



DHARANI FINANCE LIMITED

Regd. & Admin. Off : "PGP HOUSE", No.57, Sterling Road, Nungambakkam, Chennai - 600 034.

Tel : 044-28254176, 28254609, 28311313, 28207482,

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

Minutes of the TwentyThird Annual General Meeting of the Shareholders of Dharani Finance Limited held on Tuesday the 24th September 2013 at 10.00 A.M at Narada Gana Sabha Mini Hall, No.314, T T K Road, Alwarpet, Chennai – 600 018.

Members Present

Dr Palani G Periasamy, Chairman

Ms. Visalakshi Periasamy, Director

Mr. A Sennimalai

Shri K Kandasamy, Managing Director

Shri R K Viswanathan, Director

Shri M P Kaliannan

Shri R Murugavel

Shri B Murugesan

Shri C Konguvel

Shri E.P. Sakhivel -Representing Dharani Sugars and Chemicals Limited,. Client ID No. IN30163741329572

Shri R. Gautham - Representing Dharani Developers (P) Ltd. (Client ID No.IN300597 10059570)

Shri A R Sundaram - Representing Dharani Credit and Finance P Limited, Client ID No. IN 30059710059570),

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

Shri S Bhaskar

Shri M. Damodharan

Smt. S. Radha

} M/s. Ramakrish & Co.
Statutory Auditors
: Practising Company Secretary
} Cameo Corporate Services Ltd.,
(Registrar and Transfer Agents)

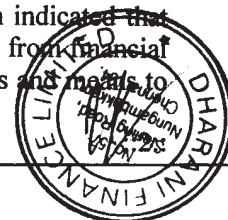
Dr Periasamy, Chairman of the Board of Directors occupied the chair and commenced the proceedings with a welcome to all the shareholders and other guests. After welcoming, he introduced the Directors and other members on the dais to the shareholders. It was noted that 198 shareholders were present in 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. 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 things might improve.

He gave a brief outline of the Company's performance during the year 2012-13. Chairman indicated that though the Company's activities cover 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.

DHARANI FOR DEPENDABILITY

Branches : Chennai Namakkal





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

3. CONSIDERATION OF ACCOUNTS.

Chairman called Mr. R. Murugavel, a shareholder (Client ID No.IN 30290246960679) to propose the first resolution, which he did.

"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 2013 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. Many shareholders expressed their disappointment that the returns on the investment made years back are not sufficient and that the company should improve its performance so that shareholders get a decent dividend. . Chairman replied to them suitably about the reasons for the loss and the various steps being planned 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.

4. REAPPOINTMENT OF MR. R. K. VISWANATHAN

Chairman informed the shareholders that Mr. R. K. Viswanathan could not attend the meeting, as he was not well. He called on Mr. E P Sakthivel to propose the resolution.

Mr.E. P. Sakthivel, representing Dharani Sugars and Chemicals Limited,. Folio No. IN30163741329572, a shareholder proposed the following resolution. .

RESOLVED THAT MR R K. Viswanathan, 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 declared the resolution as unanimously passed.





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5. REAPPOINTMENT OF DR S MUTHU

Mr R Gautham representing Dharani Developers (P) Ltd (Client ID No.IN300597 10059570) a shareholder proposed the following resolution

RESOLVED THAT Dr S Muthu, 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.REAPPOINTMENT OF AUDITORS

Mr. A R Sundaram, representing Dharani Credit and Finance P Limited, (Client ID No. IN 30059710059570), 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 2013 – 2014 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 : 24.09.2013

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Dr Palani G Periasamy
Chairman

//Certified True Copy//

For Dharani Finance Limited




N Subramanian
Company Secretary



DHARANI FINANCE LIMITED

CHAIRMAN'S SPEECH

24.09.2013

23rd 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,

It is my pleasure to welcome you all to this 23rd 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. While all of you are aware of the state of economy, I thought I shall also brief you on this.

First the World Economy

Global economic growth has not been as fast as we expected last year, but remains subdued. Recovery has been slow. Even though it is five years since the out break of the global financial crisis, the world economy continues to remain fragile. The growth in the 1st quarter of 2013 is only slight according to International Monetary Fund, though the expectations were high. Major emerging marketing economies have underperformed perhaps because of a deeper recession in the Euro area and a slower than anticipated expansion in the U.S. The projections for global growth for 2013 is around 3.1% while for 2014, it could be slightly higher at 3.8%. Even this indicates a downward revision from earlier forecasts.

International Monetary Fund does not expect much change in global growth in 2013 from 2012. Recently prices of two important commodities crude oil and gold spiked in the wake of geopolitical tensions surrounding Syria in particular and the West Asia, North African region in general, though the price effect of geopolitical tensions are usually short-lived.

U.S. Federal Reserve's move on withdrawal of stimulus package i.e. quantitative easing will have a major effect. This will have potentially huge implications for a global financial system that has come to depend on cheap and abundant supply of dollars on other countries including Europe. The latest news from USA is that the Federal Reserve has decided to postpone this move.

