



Dhandapani Finance Limited

BOARD OF DIRECTORS

Mr R NAGARAJAN	Non Executive Chairman
Mr S MAHADEVAN	Additional Director
Mr JAIDEEP KRISHNA	Additional Director
Mr T R SURESH	Additional Director
Mr G S GUSAIN	Nominee Director
Mr S BALACHANDER	Wholetime Director

COMPANY SECRETARY

Mr S K RENGARAJAN

STATUTORY AUDITORS

M/s. P B Vijayaraghavan & Co.,
Chartered Accountants. Chennai

AUDIT COMMITTEE

Mr R NAGARAJAN
Mr S MAHADEVAN
Mr JAIDEEP KRISHNA

BANKERS

State Bank of India, Bank of India,
The Catholic Syrian Bank Ltd.,
State Bank of Hyderabad,
The Dhanalakshmi Bank Ltd.,
The Federal Bank Ltd.,
Canara Bank, Indian Overseas Bank,
ING Vysya Bank Ltd., State Bank of Travancore,
Punjab National Bank, UCO Bank,
Development Credit Bank

FINANCIAL INSTITUTIONS

Tamilnadu Industrial Investment Corporation Limited

SUBSIDIARIES

M/s. Dhandapani Holdings & Securities Limited
M/s. Smartinvest Agency.com Private Limited

BRANCHES

Tamil Nadu, Andhra Pradesh, Maharashtra, Karnataka,

REGISTERED OFFICE

No 14, Ramakrishna Street, T Nagar, Chennai 600 017
Phone: 2814 1778, 2814 2663, 2814 2706
Fax: 2814 1612. Email : dhanfin@dhandapanifinance.com

STOCK EXCHANGE

BOMBAY STOCK EXCHANGE LTD.

REGISTRAR AND TRANSFER AGENTS

M/s. Cameo Corporate Services Ltd,

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Twenty Fourth Annual General meeting of the Company will be held on Tuesday, the 28th June, 2011, at 10.30 A M at Balamandir German Hall, (Unit of Balamandir Kamaraj Trust) No. 17, Prakasam Street, T Nagar, Chennai - 600017 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the 18 months period ended on that date together with the report of the Board of Directors and Auditors of the Company.
2. To appoint a Director in the place of Mr.R Nagarajan who retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.
“**RESOLVED THAT** M/s. Suresh and Balaji, the Chartered Accountants, be and are hereby appointed as the Joint Statutory Auditors of the company, together with M/s P.B. Vijayaraghavan & Co., the Chartered Accountants, the retiring Auditors of the company, from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors of the Company.”
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.
“**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 1956, Mr. Jaideep Krishna, who was appointed as Additional Director be and is hereby appointed as Director of the Company whose office shall be subject to retirement by rotation.”
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.
“**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 1956, Mr. S Mahadevan, who was appointed as Additional Director be and is hereby appointed as Director of the Company whose office shall be subject to retirement by rotation.”
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.
“**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 1956, Mr.T R Suresh, who was appointed as Additional Director be and is hereby appointed as Director of the Company whose office shall be subject to retirement by rotation.”
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.
“**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 1956, Mr.G S Gusain, who was appointed as Nominee Director by Punjab National Bank on behalf of the members of consortium bank, be and is hereby appointed as Director of the Company who shall not be subject to retirement by rotation.”

for and on behalf of the Board

S BALACHANDER
Wholetime Director

Place: Chennai
Date: May 28, 2011

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. THE PROXIES IN ORDER TO BE VALID MUST BE DULY STAMPED, EXECUTED AND RECEIVED AT THE REGISTERED / CORPORATE 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 handover at the entrance of the meeting hall.
3. The register of members and share transfer books of the Company will remain closed from 24.06.2011 to 28.06.2011 (both days inclusive), as per the requirements of the listing agreements.
4. Members are requested to immediately notify any change of address:
 - i. To the Depository Participants (DPs) in respect of their electronic share accounts.
 - ii. To the Corporate Office at No:14, Ramakrishna Street, T Nagar, Chennai – 600 017 in respect of their physical share folios.
5. 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.
6. Pursuant to the provisions of section 205A of the Companies Act, 1956, as amended from time to time, 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.
7. The Company has a designated E-mail ID for Investor Grievance. All the shareholders are requested to mail their Grievance to investorcell@dhandapanifinance.com
8. Members are requested to quote their folio numbers, DPID No. and client ID in all their correspondence.
9. Members are requested to bring their copies of the Annual report for the meeting.
10. 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.
11. As required under the Listing Agreement, the particulars of directors who are proposed to be appointed / re-appointed are given in the Report on Corporate Governance.
12. Shareholders are requested to see **Annexure I** as attached hereto in order to make awareness about the **GREEN INITIATIVE IN CORPORATE GOVERNANCE - Electronic Mode of service of documents introduced** by The Ministry of Corporate Affairs (MCA) by issuing circulars no. 17/2011/95/2011 CL.V dated 21.04.2011 and 29.04.2011

for and on behalf of the Board

Place: Chennai
Date: May 28, 2011

S BALACHANDER
Wholetime Director

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

SPECIAL BUSINESS:

Item No.3

The company has received a notice from a member under section 225 of the Companies Act, 1956, proposing the name of M/s. Suresh and Balaji, the Chartered Accountants, to be appointed as the Joint Auditors of the company along with the existing Auditors M/s. P B Vijayaraghavan & Co., the Chartered Accountants, from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

The special notice given by the member is circulated in resolution form by the management of the company thinking that appointment of Joint Auditor could be in line with the modern management technique and for increasing the efficiency of the operation of the company through stricter surveillance.

M/s. Suresh and Balaji, the Chartered Accountants, and the retiring Auditors of the company have been duly informed with a copy of the aforesaid notice and the company has so far not received any representation to the contrary to the proposed resolution.

Item No. 4

Mr. Jaideep Krishna was appointed as an Additional director with effect from 20.05.2010. He holds office only upto the date of the forthcoming Annual General meeting. In terms of section 257 of the Companies Act, 1956 the Company has received a notice in writing from a member signifying his intention to propose Mr. Jaideep Krishna as a candidate for the office of Director. The Board proposes to appoint him as a director liable to retire by rotation, as per the relevant provisions of the Companies Act, 1956. The Board recommends the resolution for your approval.

Memorandum of Interest:

None of the Directors except Mr. Jaideep Krishna is deemed to be interested in the resolution.

Item No.5

Mr. S Mahadevan was appointed as an Additional director with effect from 14.02.2011. He holds office only upto the date of the forthcoming Annual General meeting. In terms of section 257 of the Companies Act, 1956 the Company has received a notice in writing from a member signifying his intention to propose Mr. S Mahadevan as a candidate for the office of Director. The Board proposes to appoint him as a director liable to retire by rotation, as per the relevant provisions of the Companies Act, 1956. The Board recommends the resolution for your approval.

Memorandum of Interest:

None of the Directors except Mr. S Mahadevan and Mr. S. Balachander are deemed to be interested in the resolution.

Item No.6

Mr. T R Suresh was appointed as an Additional director with effect from 28.05.2011. He holds office only upto the date of the forthcoming Annual General meeting. In terms of section 257 of the Companies Act, 1956 the Company has received a notice in writing from a member signifying his intention to propose Mr. T R Suresh as a candidate for the office of Director. The Board proposes to appoint him as a director liable to retire by rotation, as per the relevant provisions of the Companies Act, 1956. The Board recommends the resolution for your approval.

Memorandum of Interest:

None of the Directors except Mr. T R Suresh is deemed to be interested in the resolution.

Item No.7

Mr. G. S.Gusain was appointed as a Nominee Director as per the approved conditions of the Corporate Debt Restructuring package by Punjab National Bank the lead bank in the consortium to represent the member consortium banks. His appointment was approved by the Board. His office is not subject to retirement by rotation

Memorandum of Interest:

None of the Directors except G. S.Gusain is deemed to be interested in the resolution.

for and on behalf of the Board

Place: Chennai

Date: May 28, 2011

S BALACHANDER

Wholetime Director

Annexure I

Green initiative in Corporate Governance – Electronic Mode of service of documents

The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by issuing circulars no. 17/2011/95/2011 CL.V dated 21.04.2011 and 29.04.2011, permitting companies to service documents to their shareholders through an electronic mode.

To support this sustainability initiative of MCA, we propose to send future communication, including Notice of Annual General Meeting and Annual Report of the Company for the year 2011-12 onwards, in electronic mode to your e-mail address available in the Register of Members of the Company.

This initiative by the government will not only go a long way in conservation of the environment but also enable you to receive notices/documents, etc. promptly and without loss in postal transit. In order to receive notices/documents of the Company on email, you would be required to register your email with the Company and/or update your email with your depository participant with NSDL / CDSL. As and when there are changes in your email address, you are requested to keep your Depository Participant (DP) informed of the same.

We request your support in this endeavour to receive the e-version of the Annual Report for the year ended 31.03.2012, you are requested to register your mail ID with the concerned as soon as you receive current Annual Report in physical form. Besides ensuring that your mailbox has adequate free capacities to receive approximately 5 MB of communication

However, in case you do desire to receive the Annual Report in physical form from 2012 onwards, you are requested to inform us by sending an email to dhanfin@dhandapanifinance.com, indicating your decision. A copy will be sent to you free of cost.

Please note that the Annual Report will also be available on the Company's website www.dflfinance.com for viewing/downloading. Physical copies of the Annual Report will also be available at our Registered Office in Chennai for inspection during office hours.

We look forward to your whole-hearted response for the success of this green initiative.

Assuring you of our best services at all times,

Thanking you,

S BALACHANDER

Wholetime Director

DIRECTORS' REPORT



Your Directors present their Twenty Fourth Annual Report together with the Audited accounts for the 18 months period ended March 31, 2011.

1. FINANCIAL RESULTS

(Rs. In Lakhs)

PARTICULARS	For the 18 Months period ended 31.03.2011	For the year ended 30.09.2009
GROSS INCOME	1931.69	3075.17
PROFIT/(LOSS) BEFORE INTEREST & DEPRECIATION	(1621.76)	1293.99
LESS: INTEREST	2011.94	2551.47
PROFIT/(LOSS) BEFORE DEPRECIATION	(3633.71)	(1257.48)
LESS: EXCEPTIONAL ITEMS	-	(5534.42)
ADD: EXTRA - ORDINARY ITEMS	1589.24	-
LESS: DEPRECIATION	(98.31)	(66.35)
PROFIT / (LOSS) BEFORE TAX	(2142.78)	(6858.25)
PROVISION FOR TAXATION (including FBT / Deferred tax)	-	2.78
PROFIT / (LOSS) AFTER TAX	(2142.79)	(6861.03)
ADD: BALANCE FROM LAST YEAR	(11016.26)	(4155.23)
PROFIT/(LOSS) AVAILABLE FOR APPROPRIATION	(13159.05)	(11016.26)
PROPOSED DIVIDEND (Including Dividend Tax)	-	-
TRANSFER TO STATUTORY RESERVE	-	-
TRANSFER TO GENERAL RESERVE	-	-
BALANCE CARRIED FORWARD	(13159.05)	(11016.26)

2. DIVIDEND

In view of the losses posted by your company, the Board decided not to recommend any dividend during the period under review.

3. OPERATIONS

During the period ending March 31, 2011, due to the paucity of funds the company was able to disburse only 2.31 crores as direct business and Rs. 8.33 Crores under arrangement with FICCL as against a disbursement of Rs. 27.02 Crores towards direct business and Rs.29.41 crores under FICCL arrangement respectively for the 12 months period ending 30th September 2009.

The Company has already approached CDR for restructuring of its debts and expects to restart its asset finance business once further funds infusion takes place.

DFL is however continuing its focus on recoveries from customers and the same have been satisfactory during the period under review. The Company is also looking into avenues of raising income through fee

based sources viz., distribution of financial products including life & general insurance, mutual funds and fixed deposits.

4. RESOURCES

DEPOSITS

The Company has ceased taking deposits from 31.03.2005. In terms of the letter dated 28.12.2007 communicated by RBI, in response to the Company's application for conversion into Non deposit accepting company, all the outstanding deposits as on 07.03.2008 were transferred to an Escrow Account.

As on March 31, 2011, unclaimed deposits totaling to Rs. 1.54 Lakhs including interest, which matured for payment, were awaiting instructions for repayment. The Company sends periodical reminders to deposit holders before transferring the same to Investor Education and Protection Fund as per the provisions of Section 205C of the Companies Act, 1956.

5. PRUDENTIAL NORMS

Reserve Bank of India has prescribed prudential norms for registered Non Banking Financial Companies on various parameters. Your Company is in Category A indicating prompt and regular filing of returns.

6. ASSET LIABILITY MANAGEMENT COMMITTEE

The company has an efficient Asset Liability Management Committee, which continuously monitors the Asset Liability mismatch. The committee meets at regular intervals.

7. EXPLANATIONS TO THE REMARKS IN AUDITORS' REPORT:

In response to the remarks made by the Statutory Auditor, the Board wishes to explain as follows.

Reference to the Auditors Report	Head of Account	Reference to notes below
3 (a)	Negative net worth	Refer note 1
5 (f)	Balance confirmation	Refer note 2
5 (g)	Donation	Refer note 3
5(h)	Re-appointment and increase in remuneration of the Managing Director	Refer Notes on Accounts Sl No 10(b) of Schedule18

Notes

1. As a result of the extensive clean up of legacy issues initiated in March 2007, which continued until the year under review, company's net owned funds have fallen below the limit prescribed by RBI. Coupled with this, promoters of the company, DBZM were unable to infuse any further capital in to the company.
2. Company is in the process of obtaining balance confirmation from the parties and is hopeful of completing the exercise within the next 60 days.
3. Company is in the process of moving application with Company Law Board under section 621A of the Companies Act, 1956.

8. CORPORATE GOVERNANCE

Your Company is complying with the Code of Corporate Governance introduced by SEBI. A detailed report on Corporate Governance together with a certificate from the Statutory Auditors in compliance of Clause 49 of the Listing Agreement is attached which forms part of this Report.

9. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussions and Analysis report highlighting the performance of the company is attached forming part of this Report.

10. OTHER DISCLOSURES

a. SUBSIDIARIES

The Annual Accounts for the period ended March 31, 2011 of the Subsidiary Companies Dhandapani Holdings & Securities Ltd and Smartinvest Agency.Com Private Limited are annexed to your Company's Annual Report.

b. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statement for the period ended March 31, 2011 prepared in accordance with Accounting Standards 21 on Consolidated Financial Statements-issued by the Institute of Chartered Accountants of India, is also provided in this Annual Report in accordance with Clause 32 of the Listing Agreement.

11. DIRECTORS:

Change in Directorship during the period:

S.No.	Particulars	Compliance
1	Mr. S Mahadevan was appointed as additional director with effect from 24.02.2011	Approvals of the Board of Directors obtained vide Circular resolution dated 24.02.2011 As per provisions of the Section 260 of the Companies Act, 1956, the directors hold office only up to the forthcoming coming Annual General Meeting. Your directors recommended for his regularization as the director in the ensuing Annual General meeting
2	Mr. Jaideep Krishna was appointed as additional director with effect from 20.05.2010	Approvals of the Board of Directors obtained vide Circular resolution dated 20.05.2010 As per provisions of the Section 260 of the Companies Act, 1956, the directors hold office only up to the forthcoming coming Annual General Meeting. Your directors recommended for his regularization as the director in the ensuing Annual General meeting

S.No.	Particulars	Compliance
3	Mr. S Balachander was appointed as additional director with effect from 14.02.2011	Approvals of the Board of Directors obtained vide the meeting dated 14.02.2011
4	Mr. S Balachander was appointed as Whole time director of the Company	Appointed by the Shareholders of the Company vide Postal Ballot dated 08.04.2011
5	Mr. T R Suresh was appointed as additional director with effect from 28.05.2011	Approvals of the Board of Directors obtained vide the meeting dated 28.05.2011. As per provisions of the Section 260 of the Companies Act,1956, the directors hold office only up to the forthcoming coming Annual General Meeting. Your directors recommended for his regularization as the director in the ensuing Annual General meeting
6	Mr. G S Gusain, Nominee Director appointed by Punjab National Bank	Approval of the Board of Directors obtained vide the meeting dated 08.04.2011 He is appointed as a Nominee Director of the Company.
7	Mr. David Chul Know Lee who was a director of the Company, has resigned from the Board on 16.12.2009	The resignation was accepted vide circular resolution dated 16.12.2009
8	Mr. David Lawrence Culter, who was a director of the Company w.e.f. 15.05.2009, has resigned from the Board on 16.12.2009	The resignation was accepted vide circular resolution dated 16.12.2009
9	Mr. Tony Chung HO-Chang who was a director of the Company w.e.f. 26.06.2009, has resigned from the Board on 16.12.2009	The resignation was accepted vide circular resolution dated 16.12.2009
10	Mr. S. Shravan who was a director of the Company, has resigned from the Board on 14.02.2011	The Board Accepted the resignation vide the board Meetings dated 03.03.2011
11	Mr. S Narayanan who was a director of the Company, resigned from the Board on 24.02.2011	The Board Accepted the resignation vide the board Meetings dated 03.03.2011
12	Mr. R Ravichandran, Managing Director of the Company has resigned on 03rd March, 2011.	The Board Accepted his resignation vide the board Meeting dated 03.03.2011

Retirement by Rotation

Mr. R Nagarajan, director liable to retire by rotation, being eligible has offers himself for reappointment.

Disqualification of Directors:

None of the Directors is disqualified to hold directorships under the provisions of Section 274(1) (g) of the Companies Act, 1956.

12. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. That they have 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 period and of the loss of the Company for the 18 months period ended March 31, 2011.
3. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
4. That they have prepared the annual accounts on a going-concern basis.

13. AUDITORS

M/s P. B. Vijayaraghavan & Co, Chartered Accountants, Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Your Directors propose to appoint M/s. Suresh and Balaji, Chartered Accountants as Joint Statutory Auditors along with M/s. P B Vijayaraghavan & Co., retiring Auditors of the Company. Accordingly a resolution is being brought forward for their appointment in the ensuing Annual General Meeting. A Certificate under Section 224(1B) of The Companies Act, 1956 has been received from them.

14. STATUTORY STATEMENT

- A. Statement pursuant to Sec.212 (3) of the Companies Act, 1956 in respect of Subsidiary Companies is annexed.
- B. The equity shares of your Company are listed at the Bombay stock Exchange.
- C. The Company has paid the Listing fees to Bombay stock Exchange for the years 2009-10, 2010-11 and 2011-12
- D. Information under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975 is given hereunder:

In terms of the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the name and other particulars of employees are required to be set in the Director's report. However, as per the provisions of Section 219(1)(b)(iv) of the Act, the annual report excluding the said information is being sent to all the shareholders and such particulars be available for inspection to the members at Registered Office of the Company during working hours till the date of Annual General Meeting.

15. INFORMATION AS PER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956

The Company is a Non Banking Finance Company and has no activity relating to Conservation of Energy or technology absorption.

The Company does not have any Foreign Exchange earnings and Outgo.

16. ACKNOWLEDGEMENTS

Your Directors thank the Company's Bankers and the Financial Institutions for their valuable and timely support.

Your Directors also thank the customers, vehicle manufacturers, dealers and share-holders for their support Your Directors sincerely appreciate the wholehearted effort and co-operation rendered by the employees at all levels.

for and on behalf of the Board

Place: Chennai
Date: May 28, 2011

R NAGARAJAN
Chairman

Industry structure and development:**Business scenario:**

The business of the Company is that of a Non Banking Finance Company (NBFC).

