarging travel operations..

The resolution was then put to vote. All the shareholders present voted in favour. Chairman declared the resolution as passed unanimously.





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4. REAPPOINTMENT OF DR PALANI G PERIASAMY

Mr. S Gopal, representing Dharani Credit & Finance (P) Ltd. Folio No. D0000856 , a shareholder proposed the following resolution. At this stage Mr. M. Ganapathy an Independent Director occupied the Chair.

RESOLVED THAT Dr Palani G Periasamy, Director who is retiring and is eligible for re-appointment be and is hereby appointed as a Director of the Company”.

Mr R. Murugavel, Client ID IN302902 46960679) another shareholder, seconded the resolution.

Chairman put the resolution to vote. All the shareholders present voted in favour. Chairman at this point Mr. M. Ganapathy declared the resolution as unanimously passed. Dr Palani G Periasamy resumed the chair after thanking the shareholders

5. REAPPOINTMENT OF M GANAPATHY

Mr R. Murugavel, Client ID IN302902 46960679), a shareholder proposed the following resolution

RESOLVED THAT Mr M Ganapathy, Director who is retiring and is eligible for re- appointment be and is hereby appointed as a Director of the Company”.

Mr. B. Murugesan, Client ID No. 10171376 another shareholder, seconded the resolution.

Chairman put the resolution to vote. All the shareholders present voted in favour. Chairman declared the resolution as unanimously passed

6.DECLARATION OF DIVIDEND

Mr. E P Sakthivel, representing Dharani Sugars and Chemicals Limited. Folio No. Q000012 , a shareholder proposed the following resolution

“RESOLVED THAT as per recommendation of the Board of Directors of the Company, out of the current profits of the Company for the year ended 31st March 2012, dividend at the rate of Rs. 0.70 paise per equity share i.e., 7% on the Equity Share capital of the Company be and is hereby declared and that the same be paid to those shareholders, whose names appear on the Company’s Register of Members on 20th September 2012 and that the dividend warrants be posted within 30 days from the date hereof, to those shareholders who are entitled to receive payment.”



DHARANI FOR DEPENDABILITY

Branches : Chennai Namakkal



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Mr Srinivasulu, Client ID 24710889 a shareholder, seconded this resolution.

It was put to vote and as everybody was in favour of the resolution, Chairman declared the resolution as passed unanimously

7.REAPPOINTMENT OF AUDITORS

Mr. B. Murugesan, Client ID No. 10171376, a shareholder proposed the following resolution

"RESOLVED THAT M/s Ramkrish & Co., Chartered Accountants Chennai, be and are hereby appointed as Auditors of the Company for the year 2012 – 2013 to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration that may be decided by the Board of Directors."

It was seconded by another shareholder Mr. P Jayachandran, Client DP ID 12047200 00013254

This resolution was put to vote and all the members present voted in favour. Chairman declared the resolution as passed unanimously.

All items of business having been satisfactorily concluded, Shri M Ganapathy, Director proposed the vote of thanks.

Thereafter Chairman declared the meeting as **CLOSED**.

Place: Chennai – 18
Date : 22.09.2012

//sd//
Dr Palani G Periasamy
Chairman

//Certified True Copy//

For Dharani Finance Limited




N Subramanian
Company Secretary