

# 28th ANNUAL REPORT

31st March 2008



SINCE 1949

**K. Dhandapani & Co. Ltd.**



**K. Dhandapani & Co. Ltd.**

### BOARD OF DIRECTORS

**Shri T.N. DESIKAN**

*Chairman*

**Shri T.N. SRIDHARAN**

*Managing Director*

**Shri T.N. KOTHANDAPANI**

*Whole-time Director*

**Shri T.N. SOUNDARARAJAN**

**Shri B.G. RUDRAPPA**

**Shri R. NAGARAJAN**

*Directors*

### MANUFACTURING & ENGINEERING DIVISION

1. Plot No. 21, 22 & 25,  
SIDCO Industrial Estate,  
Thirumazhisai,  
Sriperumbadur Taluk,  
Near Chennai
2. C20&C31, Industrial Estate,  
Guindy, Chennai - 600 032.
3. 26-D, Veerasandhra Industrial Area,  
Anekal Taluk  
Bangalore - 560 100

### REGISTERED OFFICE

(Old No. 141),  
291, Linghi Chetty Street,  
Chennai - 600 001.

### AUDITORS

M/s. P.B. Vijayaraghavan & Co.,  
Chartered Accountants  
27, Cathedral Garden Road,  
Nungambakkam, Chennai - 600 034.

### CORPORATE OFFICE

No. 26, IV Cross, N.R. Road  
Bangalore - 560 002

### BANKERS

State Bank of India  
Commercial Branch,  
Chennai - 600 001.

### BRANCHES

Chennai  
Coimbatore  
Secunderabad

Calcutta  
Bangalore

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**K.Dhandapani & Co. Ltd.**
**FIVE YEARS AT A GLANCE**

(Rs. in Lakhs)

YEAR ENDED	2008	2007	2006	2005	2004
<b>ASSETS EMPLOYED:</b>					
Fixed Assets [Less Depreciation]	583.69	569.30	497.29	500.11	466.68
Investments	138.94	172.26	386.15	290.87	288.88
Net Current Assets	1728.39	1449.83	1280.57	1186.06	1082.57
Other Assets	—	—	16.96	26.63	20.77
	2451.02	2191.39	2180.97	2003.67	1858.90
<b>FINANCED BY:</b>					
Equity Shares	351.17	351.17	351.17	351.17	351.17
Reserves	1060.51	1013.42	717.62	653.10	609.31
Loan Funds	1016.51	803.97	1087.98	973.81	877.42
Deferred Tax	22.83	22.83	24.20	25.59	21.00
	2451.02	2191.39	2180.97	2003.67	1858.90
<b>PROFIT &amp; APPROPRIATION:</b>					
Sales	4277.37	4112.58	3763.10	2844.00	2239.95
Gross Block	1017.63	966.44	861.79	849.47	795.65
Depreciation	433.94	397.14	364.50	349.36	328.96
Net Block	583.69	569.30	497.29	500.11	466.68
Profit/(Loss) After Tax	93.71	398.28	146.49	85.82	32.59
Dividend	41.09	98.99	70.23	40.04	—
Retained Earnings	70.00	275.00	40.00	40.00	—
Net Worth	1130.18	1081.29	766.77	714.54	666.83



**K.Dhandapani & Co. Ltd.**

## NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Company will be held on Monday the 29th September 2008 at Conference Hall II, I M A G E, M R C Nagar (Opposite Chettinad Vidyashram School), CHENNAI – 600 028 at 11.00 am to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2008 and the Profit & Loss Account for the year ended on that date along with schedules and notes and together with the reports of the Board of Directors and Auditors' thereon.
2. To Declare a Dividend.
3. To appoint a Director in the place of Mr. T N Soundararajan Director, who retires by rotation and being eligible offers himself for reappointment
4. To appoint a Director in the place of Mr. R Nagarajan, Director, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration. The retiring Auditors M/s P B Vijayaraghavan & Co., Chartered Accountants, Chennai are eligible for Re-appointment.