Non Banking Financial Companies (NBFCs) have become an integral part of India's financial system. In recent times, NBFC's have emerged as lenders to both companies and individuals. When it comes to lending, NBFCs are generally regarded to be complementary to banks and are often able to offer better services and products to their customers.

In spite of strong competition faced by the NBFCs, the inner strength of NBFCs viz local knowledge, credit appraisal skill, well trained collection machinery, close monitoring of borrowers and personalized attention to each client, are catering to the needs of small and medium enterprises in the rural and semi urban areas. NBFC's are playing significant role in financing the road transport and infrastructure and have reached the gross root level through Micro finance.

According to the Economic Survey 2010-11, it has been reported that NBFCs as a whole account for 11.2 per cent of assets of the total financial system. With the growing importance assigned to financial inclusion, NBFCs have come to be regarded as important financial intermediaries particularly for the small-scale and retail sectors. NBFCs have been pioneering at retail asset backed lending, lending against securities, microfinance etc. and have been extending credit to retail customers in under-served areas and to unbanked customers.

Economy overview:

The NBFCs sector has undergone a significant transformation in the past few years and has come to be recognized as a systemically important element of the financial system. The recent global financial crisis has also highlighted the regulatory imperatives concerning the non-banking financial sector and the risks arising from regulatory gaps, arbitrage and systemic inter-connectedness.

In the multi-tier financial system of India, importance of NBFCs in the Indian financial system is much discussed by various committees appointed by RBI in the past and RBI has been modifying its regulatory and supervising policies from time to time to keep pace with the changes in the system. NBFCs have turned out to be engines of growth and are integral part of the Indian financial system, enhancing competition and diversification in the financial sector, spreading risks specifically at times of financial distress and have been increasingly recognized as complementary of banking system at competitive prices.

The Banking sector has always been highly regulated, however simplified sanction procedures, flexibility and timeliness in meeting the credit needs and low cost operations resulted in the NBFCs getting an edge over banks in providing funding. Since the 90s crisis the market has seen explosive growth, as per a Fitch Report 1 the compounded annual growth rate of NBFCs was 40% in comparison to the CAGR of banks being 22% only. NBFCs have been pioneering at retail asset backed lending, lending against securities, microfinance etc. and have been extending credit to retail customers in under-served areas and to unbanked customers.

Opportunities and threats:

The NBFC industry holds immense potential and the Government of India's increased focus towards Financial Inclusion has created various opportunities for existing NBFCs to leverage on their established customer base in rural areas. The recent steps by the Government of India to create Infrastructure for NBFC

and to provide banking license for NBFCs is a positive signal and the emergence of REMF & REIT has brought new scope for funding in Real Estate Sector. The above opportunities have made the Industry highly competitive with the emergence of new category of systematically important NBFCs, along with existing local and Multinational players leading to tough competition within the industry.

Outlook 2011-12

The role of NBFCs has become increasingly important from both the macro economic perspective and the structure of the Indian financial system. Over a period of time, one has to accept, that it is only those which are big enough and serious about being in the finance business will and must grow. To survive and constantly grow, NBFCs have to focus on their core strengths while improving on weaknesses. They have to constantly search for new products and services in order to remain competitive. The coming years will be testing ground for the NBFCs and only those who will face the challenge and prove themselves will survive in the long run.

Risk & concerns:

As an NBFC, your Company is subjected to both external risk and internal risk. External risk due to interest rate fluctuation, slowdown in economic growth rate, political instability, market volatility, decline in foreign exchange reserves, etc. Internal risk is associated with your Company's business which includes deployment of funds in specific projects, diversification into other business operations, retention of talented personnel, managing effective growth rate, volatility in interest rate, NPAs in portfolio, changes in compliance norms and regulations, contingent liabilities and other legal proceedings. Your Company recognizes the importance of risk management and has invested in people, process and technologies to effectively mitigate the above risks.

Fulfillment of RBI norms and standards:

To comply with RBI directions, your company changed its financial year to 1st April 2010 to 31st March 2011 and your Company continues to comply with the directives issued as well as the norms prescribed by Reserve Bank of India for NBFCs.

Exceptional Matter: Implementation of Corporate Debt Restructuring

Due to extensive cleaning up of legacy issues initiated in March 2007 after the take over of the management by Zwrn Pragati Capfin Pvt. Ltd., the company could not improve the business opportunities and started incurring loss. At that stage ZP was not willing to infuse capital for the business promotional activities. The company decided to approach the lenders for restructuring of debts through the Corporate Debt Restructuring (CDR) mechanism.

The CDR Empowered Group meeting held on 27th July, 2010 and on 23rd August, 2010 had carefully gone through the proposals considering the representation from the company and approved the Package vide its letter Dated 9th September, 2010 which was accepted and approved by the Directors of the company in their Board meeting held on 27th September, 2010.

The Banks Associated with this CDR Package have given their individual approvals. The Salient Features of the CDR Package are:

- (a) The cut-off date is reckoned as 31st March 2010
- (b) Holding on operations will be allowed till the CDR package is implemented
- (c) Individual Lenders with exposure less than Rs. 1 crore will have the option of exiting at a discount of 40%
- (d) Principal payment moratorium upto 30.09.2011 for Term Loans and repayment in 72 monthly installments commencing from 01.10.2011
- (e) Term Loans to carry ballooning interest rate varying between 7% and 16.5%
- (f) Interest on Term Loans upto 30.09.2011 to be funded through FITL
- (g) The irregular portion of the Working Capital amounting to Rs. 5928.35 lacs would be converted into 9% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) (70%) and Working capital Term Loans (WCTL) (30%).
- (h) The OCCRPS shall be redeemed in 4 equal installments starting from 2013-14 with a premium of 3%
- (i) The WCTL shall be repaid in 72 monthly installments.
- (j) The lenders shall extend additional limits to the tune of Rs.1664.14 lacs
- (k) The promoters will have to bring additional contribution of Rs. 17 crores over the next 5 years.

Based on the Letter of Approval, the Master Restructuring Agreement (M R A) has been signed by the Consortium Banks.

The Company would get the following benefits:

Particulars	Rs in Lakhs
Reduction in interest	316.08
Conversion of irregular portion of the working capital to Preference Shares	4149.85
Capital Infusion by Promoters over the next 5 years	1700.00
Additional Credit from the Consortium Banks	1800.00

With the CDR Proposal fully implemented and put through effectively the Net worth of the company is expected to improve and become positive.

CORPORATE GOVERNANCE REPORT

The Board of Directors of the Company lays great emphasis on the broad principles of Corporate Governance. Given below is the report on Corporate Governance.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Transparency and accountability leading to management reliability are the touchstone of the Corporate Governance at your Company. The ultimate objective of the Corporate Governance at your Company is to enhance shareholders' value in the long term. However, the Corporate Governance at your Company recognizes all shareholders and decision-making process reflects this concern.

Dhandapani Finance Limited (DFL) believes in the principles of Corporate Governance and is committed to conduct its business in a manner, which will ensure long-term growth thereby maximizing value of its shareholders, customers, employees and society at large. Company's policies are in line with Corporate Governance guidelines prescribed under the Listing Agreements with the Stock Exchange and the Company ensures that various disclosures requirement are complied with for effective Corporate Governance.

The Company recognizes that good Corporate Governance is essential to build and retain the confidence of its shareholders. To this end, the Company's philosophy on Corporate Governance is to endeavor to ensure:

1. That system procedure which monitors compliance with laws, rules and regulations are in place in each area of its business.
2. That relevant information regarding the Company and its operations is disclosed, disseminated and easily available to its shareholders and
3. That the Board of Directors is kept fully informed of all material developments in the Company, the risks in its business and its operations and the rationale for management's decisions and recommendations so that the Board of Directors can effectively discharge its responsibilities to our shareholders.

CORPORATE CODE OF CONDUCT

The activities and conduct of the company and its employees are governed by the Code of Conduct of the Group. The major salutary principles prescribed by the Code of Conduct are:

- (a) Conduct of business in consonance with national interest
- (b) Fair and accurate presentation of financial statement
- (c) Practicing politically non-alignment
- (d) Maintaining quality of product and services
- (e) Being a good corporate citizen
- (f) Ethical conduct
- (g) Commitment to enhancement of shareholder value and statutory compliance

BOARD OF DIRECTORS

The Company has adopted the corporate governance principles to ensure that the Board functions with utmost transparency, independence and enable the stakeholders to take informed decisions. To this effect,

steps have been taken to ensure that the Board consists of distinguished members with expertise in various fields. The board at Dhandapani is fully aware of its responsibilities to the company, to the stakeholders and to the regulatory authorities and is working towards achieving utmost transparency.

The management strives to achieve the desired goals of good governance. The Company has appropriate personnel in place to handle risk management, credit approval process and collections / sales management. The company is committed to ethical values and desires lawful business to be conducted by those at helm of the affairs. In connection with this, the company has formulated a code of conduct applicable to Board and Senior management. The company also adopted strict insider trading code for preventing insider trading within the company.

Composition of Board

The board has been constituted in such a way to have appropriate mix of the directors with expertise in banking, law, finance and other education. The company has six independent directors including one nominee director to comply with the provisions of the listing agreements. The directors are elected based on their qualification and expertise based on the company's needs. The Board of Directors consists of Six members as on the date of the Board Meeting approving this report, the details of which are given below:

Director	Position	Designation	Directorships in other Indian Companies #	Membership in other Board Committees of Indian Companies
R Nagarajan	Independent	Chairman	2	2
Jaideep Krishna	Independent	Director	–	–
S Mahadevan	Independent	Director	–	–
S Balachander	Executive	Wholetime Director	–	–
T R Suresh	Independent	Director	–	–
G S Gusain	Independent	Nominee Director	–	–

excludes private limited companies and membership in board and other committees of Dhandapani Finance Limited. None of the directors are related to each other except Mr S Balachander is related to Mr S Mahadevan

BOARD MEETINGS

The Board of directors meets at regular intervals and the dates for Board meetings are fixed well in advance. The Board is briefed on key parameters and activities of the business by way of briefings, business plan documents and presentations on need basis. The Board of the Company met on the following dates during the 18 months period ended 31st March, 2011.

30.10.2009, 21.12.2009, 30.01.2010, 26.02.2010, 17.04.2010, 30.04.2010, 15.07.2010, 09.08.2010, 27.09.2010, 13.11.2010, 18.12.2010, 14.02.2011 and 03.03.2011

Mr. R Nagarajan and Mr. R Ravichandran were present during the last Annual General Meeting of the Company held on March 29, 2010.

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

Details of Directors seeking appointment / re-appointment at the Annual General Meeting:

Name	R Nagarajan	Jaideep Krishna	S Mahadevan	T R Suresh	G S Gusain
Age	72	50	37	44	49
Date of Appointment	07.06.2001	29.05.2010	24.02.2011	28.05.2011	08.04.2011
Qualification	B.Com. (Hons.), CAIIB	M.B.A.	Chartered Accountant Company Secretary & Cost Accountant	Chartered Accountant	B.Sc., AICWA, DTIRM
Areas of Expertise	Banking	Investment Management	Banking & Financial Service	Banking & Financial Service	Banking & Financial Service
Number of other Indian companies holding directorship	2	–	–	–	–
Number of membership in other committees	3	–	–	–	–
Number of shares held in the company	Nil	Nil	Nil	Nil	Nil

excludes private limited companies and membership in board and other committees of Dhandapani Finance Limited.

AUDIT COMMITTEE

The primary role of the Audit Committee includes overseeing the financial reporting process and disclosure of financial information, reviewing financial statements before submission to the Board, reviewing adequacy of internal control systems and reviewing findings of internal investigations. The committee holds discussions with Statutory Auditors and internal auditors.

The composition of the committee includes Mr. R Nagarajan, Chairman, Mr. S.Shravan and Mr.S Narayanan, (Committee members until resignation) Mr. S Mahadevan and Mr. Jaideep Krishna, Members of the Audit Committee of the Company and the Committee met on 30.10.2009, 31.01.2010, 26.02.2010, 30.04.2010, 09.08.2010, 13.11.2010 and 14.02.2011 during the period. Requisite quorum was present in all the audit committee meetings.

SHARE TRANSFER AND INVESTOR RELATIONS COMMITTEE

The Composition of the Committee includes Mr. R Nagarajan, Non-Executive Chairman, Mr.R. Ravichandran (until resignation) Mr. S Mahadevan and Mr. S Balachander, Wholetime Director.

The Share transfer & Investor Relations Committee approves and monitors transfers, transmission, splits and consolidation of shares of the Company, reviews Redressal of complaints from shareholders relating to transfer of shares, non-receipt of dividends and other grievances. The Committee also reviews the compliances with various statutory and regulatory requirements. During the period, committee met 24 times.

- All shares have been transferred within one month from the date of the receipt so long as the documents are clear in all respects.
- Total numbers of share transferred in physical form for the 18 months period ended 31st March, 2011 were 13,482 shares numbering to 141 share transfers.
- Total numbers of share transmission effected for the 18 months period ended 31st March, 2011 in physical form were 3,057 shares numbering to 15 share transmissions.
- Total numbers of Remat for the 18 months period ended 31st March, 2011 were 101 shares numbering to 4 remats.
- There are no transfers pending with the Company as on 31st March, 2011.

Details of complaints regarding shares for the 18 months period ended 31st March, 2011:

Nature of complaint	Number of complaints	Complaints redressed
Non receipt of dividend	23	23
Non receipt of shares lodged for transfer	–	–
Total	23	23

Mr. S K Rengarajan, Company Secretary is the Compliance Officer of the Company.

REMUNERATION COMMITTEE:

The composition of the committee includes Mr. R Nagarajan, Chairman, Mr. S.Shravan and Mr.S Narayanan, (Committee members until resignation) Mr. S Mahadevan and Mr. Jaideep Krishna, Members of the remuneration Committee of the Company and the Committee met on 17.04.2010, and 14.02.2011 during the period. Requisite quorum was present in all the committee meetings.

REMUNERATION OF DIRECTORS

The remuneration package of erstwhile Managing Director and Wholetime Director has been calculated in accordance with the requirements of Schedule XIII of the Companies Act, 1956 and the Non-executive Directors have been remunerated by way of sitting fees. The reconstituted remuneration committee consists of Mr. R Nagarajan, Mr. S Mahadevan and Jaideep Krishna. For the 18 months period ended 31st March, 2011 the committee met 2 times.

The remuneration of the Managing Director and Wholetime Director comprises of salary, allowances and perquisites. The non-executive directors are being remunerated by way of sitting fees.

The details of remuneration paid to the Managing Director are disclosed in the Notes on Accounts.

Remuneration paid for the 18 months period ended 31st March, 2011

Rupees in Lakhs

Name of the Director	Salary	Allowances / PF	Sitting fees	Total
Mr. R Nagarajan	-	-	2.53	2.53
Mr. Jaideep Krishna *	-	-	-	-
Mr. S Mahadevan &	-	-	0.09	0.09
Mr. S Balachander \$	1.20	1.95	-	3.15
Mr. David Chul Kwon Lee +	-	-	-	-
Mr. David Lawrence Cutler %	-	-	-	-
Mr. Tony Chung HO-Chang !	-	-	-	-
Mr. S Narayanan #	-	-	2.24	2.24
Mr. S Shravan @	-	-	1.50	1.50
Mr. R Ravichandran ^	12.00	17.25	-	29.25

* Appointment with effect from 20th May, 2010

& Appointment with effect from 24th February, 2011

\$ Appointment with effect from 14th February, 2011

+ Resigned on 16th December 2009

% Appointment with effect from 15th May, 2009 and Resigned on 16th December 2009

! Appointment with effect from 26th June 2009 and Resigned on 16th December 2009

Resigned with effect from 24th February, 2011

@ Appointment with effect from 29th January, 2010 and Resigned on 14th February, 2011

^ Resigned on 03rd March, 2011

Director's Attendance for the Board and committee meetings:

Name of Director	Board Meeting	Audit Committee	Share transfer/ Inv. relations comm.	Remuneration Committee	Attendance at the last AGM
Mr. R Nagarajan	13	7	24	2	Yes
Mr. Jaideep Krishna *	-	-	-	-	-
Mr. S Mahadevan &	1	-	-	-	-
Mr. S Balachander \$	2	-	1	-	-
Mr. David Chul Kwon Lee +	-	-	-	-	-
Mr. David Lawrence Cutler %	-	-	-	-	-
Mr. Tony Chung HO-Chang !	1	-	-	-	-
Mr. S Narayanan #	11	7	17	1	-
Mr. S Shravan @	9	5	9	1	-
Mr. R Ravichandran ^	12	-	23	2	Yes

* Appointment with effect from 20th May, 2010

& Appointment with effect from 24th February, 2011

\$ Appointment with effect from 14th February, 2011

+ Resigned on 16th December 2009

% Appointment with effect from 15th May, 2009 and Resigned on 16th December 2009

! Appointment with effect from 26th June 2009 and Resigned on 16th December 2009

Resigned with effect from 24th February, 2011

@ Appointment with effect from 29th January, 2010 and Resigned on 14th February, 2011

^ Resigned on 03rd March, 2011

GENERAL BODY MEETINGS

Time and location of last three Annual General Meetings

Year	Date	Time	Location
2007	28.09.2007	02.00 pm	Rani Seethai Hall, I Floor, No 603, Anna Salai, Chennai 600 006
2008	23.12.2008	10.00 am	Rani Seethai Hall, I Floor, No 603, Anna Salai, Chennai 600 006
2009	29.03.2010	09.00 am	Rani Seethai Hall, I Floor, No 603, Anna Salai, Chennai 600 006

No special resolution was passed at the Annual General Meeting held in 2007. The Company had passed one special resolution in 2008 and 2010 approving the revision in remuneration payable to the Managing Director.

POSTAL BALLOT

Postal Ballot dated 18.12.2010

Your Company, vide postal ballot dated 18.12.2010, sought the consent of its members in respect of the resolutions for the purpose of:

Resolution 1: Special resolution for increase in the Authorised Share Capital of the Company.

Number of valid Postal Ballot Forms received	167
Votes in favour of the Resolution	3,17,829 Shares (5.34% of the total paid up Capital)
Votes against the Resolution	30,37,003 Shares (51.00% of the total paid up Capital)
Number of invalid Postal Ballot Forms received	11

Resolution 2: Special resolution for re-appointment and revision in remuneration of Managing director.

Number of valid Postal Ballot Forms received	167
Votes in favour of the Resolution	3,12,989 Shares (5.26% of the total paid up Capital)
Votes against the Resolution	30,41,053 Shares (51.07% of the total paid up Capital)
Number of invalid Postal Ballot Forms received	11

Resolution 3: Special resolution for Change of Name of the Company.

Number of valid Postal Ballot Forms received	167
Votes in favour of the Resolution	33,52,557 Shares (56.30% of the total paid up Capital)
Votes against the Resolution	1,825 Shares (0.03% of the total paid up Capital)
Number of invalid Postal Ballot Forms received	11

Resolution 4: Ordinary Resolution for issue of Optionally Convertible Cumulative Redeemable Preference Shares.

Number of valid Postal Ballot Forms received	167
Votes in favour of the Resolution	3,16,579 Shares (5.32% of the total paid up Capital)
Votes against the Resolution	30,37,603 Shares (51.02% of the total paid up Capital)
Number of invalid Postal Ballot Forms received	11

Resolution 5: Special resolution for amendment to Articles of Association.

Number of valid Postal Ballot Forms received	167
Votes in favour of the Resolution	33,51,432 Shares (56.29% of the total paid up Capital)
Votes against the Resolution	1,200 Shares (0.02% of the total paid up Capital)
Number of invalid Postal Ballot Forms received	11

Mr. Soy Joseph, Practicing Company Secretary has appointed as the scrutinizer and submitted his report on 25.01.2011. The above result was published by the Chairman on 27.01.2011.

