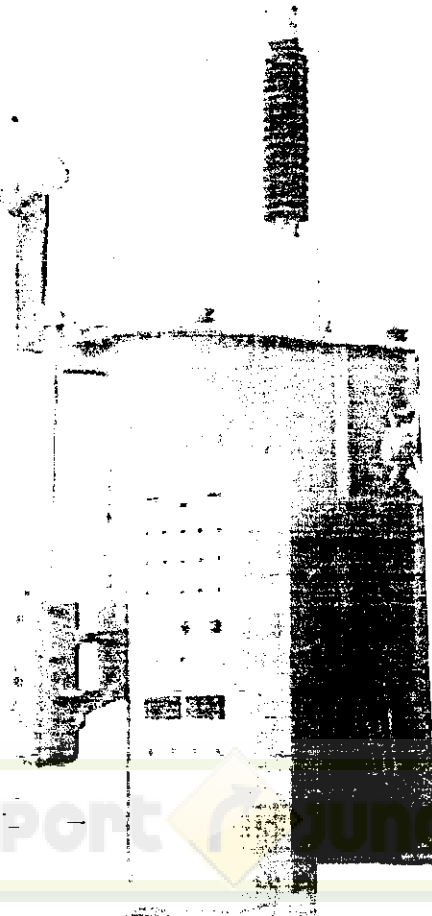


KANO HAR



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ANNUAL REPORT

1998 - 99

KANO HAR ELECTRICALS LIMITED

BOARD OF DIRECTORS

Kanohar Lal Singhal
Chairman

Dinesh Singhal
Managing Director

Adesh Singhal

Brijesh Singhal

Mukesh Singhal

AUDITORS

S.S. Gupta & Co.
Chartered Accountants

REGISTERED OFFICE

RITHANI, DELHI ROAD, MEERUT - 250 103

PHONES : 511010, 512020, 513030, 512099

FAX : 91-121-512763

e-mail : kanohar@del2.vsnl.net.in

WORKS

1. RITHANI, DELHI ROAD, MEERUT - 250 103

2. GANGOL ROAD, VILL. ACHHRONDA, MEERUT - 250 103

PHONES : 524654, 515329

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **TWENTY SEVENTH ANNUAL GENERAL MEETING** of the members of **KANOHAR ELECTRICALS LIMITED** will be held at the Registered Office of the Company at Rithani, Delhi Road, Meerut on Monday, the 27th day of September, 1999 at 3.00 P.M. to transact the following business :

1. To consider and adopt the audited Profit and Loss Account for the year ended 31st March, 1999 and the Balance Sheet as at the date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Kanohar Lal Singhal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Adesh Singhal who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration, M/s S.S. Gupta & Co., Chartered Accountants, Meerut retire and, being eligible, offer themselves for re-appointment.

Rithani, Delhi Road, Meerut

On behalf of the Board of Directors

10th June, 1999

Sd.

(DINESH SINGHAL)
MANAGING DIRECTOR

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KANO HAR ELECTRICALS LIMITED**NOTES**

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy so appointed need not be the member of the Company.
2. All documents referred in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except holidays between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.
3. The register of Members and Share Transfer Books of the Company will remain closed from 16-09-99 to 27-09-99 (both days inclusive). The dividend on Equity Shares, when declared will be payable to the members whose names stand on the Register of Members as on 16-09-99.
4. Members are requested to notify change in address, if any, to the Company at its Registered Office, quoting correct folio number(s).
5. Members who are holding shares in identical order of names in more than One Folio are requested to write to the Company enclosing their share certificates to enable the Company to consolidate their holdings in One Folio.
6. Members seeking further information about the accounts are requested to write atleast one week before the date of meeting.

Rithani, Delhi Road, Meerut

On behalf of the Board of Directors

10th June, 1999

Sd.

(DINESH SINGHAL)
MANAGING DIRECTOR

27th ANNUAL REPORT, 1998-99

DIRECTOR'S REPORT

To the Members,

Your Directors have pleasure in submitting the 27th Annual Report together with the Audited Statements of Accounts of the Company for the financial year ended 31st March, 1999.

