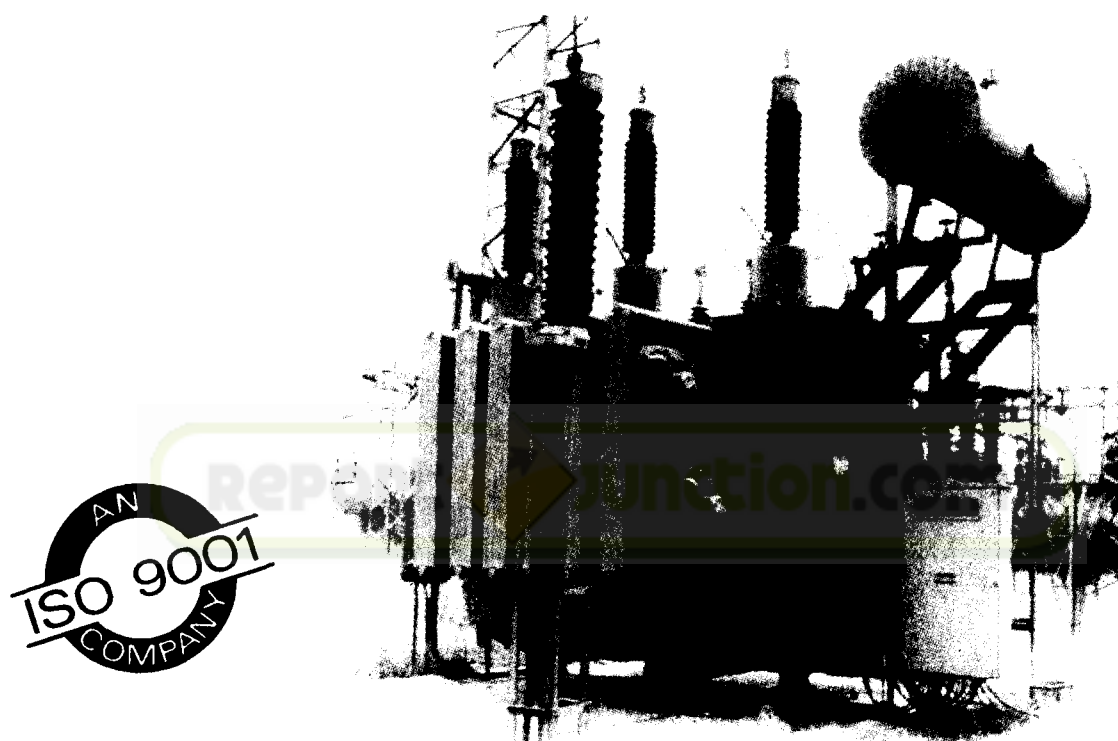


KANO HAR



ANNUAL REPORT
2001 - 2002

KANO HAR ELECTRICALS LIMITED

BOARD OF DIRECTORS

Kanohar Lal Singhal
Chairman

Dinesh Singhal
Managing Director

Adesh Singhal
Executive Director

Brijesh Singhal
Executive Director

Mukesh Singhal
Director

AUDITORS

S.S. Gupta & Co.
Chartered Accountants

REGISTERED OFFICE

RITHANI, DELHI ROAD, MEERUT - 250 103

PHONES : 511010, 512020, 513030, 512099

FAX : 91-121-512763, 524244

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

website : www.kanohar.com

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 **THIRTYTH ANNUAL GENERAL MEETING** of the members of **KANO HAR ELECTRICALS LIMITED** will be held at the Registered Office of the Company at Rithani, Delhi Road, Meerut on Friday, the 27th day of September, 2002 at 11.00 A.M. to transact the following business :

1. To consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2002 and the Balance Sheet as on that date along with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri Kanohar Lal Singhal, who retires by rotation and, being eligible, offers himself for re-appointment.
3. 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

20th August, 2002

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 16-09-2002 to 27-09-2002 (both days inclusive).
4. Members are requested to notify change in address, if any, to the Company at it's 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

20th August, 2002

Sd.

(DINESH SINGHAL)
MANAGING DIRECTOR

30th ANNUAL REPORT, 2001-2002

DIRECTOR'S REPORT

To the members,

Your Directors have pleasure in submitting the 30th Annual Report together with the Audited Statements of Accounts of the Company for the financial year ended 31st March, 2002.

The summarised Financial Results for the year ended 31st March, 2002 and for the previous year ended 31st March, 2001 are as under :

	Year ended 31.03.2002	(Rs. in Lacs) Year ended 31.03.2001
Sales/Income from operation	1483.53	1432.89
Other Income	164.32	137.40
Total Expenditure	1542.77	1473.22
Profit before Interest, Depreciation & Taxation	105.08	97.07
Less :		
(i) Interest	52.44	43.07
(ii) Depreciation	27.72	26.75
Profit before Tax	24.92	27.25
Less : Provision for tax	10.21	4.26
Profit after tax (available for Appropriation)	14.71	22.99

APPROPRIATION

Balance brought forward from last year	81.52	78.49
Income Tax paid for earlier years	.06	0.98
Expenses relating to earlier years	---	0.59
Proposed Dividend	---	18.39
Difference due to valuation of Opening Stock	31.92	---
Transferred to General Reerve	5.00	---
Balance carried over to Balance Sheet	59.37	81.52

RESERVES & SURPLUS

General Reserve	4.63	80.00
Profit & Loss Account	59.37	81.52
Share Premium	263.85	263.63
Deferred Tax Liability	86.58	---

COMPANY'S WORKING**PERFORMANCE****(a) FINANCIAL :**

The continuous recession in the economy and delay in Power sector reforms has now taken a heavy toll on the market comprising of transformers, and the Government policies are adding fuel to the fire by not being industry friendly, even then your company turnover approached the 1500 lacs mark. During this fiscal profits were Rs. 24.91 lacs before taxation. After providing Rs. 10.21 lacs for Income Tax the remaining profits of Rs. 14.71 lacs have been carried over to Balance Sheet.

Further cash accruals during the year were Rs. 51.43 lacs.

KANO HAR ELECTRICALS LIMITED**(b) EXPORTS :**

The export turnover of the Company increased from Rs. 102.43 lacs to Rs. 273.47 lacs in the year under review, showing strong growth potential in overseas market.

(c) TECHNICAL :

The Company's new plant at Gangol Road site set up last year for the manufacture of Radiators and CRGO Lamination has been fully operational this financial year which has improved the quality of transformer.

DIVIDEND

Keeping in view the declining profits and healthy practice of ploughing back the profits generated, your Directors have not recommended any dividend at all.

FUTURE PROSPECTS

With government following up the power sector reforms, the Power Distribution would be in the hands of private sector which would definitely increase the demand for quality transformers and your company is fully geared up to produce optimum quality transformers.

ACCOUNTS

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

DEPOSITS

The company does not have any Fixed Deposits in hand as on 31st March 2002.

DIRECTORATE

Shri Kanohar Lal Singhal, Director of the Company retire by rotation, and being eligible, offer himself for re-appointment.

AUDITORS

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

PERSONNEL

Your Company continues to place emphasis on enhancement of skills and capabilities of its people, their technological competence and its utilisation towards meeting customers requirements the latest step in this direction is to make the employees computer savvy.

Your Board of Directors have planned to make the company fully computerised by the end of this financial year and to make this a reality the company is providing in house training on computers to its employees.

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 2002-2003.