



**KLK**

**KLK ELECTRICAL LIMITED**

30<sup>th</sup> Annual Report

2010-11



## BOARD OF DIRECTORS

**Shri.V.Lavakumar** Chairman & Managing Director  
**Shri.J.M.Menezes** Director  
**Shri.John.B.Thangasamy** Director

**Auditors** M/s.N.Subramanian  
Chartered Accountant,  
# 81, Greems Road,Chennai-6.

**Registered & Admin. Office** 64 (New No.) 8<sup>th</sup> Cross Street,  
West Shenoy Nagar,  
Chennai 600 030.

**Share Transfer Agency** M/s.Cameo Corporate Services Ltd.,  
'Subramanian Building'  
No.1, Club House Road,  
Chennai 600 002.

**Listing on Stock Exchanges** a)Bombay Stock Exchange Ltd  
P.J.Towers, Dalal Street,  
Mumbai-400 001.

b)Madras Stock Exchange Ltd.,  
Exchange Building,  
11, Second Line Beach,  
Chennai 600 001.

### NOTICE

NOTICE is hereby given that the 30<sup>th</sup> Annual General Meeting of the members of **KLK ELECTRICAL LIMITED** will be held on Thursday the 29<sup>th</sup> September, 2011 at 11.00 A.M. at the Registered Office of the Company, at New no.64, 8<sup>th</sup> Cross Street, West Shenoy Nagar, Chennai – 600 017, to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2011 and Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of **Shri. John B.Thangasamy**, who retires by rotation on that date and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration to be decided by the Board of Directors.

#### SPECIAL BUSINESS:

#### **4. INCREASE OF THE AUTHORISED SHARE CAPITAL AND CONSEQUENT AMENDMENT TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION**

*To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:*

**"RESOLVED THAT** pursuant to provisions of Section 16, 31, 94 and other applicable provisions, if any, of Companies Act, 1956, the Authorised Share Capital of the Company be increased from Rs. 2,00,00,000/- (Rupees Two Crores only) to Rs.5,00,00,000/- (Rupees five Crores only) by creation of 30,00,000 further equity shares of Rs. 10/- each ranking *pari passu* with the existing equity shares."

**"RESOLVED FURTHER THAT** the existing clause IV of the Memorandum of Association of the company be substituted as follows:

"The share capital of the Company is Rs. 5,00,00,000 divided into 50,00,000 equity shares of Rs.10 each. The Company has the power from time to time to increase or reduce its capital. Any of the said shares and any new shares hereafter to be created may from time to time be divided into shares of several classes in such manner as the Articles of Association of the Company, may prescribe or allow and so that the shares of each class may have or confer such preferred or other special rights and privileges and may be issued under such restrictions and conditions whether in regard to dividend, voting return of capital or otherwise as shall have been assigned there to by or under provisions of the Articles of Association but so that the special rights or privileges belonging to holders of any shares issued with preferred or other rights shall not be varied or abrogated or affected except with such sanction as is provided for by the Articles of the Company for the time being."

**RESOLVED FURTHER THAT** the existing Clause 3(a) of the Articles of Association of the Company be substituted as follows:

"The share capital of the Company is Rs.5,00,00,000 divided into 50,00,000 equity shares of Rs.10/- each."

**RESOLVED FURTHER THAT** Mr. V. Lavakumar, Chairman be and is hereby authorised to do such acts, deeds and things as may be deemed expedient to give effect to this resolution including but not limited to filing of the necessary e-forms under his digital signature on the web portal of the Ministry of Corporate Affairs."

#### **5. ISSUE OF EQUITY SHARES UNDER PREFERENTIAL BASIS**

*To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:*

**"RESOLVED THAT** the consent of the company be and is hereby accorded to the Board, pursuant to the 81(1A) and other relevant provision of the Companies Act,1956 as also of any other applicable laws, rules and regulations (including any amendments thereto or reenactment thereof for the time being in force) and enabling the provisions in the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchange where the share of the Company are listed and subject to such approvals, consents, permissions and sanctions of the Government of India, Reserve Bank of India, Securities and Exchange Board of India (SEBI) and all other appropriate authorities concerned and subject to such conditions and modification as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ("Board")(which terms shall be deemed to include any Committee the Board may be Constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), which the Board be and is hereby authorised to accept, if it thinks fit in the interest of the company, to issue, offer and allot Equity shares on preferential basis up to 20,00,000 (Twenty Lakhs) equity shares of the face value of Rs. 10/- each fully paid-up at a premium of Rs.5/- for an aggregate amount up to Rs. 3,00,00,000 (Rupees three Crores only) to the following persons, and upon such terms and conditions as may be deemed appropriate by the Board at its absolute discretion.

