

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Bid Letter is being sent to you as an Equity Shareholder of K Dhandapani & Company Limited. In case you have recently sold your Equity Shares in the Company, please hand over this Bid Letter and the accompanying Bid Form to the member of the Stock Exchange through whom the sale was affected.

If you require any clarification in connection with this Bid Letter, you may consult the Manager to the Delisting Offer, Karvy Investor Services Limited (Tel. No.: +91 40 2342 8774; Fax No.: +91 40 2337 4714) Email: cmg@karvy.com, Website: www.karvy.com, Contact Person: Mr. M. P. Naidu, or the Registrar to the Offer: **M/s. Cameo Corporate Services Limited, Subramanian Building, # 1, Club House Road, Chennai-600 002 Tel : +91 44 28460390 (5 lines), Fax : +91 44 28460129, Website: www.cameoindia.com, Email: investor@cameoindia.com, Contact Person : Ms. Priya.**

Floor Price: Rs.40/- per fully paid-up Equity Shares of face value of Rs. 10/- each

BID LETTER

For Delisting of Equity Shares of K Dhandapani & Company Limited From

Mr T N Sridharan resident of 33/3, Meeane Avenue Road, Bangalore - 560 042 alongwith Mr T N Desikan resident of 3C, River Side Road, Kotturpuram, Chennai-600 085; Mr T N Kothandapani resident of 785, Dr Ramaswamy Road, K K Nagar, Chennai-600 078; Mr T N Soundararajan resident of No.2, Sarathy Street, T Nagar, Chennai-600 017 and Mr Kumar K Swamy, S/o T.N.K Iyengar resident of No.6, Mariamman Koil Street, Otiyambakkam, Chennai - 600 073 (hereinafter collectively referred to as the “Acquirers”)



Inviting you to tender your fully paid-up Equity Shares in connection with the proposed acquisition of the Equity Shares of **K Dhandapani & Company Limited** pursuant to Reverse Book Building Process in accordance with the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as ‘the Company’ and / or ‘KDCL’) having its registered office at (Old No.141), 291, Linghi Chetty Street, Chennai - 600 001.

BID OPENS ON	AT 10 AM	MONDAY, OCTOBER 05, 2009
BID CLOSES ON	AT 3 PM	THURSDAY, OCTOBER 08, 2009

If you wish to tender your shares to the Acquirers, you should:

- Read this Bid Letter and the instructions herein;
- Complete and sign the accompanying Bid Form in accordance with instructions therein and in this Bid Letter, which is enclosed at the end of this booklet;
- Ensure that you have credited your shares to the correct Special Depository Account (details of which are set out in paragraph 8.3 of this Bid Letter) and obtained a copy of your delivery instructions slip from your depository participant, duly acknowledged and stamped (the Depository Participant Instruction) in relation thereto;
- Submit (a) your Bid Form and (b) a copy of your Depository Participant Instruction slip by hand delivery to one of the Bid Centres set out in this Bid Letter or in case you reside in an area where no Bid Centre is located you may submit your Bids by registered post (at your own risk & cost) with the envelope marked “**Unit: K Dhandapani & Company Limited - Delisting Offer**” so as to reach the Trading Member **Karvy Stock Broking Limited** at the address set out herein, such that it is received between 10.00 a.m. on Monday, October 05, 2009 and 3.00 p.m. on Thursday, October 08, 2009. No Bid Form is to be submitted to the Company / The Acquirers / Registrar to the Offer;
- In case you hold the Equity Shares in physical form, please follow instructions set out in paragraph 6.4 of this Bid Letter.

Detailed procedures for the submission and settlement of bids are set out in paragraph 8. The approvals in paragraph 22 are required to implement the transactions described in this Bid Letter. To the best of Acquirer’s knowledge, no other statutory approvals other than those mentioned in paragraph 22 are required to implement the transactions described in this Bid Letter.

Lead Manager to the Offer	Registrar to the Offer
 <p>Karvy Investor Services Limited Karvy House, 46 Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034 Tel No: +91 40 23428774/23312454 Fax No: +91 40 23374714 Website: www.karvy.com Email: cmg@karvy.com Contact Person : Mr. M P Naidu</p>	 <p>Cameo Corporate Services Limited Subramanian Building , # 1, Club House Road, Chennai-600 002 Tel : +91 44 2846 0390 (5 lines) Fax : +91 44 2846 0129 Website: www.cameoindia.com Email: investor@cameoindia.com Contact Person : Ms. Priya</p>

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Date *	Day
Public Announcement	23/09/2009	Wednesday
Date by which Bid Letters along with Bid Forms will be despatched to the shareholders	23/09/2009	Wednesday
Bid Opening Date	05/10/2009	Monday
Bid Closing Date	08/10/2009	Thursday
Announcement of the Exit Price and Acquirers' Acceptance/non-acceptance of Exit Price	10/10/2009	Saturday
Final Settlement Date (for shares in dematerialised form)	12/10/2009	Monday
Opening Date for shareholders holding shares in physical form to tender their shares at the Exit Price #	12/10/2009	Monday
Last date for shareholders holding shares in physical form to tender their shares at the Exit Price	26/10/2009	Monday
Final Settlement Date (for shares in physical form)	02/11/2009	Monday

*Changes to the proposed timetable, if any, will be notified to shareholders by way of a corrigendum to the PA dated 21st September 2009 in the same newspapers where the Public Announcement is being issued.