Postal Ballot dated 08.04.2011

Your Company, vide postal ballot dated 08.04.2011, sought the consent of its members in respect of the resolutions for the purpose of:

Resolution 1: Ordinary Resolution for Increase in Authorised Share Capital of the Company

Number of valid Postal Ballot Forms received	161
Votes in favour of the Resolution	33,35,098 Shares (56.01% of the total paid up Capital)
Votes against the Resolution	2,500 Shares (0.04% of the total paid up Capital)
Number of invalid Postal Ballot Forms received	57

Resolution 2: Special resolution for Alteration of Articles of Association of the Company

Number of valid Postal Ballot Forms received	161
Votes in favour of the Resolution	33,29,388 Shares (55.92% of the total paid up Capital)
Votes against the Resolution	2,500 Shares (0.04% of the total paid up Capital)
Number of invalid Postal Ballot Forms received	57

Resolution 3: Ordinary Resolution for issue of Optionally Convertible Cumulative Redeemable Preference Shares

Number of valid Postal Ballot Forms received	161
Votes in favour of the Resolution	33,28,988 Shares (55.91% of the total paid up Capital)
Votes against the Resolution	2,900 Shares (0.05% of the total paid up Capital)
Number of invalid Postal Ballot Forms received	57

Resolution 4: Ordinary Resolution for Appointment of Whole time Director & to fix Remuneration thereof

Number of valid Postal Ballot Forms received	161
Votes in favour of the Resolution	33,29,648 Shares (55.92% of the total paid up Capital)
Votes against the Resolution	2,100 Shares (0.04% of the total paid up Capital)
Number of invalid Postal Ballot Forms received	57

Mr. Soy Joseph, Practicing Company Secretary has appointed as the scrutinizer and submitted his report on 19.05.2011. The above result was published by the Chairman on 20.05.2011

Compliance report:

The Board reviews periodically all the compliance requirements and provide necessary directions.

Code of Conduct

The Board has laid down a code of conduct for the board and senior management of the company and is prominently displayed on the website. Annual declaration is obtained from every person covered by the code of conduct. A declaration to this effect signed by the Wholetime Director is attached to this report.

CEO/CFO certification:

CEO / CFO's certificate pursuant to Clause 49 of the listing agreement forms part of this Annual report.

DISCLOSURES

- i. There are no materially significant transactions with related parties, subsidiaries, promoters, directors or the management and their relatives conflicting with the Company's interests.
- ii. There were no instances of non-compliance by the Company on any matter related to Capital markets during the last three years.
- iii. The Whistle Blower policy being a non mandatory requirement, the Company has not evolved any policy for the same. However, as a matter of internal check, the Company's inhouse Internal Audit department is powered to bring to the notice of the management, by way of internal reporting of any occasion of unethical activities, which will be seriously discussed and deliberated upon in the Audit committee meetings.
- iv. The company has complied with all the mandatory requirements of the Clause 49 and has obtained a certificate from the statutory auditors of the company which forms part of this annual report. The extent of compliance of non mandatory requirements is specified later in this report.

MEANS OF COMMUNICATION

Quarterly and Annual Results were published in accordance with the Stock Exchange Listing Agreement in "Trinity Mirror" (English) and "Makkal Kural" (Tamil).

The results were also displayed on the Company's website @ www.dflfinance.com

GENERAL SHAREHOLDER INFORMATION

Annual General meeting

Date	Time	Venue
28.06.2011	10.30 am	Balamandir German Hall, 17, Prakasam Street, T. Nagar, Chennai – 600 017

Financial Calendar

Financial year – 1st April 2011 to 31st March 2012

Board Meeting for consideration of accounts	28.05.2011
Annual General Meeting	28.06.2011
Posting of Annual Report along with notice of AGM	02.06.2011
Book Closure dates	24.06.2011 to 28.06.2011 (both days inclusive)
Last date for receipt of proxy forms	26.06.2011 before 4 pm
Unaudited results for the quarter ended 30th June 2011	Before 15th August 2011
Unaudited results for the quarter ending 30th Sept. 2011	Before 15th Nov. 2011
Unaudited results for the quarter ending 31st Dec. 2011	Before 15th Feb. 2012

Dividend: In view of the losses posted by the Company, the Board does not recommend any dividend for the 18 months period ended March 31st 2011.

Listing on Stock Exchanges:

The Company's shares are presently listed on the Bombay Stock exchange.

BSE Stock Code	ISIN No:
511393	INE 071C01019

The Company has paid the listing fees for the financial year 2010-11 and 2011-12 to the Bombay Stock Exchange Limited.

Stock Market data – High and Low quotations of Equity Shares for the 18 months period ended March 31st 2011 are:

Month	BSE	
	HIGH	LOW
Oct 2009	12.50	10.00
Nov 2009	11.90	9.73
Dec 2009	12.55	11.35
Jan 2010	14.77	10.60
Feb 2010	16.42	11.69
Mar 2010	14.96	11.90
Apr 2010	12.50	10.26
May 2010	12.50	10.50
Jun 2010	12.00	9.62
Jul 2010	11.00	9.22
Aug 2010	11.95	10.05
Sep 2010	13.75	9.80
Oct 2010	13.39	9.86
Nov 2010	12.85	8.70
Dec 2010	10.75	7.01
Jan 2011	10.00	7.04
Feb 2011	8.19	6.26
Mar 2011	8.03	6.39

SHARE TRANSFER SYSTEM

Share transfers were processed and share certificates despatched within 30 days from the date of lodgment in accordance with the Stock Exchange listing agreement. The Company's shares are being compulsorily traded in dematerialised form. Requests for dematerialization of shares are completed within the prescribed time limit.

REGISTRAR AND TRANSFER AGENTS

M/s. Cameo Corporate Services Ltd, have been appointed as the registrars and share transfer agents of the Company for both physical and electronic segment and have attended to the share transfer formalities regularly. The Registrar and Share transfer agent can be contacted by the investors at the following address:

M/s. Cameo Corporate Services Ltd, Subramanian Building, No.1, Club House Road, Chennai – 600 002	Phone No: 044 28460390 Fax: 044 28460129 Email: investor@cameoindia.com Contact persons: Ms. K. Sreepriya
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Nomination facility:

The nomination form 2B is available to all those shareholders desiring to make a nomination. The shareholders holding shares in demat form are requested to forward their nomination instructions to the respective depository participants. Nomination is only optional and can be cancelled or varied at any point of time.

Payment of Unclaimed / Unpaid Dividend:

The Company has remitted all the unclaimed /unpaid dividends upto the Financial year 2002-2003 to the Investor Education & Production Fund (IEPF). The dividends lying unclaimed / unpaid in the account after the prescribed period of seven years are transferred to the IEPF regularly. The Company also sends reminders to the shareholders before such transfers.

The due date for transfer of the unclaimed dividend for various years are given below:

SI No	Year	Date of Declaration	Date before which the Shareholders should lodge their claim	Due date of transfer to IPF	Unclaimed dividend Amount in Rs.
1	2003 - 2004 Dividend	29.07.2004	28.07.2011	28.08.2011	453827.75
2	2004 - 2005 Dividend	28.07.2005	27.07.2012	27.08.2012	681267.75
3	2005 - 2006 Dividend	06.07.2006	05.07.2013	05.08.2013	512654.75

DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2011

Shares of nominal value of Rs.10/- each	Share holders		Share Amount		
	Shares	Number	% to Total Nos.	In Rupees	% to Total Amount
(1)	(2)	(3)	(4)	(5)	
1 - 500	6597	91.2195	10499580	17.6336	
501 - 1000	391	5.4065	3348950	5.6244	
1001 - 2000	148	2.0465	2298910	3.8609	
2001 - 3000	43	0.5946	1097490	1.8432	
3001 - 4000	10	0.1383	339870	0.5708	
4001 - 5000	8	0.1106	386160	0.6485	
5001 - 10000	22	0.3042	1632220	2.7412	
10001 & ABOVE	13	0.1798	39940020	67.0774	
Total	7232	100.0000	59543200	100.0000	

Statement showing Shareholding Pattern									
Name of the Company		Dhandapani Finance Ltd.							
Scrip Code : 511393		As on 31.03.2011							
Category Code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of Shares in de-materialised form	Total Shareholding as a percentage of total number of Share		Shares pledged or otherwise encumbered		
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	No. of Shares (VIII)	As a percentage (IX=VIII/IV)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX=VIII/IV)	
(A)	Shareholding of Promoter and Promoter Group								
(1)	Indian								
(a)	Individuals / Hindu Undivided Family	0	0	0	0.0000	0.0000	0	0.0000	
(b)	Central Govt. / State Govt.(s)	0	0	0	0.0000	0.0000	0	0.0000	
(c)	Bodies Corporate	2	274200	0	4.6051	4.6051	0	0.0000	
(d)	Financial Institutions / Banks	0	0	0	0.0000	0.0000	0	0.0000	
(e)	Any other (Specify)	0	0	0	0.0000	0.0000	0	0.0000	
	Sub-Total (A) (1)	2	274200	0	4.6051	4.6051	0	0.0000	
(2)	Foreign								
(a)	Individuals (Non-Resident Individuals / Foreign)	0	0	0	0.0000	0.0000	0	0.0000	
(b)	Bodies Corporate	1	3036703	3036703	51.0000	51.0000	0	0.0000	
(c)	Institutions	0	0	0	0.0000	0.0000	0	0.0000	
(d)	Any other (Specify)	0	0	0	0.0000	0.0000	0	0.0000	
	Sub-Total	1	3036703	3036703	51.0000	51.0000	0	0.0000	
	Total Shareholding of Promoter and Promoter Group A=(A)(1) + (A)(2)	3	3310903	3036703	55.6051	55.6051	0	0.0000	
(B)	Public Shareholding								
(1)	Institutions								
(a)	Mutual Funds / UTI	1	1600	0	0.0269	0.0269	0	0.0000	
(b)	Financial Institutions / Banks	1	200	0	0.0034	0.0034	0	0.0000	
(c)	Central Govt. (s) / State Govt. (s)	0	0	0	0.0000	0.0000	0	0.0000	

Category Code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of Shares in dematerialised form	Total Shareholding as a percentage of total number of Share		Shares pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	No. of Shares (VIII)	As a percentage (IX=VIII/IV)
(1)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX=VIII/IV)
(d)	Venture Capital Funds	0	0	0	0.0000	0.0000	0	0.0000
(e)	Insurance Companies	0	0	0	0.0000	0.0000	0	0.0000
(f)	Foreign Institutional Investors	0	0	0	0.0000	0.0000	0	0.0000
(g)	Foreign Venture Capital Investors	0	0	0	0.0000	0.0000	0	0.0000
	Sub-Total (B) (1)	2	1800	0	0.0302	0.0302	0	0.0000
(2)	Non-Institutions							
(a)	Bodies Corporate	74	583487	555037	9.7994	9.7994	0	0.0000
(b)	Individuals	7070	1868924	974393	31.3877	31.3877	0	0.0000
	i. Individual shareholders holding nominal share capital upto Rs.1 Lakhs							
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 Lakhs	7	156388	156388	2.6265	2.6265	0	0.0000
(c)	Any other (specify)	2	56	56	0.0009	0.0009	0	0.0000
	Clearing Member							
	NRI	15	4066	4066	0.0683	0.0683	0	0.0000
	Hindu Undivided Family	59	28696	28696	0.4819	0.4819	0	0.0000
	Sub-Total (B) (2)	7227	2641617	1718636	44.3647	44.3647	0	0.0000
	Total Public Shareholding (B) = (B) (1) + (B) (2)	7229	2643417	1718636	44.3949	44.3949	0	0.0000
	Total (A) + (B)	7232	5954320	4755339	100.0000	100.0000	0	0.0000
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0.0000
	Grand Total (A) + (B) + (C)	7232	5954320	4755339	100.0000	100.0000	0	0.0000

Online Information:

The Company has been regularly filing the financial results, shareholding patterns and other results in EDIFAR of SEBI website. Shareholders can view the documents at the above website.

Investor grievance redressal division:

Further to the BSE circular on the exclusive designation of an email ID for investor grievance redressal has to be displayed on the website of the company. Accordingly, the investors are requested to register their complaints in the email ID: investorcell@dhandapanifinance.com.

DEMATERIALISATION / REMATERIALISATION

As on 31st March, 2011, 47,55,339 shares of the Company held by the share-owners are held in dematerialized form, aggregating to 79.86% of the Equity share capital of the Company.

Address for correspondence and any assistance / clarification:

Dhandapani Finance Limited
No:14, Ramakrishna Street
T Nagar, Chennai – 600 017.
Phone Nos.28141778/1304

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

The Company has fulfilled the following non-mandatory requirements.

Remuneration Committee

The compliance requirements with respect to Remuneration Committee have been mentioned earlier in this report.

Shareholders Rights

As the Company's financial results are published in an English newspaper and in a Tamil newspaper widely circulated in Chennai, the same are not sent to the shareholders of the company individually. The Company's quarterly / half yearly / annual audited results are also posted on the Company's website and also onto the SEBI's website under EDIFAR.

Audit Qualifications

The response by the Board to the remarks made by the Statutory Auditor in the Auditors' Report is given in the Directors' Report.

Training of Board Members

The necessary training will be provided to the Board members as and when required.

Mechanism for evaluating Non-Executive Board Members

The Mechanism of performance evaluation of Non-executive directors by peer group of directors is under process. This would help the company to determine any modifications in their terms of Appointment.

Whistle Blower Policy

The Company's stand on the whistle Blower policy has been mentioned under DISCLOSURE clause of this report.

ANNUAL DECLARATION OF CODE OF CONDUCT BY WHOLE TIME DIRECTOR

This is to confirm that the Board has laid down a Code of Conduct for all the board members and senior management of the company. The Code of Conduct has also been posted on the website of the Company. It is further confirmed that all directors and senior management of the company have affirmed compliance with the Code of Conduct of the company for the 18 Months period ended 31st March 2011 as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges.

Place : Chennai
Date : 28.05.2011

S BALACHANDER
Whole time Director

CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Dhandapani Finance Ltd

We have examined the compliance of conditions of Corporate Governance of Dhandapani Finance Ltd for the 18 Months period ended 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges(s).

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) are pending exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai
Date: 28.05.2011

for and on behalf of
P B Vijayaraghavan & Co.,
Firm Regn. No. 004721S
Chartered Accountants
P R Krishnamurthy
Partner
Membership Number: 12622

**AUDITORS' REPORT TO THE MEMBERS OF
DHANDAPANI FINANCE LIMITED, CHENNAI**



1. We have audited the attached Balance Sheet of *M/s. Dhandapani Finance Limited* as on March 31, 2011 (18 months period) and the related Profit And Loss Account and Cash Flow Statement for the period ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. **Attention of the shareholders is invited to the following:**
 - a. *The Company's net owned funds is below Rs. 25 lakhs, the limit prescribed by Reserve Bank of India under section 45 – IA of the Reserve Bank of India Act, 1934. This could attract penal provisions under section 45 - MC of the Act.*
 - b. *The shareholders of Dhandapani Finance Limited has not accepted the re-appointment and increase in remuneration of the Managing Director for which, the company is taking appropriate action (Refer Note 10(A) of Schedule 18).*
4. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said Order.
5. Further to our comments in the Annexure referred to in paragraph 4 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, the company has maintained proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The balance Sheet and Profit and Loss Account dealt with by this are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and loss Account dealt with by this report complies with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except as mentioned in paragraph 5.
 - e. We have received written representation from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of Sub-section (I) of section 274 of the Act.
- f. *The debit balances under receivables and debtors' accounts and the credit balances are as per books of accounts subject to confirmation from the parties.*

- g. The company has made a donation of Rs.1 lakh to Shree Mahalaxmi Temple Mumbai. This is beyond the powers of the Board without obtaining the prior approval of the Shareholders as specified Section 293(1)(e) of the Companies Act 1956 of Rs.0.5 lakhs.*

Subject to the matters specified in the paragraphs f and g above, in our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon given in the prescribed manner, the information required by the Act, give a true and fair view in conformity with the accounting principles generally accepted in India;

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31,2011;
- ii) In the case of Profit and Loss Account, of the **loss** for the year ended on that date;
- iii) In the case of Cash Flow Statements, the cash flow for the year ended on that date.

Place: Chennai
Date: 28.05.2011

For **P B VIJAYARAGHAVAN & CO.,**
Firm Regn. No. 004721S
Chartered Accountants
P R KRISHNAMURTHY
Partner
Membership Number: 12622

ANNEXURE TO THE AUDITORS' REPORT



(Referred to in paragraph 4 of our report of even date to the members of M/s. Dhandapani Finance Ltd.)

- (i) (a) The company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
- (b) As per the information and explanation given to us by the management fixed assets according to the practice of the company are physically verified by the management at reasonable intervals, which, in our opinion, is reasonable, looking at the size of the company and nature of the business. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed of a substantial part of fixed assets.
- (ii) As the Company is a Non Banking Finance Company, the provisions of sub clause (ii) a, b and c of the Companies (Auditor's Report) Order, 2003 are not applicable.
- (iii) (a) According to the information and explanations given to us the company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act.
- (b) The rate of interest and other terms and conditions of the loan are prima facie, not prejudicial to the interest of the company.
- (c) The above loans do not have any stipulation for payment of any principal and interest and hence no amount of outstanding as at 30th September 2009 is considered as overdue.
- (d) As the company has not granted any loan, the provisions contained in clause (iii) (d) are not applicable.
- (e) According to the information and explanations given to us the company has taken unsecured loans from group companies, covered in the register maintained under Section 301 of the Companies Act, 1956. The year-end balance of loans taken from such parties was Rs 102.28 lakhs
- (f) The rate of interest and other terms and conditions of loans taken by the company, secured or unsecured, are prima facie not prejudicial to the interest of the company
- (g) The payment of the principal amount and interest are also regular.
- (iv) In our opinion, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchase of fixed assets and sale of goods and services during the course of our audit; we have not observed any continuing failure to correct major weakness in such internal control system.
- (v) (a) The contracts and arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) During the year Company has not accepted any deposits from the public. However, in the case of deposits accepted by the Company from the public in the earlier years, in our opinion and according to the information and explanations given to us, the directives issued by Reserve Bank of India and the provisions of sections 58A and of the Companies Act and the rules framed there under, wherever applicable to the Company have been complied with.

- (vii) In our opinion, the company's present internal audit system is commensurate with its size and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under Section 209 (1)(d) of the Act.
- (ix) (a) The company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities in India except service tax of Rs. 8.90 lacs (for the financial year 2001 -02 to 2005-06)
- (b) According to the information and explanations given to us and records of the Company examined by us the particulars of dues of Sales Tax, Income Tax, Wealth Tax, and Excise Duty, which have not been deposited on account of any dispute are as follows

<i>Asst. year</i>	<i>Tax Due Amount of Rs. in lakhs</i>	<i>Classification of Dispute</i>	<i>Remarks</i>
Interest Tax Act 1995-96 to 1999-2000	16.37	Tax and Interest	Appeal before CIT(A)
Income Tax Assessment Year 1998-99	14.54	Interest	Chief Commissioner of Income Tax
Assessment Year 2001-02	196.90	Interest	Chief Commissioner of Income Tax
Assessment Year 2005-06	3.79	Interest	Chief Commissioner of Income Tax

- (x) The accumulated losses of the company at the end of the financial year are not less than fifty percent of its net worth. The company has incurred cash losses in the financial year and in the immediately preceding financial year also.
- (xi) According to the records produced, the company has not defaulted in repayment of dues to any financial institution or bank during the year.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to chit fund / Nidhi / mutual benefit fund / societies are not applicable to the Company.

- (xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) As per the information and explanations given to us the company has not given any guarantees for loans taken by others.
- (xvi) On the basis of review of utilization of funds on an overall basis, in our opinion, the term loans taken by company were applied for the purposes for which the loans were obtained.
- (xvii) On the basis of review of utilization of funds on an overall basis in our opinion, the funds raised on short-term basis have not been used for long-term investment or vice versa during the year.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- (xix) The company has issued no Debentures.
- (xx) The company has not raised any money by public issues during the year.
- (xxi) During the course of our examination of the books of accounts carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the company nor have we been informed by the management of any such instance being noticed or reported during the year.

Place: Chennai
Date: 28.05.2011

For **P B VIJAYARAGHAVAN & CO.,**
Firm Regn. No. 004721S
Chartered Accountants
P R KRISHNAMURTHY
Partner
Membership Number: 12622

BALANCE SHEET AS ON 31st MARCH 2011



I	SOURCE OF FUNDS	SCH NO	(Rs. in Lakhs)	
			31.03.2011	30.09.2009
	1. Shareholders Funds			
	a) Capital	1	2821.43	2821.43
	b) Reserves & Surplus	2	<u>5000.29</u>	<u>5000.29</u>
			7821.72	7821.72
	2. Loan Funds			
	a) Secured Loans	3	13446.70	15513.21
	b) Unsecured Loans	4	<u>195.60</u>	<u>686.12</u>
			<u>13642.30</u>	<u>16199.33</u>
	TOTAL		<u>21464.02</u>	<u>24021.05</u>
II	APPLICATION OF FUNDS			
	1. Fixed Assets	5		
	a. Gross Block		2046.82	2060.64
	b. Less Impairment of Assets		-	-
	c. Less Depreciation		<u>303.11</u>	<u>217.01</u>
	Net Block		1743.71	1843.63
	2. Investments	6	30.93	30.93
	3. Current Assets			
	Loans & Advances			
	a) Current Assets	7	9491.93	16397.26
	b) Loans & Advances	8	<u>2563.57</u>	<u>2305.46</u>
	(A)		<u>12055.50</u>	<u>18702.72</u>
	Less: Current Liabilities & Provisions			
	a) Current Liabilities	9	3410.34	1739.95
	b) Provisions	10	<u>2114.82</u>	<u>5832.54</u>
	(B)		<u>5525.16</u>	<u>7572.49</u>
	Net Current Assets (A-B)		6530.34	11130.22
	4. Miscellaneous Expenditure		-	-
	5. P&L Account		<u>13159.05</u>	<u>11016.26</u>
	TOTAL		<u>21464.02</u>	<u>24021.05</u>

Schedules 1-10 and Notes to Accounts form part of this Balance Sheet

SUBJECT TO OUR REPORT OF EVEN DATE

for P.B. VIJAYARAGHAVAN & CO.

Chartered Accountants

Firm Regn. No. 004721S

P.R. KRISHNAMURTHY

Partner

Membership No. 12622

S. BALACHANDER

Wholetime Director

S.K. RENGARAJAN

Company Secretary

R. NAGARAJAN

Director

Place : Chennai

Date : 28.05.2011

**PROFIT & LOSS ACCOUNT FOR THE
PERIOD ENDED 31st MARCH 2011**



		(Rs. in Lakhs)	
1. INCOME	SCH NO	31.03.2011 (18 months)	30.09.2009
a. Income from financing operations	11	1325.77	2925.05
b. Other income	12	605.92	150.12
A		<u>1931.69</u>	<u>3075.17</u>
2. EXPENDITURE			
a. Finance charges	13	2011.94	2551.47
b. Employee cost	14	435.16	526.30
c. Administrative & Other expenses	15	633.96	434.70
d. Bad debts write off	16	1072.52	742.75
e. Provisions for non performing assets	17	1411.82	77.43
B		<u>5565.40</u>	<u>4332.64</u>
Profit before Depreciation, Tax, Prior Period & Exceptional items A – B		(3633.71)	(1257.48)
Less: Depreciation		(98.31)	(66.35)
Less: Exceptional items		–	(5534.42)
Add: Extra-Ordinary items	12	1589.24	–
Profit before tax		(2142.78)	(6858.25)
Less: Provision for Taxation			
Fringe Benefit tax		–	(2.78)
Profit after tax and Extra-Ordinary items		<u>(2142.78)</u>	<u>(6861.03)</u>
Profit available for appropriations		(2142.78)	(6861.03)
ADD Brought forward from previous year		(11016.26)	(4155.23)
		<u>(13159.05)</u>	<u>(11016.26)</u>
3. APPROPRIATION			
Dividend (inclgd Dividend Tax)		–	–
Transfer to Statutory Reserve		–	–
Transfer to General Reserve		–	–
Surplus balance carried to Balance sheet		–	–
		<u>(13159.05)</u>	<u>(11016.26)</u>

Weighted average number of equity shares of Rs.10/- each
outstanding during the year Nos 5954320
Basic earning per share Rs. (35.99)

Schedules 11-17 and Notes to Accounts form part of this Profit and Loss Account.

SUBJECT TO OUR REPORT OF EVEN DATE

for P.B. VIJAYARAGHAVAN & CO.

Chartered Accountants
Firm Regn. No. 004721S

P.R. KRISHNAMURTHY
Partner
Membership No. 12622

S.K. RENGARAJAN
Company Secretary

S. BALACHANDER
Wholetime Director

R. NAGARAJAN
Director

Place : Chennai
Date : 28.05.2011

**SCHEDULES FORMING PART OF THE
BALANCE SHEET AS AT 31st MARCH 2011**



	(Rs. in Lakhs)																														
	31.03.2011 (18 months)	30.09.2009																													
SCHEDULE 1 SHARE CAPITAL																															
AUTHORISED																															
(2,50,00,000 Equity shares of Rs 10/- each and (2,50,00,000 Preference shares of Rs 10/- each)	2500.00 2500.00	2500.00 2500.00																													
	5000.00	5000.00																													
ISSUED																															
(61,22,625 Equity shares of Rs 10/- each) (2,22,60,000 Preference shares of Rs 10/- each)	612.26 2226.00	612.26 2226.00																													
SUBSCRIBED AND PAIDUP																															
(59,54,320 Equity shares of Rs.10/- each)	595.43	595.43																													
Out of the above the shares held by D.B.Zwirn Mauritius is 3036703 shares of Rs.10/- each																															
(2,22,60,000 Redeemable Preference Shares of Rs.10/- each)	2226.00	2226.00																													
Fully held by Asia Pragati Capfin Pvt. Ltd.																															
	2821.43	2821.43																													
SCHEDULE 2 RESERVES & SURPLUS																															
	<table border="1"> <thead> <tr> <th>General Reserve</th> <th>Security Premium</th> <th>Statutory Reserve</th> <th>Capital Reserve</th> <th>Revaluation Reserve</th> </tr> </thead> <tbody> <tr> <td>Opening balance</td> <td>2578.57</td> <td>142.29</td> <td>961.97</td> <td>12.03</td> <td>1305.42</td> </tr> <tr> <td>Additions:</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Deletions:</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td></td> <td>2578.57</td> <td>142.29</td> <td>961.97</td> <td>12.03</td> <td>1305.42</td> </tr> </tbody> </table>	General Reserve	Security Premium	Statutory Reserve	Capital Reserve	Revaluation Reserve	Opening balance	2578.57	142.29	961.97	12.03	1305.42	Additions:	-	-	-	-	-	Deletions:	-	-	-	-	-		2578.57	142.29	961.97	12.03	1305.42	
General Reserve	Security Premium	Statutory Reserve	Capital Reserve	Revaluation Reserve																											
Opening balance	2578.57	142.29	961.97	12.03	1305.42																										
Additions:	-	-	-	-	-																										
Deletions:	-	-	-	-	-																										
	2578.57	142.29	961.97	12.03	1305.42																										
	5000.29	5000.29																													
	5000.29	5000.29																													
SCHEDULE 3 SECURED LOANS																															
From Banks secured by Assets under Hypothecation / Hire Purchase Assets and Specific Fixed Assets of the Company	12316.16	14530.65																													
From Banks and others secured by way of charge on Assets under Hypothecation / Hire Purchase Assets	1130.54	982.56																													
	13446.70	15513.21																													
SCHEDULE 4 UNSECURED LOANS																															
Loans from Directors / Group Companies	100.88	103.82																													
From Banks / Others	94.72	582.29																													
TOTAL	195.60	686.12																													

**SCHEDULES FORMING PART OF THE
BALANCE SHEET AS AT 31st MARCH 2011**



PARTICULARS		RATE	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
			As on 01.10.09	Addns	Delns 31.03.11	As on 01.10.09	Addns	With- drawn 31.03.11	As on 31.03.11	As on 30.09.09
Land	0%	1580.00	-	-	1580.00	-	-	-	1580.00	1580.00
Building	5%	89.35	-	-	89.35	34.91	4.08	-	50.36	54.44
Typewriters	14%	1.07	-	-	1.07	0.95	0.03	-	0.10	0.12
Name Board	18%	0.29	-	0.09	0.20	0.25	0.01	0.05	-0.01	0.04
Elec. Fittgs.	14%	16.99	-	0.05	16.93	13.96	0.63	0.02	2.37	3.03
Neon Sign	14%	0.18	-	-	0.18	0.18	-	-	-	-
Vehicles	26%	43.59	10.30	21.82	32.06	17.50	13.93	5.15	5.78	26.09
Computers	40%	75.20	1.00	-	76.21	50.20	15.33	-	10.68	25.01
Airconditioners	14%	12.48	-	0.04	12.44	3.30	1.91	0.02	7.25	9.18
Office Eqmt	14%	15.90	2.32	1.07	17.16	5.04	2.45	0.30	9.96	10.86
Fax & Xerox	14%	0.43	-	-	0.43	0.19	0.05	-	0.19	0.24
Frankg Mach.	14%	0.30	-	-	0.30	0.26	0.01	-	0.03	0.04
Furniture	18%	83.73	-	4.37	79.36	36.11	12.92	2.05	32.37	47.61
Intangible Assets	20%	141.14	-	-	141.14	54.17	42.34	-	44.63	86.97
Total		2060.64	13.63	27.45	2046.82	217.01	93.69	7.59	1743.71	1843.63
Previous Year		2091.52	42.92	73.80	2060.64	151.24	66.34	0.57	1843.63	-

**SCHEDULES FORMING PART OF THE
BALANCE SHEET AS AT 31st MARCH 2011**



		(Rs. in Lakhs)	
		31.03.2011 (18 months)	30.09.2009
SCHEDULE 6 INVESTMENTS			
A) Quoted - Non Trade			
Government Loans / Stocks		–	–
B) UNQUOTED			
In Shares Fully paid unquoted			
299300 equity shares of Rs.10/- each in Dhandapani Holdings and Securities Ltd		29.93	29.93
9999 Equity shares of Rs.10/- each in Dhandapani Business Services Ltd.,		1.00	1.00
		<u>30.93</u>	<u>30.93</u>
SCHEDULE 7 CURRENT ASSETS			
A. Stock on Hire/Hypothecation including hire charges under Sundry debtors			
1. Assets on Hire/hypothecations (Agreement value less Instalments Received) Net off UMFC and write offs Includes Sundry debtors secured considered good		8072.24	
Less than 6 months			
Exceeding 6 months			
2. Repossessed Assets		<u>341.99</u>	8414.23
3. Other Receivables		219.19	14447.15
B. Trade Bills Purchased		–	37.22
C. Cash & Bank Balances with Scheduled Banks			
In Current account		259.67	–
On Deposit account – Under lien		200.98	696.52
– Free of lien		<u>356.84</u>	1056.62
Cash on hand		41.02	159.75
		<u>9491.93</u>	<u>16397.26</u>

**SCHEDULES FORMING PART OF THE
BALANCE SHEET AS AT 31st MARCH 2011**



	(Rs. in Lakhs)	
	31.03.2011 (18 months)	30.09.2009
SCHEDULE 8 LOANS AND ADVANCES		
Unsecured Considered good		
1. Advances recoverable in cash or kind unsecured considered good	88.26	459.34
2. Secured Advances	720.02	720.02
3. Advance payment of Tax (net of Provisions)	1078.36	1004.45
4. Income accrued but not due on investments	–	–
others	58.97	61.90
5. Deposits	10.62	10.62
6. Other advances	607.34	49.13
	2563.57	2305.46
SCHEDULE 9 CURRENT LIABILITIES		
Sundry Creditors		
a. for expenses	440.53	532.83
b. Insurance and security deposit	0.14	18.76
Interest suspense	258.22	267.24
AFC suspense	2594.97	899.35
Dividend payable	16.48	21.78
Others Unsecured loans	100.00	–
	3410.34	1739.95
SCHEDULE 10 PROVISIONS		
1. For Non performing asset	2113.82	702.00
2. For investment	1.00	1.00
3. For impairment on loan assets / debtors (Exceptional items)	–	5129.54
	2114.82	5832.54
SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH 2011		
	31.03.2011 (18 months)	30.09.2009
SCHEDULE 11 INCOME FROM FINANCING OPERATIONS		
1. Finance charges	1325.77	2925.05
2. Income from Bills purchased	–	–
	1325.77	2925.05
SCHEDULE 12 OTHER INCOME		
1. Interest receipts	605.90	150.12
2. Profit / (Loss) on sale of assets/investments	0.02	–
3. Extra-Ordinary items	1589.24	–
	2195.16	150.12

**SCHEDULES FORMING PART OF THE PROFIT & LOSS
ACCOUNT FOR THE PERIOD ENDED 31st MARCH 2011**



	(Rs. in Lakhs)	
	31.03.2011 (18 months)	30.09.2009
SCHEDULE 13 INTEREST / FINANCE CHARGES		
1. On Deposits	–	–
2. On Working Capital Facility	1939.49	2314.86
3. On Other Credit Facility	74.89	231.59
4. On Inter Corporate Deposits	(2.44)	5.02
	<u>2011.94</u>	<u>2551.47</u>
SCHEDULE 14 EMPLOYEE COST		
1. Salaries, allowances and Bonus	361.17	411.84
2. Staff Welfare expenses	41.25	80.49
3. Company's contribution to PF	32.74	33.97
	<u>435.16</u>	<u>526.30</u>
SCHEDULE 15 ADMINISTRATION AND OTHER EXPENSES		
1. Rent	45.09	38.10
2. Rates and Taxes	10.82	9.52
3. Electricity charges	15.26	13.11
4. Insurance	23.98	12.21
5. Telephone charges	32.42	31.24
6. Business Promotion expenses	1.28	1.43
7. Advertisement	1.76	7.73
8. Loss on sale of assets	7.73	0.09
9. Remuneration to Auditor	13.62	11.00
10. Other expenses	482.00	310.27
	<u>633.96</u>	<u>434.70</u>
SCHEDULE 16 PROVISIONS AND WRITE OFF		
Loss on sale of repossessed asset	893.39	741.75
Provision for investment	–	1.00
Write off repossessed Assets	179.13	–
	<u>1072.52</u>	<u>742.75</u>
SCHEDULE 17 PROVISIONS		
1. Provisions for NPA	691.80	77.43
2. Provision for Impairment - DPPL	720.02	–
	<u>1411.82</u>	<u>77.43</u>

**NOTES FORMING PART OF ACCOUNTS FOR
THE PERIOD ENDED 31st MARCH 2011**



Schedule – 18:

A. Significant Accounting Policies

The Company follows the directions prescribed by the Reserve Bank of India for Non-Banking Financial Companies with respect to Income Recognition, Asset Classification, Provisioning norms. The applicable Accounting Standards issued by The Institute of Chartered Accountants of India is followed in drafting the accounts of the company.

1.1 Income Recognition:

- a. Income from Hire purchase and hypothecation loan transactions is accounted on the basis of Internal Rate of Return method.
- b. In respect of receivables assigned bilaterally, the difference between the book value of the assets assigned and the sale consideration is booked as income in the year of contract.
- c. Additional Finance Charges is accounted on accrual basis at 18% p.a whereas the contracted rate is 36%.p.a
- d. Collection charges are accounted on cash basis
- e. Due date Missing charges are accounted on accrual basis

1.2 Repossessed Assets:

Repossessed assets are valued at the settlement value and provision to an extent of 40 % is uniformly made on the settlement value.

1.3 Fixed Assets:

Fixed assets are stated at historical cost less accumulated depreciation.

1.4 Depreciation:

On Own assets (Tangible):

Depreciation on assets for own use is provided on Written down value method at the rates prescribed in Schedule XIV to the Companies Act, 1956. Assets costing Rs.5,000/- or less acquired during the year are fully depreciated.

On Own assets (Intangible):

Intangible assets comprising of Computer Software are depreciated on a straight-line basis over a period of five years.

1.5 Investments:

Long term Investments and unquoted investments are carried at cost

B. Notes on accounts

1. Preference Shares:

22,260,000 Preference Shares aggregating to Rs.222,600,000 issued to M/s. Zwirn Pragati Capfin Pvt Ltd., (now known as Asia Pragati Capfin Private Limited) was to have been redeemed on 31st December 2009 at par value. However due to the financial position of the company, these preference shares have not been

redeemed. The Company has received a communication dated 6th April 2011 from M/s. Asia Pragati Capfin Private Limited intimating the company of the default and calling upon the company to cure the event of default.

2. Corporate Debt Restructuring (C D R):

The Company had approached the Corporate Debt Restructuring Cell in July 2010 for restructuring of the Debts of the company. The Company's request was considered in the CDR Empowered Group and the CDR Package was approved in September 2010. The Banks Associated with this CDR Package have given their individual approvals. The Salient Features of the CDR Package are:

- (a) The cut-off date is reckoned as 31st March 2010
- (b) Holding on operations will be allowed till the CDR package is implemented
- (c) Individual Lenders with exposure less than Rs. 1 crore will have the option of exiting at a discount of 40%
- (d) Principal payment moratorium upto 30.09.2011 for Term Loans and repayment in 72 monthly installments commencing from 01.10.2011
- (e) Term Loans to carry ballooning interest rate varying between 7% and 16.5%
- (f) Interest on Term Loans upto 30.09.2011 to be funded through FITL
- (g) The irregular portion of the Working Capital amounting to Rs. 5928.35 lacs would be converted into 9% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) (70%) and Working capital Term Loans (WCTL) (30%).
- (h) The OCCRPS shall be redeemed in 4 equal installments starting from 2013-14 with a premium of 3%
- (i) The WCTL shall be repaid in 72 monthly installments.
- (j) The lenders shall extend additional limits to the tune of Rs.1664.14 lacs
- (k) The promoters will have to bring additional contribution of Rs. 17 crores over the next 5 years.

Based on the Letter of Approval, the Master Restructuring Agreement (M R A) has been signed by the Consortium Banks.

The Company would get the following benefits:

Particulars	Rs in Lakhs
Reduction in interest	316.08
Conversion of irregular portion of the working capital to Preference Shares	4149.85
Capital Infusion by Promoters over the next 5 years	1700.00
Additional Credit from the Consortium Banks	1800.00

With the CDR Proposal fully implemented and put through effectively the Net worth of the company is expected to improve and become positive.

3. Reduction in interest consequent to adoption of approved CDR package

As per the Corporate Debt Restructuring package approved by the consortium banks the Company is entitled for a reduction in the interest rates on the outstanding amounts as on 01st July, 2010 compared to the rates generally charged by the respective banks on the approved financial facilities extended by each of them. The

Company had serviced the interest upto 30th June 2010 and due to this interest reduction the company has saved Rs.767.40 Lakhs in the interest charges debited to the Profit and Loss account for the period (July 2010 to March 2011).