By the order of the Board

Place : Chennai  
Date : 24.06.2008

**T.N. SRIDHARAN**  
Managing Director



**K. Dhandapani & Co. Ltd.**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Please bring the admission slip duly filled in and hand over at the entrance of the meeting hall.
3. The Register of Members and share transfer books of the Company will remain closed from 22nd September 2008 to 29th September 2008 (both days inclusive).
4. The dividend, as recommended by the Board, if sanctioned at the meeting, will be paid on or after 3rd October 2008 to those members or their mandates whose names stand registered on the Company's Register of Members.
  - a. as Beneficial Owners as at the end of business on 3rd October 2008 as per the list to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in the electronic form and
  - b. as members in the Register of Members of the Company after giving effect to valid transfers in physical form and whose names appear in the Register of Members at the close as on 29th September 2008
5. Members are requested to quote their folio numbers in all their correspondence.
6. Pursuant to the provisions of section 205A of the Companies Act, 1956, as amended, dividends for the financial year ended 31st March, 2001 and thereafter which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed their dividend warrants, so far for the financial year ended 31st March 2001 or any subsequent financial years are requested to make their claims to the share department of the Company. It may also be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund, as above, no claims shall lie in respect of such amounts.
7. Members are requested to immediately notify any change of address:
  - a) To the Depository Participants (DPs) in respect of their electronic share documents.
  - b) To the Registered Office at (Old No. 241), New No. 291 Linghi Chetty Street, Chennai 600 001 in respect of their physical share folios.
8. As per the provisions of the amended Companies Act, 1956, facility for making nomination is now available to individuals holding shares in the Company. The nomination form 2B prescribed by the Government can be obtained from the Company.
9. As required under the Listing Agreement, the particulars of directors who are proposed to be reappointed are given in the Report on Corporate Governance.
10. In case the mailing address mentioned on this Annual Report is without the pin code, members are requested to kindly inform their pin code immediately.
11. Shareholders are requested to bring their copies of the Annual Report for the meeting.
12. The nomination Form 2B can be obtained from the Company by the shareholders.

Place : Chennai  
Date : 24.06.2008

By the order of the Board  
**T.N. SRIDHARAN**  
Managing Director



*K. Chandanani & Co. Ltd.*

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Overview

The ever increasing multinational presence is continued to drive the domestic companies across all segments to re-engineer growth. Thinning margins is compelling huge volume of growth, to remain profitable. Your company envisaged, has grown in volume by expanding its retail businesses. Your company has posted a growth of Rs.3.83 crores in sales excluding property development which was discontinued and is confident of posting better performance in the ensuing year.

### Industry Developments

Power and infrastructure being priority for economic growth, your company is confident of converting the opportunity to overtake in these areas, and grow in size.

### Operating & Financial Performance

During the year under review, your company has posted growth in gross sales from Rs. 41.12 crores during the previous year to Rs.42.77 crores during the current year. Even though the operating margins continue to be under pressure your company was able to post a healthy profit before tax of Rs.98.21 lakhs.

### Internal Audit and Compliance

The company has an agency to carry out the internal audit and report on all operational parameters. The internal control procedures are in place. An audit committee is set up to report to the Board on a regular basis whose terms of reference include the following:

- a) To hold periodic discussions with the Statutory Auditors and Internal Auditors of the company concerning the accounts of the company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors.
- b) To review compliance with internal control systems
- c) To review the quarterly, half yearly and annual financial results of the company before submission to the Board.
- d) To investigate into any matter in relation to items specified in section 292A of the Companies Act, 1956, or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the company and also seek external professional advice, if necessary.
- e) To make recommendations to the Board on any matter relating to the financial management of the company, including the Audit Report.



**K.Dhandapani & Co. Ltd.****Risk Management**

In view of the conservative approach of your company, it would be possible for the company to insulate itself from normal business risks. A credit appraisal system is in place to ensure that credit exposure is taken after detailed appraisal of the customer.

**Human Resources**

Your Company has highly motivated people at different levels to oversee the operations. Your Company also has a well placed training and development division for the new recruits. Your company has cordial relationship with the employees at all levels.




**K. Dhandapani & Co. Ltd.**

## REPORT ON CORPORATE GOVERNANCE

### Company's philosophy

Corporate Governance is the combination of voluntary practices and compliances with Laws and Regulations leading to effective control and management of the organization.