Sl. No.	Name of the proposed allottees	No. of equity shares to be allotted
	Rajendra Naniwadekar	3,25,000
	Rudram Investments & Finance Private Ltd	3,00,000
	Uday Kranti Investments Limited	3,50,000
	Marsh CDM Services Private Limited	3,25,000
	Matnic Finvest Private Limited	3,50,000
	Venkata Soma Sekhara Reddy Vamireddy	3,50,000
	<b>Total</b>	<b>20,00,000</b>

**RESOLVED FURTHER THAT** the above said Equity shares shall be under a lock in period of three years for the promoters and one year for those allottees other than promoters from the date of allotment made by the Board of Directors of the Company as per the SEBI Regulations for Preferential Allotment contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

**RESOLVED FURTHER THAT**

(a) The 'relevant date' for the purpose of pricing of the equity shares, in accordance with the SEBI Regulations is August 29, 2011 being the 30<sup>th</sup> day prior to September 29, 2011 (i.e. the date on which the Annual General Meeting of the shareholders will be held, in terms of Section 81(1A) of the Companies Act, 1956 to consider the proposed issue of equity shares on preferential basis).

(b) The Board be and is hereby authorized to decide and approve, other terms and conditions of the issue of equity shares as above and also shall be entitled to vary, modify or alter any of the terms and conditions, including the size of the issue, as it may deem expedient.

©The Board be and is hereby authorised to delegate all or any of the power herein conferred by this resolution to any director or directors or to any committee(s) of the directors or any other officers of the Company or to any other person or persons as it may deem fit, for the purpose of giving effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** all such equity shares shall be subject to the terms prescribed by the Board and the relevant clauses of the Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT** equity shares so issued shall rank pari-passu in all respects with the existing equity shares of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above issue of equity shares, the Board be and is hereby authorised to all such acts, deeds, matters, and things as it may, in its absolute discretion, deem necessary or desirable and to settle any questions, difficulty or doubt that may arise in regard to the offer, issue and allotment of the new equity shares.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorised to delegate all or any of the powers hereinabove conferred to any committee of the Directors of the company to give effect to the aforesaid resolution."

By order of the Board,  
For KLK Electrical Ltd.  
( V.Lavakumar )  
CHAIRMAN

Place: CHENNAI

Date: 02.09.2011

**NOTES:**

1.A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than forty eight hours before the commencement of the meeting. Form of proxy is enclosed.

2.The Explanatory Statement pursuant to section 173 of the Companies Act, 1956 is given below and forms part of the Notice.

3.Since the Company is yet to declare any dividend, disclosure regarding status of unclaimed dividend under section 205A of the Companies Act, 1956 does not arise.

4.The Register of Members and Share Transfer Books of the Company will remain closed from 28<sup>th</sup> September, 2011 to 29<sup>th</sup> September, 2011 (both days inclusive).

5.Shareholders are requested to bring their copy of Annual Report to the meeting.

6.Members/ Proxies should bring the attendance slips filled in for attending the meeting.

7.Members are requested to notify immediately any change in their address (with Pin-Code), if any, quoting their registered folio numbers to the Registrar and Transfer Agent M/s. Cameo Corporate Services Limited, "Subramanian Building", 1, Club House Road, Chennai - 600 002.

8.Members seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

9.Members are requested to quote their folio number and name in all correspondence with the Company.

10.Corporate members intending to send their authorised representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.

**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**ITEM: 4 - INCREASE OF THE AUTHORISED SHARE CAPITAL AND CONSEQUENT AMENDMENT TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION**

The present Authorised Share Capital of the Company is Rs. Two Crores. In view of the proposal for further issue of Shares, it is proposed to increase the Authorised Share Capital of the Company from Rs.2,00,00,000 (Rupees Two Crores only) divided into 20,00,000 equity shares of Rs. 10/- each to Rs. 5,00,00,000 (Rupees Five Crores only) divided into 50,00,000 equity shares of Rs. 10/- each.