Subject to acceptance of the Discovered Price or offer.

Dear Shareholder,

Invitation to tender your Equity Shares in K Dhandapani & Company Limited (**'KDCL'** or the **'Company'**). Mr T N Sridharan resident of 33/3, Meeane Avenue Road, Bangalore - 560 042 alongwith Mr T N Desikan resident of 3C, River Side Road, Kotturpuram, Chennai-600 085; Mr T N Kothandapani resident of 785, Dr Ramaswamy Road, K K Nagar, Chennai-600 078; Mr T N Soundararajan resident of No.2, Sarathy Street, T Nagar, Chennai-600 017 and Mr Kumar K Swamy, S/o T.N.K Iyengar resident of No.6, Mariamman Koil Street, Otiyambakkam. Chennai - 600073 (hereinafter collectively referred to as the **"Acquirers"**), are pleased to invite you to tender, on the terms and subject to the conditions set out herein below, your fully paid-up Equity Shares in the Company (the **'Shares'**) pursuant to the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (the **'Guidelines'**); hereinafter referred to as the **'Delisting Proposal / Offer'**.

The Securities and Exchange Board of India has notified on June 10, 2009 the SEBI (Delisting of Equity Shares) Regulations, 2009 (the "Delisting Regulations") in supercession of the SEBI (Delisting of Securities) Guidelines, 2003 (the "Delisting Guidelines"). As per Regulation 31 of the Regulations, any action undertaken or any right or privilege acquired or accrued in pursuance of the provisions of the Delisting Guidelines prior to the commencement of the Delisting Regulations would be governed by said Delisting Guidelines. Further, the SEBI has vide a circular dated September 14, 2009 clarified that in cases where a special resolution has already been passed under the Delisting Guidelines prior to commencement of the Delisting Regulations, the delisting process shall be governed by the provisions of the Delisting Guidelines, provided that the said resolution is acted upon within a period of three months from the date of the said circular.

The equity shareholders of the Company have, vide a special resolution passed by way of a postal ballot and whose results were declared on March 24, 2009 authorised the Acquirers to make an offer to purchase the equity shares of the Company in accordance with the Delisting Guidelines and have also accorded consent to the delisting of the equity shares of the Company from the stock exchanges in accordance with the Delisting Guidelines. Accordingly, this Delisting Offer is being undertaken under the Delisting Guidelines.

1. Background of the Delisting Offer

- 1.1 The Acquirers, in the capacity of Promoters and persons forming part of the Promoter Group of the Company are making a voluntary offer ("Delisting Offer/ "Offer") to acquire 9,88,050 (Nine lakhs eighty eight thousand and fifty) fully paid up equity shares of Rs.10/- (Rupees Ten only) each representing 28.14% of the Equity Share capital of the Company at a price to be determined under the reverse book building (RBB) process subject to terms and conditions mentioned hereinafter.
- 1.2 The Acquirers alongwith persons forming part of the Promoter Group and Persons Acting in Concert with the Promoters presently hold 71.86% of shareholding of the Company and intend to voluntarily delist the Equity Shares of the Company from the Bombay Stock Exchange Limited (BSE) and Madras Stock Exchange Limited (MSE) (the "Stock Exchanges") in accordance with the Delisting Guidelines by providing exit opportunity to the Public Shareholders (being all shareholders of the Company other than the Acquirers, Promoter Group and Persons Acting in Concert) holding 28.14% of shares), for which an exit price shall be determined in accordance with the RBB process enumerated in Clause 7.1 of the Delisting Guidelines.
- 1.3 Accordingly, the Acquirers are making a Delisting Offer vide PA dated 21st September 2009 to acquire the balance shareholding of the Public Shareholders being 9,88,050 (Nine lakhs eighty eight thousand and fifty) Equity Shares of Rs.10/- (Rupees Ten) each of the Company at a price of Rs.40/- (Rupees Forty only) per share.
- 1.4 The Equity Shareholders of the Company have passed a special resolution by way of postal ballot, the results of which was declared on 24th March 2009, authorising the Acquirers to make an offer to purchase the equity shares of the Company in accordance with the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and according consent to the delisting of the equity shares of the Company from the stock exchanges.
- 1.5 PA dated 21st September 2009 is being issued on 23rd September 2009 in the Financial Express (English daily), Jansatta (Hindi daily) and Makkal Kural (Tamil Daily) should be treated as the statutory announcement as required under the Delisting Guidelines. In the event of any change to the PA dated 21st September 2009, the same will be notified by issuing a corrigendum in the aforementioned newspapers.

2. The Floor Price and Basis of Floor Price

2.1 The Shares of the Company are infrequently traded on the BSE within the meaning of Regulation 20(5) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997, therefore the floor price of Rs.40/- (Rupees Forty only) has been determined taking into account the following:

- a) The Acquirers have not entered into any agreement for acquisition of shares.
- b) The Acquirers have not acquired any shares during the last Twenty Six Weeks prior to the date of the PA dated 21st September 2009. Therefore, there has been no price paid by the Acquirers for acquisitions, including by way of allotment in a public or rights or preferential issue during the Twenty Six weeks period prior to the date of the PA
- c) As per audited results of the financial years ended on 31st March 2007, 2008, 2009 Company's average profit after tax is Rs.174.65 lakhs, translating to an average EPS of Rs. 4.97. The Net Worth of the Company as on 31st March, 2009 is Rs. 1162.14 lakhs (excluding revaluation reserves) and the Book Value per share as on 31st March 2009 is Rs.33.10. The Return on Net-worth as on 31st March 2009 is 2.75%. The Industry P/E for "Trading Industry" is 187.3 (Source: Capital Market, Vol XXIV/14 dated September 07-20, 2009).