4. Secured Advances

Secured advances include an amount of Rs.720.02 lakhs due from Dhandapani Properties Private Limited for which necessary full provision has been made in the accounts during the year. The Security being land for which the title is in dispute with the Government of Karnataka, necessary steps are being taken by the company to regularize the same.

EXTRA ORDINARY ITEMS

5. One time Settlements

a. State bank of India:

Asia Pragati Capfin Private Limited had settled the loan of Rs. 10 crores to State bank of India. State Bank of India had approved a loan of Rs. 12 crores to the Company. In the settlement of Rs 10 crores to SBI after adjusting the interest Rs 833.41 lakhs is taken to profit & Loss account, being the reduction in the liability.

b. Bank of Baroda:

As per the approved package of the CDR the lenders whose outstanding is less than Rs.100 lakhs on 1st April can opt to settle the amount at a discount of 40%. On moving the matter with BANK OF BARODA against the outstanding amount of Rs.14.79 lakhs the company settled Rs, 9.22 lakhs leaving Rs. 5.58 lakhs transferred to Profit & Loss account

c. HSBC

The Company moved HSBC for one time settlement as per the mutual agreement reached against the outstanding as per books of Rs 937.80 lakhs the Company settled Rs. 187.56 lakhs leaving Rs. 750.24 lakhs transfer to Profit & Loss account .

6. Loans and Advances:

Loans and Advances includes Rs. 204.70 Lacs on account of Managerial Remuneration for which the Approval are awaited.

7. Deposit account

The total deposit with bank as on 31.03.2011 includes Rs. 5.30 Lakhs towards deposits maintained for unclaimed dividend. As on 31.03.2011, there are no amounts outstanding to be transferred to Investor Protection Fund.

8. Deferred Tax Assets / liability Rs. in Lakhs

Particulars	31.03.2011	30.09.2009
Opening Balance	NIL	NIL
Less Reversal of Deferred tax asset	NIL	NIL
Add: Liability on account of depreciation	NIL	NIL
Total	NIL	NIL

Deferred tax asset arising on account of carry forward loss and provisions has not been recognized in the books of accounts on a conservative basis.

9. Assignment:

During the period under review, the Company has terminated the agreement with M/s Fullerton which involved the assignment of the assets / receivables .

10. (A) Remuneration to Managing Director

a. (Period – 1.10.2009 – 31.03.2010)

Rs. In Lakhs

	31.03.2011	30.09.2009
Salary	12.00	23.75
House Rent allowance	3.60	7.06
Company's Contribution to PF	1.44	2.85
Others	12.21	23.71
Total	29.25	57.37

b. The re-appointment and increase in remuneration of the Managing Director as approved by the Board of Directors in their meeting held on 17.04.2010 was placed before the shareholders through Postal Ballot on the 18th December 2010 and since it was not passed the company is taking appropriate actions in this direction. The amount for the period 1.4.2010 to 31.03.2011 is shown under Advances.

(B) Remuneration to Whole Time Director

(Period – 14.02.2011 – 31.03.2011)

Rs. In Lakhs

	31.03.2011	30.09.2009
Salary	1.20	Nil
House Rent allowance	0.60	Nil
Company's Contribution to PF	0.14	Nil
Others	1.21	Nil
Total	3.15	Nil

The remuneration of the whole time director has been approved by the Board of Directors in their meeting held on 3rd March 2011, and by shareholders through the postal ballot where the results were pronounced on 20.05.2011

Determination of net profits in accordance with Sec 349 of the Companies Act, 1956 for remuneration payable to Directors

	Rs. In Lakhs
Loss before tax as per Profit & Loss Account	(2142.78)
Add: Directors remuneration charged in the accounts	32.40
Net loss	<u>(2110.38)</u>

11. Earnings per share	Rs. In Lakhs
Profit after tax excluding extra ordinary item	(3732.02)
Weighted average number of equity shares	5954320
Earnings after tax (Basic)	(62.68)
Face value per share	10.00

12. Contingent Liability:

Disputed Income tax demand of Rs.451.60 lakhs together with interest pending in appeal/representation before various income tax authorities for the Assessment years 1997-98 to 2007-08

13. The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Accounting Standard 17.

14. Previous year's figures have been regrouped / reclassified to conform to current period's classification wherever necessary.

15. Related parties Disclosures:

- a. Subsidiaries: Dhandapani Holdings & Securities Limited, Smart Invest Agency.Com Private Limited.
- b. Key Management Personnel: S. Balachander, B.Prakash, P. Sudhakar.

(Rs. in Lakhs)

Nature of Transaction	Subsidiaries	Key Management Personnel	D B Zwirn Mauritius / Group Cos	Total
Deposits – Balance at the end of the year	99.34	–	–	99.34
Remuneration to Key Management Personnel	26.64	32.40	–	–
Car Sold to Mr. Ravichandran former Managing Director	–	Book Value – 12.16 Sale Value – 5.00 Loss on Sale – 7.16		

SUBJECT TO OUR REPORT OF EVEN DATE
for P.B. VIJAYARAGHAVAN & CO.

Chartered Accountants
Firm Regn. No. 004721S

P.R. KRISHNAMURTHY
Partner
Membership No. 12622

Place : Chennai
Date : 28.05.2011

S. BALACHANDER
Wholetime Director

S.K. RENGARAJAN
Company Secretary

R. NAGARAJAN
Director

Schedule to the Balance Sheet for the year ended 31st March 2011 (As required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.)

Particulars	Principal	Interest accrued but not due	(Rs.in Lakhs)	
			Amount outstanding	Amount overdue
<u>Liabilities side:</u>				
(1) Loans and advances availed by the NBFCs inclusive of Interest accrued thereon but not paid:	–	–	–	–
(a) Debentures : Secured	–	–	–	–
: Unsecured	–	–	–	–
(Other than falling with in the meaning of public deposits*)				
(b) Deferred Credits *	–	–	–	–
(c) Term loans	1225.27	–	1225.27	–
(d) Inter-corporate loans and borrowing	99.34	–	99.34	–
(e) Commercial Paper	–	–	–	–
(f) Public Deposits **	1.32	0.22	1.54	–
(g) Cash Credit & Working Capital Demand Loan	12316.16	–	12316.16	–
(h) Hire Purchase Loan	–	–	–	–
Total	13642.09	0.22	13642.30	–
(2) Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):				
(a) in the form of Unsecured debentures				
(b) in the form of partly secured debentures ie. debentures where there is a shortfall in the value of security.				
(c) other public deposits	1.32	0.22	1.54	–
			(Rs.in Lakhs)	
<u>Assets side:</u>				
Particulars			Amount outstanding	
(3) Break-up of Loans and Advances including bills receivables (Other than those included in (4) below):				
(a) Secured	–	–	–	–
(b) Unsecured	–	–	–	–

Particulars	Principal	Interest accrued but not due	(Rs.in Lakhs)	
			Amount outstanding	Amount overdue
(4) Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities				
(i) Lease Assets including lease rentals under sundry debtors :				
(a) Financial lease	—	—	—	—
(b) Operating lease	—	—	—	—
(ii) Stock on hire including hire charges under sundry debtors:				
(a) Assets on hire	8072.24	—	8072.24	—
(b) Repossessed Assets	341.99	—	341.99	—
(iii) Hypothecation loans counting towards EL/HP activities				
(a) Loans where assets have been repossessed	—	—	—	—
(b) Loans other than (a) above	—	—	—	—
(5) Break-up of investments:				
Current Investments				
1. Quoted				
(i) Shares: (a) Equity	—	—	—	—
(b) Preference	—	—	—	—
(ii) Debentures and bonds	—	—	—	—
(iii) Units of mutual funds	—	—	—	—
(iv) Govt.Securities	—	—	—	—
(v) Others (please specify)	—	—	—	—
2. Unquoted				
(i) Shares: (a) Equity	30.93	—	30.93	—
(b) Preference	—	—	—	—
(ii) Debentures and bonds	—	—	—	—
(iii) Units of mutual funds	—	—	—	—
(iv) Govt.Securities	—	—	—	—
(v) Others (please specify)	—	—	—	—
LONG TERM INVESTMENTS				
1. Quoted				
(i) Shares: (a) Equity	—	—	—	—
(b) Preference	—	—	—	—
(ii) Debentures and bonds	—	—	—	—
(iii) Units of mutual funds	—	—	—	—
(iv) Govt.Securities	—	—	—	—
(v) Others (please specify)	—	—	—	—

Particulars	Principal	Interest accrued but not due	(Rs.in Lakhs)	
			Amount outstanding	Amount overdue
2. Unquoted				
(i) Shares: (a) Equity	–	–	–	–
(b) Preference	–	–	–	–
(ii) Debentures and bonds	–	–	–	–
(iii) Units of mutual funds	–	–	–	–
(iv) Govt. Securities	–	–	–	–
(v) Others (please specify)	–	–	–	–
Total	–	–	–	–
Less: Provision for Diminution for long term investments	–	–	–	–
Total	–	–	–	–
(6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:				
Category	Secured	Unsecured	Total	
(i) Related parties				
(a) Subsidiaries	–	–	–	–
(b) Companies in the same group	–	–	–	–
(c) Other related parties	–	–	–	–
(ii) Other than related parties	–	–	–	–
Total	–	–	–	–
(7) Investor groupwise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):				
Category	Market value/Break up value or fair value of NAV	Book value (Net of Provisions)		
(i) Related parties				
(a) Subsidiaries pending	–	–		
(b) Companies in the same group	29.93	–		
(c) Other related parties	–	–		
(ii) Other than related parties	1.00	–		
Total	30.93	–		
(8) Other information				
(i) Gross Non Performing Assets				
(a) Related Parties	–	–		
(b) Other than related parties	2113.82	–		
(ii) Net Non Performing Assets				
(a) Related Parties	–	–		
(b) Other than related parties	1393.80	–		
(iii) Assets acquired in satisfaction of debt	341.99	–		

**CASH FLOW STATEMENT FOR
THE PERIOD ENDED 31st MARCH 2011**



	(Rupees in Lakhs)	
	31.03.2011 (18 months)	30.09.2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE INTEREST, TAX AND EXCEPTIONAL ITEMS	(130.84)	1227.64
Adjustments for :		
Depreciation	98.31	66.35
Provision for NPA	1411.82	77.43
Provision for investment	-	1.00
Finance Charges	(2011.94)	(2551.47)
Loss on sale of Assets	7.71	0.09
	(494.10)	(2406.60)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(624.94)	(1178.96)
Adjustments for :		
Trade and other receivables	(440.08)	(1459.81)
Increase in Stock on Hire	7719.53	(9170.57)
Decrease in Provisions	(5129.54)	(685.43)
Trade Payables	(110.92)	540.21
	2038.99	(10775.60)
CASH GENERATED FROM OPERATIONS	1414.05	(11954.56)
Direct Taxes Paid	-	(2.78)
Cash Flow before Exceptional Items	1414.05	(11957.34)
Exceptional Items	-	(404.88)
Net Cash Flow from Operating Activities	1414.05	(12362.22)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(13.63)	(1983.06)
Sale of Fixed Assets	7.47	67.99
Sale of Investments in Subsidiaries	-	(30.93)
NET CASH FROM INVESTING ACTIVITIES	(6.16)	(1946.00)

	(Rupees in Lakhs)	
	31.03.2011 (18 months)	30.09.2009
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	–	–
Proceeds from Term Borrowings	147.98	982.56
Proceeds from bank Borrowings	(2214.49)	14530.65
Proceeds from Unsecured Borrowings	(387.57)	582.29
Proceeds from Directors	(2.94)	102.00
Proceeds from Deposits	–	–
Dividend paid	(5.30)	(4.31)
NET CASH FROM IN FINANCING ACTIVITIES	(2462.32)	16193.20
D. Net Increase / (Decrease) in Cash & Cash Equivalents	(1054.38)	1884.98
E. Opening Cash & Cash Equivalents	1912.89	27.91
F. Closing Cash & Cash Equivalents	858.51	1912.89

SUBJECT TO OUR REPORT OF EVEN DATE
for P.B. VIJAYARAGHAVAN & CO.

Chartered Accountants
Firm Regn. No. 004721S

P.R. KRISHNAMURTHY
Partner
Membership No. 12622

Place : Chennai
Date : 28.05.2011

S. BALACHANDER
Wholetime Director

S.K. RENGARAJAN
Company Secretary

R. NAGARAJAN
Director

AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement for the period ended 31st March 2011. The statement has been prepared in accordance with the requirements of Clause 32 of the listing agreement with the Bombay Stock Exchange and is based on and in agreement with the corresponding Profit and Loss account and Balance Sheet of the Company covered by our report to the Members of the Company.

For **P B VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No. 004721S
P R KRISHNAMURTHY
Partner
Membership Number: 12622

Place: Chennai
Date : 28.05.2011

**INFORMATION AS REQUIRED UNDER PART IV OF
SCHEDULE VI OF THE COMPANIES ACT, 1956**



Balance Sheet Abstract and Company's General Business Profile

I. Registration Details State Code **CIN : L65921TN1986PLC013626**

Balance Sheet Date

Date Month Year

**II. Capital Raised during the year
(Amount in Lakhs)**

Public Issue

Rights Issue

Bonus Issue

Private Placement

III. Position of Mobilisation and deployment of Funds (Amount in Lakhs)

Total Liabilities

Total Assets

Source of Funds

Paid-up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Deferred Tax

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

IV. Performance of the Company

Turnover

Total Expenditure

Profit/(loss) before tax

()

Profit/(loss) after Tax

()

Earning per Share Rs.

()

Dividend Rate %

V. Generic Names of Three Principal Products / Services of the Company

Item Code No. (ITC Code)

Service

SUBJECT TO OUR REPORT OF EVEN DATE

for P.B. VIJAYARAGHAVAN & CO.

Chartered Accountants

Firm Regn. No. 004721S

P.R. KRISHNAMURTHY

Partner

Membership No. 12622

S. BALACHANDER

Wholtime Director

S.K. RENGARAJAN

Company Secretary

R. NAGARAJAN

Director

Place : Chennai

Date : 28.05.2011

**STATEMENT PURSUANT OF SECTION 212 (3)
OF THE COMPANIES ACT, 1956**



S.No.	Name of the Subsidiary Company	M/s. Dhandapani Holdings & Securities Ltd.	Smart Invest Agency.com (P) Ltd
1	Financial year of the Subsidiary Company	31.03.2011	31.03.2011
2	Holding Company's Interest in the Company	2,99,300 shares of Rs.10/- each (99.77%)	10,000 shares of Rs.10/- each (96.86%)
3	Net aggregate amount of the profit of the subsidiary dealt with in the Holding Company's Accounts a. For the subsidiary's financial year on 31.03.11. b. For the previous year of the subsidiary company	Nil Nil	Nil Nil
4	Net aggregate amount of the profits not dealt with in the Holding Company Accounts a. For the subsidiary's financial year on 31.03.11. b. For the previous financial year of the subsidiary company.	(Rs.11.81 Lakhs) Rs.106.85 Lakhs	(Rs.0.09 Lakhs) Rs.1.12 Lakhs
5	(a) Changes in Shareholding	Nil	Nil
	(b) Material changes between the end of the financial year of the subsidiary and that of Holding Company (i) Fixed assets (ii) Investments (iii) Moneys lent by subsidiary (iv) Moneys borrowed by Subsidiary for any purpose other than that of meeting current liabilities	Nil Nil Nil Nil	Nil Nil Nil Nil

SUBJECT TO OUR REPORT OF EVEN DATE
for P.B. VIJAYARAGHAVAN & CO.

Chartered Accountants
Firm Regn. No. 004721S

P.R. KRISHNAMURTHY
Partner
Membership No. 12622

S.K. RENGARAJAN
Company Secretary

S. BALACHANDER
Wholetime Director

R. NAGARAJAN
Director

Place : Chennai
Date : 28.05.2011

BOARD OF DIRECTORS

B PRAKASH
P SUDHAKAR
A RAMESH KUMAR

**REGISTERED OFFICE &
CORPORATE OFFICE**

: 14, Ramakrishna Street, T. Nagar
Chennai - 600 017

AUDITORS

: M/s. V. Krishnan & Associates, Chartered Accountants

BANKERS

: The South Indian Bank Limited
T. Nagar, Chennai – 600 017.

DIRECTORS' REPORT



Holdings and Securities Ltd.

Your Directors have pleasure in presenting the **SEVENTEENTH ANNUAL REPORT** together with the audited accounts for the year ended 31st March 2011.

FINANCIAL RESULTS

Rs. in Lakhs

Particulars	2010-11	2009-10
Gross Income	(11.58)	0.84
Profit before Depreciation & tax	(11.81)	0.62
Less: Depreciation	–	–
Profit before Tax	(11.81)	0.62
Provision for Taxation	–	0.19
Profit after Tax	(11.81)	0.43
Add: Balance from Last Year	106.86	106.42
Profit available for appropriation	(11.81)	106.86
Balance carried forward	95.04	106.86

BUSINESS

Your Company's main source of income was from marketing of home loan products, non-life insurance and Western union money transfer.

DIVIDEND

Your Directors do not propose dividend for the year 2010-2011 in view of the losses incurred.

PROSPECTS

Your Company has taken steps to tap the market potential to increase the fee based income from insurance and home loan products and is confident of posting better results in the ensuing years.

DIRECTORS

Mr. B Prakash retires by rotation and, being eligible, offers himself for reappointment. None of the other directors are concerned or interested in this appointment. Your Directors recommend the re-appointment of Mr. B Prakash as the Director considering his expertise in the field of financial industry. Mr. P. Sudhakar has been appointed as Additional Director w.e.f. 11.01.2011 and Mr. I. Promodh resigned from the Directorship of the Company w.e.f. 11.01.2011.



Holdings and Securities Ltd.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with the provisions of Section 217 (2AA) of the Companies Act 1956, your Directors confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. That they have 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 period and of the loss of the Company for the year ended 31st March 2011.
3. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
4. That they have prepared the annual accounts on a going-concern basis.

INFORMATION UNDER SEC. 217(1)(e) OF THE COMPANIES ACT, 1956

There is no activity relating to conservation of energy or technology absorption. The company has no foreign exchange earnings or outgo.

PARTICULARS OF EMPLOYEES UNDER SEC. 217(2A) OF THE COMPANIES ACT, 1956

None of the employees of the company is in receipt of remuneration in excess of limits prescribed under section 217 (2A) of the Companies Act, 1956.

SECRETARIAL COMPLIANCE CERTIFICATE

In terms of Section 383(A) (1) of the Companies Amendment Act, 2000, the secretarial compliance certificate for the year ended 31st March 2011 has been obtained and the same is annexed.

AUDITORS

M/s. V Krishnan & Associates, Chartered Accountants, Chennai the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. A certificate under Sec. 224(1B) of the Companies Act, 1956 has been obtained from them.