The Board of directors at their meeting held on September 2, 2011 approved the proposal for increase in Authorised Share Capital of the Company and consequent amendments to the Memorandum and Articles of Association of the Company.

Increase in Authorised Share Capital would necessitate amendment to the Clause IV of the Memorandum of Association and Clause 3(a) Articles of Association of Company and would require member's approval by passing a Special Resolution.

None of the directors may be considered to be interested or concerned in this Resolution.

**ITEM: 5 - ISSUE OF EQUITY SHARES UNDER PREFERENTIAL BASIS**

**1.Objects and background of the Issue**

The purpose of the issue of equity shares on preferential basis is to clear the existing liabilities, for working capital and to explore other business opportunities.

**2. Relevant date and Pricing of the Issue**

The 'relevant date' for the purpose of pricing of the equity shares, in accordance with the SEBI Regulations is August 29, 2011 being the 30<sup>th</sup> day prior to September 29, 2011 (i.e. the date on which the Annual General Meeting of the shareholders will be held, in terms of section 81(1A) of the Companies Act, 1956 to consider the proposed issue of equity shares on preferential basis)

"Pricing of the Issue" – The issue price of Rs.15/- (Rupees fifteen Only) arising out of the preferential issue of shares is in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

and for the purpose of the above guidelines the relevant date would be August 29, 2011.

**3. Intention of the promoters or their associates and relatives to subscribe to the offer.**

The present proposed 20,00,000 Equity Shares to be issued on preferential basis to non promoters of the company. None of the promoters or associates and relatives is interested to subscribe to the offer.

**4. Identity of the proposed allottees and percentage of post issued capital that may be held:**

Name and address of the proposed allottees	No. of Shares proposed to be allotted	Amount (In Rs.)	Existing Shareholding in the Company	Shareholding after the preferential allotment	% of Shareholding by the post Preferential Equity Capital
Rajendra Nani wadekar 3-4-252/1, Kachiguda, Hyderabad 500 027	3,25,000	48,75,000	10,200	3,35,200	10.31
Rudram Investments & Finance Private Limited, 3-4-512/46, Street #9, Barkatpura, Hyderabad	3,00,000	45,00,000	0	3,00,000	9.23
Uday Kranti Investments Limited, 3-4-138/A, Lingampally Hyderabad	3,50,000	52,50,000	0	3,50,000	10.77
Marsh CDM Services Private Limited B-403, Kushal Towers Khairatabad , Hyderabad 500 004	3,25,000	48,75,000	0	3,25,000	10.00
Matric Finvest Pvt.Ltd. 1367, Road # 45 Jubilee Hills, Hyderabad 500 033	3,50,000	52,50,000	0	3,50,000	10.77
Venkata Soma Sekhara Reddy Vemireddy 6-1-52, Godugupalem, Ongole 523002	3,50,000	52,50,000	0	3,50,000	10.77
<b>TOTAL</b>	<b>20,00,000</b>	<b>3,00,00,000</b>			

**5. Shareholding pattern before and after the offer**

Category code	Category of Shareholder	Pre Issue		Post Issue	
		Number of shares	% of shareholding	Number of shares	% of shareholding
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>				
<b>1</b>	<b>Indian</b>				
(a)	Individuals / Hindu Undivided Family	2,78,150	22.25	2,78,150	8.56
(b)	Central Government / State Government(s)	0		0	
(c)	Bodies Corporate	0		0	
(d)	Financial Institutions / Banks	0		0	
(e)	Any Others (Specify)	0		0	
	<b>Sub-total</b>	<b>2,78,150</b>	<b>22.25</b>	<b>2,78,150</b>	<b>8.56</b>
<b>2</b>	<b>Foreign</b>				
a	Individuals (Non-resident individuals/foreign Individuals)	0		0	
b	Bodies Corporate	0		0	
c	Institutions	0		0	
d	Any Others (Specify)	0		0	
	<b>Sub-total (A)(2)</b>	<b>0</b>		<b>0</b>	
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>2,78,150</b>	<b>22.25</b>	<b>2,78,150</b>	<b>8.56</b>
<b>(B)</b>	<b>Public shareholding</b>				
<b>1</b>	<b>Institutions</b>				
(a)	Mutual Funds/ UTI	0		0	
(b)	Financial Institutions / Banks	0		0	
(c)	Central Government / State Government(s)	0		0	
(d)	Venture Capital Funds	0		0	
(e)	Insurance Companies	0		0	
(f)	Foreign Institutional Investors	0		0	
(g)	Foreign Venture Capital	0		0	