There has been no trading in the Shares of the Company on the MSE since 5th June 2001. The last trading took place on Madras Stock Exchange Limited was on 4th June 2001 at Rs. 9/- per share.

Taking the above into consideration, the Acquirers propose a floor price of Rs. 40/- per fully paid up Share. The Company does not have any partly paid up shares.

- 2.2 The Public Shareholders may tender their Equity Shares (Offer Shares) at any time during the Bidding Period (as defined below) and at any price at or above the floor price of Rs.40/- (Rupees Forty only) in accordance with the terms set out herein.
- 2.3 The Acquirers reserve the right not to acquire the Offer Shares at any higher price established pursuant to the RBB process as set forth in the Delisting Guidelines.

3. Determination of the Exit Price

- 3.1. The Exit Price/Final Price/Discovered Price payable by the Acquirers for the shares pursuant to the Offer, as determined in accordance with the Delisting Guidelines, will be the price at which the maximum shares are tendered.
- 3.2. The Acquirers are under no obligation to accept the Discovered Price. If the Acquirers do not accept the Discovered Price, the Acquirers will have no obligation to acquire any shares tendered pursuant to the Offer and the Delisting Transaction will not proceed.
- 3.3. The Acquirers may, in its sole discretion, accept the Discovered Price for the shares. Alternatively, the Acquirers may, in its sole discretion, offer to pay a price higher than the Discovered Price for the shares.
- 3.4. The price so accepted or offered by the Acquirers is referred to in the PA as the "Exit Price". If the Acquirers accept or offer an Exit Price, the Acquirers will acquire all shares, which have been tendered at prices up to and equal to the Exit Price, for a cash consideration equal to the Exit Price for each such share.
- 3.5. The Acquirers shall announce the Exit Price and the decision to accept or reject the Exit Price in the same newspapers in which the PA is being made, in accordance with the timetable set out in this bid letter.

4. Conditions to the Transaction

The acquisition of shares by the Acquirers pursuant to the Offer is conditional upon:

- The Acquirers accepting or offering an Exit Price;
- The Acquirers obtaining all requisite regulatory approvals as listed in paragraph 22 of this bid letter;
- Any applicable regulations or any order from a Court or a competent regulatory authority, which would prejudice the Acquirers from proceeding with the Transaction.

5. Eligible Shareholders

- 5.1 Public Shareholders holding shares in dematerialized form are eligible to tender their shares to the Acquirers during the Bidding Period; The bid letter along with the bid forms for demat Public Shareholders and bid letter alongwith Form of Acceptance ('FOA') for Physical Shareholders (Public Shareholders holding physical Share certificates) will be dispatched to all the Public Shareholders who are on the register of members of the Company as on 18th September, 2009 so as to reach them before the Bid Opening Date (as defined below).
- 5.2 In the event that some Public Shareholders do not receive their Bid Letter/Bid Forms/FOA, or misplace the same, they may obtain the same by writing to the Registrar to the Offer, i.e. **Cameo Corporate Services Limited, Subramanian Building, # 1, Club House Road, Chennai - 600 002** making the envelope "**Unit: K Dhandapani & Company Limited - Delisting Offer**". Alternatively, the Public Shareholders may obtain Bid Letter/Bid Forms/FOA from the bid centres as provided under paragraph 8.2 or from the registered office of the Company;
- 5.3 Demat Shareholders may tender their shares at any time during the Bidding Period (in accordance with the terms and subject to the conditions set out herein);
- 5.4 The Physical Shareholders who wish to submit Bids to sell their Equity Shares held in physical form should convert their physical shares into dematerialized form prior to submission of their Bids. Physical Shareholders who wish to convert their Equity Shares into dematerialized form should contact a depository participant registered with SEBI.
- 5.5 Physical Shareholders who wish to tender the Equity Shares in physical form should follow the procedure mentioned herein

6. Date of Opening and Closing of Bid

A. Public Shareholders holding Equity Shares in dematerialized / demat form

- 6.1 The Public Shareholders may tender their Bids to the Acquirers during the Bidding Period. The Bidding Period will commence at 10.00 a.m. on Monday, 5th October 2009 (the "Bid Opening Date") and will close at 3.00 p.m. on Thursday, 8th October 2009 (the "Bid Closing Date"), and such period being the "Bidding Period". The Acquirers will inform the Public Shareholders by way of a PA if there are any changes to the Bidding Period.
- 6.2 Letters inviting Public Shareholders to tender their Shares to the Acquirers by way of submission of Bids (the tender letter) containing the form and detailed instructions for submitting Bids will be dispatched by 23rd September 2009 to all the Public Shareholders, who are on the Register of Members of the Company as on 18th September 2009.
- 6.3 Tenders received after 3 p.m. on the Bid Closing Date may not be accepted for the purpose of determining the exit price payable for the Shares by the Acquirers pursuant to the RBB process.

B. Public Shareholders holding shares in physical form (the 'Physical Shareholders')

- 6.4 The period during which Physical Shareholders may tender their Equity Shares held in physical form to the Acquirers shall commence on 12th October 2009 (the 'Date of Opening of the Delisting Offer for the holders of the physical shares'). The Physical Shareholders may submit their application form at any of the nearest collection centers details of which are set out herein.

7. Stock Exchanges from which the securities of the Company are sought to be delisted

The Shares are currently listed on Bombay Stock Exchange Limited (BSE) and Madras Stock Exchange Limited (MSE). The Shares of the Company are infrequently traded on the BSE within the meaning of Regulation 20(5) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997, as amended, and have not been traded on the MSE since 5th June 2001. The Acquirers are seeking to delist the Company's securities from the BSE and MSE where the Shares are currently listed

8. Details of Trading Member and Bid Centres

8.1 The Public Shareholders may tender their Shares through an on-line electronic system. The tender process is expected to be conducted through facilities provided by the BSE.

8.2 Bids must be lodged on behalf of the Public Shareholders by the following trading members (“Trading Member”), whose name and addresses are set out below:

“Karvy Stock Broking Limited, Karvy House, 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034 and

The detailed list of the bidding centres (the “Bid Centres”) of Trading Members mentioned above are as follows: —

List of bidding terminals

Sr. No.	Bid Centre/City	Address of Trading Member	Contact Person	Phone Number	Fax Number
1	Ahmedabad	7 - 8 2 nd Floor, 3 rd Eye Building, Panchvati Circle C.G.Road, Ahmedabad - 380 009	Mr.Rajneesh	079-26407543 9662660002	079-26407543
2	Bengaluru	No:59, Puttana Road, Basavanagudi, Bangalore - 500 004	Mr.Kumarswamy /Ms.Sudha/ Ms. Shashi	080-26621192 / 93	080-41312645
3	Bhubaneswar	624, Shaheednagar, First Floor, Bhubaneswar - 751 007	Mr. Akshyakumar Mishra	0674-2547531 / 32 / 33	0674-2546915
4	Chennai	33, Venkatraman Street, T Nagar, Chennai - 600 017	Mr. C.M. Prem Kumar	044-42076807 9840667624	044-28153181
5	Chennai	A3, Adyar Business Court Old No.5, New No.51, Gandhinagar First Main Road, Adyar, Chennai - 600 020	Ms. Sunitha	044-4076803 9790996945	NA
6	Coimbatore	No.482/483, SNV Chambers, Cross Cut Road, Opp Power House, Gandhipuram, Coimbatore - 641012	Mr. K Venkatesan	0422-2237501 -506 9894637515	0422-2237507
7	Guwahati	2 nd Floor, Ramkumar Plaza, Chatribari Road, Near Himatshinga Petrol Pump, Guwahati - 781 001	Mr. J P Sharma	0361-2608102 0361-2608122	NA
8	Hyderabad	Avenue-4 , Road No 10 , Banjara Hills, Hyderabad - 500 034	Mr. G. Suresh Kumar	040-23440612 040-23440616 044-23340617	040-23431505
9	Indore	105,106 & 107, D M Towers, 21/1, Race Course Road, Near Janjeera Chowrah, Indore - 452001	Mr.Ankit Patwa	0731-4081500 /525 9827531212	NA
10	Jaipur	S-16/A Land Mark, IIIrd Floor Opp:-Jai Club Mahaveer Marg, C Scheme, Jaipur - 302001	Mr. M B Maheshwari	0141-2363321 0141-2375039	0141-2378703
11	Kanpur	15/46,Civil Lines, Near Muir Mills, Stock Exchange Road, Kanpur - 208001	Mr.Prashant Srivastava, Ruchi Dubey	0512-2330127 /2331445 0512-3246389	0512-2331445

Sr. No.	Bid Centre/City	Address of Trading Member	Contact Person	Phone Number	Fax Number
12	Kochi	G 39, Panampally Nagar, Opp Kerala State Housing Board, Kochi - 682 036	Ms. Sudha	0484-2310884 0484-2312098	NA
13	Kolkata	49, Jatin Das Road, Nr. Deshpriya Park, Kolkata - 700 029	Mr. Vijay Kumar Dhanuka	033-24647231/ 4891 24634788	033-24644866
14	Kolkata	19, R N Mukerjee Road 2 nd Floor, Dalhousie Kolkatta - 700 001	Mr. Manoj Agarwal	033 - 22437863 to 69 9330429016	033- 22437869
15	Ludhiana	Ground Floor, SCO-2, Aptech Bldg, Feroz Gandhi Market, Ludhiana - 141 001	Mr.Pankaj Seth	0161-3018441 0161-3018458	0161-3018440
16	Madurai	274, Goodsshed Street, Madurai - 625001	K. Subramani	0452-2350852 -855 9944959515	04522350856
17	Mangalore	Mahendra Arcade, Ground Floor, Kodial Bail, Mangalore - 575 003	Mr. Balakrishna Shetty	0824-2492302/ 0824-2496701	0824-2496283
18	Mumbai (Andheri)	7, Andheri Indl Estate, Off Veera Desai Road, Andheri West, Mumbai - 400 053	Ms.Neelam	022-26730799 022-26730843	022-26730152
19	Mumbai (Fort)	16-26, Bake House, Maharashtra Chamber Of Commerce Lane, Kalaghoda, Fort, Mumbai - 400 023	Mr.Kiran Gurav Mr. V.Vijay	022-22842668 022-22844777 022-22838430	022-66331135
20	Mumbai (Vashi)	B-153, Vashi Plaza, Sector 17, Vashi, Navi Mumbai - 400 705	Mr.Adhitya	022-67912168 022-67912169	022-67912090
21	New Delhi	105-108 Arunachal Bldg, Barakhamba Road, Connaught Place, New Delhi - 110001	Mr.Ajay Gupta	011-23324401/ 09 011-23324602 011-43509200	011-23730824
22	New Delhi	301, Vishal Bhavan 95, Nehru Place, New Delhi - 110 019	Mr.Praveen jain	011-26447065/ 66	NA
23	Patna	2B, 2 nd Floor Anand Towers, Opp ICICI Bank Exhibition Road, Near Republic Hotel, Patna - 800 001	Mr.Sanjay Nandkeolyar	0612-2321354 0612-2321355 0612-2321356	NA
24	Pune	Office No.6, 3 rd Floor, Rachana Trade Estate, Law College Road, Erandwane, Pune - 411033	Mr.Ramesh	020-30283696/97 020-30283702 9860794852 9860794860	020-5456842
25	Rajkot	102/103 Siddi Vinayak Complex, Opp: Ramakrishna Ashram, Dr Yagnik Road, Rajkot - 360 001	Ms.Nimeesha	0281-2465625 0281-2465627	NA
26	Salem	49/50, 1 st Floor, 4 th Main Road, Shevapet, Salem -2	Ms.Parveen Bhanu	0427-22210512 -55 9894697515	0427-22210515

Sr. No.	Bid Centre/City	Address of Trading Member	Contact Person	Phone Number	Fax Number
27	Surat	G-16, Empire State Building near Udhana Darwaja, Surat - 395 002	Mr.Urvish Bhutwili	0261 - 3017151 - 160	0261-3017155
28	Vadodara	Karvy Computershare Picadilly, Office No 5 Jabalpur Road Baroda -5	Mr. Rahul Patil	0265- 6640870 / 871	NA
29	Trivandrum	2 nd Floor Akshaya Towers Sasthamangalam (P.O) Trivendrum - 695010	Mr.Arun R S Menon	0471-2725990 09895252860	0471-4011924
30	Trichy	No.60, Srikrishna Arked, First Floor, Tennur High Road, Trichy - 620017	Mr. Panchabakesan	0431-2791000 9894630515	NA

8.3 The Trading Members' Special Depository Account is with National Securities Depository Limited (NSDL), details of which are as follows:

Special Depository Account Name	K DHANDAPANI & COMPANY LIMITED - DELISTING ESCROW ACCOUNT
Name of the Depository Participant	KARVY STOCK BROKING LIMITED
Depository Identification Number	IN300394
Client Identification Number	17358363

8.4 It is the responsibility of the Public Shareholders to ensure that their Shares are credited to the above mentioned Special Depository Account on or before the Bid Closing Date (alternatively Public Shareholders may pledge their Shares in favour of the Special Depository Account, prior to the submission of their Bids). **All the transfers should be in off market mode.**

8.5 Public Shareholders must hold their shares in dematerialized form in order to submit bids. Public Shareholders who do not hold shares in dematerialized form but who wish to submit Bids should convert their Shares into dematerialized form prior to submission of their Bids. Alternatively such Public Shareholders may offer their Shares to the Acquirers in accordance with **Clause 9** below.

8.6 The ISIN number of the Equity Shares of the Company is **INE386F01014**. Public Shareholders who wish to convert their Shares into dematerialized form should contact a Depository Participant registered with the Securities and Exchange Board of India (SEBI) for further information on how to convert their Shares into dematerialized form. In the event some Public Shareholders do not receive or misplace their tender forms they may obtain a copy by writing to the Registrar, **"Cameo Corporate Services Limited, Subramanian Building, # 1, Club House Road, Chennai-600 002**, clearly marking the envelope **"Unit: K Dhandapani & Company Limited - Delisting Offer"**. Alternatively, Public Shareholders may obtain copies of the bid forms from any of the above Bidding Centres.

9. Description of Methodology to be adopted for determination of Exit Price

9.1 RBB Process

- The Delisting Offer is being made through the RBB route. The Delisting Offer is open to all the Public Shareholders of the Company, The Public Shareholders desirous of availing the exit opportunity are required to submit their Bids through the Trading Member appointed by the Acquirers.
- The Offer to buy shall remain open to the Public Shareholders for a minimum period of three days. The Public Shareholders shall have right to revise and withdraw their bids before the closing of the bidding.
- The Acquirers have appointed **M/s. Karvy Stock Broking Limited**, as Trading Member and appointed 30 bidding centres as defined under clause 8 above.

- d) The Public Shareholders may approach Trading Member for placing offers on the on-line electronic system.
 - e) The Public Shareholders, desirous of availing the exit opportunity shall deposit the Shares offered with the trading member prior to the placement of orders. Alternatively they may mark a pledge for the same to the Trading Member. The Trading Member, in turn, may place these securities as margin with the exchanges / Clearing Corporations.
 - f) The offers placed in the system shall have an audit trail in the form of confirmations, which gives broker ID details with time stamp and unique order number.
 - g) The Acquirers reserve the right to reject any Bid procured by the Trading Member on technical grounds.
 - h) There will be no negotiated deals, spot transactions or private arrangements in the implementation of the Delisting Offer.
- 9.2 The final exit price payable by the Acquirers for the Equity Shares they acquire pursuant to the Delisting Offer, as determined in accordance with the Delisting Guidelines, will be the price at which the maximum number of Equity Shares are offered (“**Discovered Price**”) pursuant to RBB. On determination of the Discovered Price pursuant to the reverse book building process, the Acquirers shall within a period of two working days from such determination,
- (i) make a public announcement in the newspapers of the Discovered Price and whether or not the Acquirers have accepted the same; and
 - (ii) communicate to the Stock Exchanges from which delisting is sought to be made, the Discovered Price and whether the Acquirers have accepted the price
- 9.3 The Acquirers may, in their sole discretion, accept the Discovered Price for the Equity Shares. Alternatively, the Acquirers may, in their sole discretion, offer to pay a price higher than the Discovered Price for the Equity Shares.
- 9.4 The Acquirers may, in their sole discretion, accept the Discovered Price for the Equity Shares and are under no obligation to accept the Discovered Price. If the Acquirers do not accept the Discovered Price, the Acquirers will have no obligation to acquire the Offer Shares pursuant to the Delisting Offer and the transaction will not proceed and the Equity Shares deposited in the Special Deposit Account will be returned to the relevant Shareholders. If the Acquirers accept the Discovered Price, the Acquirers will acquire all the Equity Shares, which have been tendered at prices up to and equal to the Discovered Price, for a cash consideration equal to the Discovered Price for each such share.
- 9.5 The Acquirers shall announce the Discovered Price and their decision to accept the Discovered Price or offer an exit price which is higher than the Discovered Price or reject the Discovered Price in the same newspapers in which the PA has appeared.
- 9.6 The Acquirers shall make the requisite funds available with the Stock Exchanges on the Final Settlement Date (which shall be three days from the end of the Bid Closing Date). The Trading Member shall correspondingly make the Equity Shares available. On the Final Settlement Date the funds and Equity Shares shall be paid out in a process akin to secondary market settlements.
- 9.7 The entire methodology shall only be available for demat shares. For holders of physical share certificates, the Acquirers shall keep the Delisting Offer open for a period of 15 days from the Final Settlement Date for the Shareholders to lodge the certificates with Registrar i.e. **Cameo Corporate Services Limited, Subramanian Building, # 1, Club House Road, Chennai - 600 002.**
- 9.8 Consequent to the Offer, if the Public Shareholding does not fall below the minimum limit specified by the listing conditions of the Stock Exchanges, the Delisting Offer shall be considered to have failed and no security will be acquired pursuant to such Offer.

10. The Period for which the Offer shall be valid.

The Public Shareholder holding Shares in dematerialized form may submit their Bids to the Acquirers during the Bid Period. If the Exit Price is accepted by the Acquirers, the holders of physical share

certificates, may offer their Shares for sale to the Acquirers at such price upto 15 days from the date of final settlement day to the Registrar i.e. **“Cameo Corporate Services Limited, Subramanian Building, # 1, Club House Road, Chennai - 600 002, “Unit: K Dhandapani & Company Limited - Delisting Offer”**. Additionally once the Equity Shares have been delisted, any outstanding Shareholders whose Equity Shares have not been acquired by the Acquirers may offer their Equity Shares for sale to the Acquirers at the exit price within a period of six months from the date of delisting.

11. Necessity and Object of delisting

The Promoters and Promoter Group hold 71.86% of the paid up equity share capital of the Company consisting of 25,23,700 equity shares of Rs.10/- each, fully paid up. There has been no trading of shares of the Company on MSE since 5th June 2001 and though the trading is taking place on BSE, the volume of shares traded are negligible i.e. 69,229 shares in the Financial Year 2009. The Public Shareholding in the Company is just above the required level of public shareholding as required under Clause 40A of listing agreement. Further, due to no trading of shares on MSE and the negligible volumes of shares trading on BSE, the shareholders of the Company have resolved by way of Postal Ballot dated 24th March 2009, to delist the Equity Shares of the Company from BSE and MSE, consequent upon which the Acquirers have agreed to acquire the remaining Shares of the Company, in accordance with the Delisting Guidelines, by giving an exit option to the Public Shareholders. Consequent to the offer, in the event, if the public shareholding does not fall below the minimum limit specified by the listing conditions of the Stock Exchanges, the Delisting Offer shall be considered to have failed and no security will be acquired pursuant to such offer.

12. Disclosure of Material Facts

The Company was incorporated in Chennai on 19th May 1980 with the name K Dhandapani & Company Private Limited and subsequently converted into Limited Company i.e. K Dhandapani & Company Limited w.e.f. 01/10/1988. The Company is principally engaged in the business of manufacturing of Electrical products like; LT Power Capacitors, AC Capacitors, Harmonic Filter Reactors, Bus Ducts and are distributors of GE/Siemens Switchgears.