ACKNOWLEDGEMENT

Your directors wish to thank the company's bankers for their valuable support. Your Directors also wish to place on record the appreciation of the good work done by the employees of the company.

for & on behalf of the Board

Place: Chennai
Date : 28.05.2011

B PRAKASH
Director

SECRETARIAL COMPLIANCE CERTIFICATE



[See Rule 3 of the Companies (Compliance Certificate) Rules, 2001]

Reg. No. of the Company : U65993TN1994PLC028703
Authorized Capital : Rs. 5,000,000/-

To
The Members
M/s. DHANDAPANI HOLDINGS & SECURITIES LIMITED
Chennai

We have examined the registers, records, books and papers of **M/s. Dhandapani Holdings & Securities Limited** as required to be maintained under the Companies Act, 1956 and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2011**, for issue of Certificate in terms of the provisions of Section 383A (1) of the Companies Act, 1956. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we 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 and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the Forms and Returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Public Limited Company, the provisions of Section 3(1) (iii) are not applicable.
4. The Board of Directors duly met 5 times on 30.04.2010, 30.06.2010, 09.08.2010, 13.11.2010 and 03.03.2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. There were no circular resolutions passed during the year under review.
5. The Company was not required to close the Register of Members and / or Debenture holders during the financial year.
6. The Annual General Meeting for the financial year ended on 31.03.2010 was held on 30.09.2010 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. The company did not hold any Extra Ordinary General Meeting during the Financial Year.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within 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. 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 and previous approval of the Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company
 - (i) did not have any transfer/transmission during the year and there was no allotment of securities during the year.
 - (ii) was not required to deposit any amount of dividend in a separate bank account as no dividend was declared during the financial year.
 - (iii) was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) was not required to transfer any amount 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.
 - (v) has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company has appointed Mr. P Sudhakar as Additional Directors w.e.f. 11th January, 2011 and Mr. Pramodh who was appointed as director w.e.f. 31.08.2009 has resigned on 11th January, 2011 and there were no appointment of Alternate Directors and Directors to fill casual vacancies during the year under review.
15. The Company has not appointed any 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 of Companies or such other authorities as may be 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 thereunder.
19. The company has not issued any shares/debentures/other securities during the financial year.
20. The company has not bought back shares during the financial year.
21. The company has not redeemed any preference shares/debentures during the year.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
23. The company has not invited/accepted any deposits including any unsecured loans falling under the purview of Section 58A of the Act during the financial year.
24. The Company has not made any borrowings during the financial year.

25. The Company, during the year, has not given loans and investments or guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and hence has not made any entries 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 year.
31. No prosecution was initiated against or show cause notices received by the company for alleged offences under the Act and also no fines and penalties or any other punishment have been imposed on the company during the financial year under the Act.
32. The company has not received any security from its employees during the year under scrutiny.
33. The company is not covered by the provisions of Provident Fund during the financial year.

For **JM & Associates**

Company Secretaries

Sd/-

SOY JOSEPH

Partner

(ACS-13852, CoP-5612)

Place : Chennai
Date: 28.05.2011

ANNEXURE – A:

Registers as maintained by the company

Sl.No Name of the Register

1. Register of Charges U/s. 143(1)
2. Register of Members U/s. 150(1)
3. Register of companies and firms in which the directors of the company are interested U/s. 301(1)
4. Register of Directors U/s. 303(1)
5. Register of Directors Shareholding U/s. 307(1)
6. Register of Transfers

ANNEXURE – B

Returns / Forms / Documents filed with Registrar of Companies, Regional Director, Central Govt. or other authorities during the financial year ended on 31st March 2011.

I - REGISTRAR OF COMPANIES

Sl. No.	Form No.	Relevant Section	Description of the Document	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing, whether requisite additional fee paid Yes/No
1	32	303(2)	Appointment of Mr. Pramodh Elangovan as additional director of the Company w.e.f. 31.08.2009 and resignation of Ms. Joycelyn Prakash Rayen as director w.e.f. 31.08.2009.	05.07.2010	No	Yes
2	32	303(2)	Regularisation of Mr. Pramodh Elangovan as director by the shareholders of the Company vide AGM dated 30.09.2009.	08.07.2010	No	Yes
3	32	303(2)	Appointment of Mr. Sudhakar Pachaiappan as additional director w.e.f. 11.01.2011 and resignation of Mr. Pramodh Elangovan as director of the Company w.e.f. 11.01.2011.	14.02.2011	No	Yes

II - REGIONAL DIRECTOR : NIL

III - CENTRAL GOVERNMENT AND OTHER AUTHORITIES : NIL

For **JM & Associates**
Company Secretaries

Sd/-

SOY JOSEPH

Partner

(ACS-13852, CoP-5612)

Place : Chennai
 Date: 28.05.2011

**AUDITORS' REPORT TO THE MEMBERS OF
DHANDAPANI HOLDINGS AND SECURITIES LTD.**



Holdings and Securities Ltd.

1. We have audited the attached Balance Sheet of M/s.Dhandapani Holdings and securities Ltd, as at March 31, 2011 and also the profit and loss account for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
 - c. The Balance Sheet and Profit and Loss Account dealt with by this are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet and the Profit and loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
 - e. On the basis of written representation received from the directors as on March 31, 2011, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of Sub-section (1) of section 274 of the Act.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date;

For V KRISHNAN & ASSOCIATES
Chartered Accountants
Firm Regn. No. 1540S
V KRISHNAN
Partner
Membership No.:19899

Place: Chennai
Date: 28.05.2011

ANNEXURE TO THE AUDITORS' REPORT



Holdings and Securities Ltd.

(Referred to in paragraph 3 of our report of even date to the Members of M/s.Dhandapani Holdings and Securities. Ltd.)

1. (a) The company has no fixed assets, as the Board of Directors have **decided** to write off all the assets as they have become obsolete.
(b) Physically verification of fixed assets not applicable.
2. As the Company is engaged in Financial Services, the provisions of sub clause (ii) a, b and c of the Companies (Auditors' Report) are not applicable.
3. (a) The Company has granted loans to its Holding Company 'Dhandapani Finance Limited', the party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year is Rs. 9748564/-
(b) The Company has not charged any interest on dues from its parent company as the parent company-viz Dhandapani Finance Ltd has incurred huge losses and unable to service the interest.
4. In our opinion, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business for purchase of inventories and fixed assets and for the sale of goods.
5. (a) In our opinion, the transactions that need to be entered in the register maintained under Section 301 of the Companies Act have been so entered.
(b) In our opinion, the aforesaid transactions have been made at prices which are reasonable having regard to the prevailing market prices.
6. The Company has not accepted any Deposits from Public.
7. The Central Government has not prescribed maintenance of cost records under Section 209 (1)(d) of the Act.
8. The provisions of Provident Fund, Employee's State Insurance, Customs Duty, Excise Duty, Cess are not applicable to the Company.
9. According to the information and explanation given to us and records of the Company examined by us the Company has been regular in paying of Income Tax and Wealth Tax.
10. The company has no accumulated loss at the end of the financial year.
11. According to the records produced, the company has not defaulted in repayment of its dues to any financial institution, bank during the year.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ Nidhi/ Mutual Fund/ Societies are not applicable to the Company.
14. In our opinion, the Company is a Stock Broker and regular in filing returns with the concerned authorities.
15. The company has not given any guarantees for loans taken by others.



Holdings and Securities Ltd.

16. On the basis of review of utilization of funds on an overall basis, in our opinion, the term loans taken by Company were applied for the purpose for which the loans were obtained. Confirmation of balance of Rs 6,00,000/= of Deposits with Coimbatore Stock exchange has not been obtained.
17. On the basis of review of utilization of funds on an overall basis, in our opinion, the funds raised on short-term basis have not been used for long-term investment or vice-versa during the year.
18. The company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Act.
19. The Company has issued no Debenture.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the company nor have we been informed by the management of any such instance being noticed or reported during the year.

Place: Chennai
Date: 28.05.2011

For V KRISHNAN & ASSOCIATES
Chartered Accountants
Firm Regn. No. 1540S
V KRISHNAN
Partner
Membership No.:19899

BALANCE SHEET AS ON 31st MARCH 2011



Holdings and Securities Ltd.

	Sch. No.	Rs.	31.03.2011 Rs.	Rs.	31.03.2010 Rs.
I. SOURCES OF FUNDS					
1. Shareholders' Funds:	1				
a) Capital			3000000		3000000
b) Reserves & Surplus	2		9642172		10823647
2. Deferred Tax Credit			-		-
3. Secured Loans:			-		-
4. Unsecured Loans:			-		-
Total			12642174		13823647
II. APPLICATION OF FUNDS					
1. Fixed Assets:	3				
Gross Block		-		-	
Less: Depreciation		-		-	
Net Block			-		-
2. Investments	4		2197630		3362980
3. Current Assets, Loans and Advances					
Current Assets	5	985354		1965131	
Loans and Advances	6	10673914		9710260	
A		11659268		11675391	
Less: Current Liabilities & Provisions					
Current Liabilities	7	1001		1001	
Provisions	8	1213723		1213723	
B		1214724		1214724	
Net Current Assets	A-B		10444544		10460667
4. Miscellaneous Expenditure (to extent not written off)	9		-		-
Total			12642174		13823647

Schedule Nos. 1-8 and Notes to Account form part of this Balance Sheet

SUBJECT TO OUR REPORT OF EVEN DATE

for V. KRISHNAN & ASSOCIATES

Chartered Accountants

Firm Regn. No. 1540S

V. KRISHNAN

Partner

B. PRAKASH
P. SUDHAKAR
A. RAMESH KUMAR
Directors

Place : Chennai

Date : 28.05.2011

**PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31st MARCH 2011**



Holdings and Securities Ltd.

	Sch. No.	31.03.2011 Rs.	31.03.2010 Rs.
1. INCOME			
Income from Operations	10	(1158103)	84446
Total	A	<u>(1158103)</u>	<u>84446</u>
2. EXPENDITURE			
1. Finance Charges	11	22	410
2. Administrative & Other Expenses	12	23349	21117
Total	B	<u>23371</u>	<u>21527</u>
Profit/(Loss) Before Depreciation and Tax A - B		(1181474)	62919
Less : Depreciation		-	-
Profit (Loss) Before Tax		(1181474)	62919
Less: Provision for Taxation			
Current Tax	-		19442
Less: Deferred Tax	-	-	-
		<u>(1181474)</u>	<u>43477</u>
Less: Preliminary Expenses Written Off		-	-
Profit After Tax		(1181474)	43477
Add: Brought forward from Previous year		10685747	10642270
		<u>9504272</u>	<u>10685747</u>
3. APPROPRIATION			
Surplus Balance Carried to Balance Sheet		9504272	10685747
		<u>9504272</u>	<u>10685747</u>

Schedule Nos. 10-12 and Notes to Account form part of this Profit and Loss Account

SUBJECT TO OUR REPORT OF EVEN DATE

for V. KRISHNAN & ASSOCIATES

Chartered Accountants

Firm Regn. No. 1540S

V. KRISHNAN

Partner

B. PRAKASH
P. SUDHAKAR
A. RAMESH KUMAR
Directors

Place : Chennai

Date : 28.05.2011

**SCHEDULES FORMING PART OF THE
BALANCE SHEET AS AT 31st MARCH 2011**



Holdings and Securities Ltd.

		Rs. 31.03.2011	Rs. 31.03.2010
SCHEDULE -1 SHARE CAPITAL			
Authorised Capital			
500000 Equity shares of Rs.10/- each		5000000	5000000
Issued, Subscribed & Paid-up			
300000 Equity shares of Rs.10/- each		3000000	3000000
SCHEDULE - 2 RESERVES AND SURPLUS			
General Reserve			
Opening Balance	137900		
Add : Transfer from P & L A/c	—		
Closing Balance		137900	137900
Surplus Balance in Profit & Loss A/c		9504272	10685747
		9642172	10823647
SCHEDULE - 4 INVESTMENTS			
Name of the Scrip	No. of Shares		
Dhandapani Finance Ltd	274200	2097630	3262980
		2097630	3262980
UNQUOTED SHARES			
Smart Invest Agency.com Pvt Ltd	10000	100000	100000
GRAND TOTAL		2197630	3362980
SCHEDULE - 5 CURRENT ASSETS			
Cash and Bank Balances			
In Current Account		596145	595954
In Deposit Account		107889	100856
Interest Accrued but not due		—	987003
Tax Deducted at source		281319	281319
		985354	1965131

**SCHEDULES FORMING PART OF THE
BALANCE SHEET AS AT 31st MARCH 2011**



Holdings and Securities Ltd.

	Rs. 31.03.2011	Rs. 31.03.2010
SCHEDULE - 6 LOANS AND ADVANCES		
Coimbatore Stock Exchange	600000	600000
ICD - DFL	9748564	8784910
Advance tax	325350	325350
	<u>10673914</u>	<u>9710260</u>
SCHEDULE -7 CURRENT LIABILITIES		
Sundry Creditors	1001	1001
Provision for Taxation	1202693	1202693
For Audit Fee	11030	11030
	<u>1214724</u>	<u>1214724</u>
SCHEDULE - 8 PROVISIONS	-	-
	<u>-</u>	<u>-</u>
SCHEDULE - 9 MISCELLANEOUS EXPENDITURE (to extent not written off)	-	-
	<u>-</u>	<u>-</u>
SCHEDULES FORMING PART OF THE P&L A/C FOR THE YEAR ENDED 31ST MARCH 2011		
SCHEDULE - 10 INCOME FROM OPERATIONS		
Service Charges - Others	-	319
Dividend Income	214	-
Finance Charges - Others	7033	8511
Profit on sale of Investments	-	375936
Loss on value of shares	(1165350)	(300320)
	<u>(1158103)</u>	<u>84446</u>
SCHEDULE - 11 FINANCE CHARGES		
Bank Charges	22	410
	<u>22</u>	<u>410</u>

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS
ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011**



Holdings and Securities Ltd.

	Rs. 31.03.2011	Rs. 31.03.2010
SCHEDULE - 12 ADMINISTRATIVE AND OTHER EXPENSES		
Service Charges	–	1087
Telephone Charges	–	–
Service Tax Paid	–	–
Consultancy Charges	–	9000
Auditors' Remuneration	11030	11030
Rates & Taxes	12319	–
Travelling Expenses	–	–
Repairs & Maintenance	–	–
	23349	21117

NOTES FORMING PART OF ACCOUNTS

A. Accounting Policies

1. Income Recognition:

Interest is not charged on Loan given to Dhandapani Finance Ltd., as the company is under revival, The Board decided to recognize on receipt basis.

2. Investments:

In Investments, the loss on Market value of investments is accounted.

3. Depreciation & Fixed Asset

There is no Fixed Assets

B. Notes on Accounts:

1. Contingency Liabilities not provided for : Nil
2. Previous year's figures have been regrouped/reclassified to confirm to current year classification whenever necessary

SUBJECT TO OUR REPORT OF EVEN DATE

for V. KRISHNAN & ASSOCIATES

Chartered Accountants

Firm Regn. No. 1540S

V. KRISHNAN

Partner

B. PRAKASH
P. SUDHAKAR
A. RAMESH KUMAR
Directors

Place : Chennai

Date : 28.05.2011

INFORMATION AS REQUIRED UNDER PART IV OF
SCHEDULE VI OF THE COMPANIES ACT, 1956



Holdings and Securities Ltd.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details	2 8 7 0 3	State Code	1 8
CIN:	U65993TN1994PLC028703		
Balance Sheet Date	3 1	0 3	1 1
	Date	Month	Year
II. Capital Raised during the year	Public Issue		Rights Issue
	N I L		N I L
	Bonus Issue		Private Placement
	N I L		N I L
III. Position of Mobilisation and deployment of Funds (Amount in Thousands)	Total Liabilities		Total Assets
	1 2 6 4 2		1 2 6 4 2
Source of Funds	Paid-up Capital		Reserves & Surplus
	3 0 0 0		9 6 4 2
	Secured Loans		Unsecured Loans
	N I L		N I L
Application of Funds	Net Fixed Assets		Investments
	N I L		2 1 9 8
	Net Current Assets		Misc. Expenditure
	1 0 4 4 4		N I L
	Accumulated Losses		
	N I L		
IV. Performance of the Company	Turnover		Total Expenditure
	- 1 1 5 8		2 3
	Profit before tax		Profit after Tax
	- 1 1 8 1		- 1 1 8 1
	Earning per Share Rs.		Dividend Rate %
	- 3 . 9 4		N I L
V. Generic Names of Three Principal Products / Services of the Company	Item Code No. (ITC Code) N A		
Service	S E R V I C E A G E N C Y B U S I N E S S		

SUBJECT TO OUR REPORT OF EVEN DATE

for V. KRISHNAN & ASSOCIATES

Chartered Accountants

Firm Regn. No. 1540S

V. KRISHNAN

Partner

B. PRAKASH

P. SUDHAKAR

A. RAMESH KUMAR

Directors

Place : Chennai

Date : 28.05.2011

BOARD OF DIRECTORSB PRAKASH
P SUDHAKAR**REGISTERED OFFICE**

: 14, Ramakrishna Street, T. Nagar, Chennai – 600 017.

AUDITORS

: M/s. V. Krishnan & Associates, Chartered Accountants

BANKERS: STATE BANK OF HYDERABAD
T. Nagar, Chennai – 600 017.

Your Directors have pleasure in presenting the **TENTH ANNUAL REPORT** together with the audited accounts for the year ended 31st March 2011.

FINANCIAL RESULTS

The accompanying Profit and Loss Account shows a loss after tax of Rs.8217/-.

BUSINESS

The Company would pursue its objectives in investment broking, Insurance Agency and allied areas to concentrate on fee-based activities.

DIVIDEND

Your Directors do not propose dividend for the year 2010-2011 in view of the losses incurred.

PROSPECTS

Your Directors are confident of increased turnover during the current year with the increase in Fee based activities.

DIRECTORS

Mr. B Prakash retire by rotation and, being eligible, offer themselves for reappointment. Members are requested to re-appoint the retiring Director.

Mr. P. Sudhakar has been appointed as Additional Director w.e.f. 30.04.2011 and Mr. V.S. Murthy resigned from the Directorship of the Company w.e.f. 30.04.2011.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with the provisions of Section 217 (2AA) of the Companies Act 1956, your Directors confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. That they have 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 period and of the loss of the Company for the year ended 31st March 2011.
3. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
4. That they have prepared the annual accounts on a going-concern basis.

INFORMATION UNDER SEC. 217(1)(e) OF THE COMPANIES ACT, 1956

There is no activity relating to conservation of energy or technology absorption. The company has no foreign exchange earnings or outgo.

PARTICULARS OF EMPLOYEES UNDER SEC. 217(2A) OF THE COMPANIES ACT, 1956

There are no employees drawing the remuneration as stipulated under Sec. 217 (2A) of the Companies Act, 1956.

AUDITORS

M/s. V Krishnan & Associates, Chartered Accountants, Chennai the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. A certificate under Sec. 224(1B) of the Companies Act, 1956 has been obtained from them.

ACKNOWLEDGEMENT

Your directors wish to thank the company's bankers for their valuable support.

for & on behalf of the Board

Place: Chennai
Date: 28.05.2011

B PRAKASH
Director

P SUDHAKAR
Director

**AUDITOR'S REPORT TO THE MEMBERS OF
SMARTINVEST AGENCY.COM PRIVATE LIMITED**

Smartinvest

AGENCY.COM PRIVATE LIMITED

We have audited the attached Balance Sheet of M/s. Smartinvest Agency.Com Private Ltd, as at March 31, 2011 and also the profit and loss account for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
 - c. The Balance Sheet and Profit and Loss Account dealt with by this are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet and the Profit and loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
 - e. On the basis of written representation received from the directors as on March 31, 2011, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of Sub-section (1) of section 274 of the Act.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - ii) in the case of the Profit and Loss Account, of the Loss for the year ended on that date;

For V KRISHNAN & ASSOCIATES
Chartered Accountants
Firm Regn. No. 1540S
V KRISHNAN
Partner
Membership No.:19899

Place: Chennai
Date: 28.05.2011

ANNEXURE TO AUDITOR'S REPORT

Smartinvest

AGENCY.COM PRIVATE LIMITED

(Referred to in paragraph 2 of our report of even date to the Members of M/s.Smartinvest Agency.com Private Ltd.)

