

KANO HAR



**ANNUAL REPORT
2002 - 2003**

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

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AUDITORS

S.S. Gupta & Co.
Chartered Accountants

REGISTERED OFFICE

RITHANI, DELHI ROAD, MEERUT - 250 103
PHONES : 2511010, 2512020, 2513030, 2512099
FAX : 91-121-2512763, 2524244
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 : 2440222, 2440194

KANO HAR ELECTRICALS LIMITED**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the **THIRTY FIRST 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 Monday, the 29th day of September, 2003 at 11.00 A.M. to transact the following business:

Ordinary Business :

1. To consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2003 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 Brijesh Singhal, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Mukesh Singhal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration, M/s S.S. Gupta & Co., Chartered Accountants, Meerut retire and, being eligible, offer themselves for re-appointment.

Special Business :

5. To consider and if thought fit, pass with or without modification(s) the following resolution as an Ordinary Resolution :

"RESOLVED that in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions of Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the consent of the Company be and is hereby accorded to the fixing of remuneration of Shri Kanohar Lal Singhal, Chairman of the Company, for a period of 3 (three) years with effect from 01.10.2003, on the terms and conditions as given below :

1. Basic Salary : Rs. 20,000/- (Rupees twenty thousand only) per month.
2. Perquisites/benefits :
 - a) Telephone at residence for official purposes.
 - b) Free use of car and driver for the Company's business.
 - c) Other benefits, schemes, privileges and amenities, amended salary structure as are granted to the senior executives of the Company in accordance with the Company's practice, regulations in force from time to time."

"RESOLVED further that notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay aforesaid remuneration as minimum remuneration to the Director."

"RESOLVED further that Board of Directors be and is hereby authorised to take all such steps as may be considered necessary to give effect to the resolution."

6. To consider and if thought fit, pass with or without modification(s) the following resolution as an Ordinary Resolution :

"RESOLVED that in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions of Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the consent of the Company be and is hereby accorded to the

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fixing of remuneration of Shri Dinesh Singhal, Managing Director of the Company, for a period of 3 (three) years with effect from 01.10.2003, on the terms and conditions as given below :

1. Basic Salary : Rs. 20,000/- (Rupees twenty thousand only) per month.
2. Perquisites/benefits :
 - a) Telephone at residence for official purposes.
 - b) Free use of car and driver for the Company's business.
 - c) Other benefits, schemes, privileges and amenities, amended salary structure as are granted to the senior executives of the Company in accordance with the Company's practice, regulations in force from time to time."

"RESOLVED further that notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay aforesaid remuneration as minimum remuneration to the Director."

"RESOLVED further that Board of Directors be and is hereby authorised to take all such steps as may be considered necessary to give effect to the resolution."

7. To consider and if thought fit, pass with or without modification(s) the following resolution as an Ordinary Resolution :

"RESOLVED that in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions of Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the consent of the Company be and is hereby accorded to the fixing of remuneration of Shri Adesh Singhal, Director of the Company, for a period of 3 (three) years with effect from 01.10.2003, on the terms and conditions as given below :

1. Basic Salary : Rs. 20,000/- (Rupees twenty thousand only) per month.
2. Perquisites/benefits :
 - a) Telephone at residence for official purposes.
 - b) Free use of car and driver for the Company's business.
 - c) Other benefits, schemes, privileges and amenities, amended salary structure as are granted to the senior executives of the Company in accordance with the Company's practice, regulations in force from time to time."

"RESOLVED further that notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay aforesaid remuneration as minimum remuneration to the Director."

"RESOLVED further that Board of Directors be and is hereby authorised to take all such steps as may be considered necessary to give effect to the resolution."

8. To consider and if thought fit, pass with or without modification(s) the following resolution as an Ordinary Resolution :

"RESOLVED that in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XII and all other applicable provisions of Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the consent of the Company be and is hereby accorded to the fixing of remuneration of Shri Brijesh Singhal, Director of the Company, for a period of 3 (three) years with effect from 01.10.2003, on the terms and conditions as given below :

KANO HAR ELECTRICALS LIMITED

1. Basic Salary : Rs. 20,000/- (Rupees twenty thousand only) per month.
2. Perquisites/benefits :
 - a) Telephone at residence for official purposes.
 - b) Free use of car and driver for the Company's business.
 - c) Other benefits, schemes, privileges and amenities, amended salary structure as are granted to the senior executives of the Company in accordance with the Company's practice, regulations in force from time to time."

"RESOLVED further that notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay aforesaid remuneration as minimum remuneration to the Director."

"RESOLVED further that Board of Directors be and is hereby authorised to take all such steps as may be considered necessary to give effect to the resolution."

Rithani, Delhi Road, Meerut

On behalf of the Board of Directors

3rd July, 2003

Sd.

(DINESH SINGHAL)
MANAGING DIRECTOR



31st ANNUAL REPORT, 2002-2003**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 Book of the Company will remain closed from 16-09-2003 to 29-09-2003 (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.

Explanatory Statement under Section 173 (2) of the Companies Act, 1956

The Explanatory Statement to the item Nos. 5 to 8 of the accompanying Notice set out hereinabove is as under :

1. GENERAL INFORMATION :

1. Nature of industry.		Manufacturing of overhead Line Equipment	
2. Date or expected date of commencement of commercial production.		1972	
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.		N.A.	
4. Financial performance based on given indicators.	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
	2002-03	2001-02	2000-01
1) Sales & Service	1953.15	1483.53	1432.89
2) Profit before Tax	35.51	24.92	27.25
3) Profit after Tax	27.10	14.71	22.99
5. Export performance and net foreign exchange collaborations (F.O.B.)	21.77	219.14	102.43
6. Foreign Investments or Collaboration, if any.	NIL		

KANO HAR ELECTRICALS LIMITED**2. INFORMATION ABOUT THE APPOINTEE :**

1. Background details.	K. L. Singhal	Dinesh Singhal	Adesh Singhal	Brijesh Singhal
i) Qualification	B.Com.	B.E.	B.E.	B.Com.
ii) Experience (Years)	43	26	23	20
2. Past Remuneration (Rs./Month)	12500	12500	12500	12500
3. Recognition or awards	—	—	—	—
4. Job Profile and its suitability	Chairman	M.D.	E.D. (Tech.)	E.D. (Comm.)
	Administration	Sales	Design/Production	Purchase/Account
5. Remuneration proposed (Rs./Month)	20000	20000	20000	20000
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin.)	Official statistics not available			
7. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personal, if any.	Father of all other Directors		Sons of Chairman and all these three are brothers.	

3. OTHER INFORMATIONS :

1. Reasons of loss or inadequate profits.	Delay in Power Sector reforms.
2. Steps taken or proposed to be taken for improvement.	Enactment of Electricity Act and Power Sector reforms by State Governments.
3. Expected increase in productivity and profits in measurable terms.	Expected increase 125% to 150%.

Rithani, Delhi Road, Meerut

On behalf of the Board of Directors

3rd July, 2003

Sd.

(DINESH SINGHAL)
MANAGING DIRECTOR

31st ANNUAL REPORT, 2002-2003**DIRECTORS' REPORT**

To the members,

Your Directors are pleased to present the 31st Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2003.

FINANCIAL RESULTS :

The performance of the Company for the financial year ended 31st March, 2003 is summarised below :

	Year ended 31.03.2003	(Rs. in Lacs) Year ended 31.03.2002
Sales/Income from operation	1953.15	1483.53
Other Income	195.57	164.32
Total Expenditure	2041.70	1542.77
Profit before Interest, Depreciation & Taxation	107.02	105.08
Less :		
(i) Interest & Financial Charges	42.47	52.44
(ii) Depreciation	29.04	27.72
Profit before Tax (available for Appropriation)	35.51	24.92
Less : Provision for tax	8.41	10.21
Profit after tax	27.10	14.71

APPROPRIATION

Balance brought forward from last year	59.37	81.52
Excess provision for Income Tax written back	2.11	0.08
Income Tax paid for earlier years	0.01	0.02
Provision for Deferred Tax for earlier years	2.22	0.00
Difference due to valuation of Opening Stocks	0.00	31.92
Transferred to General Reserve	0.00	5.00
Balance carried over to Balance Sheet	86.35	59.37

RESERVES & SURPLUS

General Reserve	4.63	4.63
Profit & Loss Account	86.35	59.37
Share Premium	263.85	263.85
Deferred Tax Liability	94.21	86.58

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

Your Company's financial performance this year was better than previous year. Some of the highlights are :

- ✓ Gross Turnover increased by 31.66% to Rs. 1953.15 lacs (US \$ 4.16 million).
- ✓ Net Profits before taxation increased by 42.48% to Rs. 35.51 lacs (US \$ 0.08 million).
- ✓ Net Profits after tax is significantly higher by 84.23%, Rs. 27.10 lacs (US \$ 0.06 million).
- ✓ Net Worth climbed to Rs. 816.93 lacs (US \$ 1.74 million)
- ✓ Earning per share improved by 85% to Rs. 0.74.