The summarised Financial Results for the year ended 31st March, 1999 and for the previous year ended 31st March, 1998 are as under :

| | (Rs. in Lacs) | |
|---|------------------------|------------------------|
| | Year ended 31-03-99 | Year ended 31-03-98 |
| Sales/Income from Operation | 2275.37 | 1331.63 |
| Other Income | 181.89 | 110.20 |
| Total Expenditure | 2275.53 | 1296.97 |
| Profit before Interest, Depreciation & Taxation | 181.73 | 144.86 |
| Less : | | |
| (i) Interest | 61.98 | 59.53 |
| (ii) Depreciation | 24.70 | 20.06 |
| Profit before tax | 95.05 | 65.27 |
| Less : Provision for tax | 14.40 | 10.49 |
| Profit after tax (available for Appropriation) | 80.65 | 54.78 |
| APPROPRIATION | | |
| Balance brought forward from last year | 38.66 | 20.84 |
| Income Tax paid for earlier years | 2.94 | — |
| Proposed Dividend | 43.95 | 36.33 |
| Transferred to General Reserve | 5.00 | 0.64 |
| Balance carried over to Balance Sheet | 67.42 | 38.65 |
| RESERVES & SURPLUS | | |
| General Reserve | 75.00 | 70.00 |
| Profit & Loss Account | 67.42 | 38.65 |
| Share Premium | 261.32 | 256.95 |

COMPANY'S WORKING**PERFORMANCE**

Inspite of the recessionary and tight money market conditions prevailing in the market and continued deterioration in power sector your Company has achieved the sales of Rs. 2275.37 lacs during this fiscal and profits of Rs. 95.05 lacs before taxation. After providing Rs. 17.34 lacs for income tax and dividend tax and Rs. 43.95 for proposed dividend an amount of Rs. 5.00 lacs has been transferred to General Reserve and the remaining profits of Rs. 28.76 lacs have been carried over to Balance Sheet.

Further, cash accruals during this year has increased to Rs. 108.14 lacs as compared to Rs. 77.63 lacs achieved during the previous year.

KANO HAR ELECTRICALS LIMITED**DIVIDEND**

Your Directors are pleased to recommend for your approval the payment of a dividend of 12% (prorata) on the paid up/enhanced capital.

The outflow on account of dividend would be Rs. 43.95 lacs as compared to Rs. 36.33 lacs in the previous year.

FUTURE PROSPECTS :

Your Directors consider the future of the Company very bright.

ACCOUNTS :

The relevant notes on the accounts of the Company referred to in the Auditors' report are self explanatory and therefore do not call for any further comments.

DEPOSITS :

The Company had fixed deposits of Rs. 12.52 lacs as on 31st March, 1999. There were no deposits with the Company which matured for payment and which remained unclaimed by the depositors or unpaid by the Company as on 31st March, 1999.

Disclosures of Status on Y2K Preparedness :

- (a) The company has achieved year 2000 compliance of it's hardware, software and operating systems.
- (b) The expenditure incurred on the Y2K project is negligible due to in house development of softwares.
- (c) The company does not foresee any problem, however adequate contingency plans have been formulated for meeting any exigency.

DIRECTORATE :

Shri Kanohar Lal Singhal and Shri Adesh Singhal, Directors of the Company retire by rotation, and being eligible, offer themselves for re-election.

AUDITORS :

The Auditors of the Company M/s. S.S. Gupta & Co., Chartered Accountants, Meerut, retire and being eligible offer themselves for reappointment.

PERSONNEL :

There was no employee of the Company, whose particulars are required to be given under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

LISTING OF SHARES :

The shares of your Company are listed at Kanpur, Mumbai and Delhi Stock Exchanges and the Company has paid the listing fee to each such exchange upto the year 1999-2000.

CONSERVATION OF ENERGY :

No major step has been taken so far.

TECHNOLOGY ABSORPTION :

No technology has been imported.

Indigenous technology available is continuously being upgraded to improve overall performance.

The emphasis on research and development has resulted in the Company maintaining it's lead in it's field of operation.