1. (a) The company has no fixed assets.
(b) Physically verification, disposal of fixed assets are not applicable.
2. As the Company is engaged in Insurance and other Financial Services, the provisions of sub clause (ii) a, b and c of the Companies (Auditors' Report) are not applicable.
3. (a) The Company has granted loans to its Holding Company 'Dhandapani Finance Limited', the party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year is Rs. 1,85,149/=
- (b) The rate of interest and other terms and conditions of the loan are, prima facie not prejudicial to the interest of the company.
4. In our opinion, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business for purchase of inventories and fixed assets and for the sale of goods.
5. (a) In our opinion, the transactions that need to be entered in the register maintained under Section 301 of the Companies Act have been so entered.
(b) In our opinion, the aforesaid transactions have been made at prices which are reasonable having regard to the prevailing market prices.
6. The Company has not accepted any Deposits from Public.
7. The Central Government has not prescribed maintenance of cost records under Section 209 (1)(d) of the Act.
8. The provisions of Provident Fund, Employee's State Insurance, Customs Duty, Excise Duty, Cess are not applicable to the Company.
9. According to the information and explanation given to us and records of the Company examined by us the Company has been regular in paying of Income Tax and Wealth Tax.
10. The company has no accumulated loss at the end of the financial year.
11. According to the records produced, the company has not defaulted in repayment of its dues to any financial institution, bank during the year.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ Nidhi/ Mutual Fund/ Societies are not applicable to the Company.
14. In our opinion, the Company is not a Stock Broker or a dealer in shares, securities, debentures and other investments.
15. The company has not given any guarantees for loans taken by others.
16. On the basis of review of utilization of funds on an overall basis, in our opinion, the term loans taken by Company were applied for the purpose for which the loans were obtained.

Smartinvest

AGENCY.COM PRIVATE LIMITED

17. On the basis of review of utilization of funds on an overall basis, in our opinion, the funds raised on short-term basis have not been used for long-term investment or vice-versa during the year.
18. The company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Act.
19. The Company has issued no Debenture.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the company nor have we been informed by the management of any such instance being noticed or reported during the year.

Place: Chennai
Date: 28.05.2011

For V KRISHNAN & ASSOCIATES
Chartered Accountants
Firm Regn. No. 1540S
V KRISHNAN
Partner
Membership No.:19899

BALANCE SHEET AS ON 31st MARCH 2011**Smartinvest**

AGENCY.COM PRIVATE LIMITED

	Sch. No.	Rs.	31.03.2011 Rs.	Rs.	31.03.2010 Rs.
I. SOURCES OF FUNDS					
1. Shareholders' Funds:					
a) Capital	1	103000		103000	
b) Reserve & Surplus	2	<u>102797</u>		<u>111794</u>	
			205797		214794
2. Secured Loans			–		–
3. Unsecured Loans			–		–
			<u>205797</u>		<u>214794</u>
Total			<u>205797</u>		<u>214794</u>
II. APPLICATION OF FUNDS					
1. Fixed Assets			–		–
2. Investments			–		–
3. Current Assets, Loans and Advances					
Current Assets	3	<u>208003</u>		<u>216220</u>	
		208003		216220	
Less: Current Liabilities & Provisions	4	<u>2206</u>		<u>2206</u>	
			205797		214014
4. Miscellaneous Expenditure (to extent not written off)	5		–		780
			<u>205797</u>		<u>214794</u>
Total			<u>205797</u>		<u>214794</u>

Schedule Nos. 1–5 and Notes to Account form part of this Balance Sheet

SUBJECT TO OUR REPORT OF EVEN DATE
for V. KRISHNAN & ASSOCIATES
Chartered Accountants

V. KRISHNAN
Partner

B. PRAKASH
P. SUDHAKAR
Directors

Place : Chennai
Date : 28.05.2011

**PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31st MARCH 2011**

Smartinvest

AGENCY.COM PRIVATE LIMITED

	Sch. No.	31.03.2011 Rs.	31.03.2010 Rs.
I. INCOME			
Income from Operations		—	9634
II. EXPENDITURE			
a. Finance Charges		—	—
b. Administrative & Other Expenses		6011	7000
c. Audit Fees		2206	2206
		8217	9206
Profit/(Loss) Before Depreciation and Tax		(8217)	428
Depreciation		—	—
Profit (Loss) Before Tax		(8217)	428
Less: Provision for Taxation		—	131
		(8217)	297
Less: Preliminary Expenses Written Off		780	780
		(8997)	(483)
Balance Transferred from Previous Year		111794	112277
Balance Transferred to Balance Sheet		102797	111794

SUBJECT TO OUR REPORT OF EVEN DATE
for V. KRISHNAN & ASSOCIATES
Chartered Accountants

V. KRISHNAN
Partner

Place : Chennai
Date : 28.05.2011

B. PRAKASH
P. SUDHAKAR
Directors

**SCHEDULES FORMING PART OF THE
BALANCE SHEET AS ON 31st MARCH 2011**

Smartinvest

AGENCY.COM PRIVATE LIMITED

	31.03.2011	31.03.2010
	Rs.	Rs.
SCHEDULE - 1 SHARE CAPITAL		
Authorised Capital		
20000 Equity shares of Rs.10/- each	<u>200000</u>	<u>200000</u>
Issued, Subscribed & Paid-up		
10300 Equity shares of Rs.10/- each	<u>103000</u>	<u>103000</u>
SCHEDULE - 2 RESERVES AND SURPLUS		
Opening Balance	111794	112277
Add: Additions	(8997)	(483)
Closing Balance	<u>102797</u>	<u>111794</u>
SCHEDULE - 3 CURRENT ASSETS		
Cash and Bank Balances	6076	6076
ICD - DFL	185149	193366
Advance Tax	15780	15780
Tax deducted at source	998	998
	<u>208003</u>	<u>216220</u>
SCHEDULE - 4 CURRENT LIABILITIES & PROVISIONS		
For Expenses	2206	2206
	<u>2206</u>	<u>2206</u>
SCHEDULE -5 MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF		
Preliminary Expenditure	780	1560
Less: Written off in P&L A/c	780	780
	<u>-</u>	<u>780</u>

NOTES FORMING PART OF ACCOUNTS

A. Income recognition:

- Interest is not charged on Loan given to Dhandapani Finance Ltd., as the company is under revival, The Board decided to recognize on receipt basis.

B. Notes on accounts:

- Contingency Liabilities not provided for : Nil
- Previous year's figures have been regrouped/reclassified to confirm to current year classification whenever necessary

**INFORMATION AS REQUIRED UNDER PART IV OF
SCHEDULE VI OF THE COMPANIES ACT, 1956**

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AGENCY.COM PRIVATE LIMITED

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details	4 5 9 2 0	State Code	1 8
CIN	U67120TN2000PTC045920		
Balance Sheet Date	3 1	0 3	1 1
	Date	Month	Year
II. Capital Raised during the year	Public Issue	Rights Issue	
	N I L	N I L	
	Bonus Issue	Private Placement	
	N I L	N I L	
III. Position of Mobilisation and deployment of Funds (Amount in Thousands)	Total Liabilities	Total Assets	
	2 0 5	2 0 5	
Source of Funds	Paid-up Capital	Reserves & Surplus	
	1 0 3	1 0 2	
	Secured Loans	Unsecured Loans	
	N I L	N I L	
Application of Funds	Net Fixed Assets	Investments	
	N I L	N I L	
	Net Current Assets	Misc. Expenditure	
	2 0 5	N I L	
	Accumulated Losses		
	N I L		
IV. Performance of the Company	Turnover	Total Expenditure	
	N I L	8	
	Profit before tax	Profit after Tax	
	- 8	- 8	
	Earning per Share Rs.	Dividend Rate %	
	- 0 . 8 0	N I L	
V. Generic Names of Three Principal Products / Services of the Company	Item Code No. (ITC Code)	N A	
	Service	S E R V I C E A G E N C Y B U S I N E S S	

SUBJECT TO OUR REPORT OF EVEN DATE
for V. KRISHNAN & ASSOCIATES
Chartered Accountants

V. KRISHNAN
Partner

B. PRAKASH
P. SUDHAKAR
Directors

Place : Chennai
Date : 28.05.2011

AUDITORS' REPORT



AUDITORS REPORT TO THE MEMBERS OF DHANDAPANI FINANCE LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF DHANDAPANI FINANCE LIMITED AND ITS SUBSIDIARIES

We have audited the attached Consolidated Balance Sheet of *M/s. Dhandapani Finance Limited* and its subsidiaries as at 31st March 2011, the Consolidated Profit And Loss Account and the Consolidated Cash Flow Statement for the year ended on that date.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. We did not audit the Financial Statements of the subsidiaries whose Financial Statements reflect total assets of Rs.140.65 lacs as at 31st March 2011 and total revenue of Rs. Nil for the year ended 31st March 2011. These Financial Statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it is related to the amounts included in respect of the subsidiaries, is based solely on the report of other auditors.
3. We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of accounting standard 21, on Consolidated Financial Statements, issued by the Institute Of Chartered Accounts Of India and on the basis of separate audited financial statements of Dhandapani Finance Limited and its subsidiaries included in the Consolidated Financial Statements.
4. **Attention of the shareholders is invited to the following:**
 - a. *The Dhandapani Finance Limited net owned funds is below Rs. 25 lakhs, the limit prescribed by Reserve Bank of India under section 45 – IA of the Reserve Bank of India Act, 1934. This could attract penal provisions under section 45 - MC of the Act.*
 - b. *The shareholders of Dhandapani Finance Limited has not accepted the re-appointment and increase in remuneration of the Managing Director for which, the company is taking appropriate action (Refer Note 10(A) of Schedule 18).*
 - c. *The debit balances under receivables and debtors' accounts and the credit balances are as per books of accounts subject to confirmation from the parties.*
 - d. *The company has made a donation of Rs.1 lakh to Shree Mahalaxmi Temple Mumbai. This is beyond the powers of the Board without obtaining the prior approval of the Shareholders as specified Section 293(1)(e) of the Companies Act 1956 of Rs.0.5 lakhs.*

Subject to the matters specified in c and d above, and on the basis of the information and explanation given to us and on the consideration of separate audit reports on individual audited Financial Statements of Dhandapani Finance Limited and its subsidiaries, we are of the opinion that:

- i) The consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of the Company and its subsidiaries as at March 31,2011;
- ii) The consolidated Profit and Loss Account gives a true and fair view of the of consolidated loss of Dhandapani Finance Limited and its subsidiaries for the year ended on that date;
- iii) The consolidated Cash Flow Statements gives a true and fair view of the consolidated cash flow of Dhandapani Finance Limited and its Subsidiaries for the year ended on that date.

Place: Chennai
Date : 28.05.2011

For **P B VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn No. 004721S
P R KRISHNAMURTHY
Partner
Membership Number: 12622

**CONSOLIDATED BALANCE SHEET
AS ON 31st MARCH 2011**



		SCH NO	(Rs.in Lakhs)	
I	SOURCE OF FUNDS		31.03.2011	30.09.2009
	1. Shareholders Funds			
	a) Capital	1	2794.02	2794.02
	b) Reserves & Surplus	2	<u>5128.34</u>	<u>4993.55</u>
			7922.36	7787.57
	2. Loan Funds			
	a) Secured Loans	3	13446.70	15513.21
	b) Unsecured Loans	4	<u>96.26</u>	<u>584.65</u>
			13542.96	16097.86
	TOTAL		<u>21465.32</u>	<u>23885.43</u>
II	APPLICATION OF FUNDS			
	1. Fixed Assets	5		
	a. Gross Block		2046.82	2060.64
	b. Less Impairment of assets		—	—
	c. Less Depreciation		<u>303.12</u>	<u>217.01</u>
	Net Block		1743.70	1843.63
	2. Investments	6	1.00	2.60
	3. Current Assets			
	Loans & Advances			
	a) Current Assets	7	9499.03	16398.88
	b) Loans & Advances	8	<u>2575.80</u>	<u>2314.44</u>
	(A)		<u>12074.84</u>	<u>18713.32</u>
	Less: Current Liabilities & Provisions			
	a) Current Liabilities	9	3410.34	1740.04
	b) Provisions	10	<u>2114.82</u>	<u>5842.82</u>
	(B)		<u>5525.16</u>	<u>7582.86</u>
	Net Current Assets (A-B)		6549.68	11130.46
	4. Miscellaneous Expenditure	11		
	(to the extent not written off or adjusted)		—	0.02
	5. P & L Account		13170.94	10908.73
	TOTAL		<u>21465.32</u>	<u>23885.43</u>

Schedules 1-11 and Notes to Accounts form part of this Balance Sheet

SUBJECT TO OUR REPORT OF EVEN DATE

for P.B. VIJAYARAGHAVAN & CO.

Chartered Accountants

Firm Regn. No. 004721S

P.R. KRISHNAMURTHY

Partner

Membership No. 12622

S.K. RENGARAJAN

Company Secretary

S. BALACHANDER

Wholetime Director

R. NAGARAJAN

Director

Place : Chennai

Date : 28.05.2011

**CONSOLIDATED PROFIT & LOSS ACCOUNT
FOR THE PERIOD ENDED 31st MARCH 2011**



		(Rs. in Lakhs)	
1. INCOME	SCH NO	31.03.2011	30.09.2009
a. Income from financing operations	12	1314.19	2930.63
b. Other income	12	605.92	150.12
A		<u>1920.11</u>	<u>3080.75</u>
2. EXPENDITURE			
a. Finance charges	13	2011.94	2551.48
b. Employee Cost	14	435.15	526.30
c. Administrative & Other expenses	15	634.28	435.31
d. Provisions & Write off	16	1072.52	742.75
e. Provision for NPA	17	1411.82	77.43
B		<u>5565.71</u>	<u>4333.28</u>
Profit before Depreciation, Tax & Exceptional Items A-B		(3645.61)	(1252.53)
Less: Depreciation		(98.31)	(5534.42)
Less: Impairment loss		-	(66.35)
Add: Extra-Ordinary items	12	1589.24	-
Profit before Tax		<u>(2154.68)</u>	<u>(6853.30)</u>
Less: Provision for Taxation			
Current Tax		-	(1.68)
Fringe Benefit Tax		-	(2.78)
Deferred tax Asset		-	-
Net Profit		<u>(2154.68)</u>	<u>(4.47)</u>
Profit available for appropriations		(2154.68)	(6857.84)
ADD Brought forward from previous year		(11016.26)	(4050.89)
		<u>(13170.94)</u>	<u>(10908.73)</u>
3. APPROPRIATION			
Dividend (inclgd Dividend Tax)		-	-
Transfer to Statutory Reserve		-	-
Transfer to General Reserve		-	-
Surplus balance carried to Balance sheet		-	(10908.73)
		<u>(13170.94)</u>	<u>(10908.73)</u>

Weighted average number of equity shares of Rs.10/- each

Outstanding during the year Nos 5680220

Basic and diluted earning per share Rs. (37.93)

Schedules 12-17 and Notes to Accounts form part of this Profit and Loss Account.

SUBJECT TO OUR REPORT OF EVEN DATE

for P.B. VIJAYARAGHAVAN & CO.

Chartered Accountants

Firm Regn. No. 004721S

P.R. KRISHNAMURTHY

Partner

Membership No. 12622

S. BALACHANDER

Wholetime Director

S.K. RENGARAJAN

Company Secretary

R. NAGARAJAN

Director

Place : Chennai

Date : 28.05.2011

**SCHEDULES FORMING PART OF THE CONSOLIDATED
BALANCE SHEET AS AT 31st MARCH 2011**



		(Rs. in Lakhs)					
		31.03.2011	30.09.2009				
SCHEDULE 1 SHARE CAPITAL							
AUTHORISED							
(2,50,00,000 equity shares of Rs 10/- each and 2,50,00,000 preference shares of Rs 10/- each)		2500.00	2500.00				
		<u>2500.00</u>	<u>2500.00</u>				
		5000.00	5000.00				
ISSUED							
(61,22,625 equity shares of Rs 10/- each)		612.26	612.26				
(2,22,60,000 preference shares of Rs.10/- each)		<u>2226.00</u>	<u>2226.00</u>				
SUBSCRIBED AND PAIDUP							
(59,54,320 equity shares of Rs 10/- each)	595.43						
Less shares held by DHSL	<u>27.41</u>	568.02	568.02				
Out of the above The shares held by D B Zwirn Mauritius is 3036703 equity shares of Rs.10/- each							
(2,22,60,000 Redeemable Optionally Convertible preference shares of Rs.10/- each)		<u>2226.00</u>	<u>2226.00</u>				
Fully held by Asia Pragati Capfin Pvt. Ltd.		<u>2794.02</u>	<u>2794.02</u>				
SCHEDULE 2 RESERVES & SURPLUS							
	General Reserve	Security Premium	Statutory Reserve	Capital Reserve	Revaluation Reserve		
Opening balance	2561.42	134.07	961.97	30.66	1305.42		
Additions:	138.26	-	-	-	-		
Minority Interest	(3.46)	-	-	-	-		
	<u>2696.22</u>	<u>134.07</u>	<u>961.97</u>	<u>30.66</u>	<u>1305.42</u>	<u>5128.34</u>	<u>4993.55</u>
SCHEDULE 3 SECURED LOANS							
From Banks secured by Assets under Hypothecation/Hire Purchase Assets and specific Fixed Assets of the Company		12316.16	14530.65				
From Banks and Others secured by way of specific charge on Assets under Hypothecation / Hire Purchase Asset		<u>1130.54</u>	<u>982.56</u>				
		13446.70	15513.21				
SCHEDULE 4 UNSECURED LOANS							
Loans from Directors / Group Companies		1.54	2.35				
From Banks / others		<u>94.72</u>	<u>582.29</u>				
		<u>96.26</u>	<u>584.65</u>				

SCHEDULE 5 – FIXED ASSETS				Rs. in Lakhs				
PARTICULARS	RATE	GROSS BLOCK		DEPRECIATION BLOCK			NET BLOCK	
		As on 30.09.09	Addns Delns As on 31.03.11	As on 30.09.09	Addns With- drawn	As on 31.03.11	As on 30.09.09	As on 31.03.11
Land	0%	1580.00	-	-	-	-	1580.00	1580.00
Building	5%	89.35	-	89.35	4.08	-	50.36	54.44
Typewriters	14%	1.07	-	1.07	0.03	-	0.10	0.12
Name Board	18%	0.29	-	0.09	0.01	0.05	-0.01	0.04
Elec. Fittgs.	14%	16.99	-	16.93	0.63	0.02	2.37	3.03
Neon Sign	14%	0.18	-	0.18	-	-	-	-
Vehicles	26%	43.59	10.30	21.82	13.93	5.15	5.78	26.09
Computers	40%	75.20	1.00	-	15.33	-	10.68	25.01
Airconditioners	14%	12.48	-	0.04	1.91	0.02	7.25	9.18
Office Eqmt	14%	15.90	2.32	1.07	2.45	0.30	9.96	10.86
Fax & Xerox	14%	0.43	-	-	0.05	-	0.19	0.24
Frankg Mach.	14%	0.30	-	-	0.01	-	0.03	0.04
Furniture	18%	83.73	-	4.37	12.92	2.05	32.37	47.61
Intangible Assets	20%	141.14	-	-	42.34	-	44.63	86.97
Total		2060.64	13.63	27.45	93.69	7.59	1743.71	1843.63
Previous Year		2091.52	42.92	73.80	66.34	0.57	1843.63	-