Brief summary of financials of the Company are provided below:

(Rs. In lakhs)

Period ending	March 31, 2009 (Audited)	March 31, 2008 (Audited)	March 31, 2007 (Audited)
Total Income	3967.88	4564.56	4720.72
PBT	37.18	98.21	435.91
PAT	31.96	93.71	398.28
Equity Capital	351.17	351.17	351.17
Net Worth #	1162.14	1130.18	1081.30
Earnings Per Share (Rs.)	0.91	2.56	11.34
Book Value (Rs.)	33.08	32.17	30.78
Return on Networth (%)	2.75	8.29	36.83

excluding revaluation reserve

13. Proposed Timetable for the Delisting Offer

The proposed timetable for the Delisting Offer is as follows:

Activity	Date *	Day
Public Announcement	23/09/2009	Wednesday
Date by which Bid Letters along with Bid Forms will be despatched to the shareholders	23/09/2009	Wednesday
Bid Opening Date	05/10/2009	Monday
Bid Closing Date	08/10/2009	Thursday
Announcement of the Exit Price and Acquirers' Acceptance/non-acceptance of Exit Price	10/10/2009	Saturday
Final Settlement Date (for shares in dematerialised form)	12/10/2009	Monday
Opening Date for shareholders holding shares in physical form to tender their shares at the Exit Price	12/10/2009	Monday
Last date for shareholders holding shares in physical form to tender their shares at the Exit Price	26/10/2009	Monday
Final Settlement Date (for shares in physical form)	02/11/2009	Monday

*Changes to the proposed timetable, if any, will be notified to shareholders by way of a corrigendum to the PA dated 21st September 2009 in the same newspapers where the Public Announcement is being issued.

14. Escrow Account

In accordance with the Delisting Guidelines, the Acquirers have established an escrow account with HDFC Bank Limited, Lakdi-ka-pool Branch, Hyderabad and deposited an amount of Rs.4,00,88,000/- (Rupees Four crores eighty eight thousand only), being more than 100% amount of consideration, calculated on the basis of the Floor Price indicated and the number of securities required to be acquired, with a lien in favour of Karvy Investor Services Limited to release this cash deposit in the prescribed circumstances.

The Acquirers have authorised the escrow banker to accept instructions from Karvy Investor Services Limited (Manager to the Offer) to release the value of the escrow arrangement consisting of deposit, in terms of and as per the provisions of the Delisting Guidelines.

15. Listing Details and Stock market data

15.1 The Equity Shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and Madras Stock Exchange Limited (MSE).

The High, Low and Average Market Prices of the Equity Shares during the preceding three financial years are as follows:

Year (as on March 31)	Bombay Stock Exchange				Madras Stock Exchange			
	High (Rs. Per share)	Low (Rs. Per share)	Average (Rs. Per share)	Volume for the year	High (Rs. Per share)	Low (Rs. Per share)	Average (Rs. Per share)	Volume for the year
2007	50.00	16.50	33.25	652025	No trading			
2008	58.95	28.10	43.53	238429				
2009	41.05	22.00	31.53	69229				

Source: BSE website and Certificate dated 28th August 2009 from Madras Stock Exchange Limited

The monthly high and low prices and the trading volumes of the Equity Shares of BSE and MSE for the six calendar months preceding the date of the PA were as follows:

Month	Bombay Stock Exchange				Madras Stock Exchange			
	High (Rs. Per share)	Low (Rs. Per share)	Average (Rs. Per share)	Volume for the month	High (Rs. Per share)	Low (Rs. Per share)	Average (Rs. Per share)	Volume for the year
March 2009	39.50	32.55	36.03	11786	No trading			
April 2009	35.00	33.30	34.15	499				
May 2009	55.20	34.70	44.95	22173				
June 2009	44.70	35.55	40.13	7398				
July 2009	40.05	34.25	37.15	3565				
August 2009	34.50	30.00	32.25	1050				

Source: BSE website and Certificate from Madras Stock Exchange.

Notes: 1) High/Low prices during the period. 2) Average of high and low prices during the period . 3) Cumulative trading volume during the period.

15.2 The Equity Shares of the Company are not being traded since 5th June 2001 and the last trading price was Rs.9/- on 4th June 2001 per share on Madras Stock Exchange.

16. Present Capital Structure and Shareholding Pattern

The Company has fully paid-up equity capital of Rs.3,51,27,500/- (“Equity Capital”), comprising of 35,11,750 equity shares of Rs.10/- each. There are no partly paid-up shares of the Company. None of the shares are subject to any lock-in requirements. The category-wise shareholding pattern of the Company as on June 30, 2009 is as follows:

Category	Number of Shares	% of Equity Capital
(A) Promoter’s/ Promoter Group/ Persons Acting in Concert holding	25,23,700	71.86%
(B) Indian Public	9,88,050	28.14%
Total	35,11,750	100.00%

17. Likely Post Delisting Capital Structure

After the completion of delisting, assuming 100% response to the Offer, the Promoter and Promoter Group will be holding 100% capital of the Company.

Category	Number of Shares	% of Equity Capital
Promoters & Promoter Group	35,11,750	100.00%

18. Delisting Threshold

The Acquirers (alongwith Promoter Group), are holding 71.86% Share Capital of the Company and would like to give an exit option to the Public Shareholders holding 28.14% Share Capital of the Company, which is just above the required level of 25% Public Shareholding in accordance with Clause 40 A of the Listing Agreement, by way of a Delisting Offer. Consequent to the Offer, in the event that the Promoter group shareholding increases beyond 75%, the Shares of the Company shall stand delisted from the Bombay Stock Exchange Limited (BSE) and Madras Stock Exchange Limited (MSE).

19. Aggregate Shareholding of Promoters and Promoter Group

The Promoters and Promoter Group hold 25,23,700 Equity Shares representing approximately 71.86% of the fully paid-up equity share capital of the Company as of the date of the PA. Other than the shareholding mentioned hereinabove, the Promoters and Promoter Group do not hold any shares, as of the date of the PA.

