

31st ANNUAL REPORT

31st March 2011



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

Directors

REGISTERED OFFICE

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

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

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

AUDITORS

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

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NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Thirty First Annual General Meeting of the Company will be held on Friday the 30th September 2011 at Hotel Gokulam Park, No. 14, 1st Avenue, Ashok Nagar, Chennai - 600 083 at 10.00 am to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2011 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 Sridharan, Director, who retires by rotation and being eligible, offers himself for reappointment
3. 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 198, 269, 309 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956, approval of the members be and is hereby accorded for reappointment of Mr. T N Sridharan as Managing Director of the Company for a period of Five Years commencing from 1st July 2011 to 30th June 2015 on the following terms and conditions:

- a. Salary:
Rs. 35,000/- (Rupees Thirty Five Thousand per month (inclusive of House Rent Allowance) with effect from 1st July 2011 with authority to the Board of Directors to grant further increase from time to time as they may deem fit, within the limits specified in Schedule XIII of the Act, as may be amended from time to time.
- b. Perquisites
Mr. T N Sridharan shall be entitled to perquisites and allowances including reimbursement of expenses in respect of gas, electricity and water, furnishings and repairs, medical reimbursement and leave travel concession for self and family, personal accident insurance and such other perquisites and allowances as may be decided by the Board of Directors.
- c. Mr. T N Sridharan shall also be entitled to the following perquisites which shall not be included in computation of the ceiling of remuneration specified above:
 - i. Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act.
 - ii. Gratuity as per the rules of the Company.
 - iii. Leave with full pay as per Company Rules. Encashment of Leave at the end of the tenure is permitted.
 - iv. The Company shall provide a car and telephone to Mr. T N Sridharan for the purpose of business of the Company.

FURTHER RESOLVED THAT if any financial year the Company has no profits or its profits are inadequate in any financial year, Mr. T N Sridharan shall be entitled to receive salary and other allowances as governed by the limits prescribed in Section II of Part II of Schedule XIII of the Companies Act, 1956 as amended from time to time.

By the order of the Board of Directors

Place : Chennai
Date : 02.09.2011

T.N. SRIDHARAN
Managing Director



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

The Board of Directors in their meeting held on **29 August, 2011** has reappointed Mr. T N Sridharan as Managing Director for a period of Five Years with effect from 1st July 2011. The resolution is to seek the approval of the members and payment of remuneration to Mr. T N Sridharan.

Mr. T N Sridharan, Mr. T N Kothandapani, Mr. T N Desikan and Mr. T N Soundararajan may be deemed to be concerned or interested in the resolution.

Members are requested to consider his reappointment in the ensuing Annual General Meeting.

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, 2004 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 2004 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 : 02.09.2011

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 2011.

(Rs. in Lakhs)

PARTICULARS	2010-11	2009-10
GROSS INCOME	4251.11	3818.04
PROFIT/(LOSS) BEFORE INTEREST & DEPRECIATION	203.39	(141.39)
LESS: INTEREST	43.94	64.40
PROFIT/(LOSS) BEFORE DEPRECIATION	159.45	(205.79)
LESS: DEPRECIATION	31.06	29.12
PROFIT/(LOSS) BEFORE TAX	128.39	(234.91)
PROVISION FOR TAXATION (INCL DEFERRED TAX ADJ)	48.73	21.8
PROFIT/(LOSS) AFTER TAX	86.82	(245.86)
LESS: PRIOR PERIOD ITEMS	0.00	0.00
NET PROFIT/(LOSS)	86.82	(245.86)
ADD: BALANCE FROM LAST YEAR	(225.28)	20.58
PROFIT AVAILABLE FOR APPROPRIATION	(138.46)	(225.28)
PROPOSED DIVIDEND (INCL DIVIDEND TAX)	0.00	0.00
TRANSFER TO GENERAL RESERVE	0.00	0.00
BALANCE CARRIED FORWARD	(138.46)	(225.28)

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 Sridharan, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself 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.

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 profit 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 read with the Companies (Particulars of Employees) Rules, 1975.

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. OTHER INFORMATION

- a. Statement pursuant to Section 212 (3) of the Companies Act, 1956 in respect of the Subsidiary Company is annexed.

- b. 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 **108460 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. **NIL**

10. Reply to Auditors qualification – Annexure Part No. (ix) ESI and PF for the month January to March 2011 were deposited, and not due, though there was a delay by few days due to administrative difficulties.

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 : 02.09.2011

T.N. DESIKAN
Chairman

T.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 M/s **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 period ended to 31st March 2011. 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 May, 2010, 27th July 2010, 21st October 2010 and 24th March, 2011 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 was not required to close its Register of Members or debenture holders during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March 2010 was held on 30th September 2010 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. An Extra Ordinary General Meeting was held on 9th December, 2010 for obtaining the approval of members for reduction in share capital of the Company 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.
8. The company has not made any loan to the Directors etc. attracting the provisions of Section 295 of the Act.
9. The Company has not entered into any contracts falling under the purview of Section 297 of the Act.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the act, the company has not obtained any approvals from the Board of Directors Members or Central Government during the year under review.
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, application money due for refund, matured deposits, matured debentures and the interest accrued thereon 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 bought back 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 accepted deposits from the shareholders including unsecured loans falling within the purview of section 58A during the financial year and is advised to comply with the provisions of the Act.
 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 any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
 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 is not covered under the Employees' Provident Fund Scheme u/s 418 of the Act.

Place : Bangalore
Dated : 29.08.2011

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



ANNEXURE - A

Statutory Registers as maintained by the Company:

1. Register of Members u/s 150
2. Register of Directors and Companies and Firms in which Directors are Interested u/s 303
3. Register of Directors' Share holdings u/s 307
4. Register of Charges u/s 143(1)
5. Board Meeting and General Meetings Minutes Book u/s 193
6. Register of Contracts u/s 301
7. Register of Loans and Investments u/s 372(A)

ANNEXURE - B

Forms and Returns as filed by the Company with Registrar of Companies, during the period ending on 31st March 2011:

1. Annual Report u/s 220 i.e Form 23AC and 23ACA for the year ended 31.03.2010 filed on 19.10.2010.
2. Annual Return u/s 159 i.e Form 20B for having held the Annual General Meeting on 30.09.2010 filed on 08.11.2010.
3. Secretarial Compliance Certificate u/s 383A i.e Form 66 for the year ended 31.03.2010 filed on 19.10.2010.
4. Form 32 u/s 303(2) for resignation of Director on 12.07.2010 filed on 03.08.2010.
5. Form 23 u/s 100(1) for obtaining approval of members on 09.12.2010 for proposed reduction of capital filed on 30.12.2010
6. Form 23 u/s 293(1)(a) for obtaining approval of members on 30th September 2010 filed on 19.10.2010.