**SCHEDULES FORMING PART OF THE CONSOLIDATED
BALANCE SHEET AS AT 31st MARCH 2011**



		(Rs. in Lakhs)	
		31.03.2011	30.09.2009
SCHEDULE 6 INVESTMENTS AT COST			
A) Quoted -Non Trade			
Government Loan / Stocks		–	–
Name of the Scrip	No. of Shares		
Quoted			
K. Dhandapani & Co. Limited	13400	–	1.60
B) Unquoted			
9999 Equity shares of Rs.10/- each in Dhandapani Business Services Ltd. (Breakup value per share Rs.)		1.00	1.00
		<u>1.00</u>	<u>2.60</u>
SCHEDULE 7 CURRENT ASSETS			
A. Stock on Hire/Hypothecation including hire charges under Sundry debtors			
1. Assets on Hire/Hypothecations (Agreement value less Instalments Received) Net off UMFC and write offs includes Sundry debtors secured considered good	8072.24		14220.78
Less than Six months			
Exceeding Six months	341.99		
2. Repossessed Stock on Hire		8414.23	226.37
3. Other Receivables		219.19	37.22
B. Trade Bills Purchased		–	–
C. Cash & Bank Balances with Scheduled banks			
In Current account		265.63	697.13
On Deposit account – Under Lien (Note Below)	200.98		1057.63
– Free of Lien	356.84	558.90	
Cash on hand		41.08	159.75
		<u>9499.03</u>	<u>16398.88</u>

**SCHEDULES FORMING PART OF THE CONSOLIDATED
BALANCE SHEET AS AT 31st MARCH 2011**



	(Rs. in Lakhs)	
	31.03.2011	30.09.2009
SCHEDULE 8 LOANS AND ADVANCES		
Unsecured Considered goods		
1. Advances recoverable in cash or kind unsecured considered good	94.26	459.34
2. Secured Advances	720.02	720.02
3. Advance payment of Tax (net of Provisions)	1084.59	1007.44
4. Income accrued but not due on investments	–	–
Others	58.97	61.90
5. Deposits	10.62	16.62
6. Other advances	607.34	49.13
	<u>2575.80</u>	<u>2314.44</u>
SCHEDULE 9 CURRENT LIABILITIES		
Sundry Creditors		
Other liabilities	–	–
for expenses	440.67	532.98
Insurance and security deposits	0.14	18.76
Interest suspense	258.22	267.24
AFC suspense	2594.97	899.35
Dividend payable	16.48	21.73
Others – unsecured loans	100.00	–
	<u>3410.34</u>	<u>1740.06</u>
SCHEDULE 10 PROVISIONS		
1. For non performing assets	2113.82	702.00
2. For investment	1.00	1.00
3. For impairment on loan assets / debtors (Exceptional items)	–	5129.54
4. For Taxation	12.03	10.28
	<u>2114.82</u>	<u>5842.82</u>
SCHEDULE 11 MISCELLANEOUS EXPENDITURE		
1. Miscellaneous Expenses	–	0.02
(to the extent not written off or adjusted)	–	–
	<u>–</u>	<u>0.02</u>
SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH 2011		
SCHEDULE 12 INCOME FROM FINANCING OPERATIONS		
1. Finance charges	1325.84	2925.05
2. Income from Bills purchased	–	5.58
3. Loss on value of shares	(11.65)	–
	<u>1314.19</u>	<u>2930.63</u>

**SCHEDULES FORMING PART OF CONSOLIDATED PROFIT
AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH 2011**



	(Rs. in Lakhs)	
	31.03.2011	30.09.2009
SCHEDULE 12 OTHER INCOME		
1. Interest receipts on Investments	605.90	150.12
2. Profit / (Loss) on sale of assets / investments	0.02	–
3. Extra-Ordinary items	1589.24	–
	<u>2195.15</u>	<u>150.12</u>
SCHEDULE 13 INTEREST ON LOANS / FINANCE CHARGES		
1. On Deposits	–	–
2. On Working capital facility	1939.49	2314.86
3. On Other credit facility	74.89	231.61
4. On Inter corporate deposits	(2.44)	5.02
	<u>2011.94</u>	<u>2551.48</u>
SCHEDULE 14 EMPLOYEE COST		
1. Salaries, allowances and Bonus	361.17	411.85
2. Staff Welfare expenses	41.25	80.49
3. Company's contribution to PF	32.74	33.97
	<u>435.15</u>	<u>526.30</u>
SCHEDULE 15 ADMINISTRATION AND OTHER EXPENSES		
1. Rent	45.09	38.10
2. Rates and Taxes	10.95	9.72
3. Electricity charges	15.26	13.11
4. Insurance	23.98	12.21
5. Telephone charges	32.42	31.24
6. Business Promotion expenses	1.28	1.43
7. Advertisement	1.76	7.73
8. Loss on sale of assets	7.73	0.09
9. Remuneration to Auditors	13.75	18.36
10. Other expenses	482.07	303.33
	<u>634.28</u>	<u>435.31</u>
SCHEDULE 16 PROVISIONS AND WRITE OFF		
1. Loss on sale of repossessed asset	893.39	741.75
2. Provision for investment	–	1.00
3. Write off Repossessed Assets	179.13	–
	<u>1072.52</u>	<u>742.75</u>
SCHEDULE 17 PROVISIONS		
1. Provisions for NPA	691.80	77.43
2. Provision for Impairment - DPPL	720.02	–
	<u>1411.82</u>	<u>77.43</u>

Schedule – 18:

A. Significant Accounting Policies

The Company follows the directions prescribed by the Reserve Bank of India for Non-Banking Financial Companies with respect to Income Recognition, Asset Classification, Provisioning norms. The applicable Accounting Standards issued by The Institute of Chartered Accountants of India is followed in drafting the accounts of the company.

1.1 Income Recognition:

- a. Income from Hire purchase and hypothecation loan transactions is accounted on the basis of Internal Rate of Return method.
- b. In respect of receivables assigned bilaterally, the difference between the book value of the assets assigned and the sale consideration is booked as income in the year of contract.
- c. Additional Finance Charges is accounted on accrual basis at 18% p.a whereas the contracted rate is 36%.p.a
- d. Collection charges are accounted on cash basis.
- e. Due date Missing charges are accounted on accrual basis.
- f. Finance charges and service charges are accounted on accrual basis. Dividend incomes are on receipt basis.

1.2 Repossessed Assets:

Repossessed assets are valued at the settlement value and provision to an extent of 40 % is uniformly made on the settlement value.

1.3 Fixed Assets:

Fixed assets are stated at historical cost less accumulated depreciation.

1.4 Depreciation:

On Own assets (Tangible):

Depreciation on assets for own use is provided on Written down value method at the rates prescribed in Schedule XIV to the Companies Act, 1956. Assets costing Rs.5,000/- or less acquired during the year are fully depreciated.

On Own assets (Intangible):

Intangible assets comprising of Computer Software are depreciated on a straight-line basis over a period of five years.

1.5 Investments:

Long term Investments and unquoted investments are carried at cost

B. Notes on accounts

1. Preference Shares:

22,260,000 Preference Shares aggregating to Rs.222,600,000 issued to M/s. Zwirn Pragati Capfin Pvt Ltd., (now known as Asia Pragati Capfin Private Limited) was to have been redeemed on 31st December 2009 at par value. However due to the financial position of the company, these preference shares have not been

redeemed. The Company has received a communication dated 6th April 2011 from M/s. Asia Pragati Capfin Private Limited intimating the company of the default and calling upon the company to cure the event of default.

2. Corporate Debt Restructuring (C D R):

The Company had approached the Corporate Debt Restructuring Cell in July 2010 for restructuring of the Debts of the company. The Company's request was considered in the CDR Empowered Group and the CDR Package was approved in September 2010. The Banks Associated with this CDR Package have given their individual approvals. The Salient Features of the CDR Package are:

- (a) The cut-off date is reckoned as 31st March 2010
- (b) Holding on operations will be allowed till the CDR package is implemented
- (c) Individual Lenders with exposure less than Rs. 1 crore will have the option of exiting at a discount of 40%
- (d) Principal payment moratorium upto 30.09.2011 for Term Loans and repayment in 72 monthly installments commencing from 01.10.2011
- (e) Term Loans to carry ballooning interest rate varying between 7% and 16.5%
- (f) Interest on Term Loans upto 30.09.2011 to be funded through FITL
- (g) The irregular portion of the Working Capital amounting to Rs. 5928.35 lacs would be converted into 9% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) (70%) and Working capital Term Loans (WCTL) (30%).
- (h) The OCCRPS shall be redeemed in 4 equal installments starting from 2013-14 with a premium of 3%
- (i) The WCTL shall be repaid in 72 monthly installments.
- (j) The lenders shall extend additional limits to the tune of Rs.1664.14 lacs
- (k) The promoters will have to bring additional contribution of Rs. 17 crores over the next 5 years.

Based on the Letter of Approval, the Master Restructuring Agreement (M R A) has been signed by the Consortium Banks.

The Company would get the following benefits:

Particulars	Rs in Lakhs
Reduction in interest	316.08
Conversion of irregular portion of the working capital to Preference Shares	4149.85
Capital Infusion by Promoters over the next 5 years	1700.00
Additional Credit from the Consortium Banks	1800.00

With the CDR Proposal fully implemented and put through effectively the Net worth of the company is expected to improve and become positive.

3. Reduction in interest consequent to adoption of approved CDR package

As per the Corporate Debt Restructuring package approved by the consortium banks the Company is entitled for a reduction in the interest rates on the outstanding amounts as on 01st July, 2010 compared to the rates generally charged by the respective banks on the approved financial facilities extended by each of them. The

Company had serviced the interest upto 30th June 2010 and due to this interest reduction the company has saved Rs.767.40 Lakhs in the interest charges debited to the Profit and Loss account for the period (July 2010 to March 2011).

4. Secured Advances

Secured advances include an amount of Rs.720.02 lakhs due from Dhandapani Properties Private Limited for which necessary full provision has been made in the accounts during the year. The Security being land for which the title is in dispute with the Government of Karnataka, necessary steps are being taken by the company to regularize the same.

EXTRA ORDINARY ITEMS

5. One time Settlements

a. State bank of India:

Asia Pragati Capfin Private Limited had settled the loan of Rs. 10 crores to State bank of India. State Bank of India had approved a loan of Rs. 12 crores to the Company. In the settlement of Rs 10 crores to SBI after adjusting the interest Rs 833.41 lakhs is taken to profit & Loss account, being the reduction in the liability.

b. Bank of Baroda:

As per the approved package of the CDR the lenders whose outstanding is less than Rs.100 lakhs on 1st April can opt to settle the amount at a discount of 40%. On moving the matter with BANK OF BARODA against the outstanding amount of Rs.14.79 lakhs the company settled Rs, 9.22 lakhs leaving Rs. 5.58 lakhs transferred to Profit & Loss account

c. HSBC

The Company moved HSBC for one time settlement as per the mutual agreement reached against the outstanding as per books of Rs 937.80 lakhs the Company settled Rs. 187.56 lakhs leaving Rs. 750.24 lakhs transfer to Profit & Loss account .

6. Loans and Advances:

Loans and Advances includes Rs. 204.70 Lacs on account of Managerial Remuneration for which the Approval are awaited.

7. Deposit account

The total deposit with bank as on 31.03.2011 includes Rs. 5.30 Lakhs towards deposits maintained for unclaimed dividend. As on 31.03.2011, there are no amounts outstanding to be transferred to Investor Protection Fund.

8. Deferred Tax Assets / liability Rs. in Lakhs

Particulars	31.03.2011	30.09.2009
Opening Balance	NIL	NIL
Less Reversal of Deferred tax asset	NIL	NIL
Add: Liability on account of depreciation	NIL	NIL
Total	NIL	NIL

Deferred tax asset arising on account of carry forward loss and provisions has not been recognized in the books of accounts on a conservative basis.

9. Assignment:

During the period under review, the Company has terminated the agreement with M/s Fullerton which involved the assignment of the assets / receivables .

10. (A) Remuneration to Managing Director

a. (Period – 1.10.2009 – 31.03.2010)

Rs. In Lakhs

	31.03.2011	30.09.2009
Salary	12.00	23.75
House Rent allowance	3.60	7.06
Company's Contribution to PF	1.44	2.85
Others	12.21	23.71
Total	29.25	57.37

b. The re-appointment and increase in remuneration of the Managing Director as approved by the Board of Directors in their meeting held on 17.04.2010 was placed before the shareholders through Postal Ballot on the 18th December 2010 and since it was not passed the company is taking appropriate actions in this direction. The amount for the period 1.4.2010 to 31.03.2011 is shown under Advances.

(B) Remuneration to Whole Time Director

(Period – 14.02.2011 – 31.03.2011)

Rs. In Lakhs

	31.03.2011	30.09.2009
Salary	1.20	Nil
House Rent allowance	0.60	Nil
Company's Contribution to PF	0.14	Nil
Others	1.21	Nil
Total	3.15	Nil

The remuneration of the whole time director has been approved by the Board of Directors in their meeting held on 3rd March 2011, and by shareholders through the postal ballot where the results were pronounced on 20.05.2011

Determination of net profits in accordance with Sec 349 of the Companies Act, 1956 for remuneration payable to Directors

	Rs. In Lakhs
Loss before tax as per Profit & Loss Account	(2142.78)
Add: Directors remuneration charged in the accounts	32.40
Net loss	<u>(2110.38)</u>

11. Earnings per share	Rs. In Lakhs
Profit after tax excluding extra ordinary item	(3732.02)
Weighted average number of equity shares	5954320
Earnings after tax (Basic)	(62.68)
Face value per share	10.00

12. Contingent Liability:

Disputed Income tax demand of Rs.451.60 lakhs together with interest pending in appeal/representation before various income tax authorities for the Assessment years 1997-98 to 2007-08

13. The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Accounting Standard 17.

14. Previous year's figures have been regrouped / reclassified to conform to current period's classification wherever necessary.

15. Related parties Disclosures:

- a. Subsidiaries: Dhandapani Holdings & Securities Limited, Smart Invest Agency.Com Private Limited.
- b. Key Management Personnel: S. Balachander, B.Prakash, P. Sudhakar.

(Rs. in Lakhs)

Nature of Transaction	Subsidiaries	Key Management Personnel	D B Zwirn Mauritius / Group Cos	Total
Deposits – Balance at the end of the year	99.34	–	–	99.34
Remuneration to Key Management Personnel	26.64	32.40	–	–
Car Sold to Mr. Ravichandran former Managing Director	–	Book Value – 12.16 Sale Value – 5.00 Loss on Sale – 7.16		

SUBJECT TO OUR REPORT OF EVEN DATE
for P.B. VIJAYARAGHAVAN & CO.

Chartered Accountants
Firm Regn. No. 004721S

P.R. KRISHNAMURTHY
Partner
Membership No. 12622

Place : Chennai
Date : 28.05.2011

S. BALACHANDER
Wholetime Director

S.K. RENGARAJAN
Company Secretary

R. NAGARAJAN
Director

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31st MARCH 2011**



	(Rupees in Lakhs)	
	31.03.2011 (18 months)	30.09.2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE INTEREST, TAX AND EXCEPTIONAL ITEMS	(142.31)	1232.61
Adjustments for :		
Depreciation	98.31	66.35
Provision for NPA	1411.82	77.43
Provision for investment	-	1.00
Loss on sale of Assets	7.71	3.42
Finance Charges	(2011.94)	(2551.48)
	<u>(494.10)</u>	<u>(2406.61)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(636.41)	(1174.01)
Adjustments for :		
Trade and other receivables	(440.29)	(1463.17)
Increase in Stock on Hire	7719.53	(9170.57)
Increase in Trade bills Purchased	-	(685.43)
Decrease in Provision	(5129.54)	-
Trade Payables	(111.11)	540.22
	<u>2038.59</u>	<u>(10778.95)</u>
CASH GENERATED FROM OPERATIONS	1402.18	(11952.96)
Direct Taxes Paid	-	(4.37)
Cash Flow before Exceptional Items	1402.18	(11957.33)
Exceptional Items	-	(404.88)
Net Cash Flow from Operating Activities	1402.18	(12362.21)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(13.63)	(1983.06)
Sale of Fixed Assets	7.47	67.99
Purchase of Investments	-	(30.93)
Loss on Value of Shares	16.26	-
NET CASH FROM INVESTING ACTIVITIES	10.10	(1946.00)

	(Rupees in Lakhs)	
	31.03.2011 (18 months)	30.09.2009
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	–	–
Proceeds from Directors	(2.94)	102.00
Proceeds from Term Borrowings	147.98	982.56
Proceeds from Bank Borrowings	(2214.49)	14530.65
Proceeds from Unsecured Borrowings	(387.57)	582.29
Dividend paid	(5.30)	(4.36)
NET CASH FROM IN FINANCING ACTIVITIES	(2462.32)	16193.14
D. Net Increase / (Decrease) in Cash & Cash Equivalents	(1049.98)	1884.93
E. Opening Cash & Cash Equivalents	1914.51	29.58
F. Closing Cash & Cash Equivalents	864.53	1914.51

SUBJECT TO OUR REPORT OF EVEN DATE

for P.B. VIJAYARAGHAVAN & CO.

Chartered Accountants

Firm Regn. No. 004721S

P.R. KRISHNAMURTHY

Partner

Membership No. 12622

Place : Chennai

Date : 28.05.2011

S. BALACHANDER

Wholetime Director

S.K. RENGARAJAN

Company Secretary

R. NAGARAJAN

Director

AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement for the period ended 31st March 2011. The statement has been prepared in accordance with the requirements of Clause 32 of the listing agreement with the Bombay Stock Exchange and is based on and in agreement with the corresponding Profit and Loss account and Balance Sheet of the Company covered by our report to the Members of the Company.

For **P B VIJAYARAGHAVAN & CO.,**

Chartered Accountants

Firm Regn. No. 004721S

P R KRISHNAMURTHY

Partner

Membership Number: 12622

Place: Chennai

Date : 28.05.2011



Dhandapani Finance Ltd.

Regd. Office : 14, Ramakrishna Street, T. Nagar, Chennai 600 017

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT ENTRANCE OF THE MEETING HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.

FOLIO NO:

I hereby record my presence at the TWENTY-FOURTH ANNUAL GENERAL MEETING, held at Balamandir German Hall, (Unit of Balamandir Kamaraj Trust), 17, Prakasam Street, T. Nagar, Chennai – 600 017 on Tuesday the 28th June 2011 at 10.30 a.m. as a Shareholder / Proxy*

NAME OF PROXY IN BLOCK LETTERS
*Strike whichever is not applicable

SIGNATURE OF THE SHAREHOLDER / PROXY



Dhandapani Finance Ltd.

Regd. Office : 14, Ramakrishna Street, T. Nagar, Chennai 600 017

PROXY

Folio No:

I / We.....of..... in the district of being a Member(s) of DHANDAPANI FINANCE LIMITED here by appoint.....of in the district ofor failing him.....of.....in the district of.....as my / our proxy to vote for me / us on my / our behalf, at the TWENTY-FOURTH ANNUAL GENERAL MEETING, held at Balamandir German Hall, (Unit of Balamandir Kamaraj Trust), 17, Prakasam Street, T. Nagar, Chennai – 600 017 on Tuesday the 28th June 2011 at 10.30 a.m. and at any adjournment thereof.

Signed this..... Day of.....2011

Signature.....

Rs.1.00
Revenue
Stamp

- Note : 1. In the case of a corporation this Proxy shall be either given under the Common seal or signed on its behalf by an attorney or officer of the Corporation.
- 2. Proxies to be valid must be deposited at the Regd. Office of the Company at 14, Ramakrishna Street, T. Nagar, Chennai 600 017, not less than 48 hours before the time for holding the meeting.

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