The world now faces the challenge of more sustainable growth, replacing the debt fueled consumption and investment that has driven the economy for the last 30 years. The issues that must be solved are improving crop yields to feed the planet, developing cheap sustainable sources of energy, conserving oil, water and other scarce commodities. But this will come with lower growth and lower living standards requiring an adjustment in expectations for future economic growth.

Indian economy cannot exist in isolation but will be impacted by what is happening outside.

India

The economic scenario in the country is currently passing through a difficult phase with gradual fall in the GDP growth. The GDP growth had slipped to a four year low of 4.4% in the 1st quarter of 2013-14. Macro economic conditions remain weak. This has been attributed to infrastructure bottlenecks, supply constraints, subdued investment demand. The current account deficit is termed unsustainable and burdens India's growth prospects. Imports are largely of high value added goods and services, while exports comprise mostly commodities or relatively lower value added products and services. The Rupee has depreciated steeply in the last few months. Though inflation has moderated, pressures arising as a result of the rupee depreciation and increases in the administered prices, pose fresh risk on the inflation front, which still remains outside the zone of comfort. The rupee is likely to remain weak as compared to the previous year. Competitiveness will create the conditions for higher value added exports and reduce reliance on the falling rupee. Apprehensions of an early roll back of quantitative easing by the U.S. Federal Reserve are also likely to exert further pressure on the rupee.

CRISIL in its report titled 'State of the Nation' mentions that India incorporated faces quite a few big stress factors in the coming year though depreciation of the rupee is not one among them. The biggest stress is from a slowing demand and this will hit the revenue growth of the Companies. Industries and services, which account for 86% of gross domestic product, will grow at a lower pace than last year. Services sector's ability to grow independently is also in serious question with only 6.6% growth in the 1st quarter as against a 10% annual growth in the last decade. Your company falls in this category.

Working Results

Under these conditions, your Company has not been able to make much headway in improving its performance. Income has come down from Rs.351.52 lakhs to Rs.298.17 lakhs, while the expenses have gone up. The Company's major source of income for the last few years is through travel operations i.e. travel services provided to the corporate guests of the group's two Five Star Hotels viz. Le Royal Meridien Chennai and Le Meridien Coimbatore. Unfortunately occupancy in these two hotels has been affected very much partly on account of increased supply of rooms and partly by Companies cutting down on corporate travel, resulting in reduced number of visitors. This had in turn affected the income of your Company by diminished travel business. At the same time higher fuel costs has contributed to an increase in the total expenses. The operations have ended in a net loss of Rs.2.87 lakhs. Your Directors, therefore, regret their inability to recommend any dividend, but hope to strive for a better performance in the coming year.

Prospects

The outlook for the year remains uncertain. Economic growth is not likely to go beyond 5%. However, this year's monsoon has been more than satisfactory. In fact the weighted average rainfall is 7% above normal. This is significant as it has come at a time when food inflation is high. The impact of the monsoon is likely to push the agricultural sector's growth beyond 5%. Such a strong rebound will help the overall

economy perhaps through an indirect effect. Filling up of the water reservoirs will help irrigation and run Hydel power plants. Increased Industrial production and larger output of food grains will impact the inflation beneficially. The Consumer Price Index based inflation has eased marginally to 9.52% from 9.64%. It is a positive sign but too early to interpret as a trend of industrial revival.

Government is optimistic that the economy would begin to show signs of revival from the 2nd quarter of this financial year. But expectations are high for the reasons that few of the measured initiatives taken by the Government for attracting investments, Reserve Bank of India seized of the demand from the Industry for a cut in policy rates to boost economic activity are like to better the present growth rate. The new Reserve Bank of India Governor's commitments to boosting reserves, to developing a coherent consistent monetary policy provide hopes of stability of the rupee.

The Prime Minister and his advisers have pegged the growth in and around 5.5% in the current year much less than the 6.1% indicated in the economic survey. The first quarter reported only 4.4% and for achieving the projected 5.5%, growth in the remaining quarters has to be much higher at average of 5.8%.

In December 2012, Reserve Bank of India issued draft guidelines on the regulatory frame work for NBFCs which will further tighten the existing regulations. The draft guidelines also suggest that such of the NBFCs whose asset size is below Rs.25 crores may face de-registration/closure. If these regulations are finally approved and issued, your Company, with asset value of less than Rs.25 crores, has to adjust itself to these new regulations and reorient its business activities - perhaps even surrender its NBFC licence.

In such an event, your Company has to enlarge travel/diversify its operations, which your Company has already initiated. As a first step, the new Information Technology Division formed last year has been able to develop specialized software applications and your Company plans to enter into agreements with a BPO Company for training its candidates in soft skills. With the experience gained, your Company hopes to expand such business, which might bring in more revenue.

The unaudited quarterly results for the quarter ended 30th June 2013 reported a net profit of Rs.28.39 lakhs, though the profits came mainly from sale of some prudent investments, at the right time. Your Company hopes to continue this trend.

I take this opportunity to thank every member of 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.

Dr Palani G Periasamy
Chairman

Chennai.

Dated: 24.09.2013

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