20. Tax to be deducted at source

As per the current provisions of Section 195(1) of the Income Tax Act, 1961 (“IT Act”) any person responsible for paying to a non-resident, not being a company, or to a foreign company, any interest or any other sum chargeable to tax is required to deduct tax at source (including surcharge). Since, under the current provisions of the IT Act, the consideration payable under the Offer would be chargeable to capital gains under section 45 of the IT Act, the Acquirers will need to deduct tax at source (including surcharge) at the applicable tax rates on the gross consideration payable to the following categories of shareholders, who are not tax residents of India, as given below:

Non-resident Indians / Overseas Corporate Bodies / Non-domestic Companies: The Acquirers will deduct tax at source at the applicable rates (plus surcharge) on the entire consideration payable to such shareholders.

Foreign Institutional Investors (“FII”): The Acquirers will not deduct tax at source if the shares are held by the FII on investment / capital account. Tax will be deducted at source at the applicable rates on the Exit Price if the shares are held on trade account or if the FII fails to certify in the Bid Form that the shares are held by it on investment/capital account.

In the event the aforementioned categories of shareholders require the Acquirers not to deduct tax or to deduct tax at a lower rate or on a lower amount they would need to obtain a certificate from the Income Tax authorities under Section 195(3) of the IT Act, or an order under Section 197(1) and submit the same to the Acquirers while submitting the Bid Form. On failure to produce such certificate or order, as the case may be, from the Income Tax authorities, the Acquirers will deduct tax as aforesaid and a certificate in the prescribed form shall be issued to that effect.

No tax will be deducted at source for Shareholders who are tax residents of India

Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirers or the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

21. General

In accordance with paragraph 4 of Schedule II to the Delisting Guidelines, the Public Shareholders who have tendered their shares by submitting Bids pursuant to the terms of the PA and the Bid Letter may be revised or withdrawn prior to the Bid Closing Date.

The Acquirers will inform the shareholders of any changes to the information set out in the PA by way of a corrigendum in the same newspapers in which the PA dated 21st September 2009 is being published.

Every person who desires to participate in the offer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Acquirer, the Manager to the Offer or the Company whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with this offer.

22. Statutory and regulatory approvals

The Shareholders of the Company have granted their approval for a voluntary delisting of the Equity Shares of the Company from the Stock Exchanges, by requisite majority, by way of a postal ballot, whose results were announced on 24th March 2009.

To the best of the Acquirer’s knowledge, as of the date of bid letter and PA dated 21st September 2009, there are no statutory or regulatory approvals required to acquire the shares and for effecting the Delisting Offer.

It shall be the responsibility of the Public Shareholders tendering in the Offer to obtain all requisite approvals (including corporate, statutory or regulatory approvals), if any, prior to tendering in the Offer, and the Acquirers shall take no responsibility for the same. The Public Shareholders should attach a copy of any such approval to the Bid Form.

23. Non-Resident Shareholders

Shareholders not resident in India (“Non-Resident Shareholders”) will also need to enclose a copy of the original permission received by them from Reserve Bank of India in relation to the acquisition of their shares or state the relevant provisions of law under which the shares were acquired along with supporting documents and also

- (a) if the Non-resident shareholders shares are held on a repatriation basis, the non-resident shareholder must obtain and enclose with his/her bid form, copies of certificates, evidencing inward remittance through normal banking channels or a letter from his/her authorised dealer/bank confirming that at the time of acquisition of shares the payment for the same was made by the non-resident shareholder from the appropriate account (e.g; NRE account) as specified by Reserve Bank of India in its approval.
- (b) if the non-resident shareholder is not in a position to produce the documents referred to in (a) above his/her shares would be deemed to have been acquired on a non-repatriation basis and in this case the non-resident shareholder must submit a consent letter addressed to the acquirer, allowing the acquirers to make payment on a non-repatriation basis in respect of the shares acquired. If any of the documents referred above are not enclosed with the non-resident shareholder’s bid form, the bid is liable to be rejected.

24. Compliance Officer

The Compliance Officer of the Company is:

Mr T N Sridharan
Managing Director
K Dhandapani & Company Limited
Corporate Office: 26, 4th Cross,
N R Road, Bangalore - 560 002
Phone : +91 80 - 4151 4503/4132 3541
Fax : +91 80 - 4151 4503
Email: kdlbgl@airtelmail.in

25. Disclaimer by BSE

- a) It is to be distinctly understood that the permission given by BSE to use their electronic automated facilities and infrastructure for “Online reverse book building facility for delisting of securities” should not in any way be deemed or construed that the compliance with various statutory and other requirements by K Dhandapani & Company Limited and the MANAGER TO THE OFFER etc. are cleared or approved by BSE; nor does BSE in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does BSE have any financial responsibility or liability nor does BSE take responsibility in any way for the financial or other soundness of the Company, its promoters or its management.”
- b) It is also to be distinctly understood that the approval given by BSE should not in any way be deemed or construed to mean that the public announcement has been cleared or approved by BSE, nor does BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the announcements, nor does BSE warrant that the securities will be delisted.

- c) That every person who desires to avail of the exit opportunity may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE / Clearing House of BSE or against the Investor Protection Fund set up by BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such offer and tender of securities through reverse book building process whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Yours faithfully,

For and on behalf of Acquirers

T N Sridharan
Authorised Signatory

Date : 21st September 2009

Place : Chennai

Enclosures:

For Demat Shareholders:

1. Bid Form
2. Bid Revision Form

For Physical Shareholders:

1. Bid Form
2. Bid Revision Form
3. Form of Acceptance (“FOA”)
4. Transfer Deed

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