Your Company has taken every step to ensure that all the financial and other issues are discussed at the board and necessary action at the operating level is exercised to achieve the desired goal of transparency in operation.

Your Company also ensures that maximum information is disclosed to the investors and thereby assures high degree of accountability.

Your Company is in compliance with the Corporate Governance code as per Clause 49 of the Listing agreement with the Stock Exchanges.

### A. Mandatory Requirements

#### 1. Board of Directors

The Board of Directors consists of Six members and the constitution of Board of Directors is given below:

Name of Director	Executive / Non-Executive / Independent	No. of other Directorships#	Memberships in other Board or Committees
T N Desikan	Chairman, Non-Executive	One	Nil
T N Soundararajan	Non-Executive Director	Nil	Nil
T N Kothandapani	Executive	One	One
T N Sridharan	Executive	One	Nil
B G Rudrappa	Independent	One	One
R Nagarajan	Independent	Four	Three

# this includes directorships held in Public Limited Companies only

#### 2. Attendance of Directors at Board Meetings and Annual General Meetings

The Board of the Company met 5 times during the financial year 2007-2008 during the following dates:

30th June 2007, 31st July 2007, 27th October 2007, 31st January 2008 and 27th March 2008.




**Attendance Details:**

Name of Director	Board Meeting	AGM
T N Desikan	5	Yes
B G Rudrappa	2	Yes
T N Kothandapani	4	No
T N Sridharan	5	Yes
T N Soundararajan	3	Yes
R Nagarajan	4	Yes

The annual operating plans, budgets, performance of various branches and other information including those specified under Annexure I of the Listing Agreement, were placed before the Board from time to time

**3. Audit Committee**

The Audit committee met 4 times during the financial year on the following dates:

30th June 2007, 31st July 2007, 27th October 2007 and 31st January 2008

The constitution of the Committee and the attendance of the each member of the Committee are given below:

Name	Designation	Non-Executive/ Independent
B G Rudrappa	Chairman	Independent
R Nagarajan	Member	Independent
T N Kothandapani	Member	Executive

The terms of reference of the audit Committee include the following:

- To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors / Internal Auditors.
- To review compliance with internal control systems
- To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board
- To investigate into any matter in relation to items specified in section 292 A of the Companies Act, 1956 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professionals advice, if necessary.
- To make recommendations to the Board on any matter relating to the financial management of the Company including the Audit Report.


**K. Dhandapani & Co. Ltd.**

#### 4. Remuneration of Directors

The Managing Director and Whole Time Director of the Company have been appointed on contractual terms for a period of five years. The Remuneration package comprises of salary, allowance and perquisites. The Remuneration is within the limits prescribed under Schedule XIII to the Companies Act, 1956.

The Non-executive directors are being remunerated by way of sitting fees. The details remuneration paid to directors are disclosed in the notes on accounts.

As on 31st March, 2008 the amount of deposits placed by the Directors in the Company aggregated to Rs.138.69 lakhs. The interest on these deposits paid/credited during the year 2007-08 amounted to Rs. 9.12 lakhs.

#### 5. Share Transfer Committee and Investor Relations Committee

The Share Transfer Committee approves and monitors transfers, transmission, splits and consolidation of shares of the Company.

It ensures that

1. All shares have been transferred within one month from the date of receipt of the requests.
2. Total number of shares transferred during the year 2007-08 were, 9144 shares.
3. As on 31st March 2008, there are NIL equity shares pending for transfer.

The Committee also reviews the compliances with various statutory and regulatory requirements. During 2007-08, the committee met 21 times.

Composition of the Committee includes Shri. T N Desikan, Shri. T N Kothandapani and Shri. T N Soundararajan and the committee meet at least once or twice every month, as may be required.

#### 6. General Body Meetings

Time and location of last three Annual General Meetings

Year	Date	Time	Location
2005	28-07-2005	12.00 Noon	Shri Rajasthani Jain Samaj
2006	20-07-2006	10.30 am.	Rani Seethai Hall
2007	20-09-2007	10.30 a m	Rani Seethai Hall

#### 7. Other Information

##### a. Disclosures

There are no materially significant transactions with related parties, subsidiaries, promoters, directors or the management and their relatives conflicting with the Company's interests.