Category code	Category of Shareholder	Pre Issue		Post Issue	
		Number of shares	% of shareholding	Number of shares	% of shareholding
	Investors				
(h)	Any other (specify)	0		0	
	<b>Sub-total (B) (1)</b>	<b>0</b>		<b>0</b>	
<b>B 2</b>	<b>Non-institutions</b>				
(a)	Bodies Corporate	19,900	1.59	13,44,900	41.38
(b)	Individuals				
	i. Individual shareholders holding nominal share capital up to Rs.1 lakh	5,28,273	42.26	5,28,273	16.26
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	3,16,977	25.36	9,91,977	30.52
(c)	Any Other				
	a) Clearing Member	1,600	0.13	1,600	0.05
	b) NRI	96,500	7.72	96,500	2.97
	c) Trust (HUF)	8,600	0.69	8,600	0.26
	<b>Sub-total (B)(2)</b>	<b>9,71,850</b>	<b>77.75</b>		
<b>(B)</b>	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>9,71,850</b>	<b>77.75</b>	<b>29,71,850</b>	
	<b>TOTAL (A)+(B)</b>	<b>12,50,000</b>	<b>100.00</b>	<b>32,50,000</b>	<b>100.00</b>
<b>(C)</b>	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-
	(1) Promoter and Promoter Group	-	-	-	-
	(2) Public	-	-	-	-
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>12,50,000</b>	<b>100.00</b>	<b>32,50,000</b>	<b>100.00</b>

#### 6. Proposed time within which the allotment shall be completed

The allotment of shares shall be completed within 15 days from the date of passing the resolution by the shareholders, provided that where the allotment is pending on account of pendency of any approval from any regulatory authority or the Central Government, then the allotment shall be completed by the Company within a period of 15 days from the date on which the company receives all approvals from the concerned authorities and receipt of subscription from the investors

#### 7. Composition of the Board / Control

There will be no change in the composition of the Board and there will be not any change in control of the company as a result of the preferential issue of shares.

#### 8 Auditor's Certificate

A copy of the certificate of the company's statutory auditor as per SEBI Regulations shall be placed before the shareholders.

The provisions of the Companies Act, 1956 contemplate consent of the members by way of special resolution in general meeting for further issue of shares to persons other than the existing holders of shares.

Shareholders consent is sought pursuant to Section 81 (1A) of the Companies Act, 1956 and in terms of the Listing Agreement with the Stock Exchanges to the issue of the above shares on preferential basis as set out in the resolution.

None of the promoters / directors are interested in the subject matter of this resolution.

Your directors recommend the proposed resolution for approval

By order of the Board,

For KLK Electrical Ltd  
(V.LAVAKUMAR)  
CHAIRMAN

Place: CHENNAI

Date: 02.09.2011

#### DIRECTOR'S REPORT TO THE MEMBERS

Dear Members,

Your Directors have pleasure in presenting the 30<sup>th</sup> Annual Report of the Company with audited accounts for the year ended 31<sup>st</sup> March, 2011.

#### FINANCIAL RESULTS.

Particulars	31.03.2011 (Rs. In Lakhs)	31.03.2010 (Rs. In Lakhs)
Sales	24.09	90.84
Service Charges	--	-
Other Income	1.19	--
Profit/ (Loss) Before Dep. & Tax	(-)9.71	2.42
Depreciation	0.25	0.30
Profit/ (Loss) After depreciation	(-)9.96	2.12
Provision for Taxation	NIL	NIL
Profit After tax	(-)9.96	2.12
Investment allowance reserve	NIL	NIL
Transferred to General Reserve	NIL	NIL
Provision for divided	NIL	NIL
(Loss) