

30th ANNUAL

31st March 2010



SINCE 1949

K. Dhandapani & Co. Ltd.

BOARD OF DIRECTORS

Shri T.N. SRIDHARAN

Managing Director

Shri T.N. KOTHANDAPANI

Whole-time Director

Shri T.N. DESIKAN

Shri T.N. SOUNDARARAJAN

Shri R. NAGARAJAN

Directors

MANUFACTURING & ENGINEERING DIVISION

1. Plot No. 21, 22 & 25,
SIDCO Industrial Estate,
Thirumazhisai,
Sriperumbadur Taluk,
Near Chennai
2. C20, 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 Street
Bangalore - 560 002

BANKERS

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

BRANCHES

Chennai
Coimbatore
Secunderabad

Kolkatta
Bangalore

CONTENTS

Notice to Shareholders	1
Directors' Report	3
Secretarial Compliance Certificate	6
Auditors' Report	9
Balance Sheet	12
Profit & Loss Account	13
Schedules to the Accounts	14
Cash Flow Statement	32
Balance Sheet Abstract	33
Subsidiary Company's Accounts	34



NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Thirtieth Annual General Meeting of the Company will be held on Thursday the 30th September 2010 at Hotel Gokulam Park, No.14, 1st Avenue Ashok Nagar, Chennai – 600 083 at 11.00 am to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2010 and the Profit & Loss Account for the year ended on that date along with schedules and notes thereon and together with the reports of the Board of Directors and Auditors' thereon.
2. To appoint a Director in the place of Mr. T N Soundararajan, Director, who retires by rotation and being eligible, offers himself for reappointment
3. To appoint a Director in the place of Mr. T N Kothandapani Director, who retires by rotation and being eligible, offers himself for reappointment.
4. 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 reappointment.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 293(1) (a) and other applicable, provisions, if any of the Companies Act, 1956, approval of the members be and is hereby accorded to the Board of Directors of the Company to sell, or dispose off in any manner the land and buildings of the Company or whole or substantially the whole of such undertaking of the Company as the Board of Directors may deem fit.

By the order of the Board of Directors

Place : Chennai
Date : 26.05.2010

T.N. SRIDHARAN
Managing Director



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The Company is in the process of complete financial and operational restructuring especially after its shares have been de listed from the Stock Exchanges. As part of the Company's plan for organizational and management restructuring, the Company intends to dispose off immovable properties and parts of the undertaking of the Company.

Pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956 approval of the members in General Meeting by Special Resolution is required for disposing off whole or part of the undertaking of the Company including immovable properties of the Company.

The Directors are interested in the resolution to the extent of shareholdings held by them.

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. Members are requested to quote their folio numbers in all their correspondence.
4. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividends for the financial year ended 31st March, 2003 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 2003 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.
5. In case the mailing address mentioned in this Annual Report is without the pin code, members are requested to kindly inform their pin code immediately.
6. Shareholders are requested to bring their copies of the Annual Report for the meeting.

Place : Chennai
Date : 26.05.2010

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

DIRECTORS' REPORT

1. FINANCIAL RESULTS:

Your Directors have pleasure in presenting the Thirtieth Annual report together with the Audited Accounts for the year ended 31st March 2010.

(Rs. in Lakhs)

PARTICULARS	2009-10	2008-09
GROSS INCOME	3818.04	4128.94
PROFIT/(LOSS) BEFORE INTEREST & DEPRECIATION	(141.39)	166.37
LESS: INTEREST	64.40	100.74
PROFIT/(LOSS) BEFORE DEPRECIATION	(205.79)	65.63
LESS: DEPRECIATION	29.12	28.45
PROFIT/(LOSS) BEFORE TAX	(234.91)	37.18
PROVISION FOR TAXATION (INCL DEFERRED TAX ADJ)	21.8	9.43
PROFIT/(LOSS) AFTER TAX	(245.86)	31.96
LESS: PRIOR PERIOD ITEMS	0.00	0.00
NET PROFIT/(LOSS)	(245.86)	31.96
ADD: BALANCE FROM LAST YEAR	20.58	33.62
PROFIT AVAILABLE FOR APPROPRIATION	(225.28)	65.58
PROPOSED DIVIDEND (INCL DIVIDEND TAX)	0.00	0.00
TRANSFER TO GENERAL RESERVE	0.00	45.0
BALANCE CARRIED FORWARD	(225.28)	20.58

2. FUTURE PROSPECTS:

Your Directors are confident of achieving more growth in the trading as well as manufacturing divisions of the Company.

3. SUBSIDIARY COMPANY:

The Balance Sheet and Profit & Loss Account of your Company's subsidiary M/s K Dhandapani & Co Electricals (P) Ltd is annexed with your Company's Annual Report.



4. DIRECTORS:

Mr. T N Soundararajan and Mr. T N Kothandapani, retires by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

None of the Directors of your Company are disqualified to hold directorships under the provisions of the Companies Act, 1956 read with Section 274(1)(g) of the Act.

Mr. B G Rudrappa resigned from the Board on 20th January 2010 and the Board places on record its appreciation of sincere services rendered by him during his tenure.

5. DIRECTORS' RESPONSIBILITY STATEMENT

We Directors state:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

6. PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT 1956

No employee of the Company is in receipt of remuneration in excess of the limits specified under Section 217(2A) of the Companies Act, 1956.

7. SECRETARIAL COMPLIANCE CERTIFICATE

Secretarial Compliance Certificate pursuant to the provisions of Section 383A of the Companies Act, 1956 from a Practicing Company Secretary is annexed hereto and forms part of the Report.

8. AUDITORS

M/s P. B Vijayaraghavan & Co, Chartered Accountants, Chennai, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. A certificate under Section 224(1B) of the Companies Act, 1956 has been received from them.



9. REPLY TO AUDITORS' QUALIFICATION

Point No. 3 of the Main Audit Report regarding advance of Rs. 300.70 lakhs given to Dhandapani Properties Private Limited written off as irrecoverable and as highlighted in detail in Note No. 14 of Notes to Accounts is self explanatory.

10. OTHER INFORMATION

- a. The Company made an open offer for delisting of the Company's Equity Shares from the Madras Stock Exchange and Mumbai Stock Exchange and the Company's shares have been delisted with effect from 2nd December 2009 and 15th December 2009 respectively.
- b. Statement pursuant to Section 212 (3) of the Companies Act, 1956 in respect of the Subsidiary Company is annexed.
- c. The prescribed details as required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out below:
 - i. Conservation of Energy
During the period under review, the manufacturing division consumed 117496 units of electrical energy.
 - ii. Technology Absorption
There being no import of technical know how, new technology absorption during the year does not arise.
 - iii. Foreign Exchange Earnings and Outgo
Earnings : Rs. NIL
Outgo : Rs. 1020936/-

11. ACKNOWLEDGEMENTS

Your Directors wish to express their sincere thanks to the Company's Bankers, State Bank of India, Commercial Branch, Chennai for their excellent support and assistance in the furtherance of the business.

Your Directors sincerely appreciate the whole hearted effort and cooperation rendered by the employees at all the levels.

For and on behalf of the Board of Directors

Place: Chennai
Date : 26.05.2010

T.N. DESIKANT
Chairman

.N. SRIDHARAN
Managing Director

SECRETARIAL COMPLIANCE CERTIFICATE

Registration No.:18/008254

Nominal Capital: Rs. 40,000,000/-

I have examined the registers, records, books and papers of **K DHANDAPANI AND CO LIMITED** (the Company) as required to be maintained under the Companies Act, 1956 (The Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the for the financial year ended to **31st March 2010**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in the **Annexure 'B'** to this certificate, with the Registrar of Companies under the Act and the rules made there under.
3. The company being a public limited company has minimum 7(Seven) members and above.
4. The Board of Directors duly met 4 times respectively on 26th June 2009, 28th July 2009, 31st October 2009 and 22nd January 2010 in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company had closed its Register of Members and Share Transfer Books from 23rd September 2009 to 30th September 2009 (both days inclusive) during the financial year and complied with the provisions of the Act.
6. The Annual General Meeting for the financial year ended on 31st March 2009 was held on 30th September 2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year.
8. The company has not made any loan to the Directors etc. attracting the provisions of Section 295 of the Act during the year under review.
9. The Company has not entered into any contracts falling under the purview of Section 297 of the Act during the year under review.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
11. The Company has taken the approval of the shareholders for the instances falling within the purview of Section 314(1) (b) of the Act.
12. The company has not issued any duplicate share certificates during the financial year.
13. The company:
 - i) has delivered all the certificates on allotment of securities and on lodgment thereof for transfer or any other purpose in accordance with the provisions of the Act;
 - (ii) was not required to deposit the amount of dividend declared including interim dividend in a separate Bank Account and post any warrant to any member of the company as no dividend was declared during the financial year;
 - iii) has duly complied with the provisions of Section 217 of the Act.
 - iv) is advised to transfer the amounts in unpaid dividend account which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.



14. The Board of Directors of the company is duly constituted. There was no appointment of additional director, alternate director or director to fill the casual vacancy during the financial year.
15. The Company has not appointed a Managing Director/ Whole-time Director/Manager during the financial year.
16. The company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such authorities as prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/accepted any deposits from the public falling within the purview of section 58A during the financial year.
24. The company has not made any borrowings during the year under review, which exceeds the aggregate of paid up capital and free reserves u/s 293(1)(d) of the Companies Act, 1956.
25. The company has not made loans and advances to other bodies corporate and consequently no entries have been made in the register kept for the purpose during the year under review.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its Articles of Association during the period under review.
31. There was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the year.
33. The company has not constituted its own Employees' Provident Fund Scheme u/s 418 of the Act.

Place : Bangalore
Dated : 26th May 2010

Signature : Sd/-
Name : K JAYACHANDRAN
C.P.No. : 4031

ANNEXURE - A

Statutory Registers as maintained by the Company:

- (a) Register of Members u/s 150
- (b) Register of Directors and Companies and Firms in which Directors are interested u/s 303
- (c) Minutes Book of Board and General Meetings u/s 193
- (d) Register of Directors' Share holdings u/s 307
- (e) Register of Charges u/s 143(1)
- (f) Register of Contracts u/s 301
- (g) Register of Loans & Investments u/s 372A

ANNEXURE - B

Forms and Returns as filed by the Company with Registrar of Companies, during the Financial Year ending on 31st March 2010:

- A. Annual Report u/s 220 i.e Form 23AC and 23ACA for the year ended 31.03.2009 filed on 23.10.2009.
- B. Annual Return u/s 159 i.e Form 20B for having held the Annual General Meeting on 30.09.2009 filed on 10.11.2009.
- C. Secretarial Compliance Certificate u/s 383A i.e Form 66 for the year ended 31.03.2009 filed on 23.10.2009
- D. Form 23 for passing Special resolution u/s 314(1)(b) on 30.09.2009 filed on 30.10.2009.
- E. Form 23 i.e. resolution for Delisting of Equity Shares by postal ballot resolution u/s 192A (2) passed on 24.03.2009 filed on 03.04.2009
- F. Form 32 for resignation of Director on 20.01.2010 filed on 03.02.2010.