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KLK ELECTRICAL INDUSTRIES LIMITED

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KLK ELECTRICAL INDUSTRIES LTD.


Managing Director

**18th ANNUAL REPORT
1998-1999**

BOARD OF DIRECTORS

| | |
|-----------------------------------|--|
| Shri P.S. Santhanakrishnan | <i>Chairman</i> |
| Shri V. Lavakumar | <i>Vice Chairman & Managing Director</i> |
| Shri J.M. Menezes | <i>Director</i> |
| Smt. Devi Lavakumar | <i>Director</i> |
| Auditors | <i>M/s. N.C. Rajagopal & Co., Chartered Accountants Mylapore, Chennai - 600 004.</i> |
| Regd. & Admn. Office | <i>Plot No. 2-B/10 III Main Road, Ambattur Industrial Estate, Chennai - 600 058.</i> |

NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of KLK ELECTRICAL INDUSTRIES LIMITED will be held at 4.00 P.M. on Friday the 31st December 1999 at the company's Registered Office to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Director's Report and the Audited Balance Sheet as on 31-3-99 and the Profit and Loss Account for the year ending on that dates.
2. To appoint a Director in place of Mr. P.S. Santhanakrishnan who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors for the current year and fix the remuneration of M/s. N.C. Rajagopal & Co., Chartered Accountants, Chennai - 600 004. retiring Auditors and are eligible for re-appointment.

NOTES :

1. A. member entitled to attend and vote is entitled to appoint a proxy to attend vote instead of himself and the proxy need not be a member.
2. Proxies should be submitted to the company not less than 48 hours before the commencement of the meeting.
3. Queries relating to the accounts may be submitted to the company not less than 48 hours before the commencement of the meeting
4. Members are requested to intimate the Company regarding any change in their addresses.

Place : Chennai
Date : 3-12-1999

By order of the Board
for KLK ELECTRICAL INDUSTRIES LIMITED
Sd/-
(V. LAVAKUMAR)
Vice-Chairman & Managing Director

DIRECTOR'S REPORT

Your Directors have pleasure in presenting the Annual Report together with the Balance Sheet and Profit & Loss Account for the period ending 31-3-99.

| | 31-03-99 | 31-03-98 |
|---|----------------|----------------|
| | (Rs. in Lakhs) | (Rs. in Lakhs) |
| (Loss) / Profit before Depreciation & Tax | (12.79) | (7.37) |
| Less : Depreciation | (1.65) | (1.68) |
| Profit /(Loss) after Depreciation | (14.44) | (9.05) |
| Provision for Taxation | NIL | NIL |
| Profit after Taxation | (14.44) | (9.5) |
| Prior Year Adjustments | NIL | NIL |
| Investment Allowance Reserve | NIL | NIL |
| Transferred General Reserve | NIL | NIL |
| Provision for Dividend | NIL | NIL |
| Balance C/F to Next Year | (288.40) | (273.96) |

REVIEW OF THE NEXT YEAR : 1998-99

The company have maintained more or less same turn over and could not increase substantially for lack of working capital from banks. Further a deep recession has affected electrical industries and we expect better order book in subsequent year.

DIRECTORS

Mr. P.S. Santhanakrishnan, the Chairman retires in the ensuing Annual General Meeting and being eligible offers himself for re-election.

During the year Mr. I. Venkatanarayana resigned due to personal reasons.

AUDITORS

The Company's Auditors M/s. N.C. Rajagopal & Co., Chartered Accountants, Chennai - 600 004. retiring at the conclusion of this Annual General Meeting are eligible for re-appointment.

ADDENDUM TO AUDITORS'S REPORT

- (3) Due to paucity of funds the Company has not appointed a full time secretary. However the Company's Records are being audited by a certified practising company secretary.
- (4) The dividend could not be paid for paucity of funds and shall be paid with 12% interest.
- (4d) (1) Efforts to recover these doubtful debts are being made and hence writing off has been postponed for a later date.
- (4d) (2) Since one time settlement is being finalised by the bank no interest has been provided for.
- (4d) (4) Pre-operative expenses not written off due to lack of profits.

ANNEXURE TO AUDITOR'S REPORT

- (9) All the advances due to the employees have been adjusted during the subsequent financial year.

(17) The part of P.F. & E.S.I. dues have already been paid.

ACKNOWLEDGEMENT

The relationship between the Management and the employees remain cordial. The Directors wish to record their appreciation for the sincerity to those who have worked under difficult conditions as an effective team. The Directors also wish to record their appreciation for the co-operation of the Financial Institutions, Bankers, Suppliers and Customers of the Company.

Place : Chennai

By order of the Board

Date : 3-12-1999

for KLK ELECTRICAL INDUSTRIES LIMITED

(V. LAVAKUMAR)

Vice-Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

Particulars of employees as required under section 217(2A) of the Company's Act, 1956, as amended by the Companies (amendment act, 1988 read the with rule 1A of the Companies particulars of the employees) rules 1975 and forming part of the Director's report for the year ended 31st March 1999.

Name & Designation NIL

Remuneration Received NIL

Nature of Duties

Qualification & Experience

Date of commencement of Employment NIL

Age Previous Employment NIL

Details required as per Companies (Disclosure of particulars report of Board of Directors) rules 1988.

TECHNICAL OBSERVATION

B The Company has entered into Technical Collaboration with M/s.Elin-Union, Austria.

a. Technology Imported : Load Break Switch & Off Load Isolators.

b. Year of Import : Agreement 1984.

c. Has technology been fully absorbed : Yes.

AUDITOR'S REPORT

The Shareholders,

KLK Electrical Industries Limited,

Chennai - 600 058.

Ladies and Gentlemen,

We have audited the attached Balance Sheet of **M/s. KLK Electrical Industries Limited** as at 31st March 1999 and the Profit and Loss Account for the year ended on that date annexed there to and report that :

1. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. The accounts have been prepared on "Going Concern" basis in view of the reasons stated in Note No. 12 of Schedule 18.
3. The company does not have a Secretary as required by Section 383 A of the Companies Act, 1956.
4. In respect of dividend remaining unpaid for a period of more than 3 years, the Company has neither paid the amount nor posted the warrants in respect of the same. The Company has also not deposited the unpaid dividends in a separate Bank Account within 7 days from the expiry of 42 days. As on 31st March 1999 the unpaid dividend amount is not funded to the extent of Rs.41,802.78. and interest on unpaid dividend to the extent of Rs. 56,851.60

Further to our comments in the Annexure referred to in paragraph 1 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 purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of such books.
- (c) In our Opinion the Balance Sheet and Profit and Loss Account comply with the mandatory Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
- (d) The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of accounts, Subject to :

- (1) Non-provision of doubtful debts amounting to Rs.63,04,679.01 including Rs.28,87,368 being price variation claims lodged in earlier years. Had the provision been made the loss for the year would have been higher by the same amount.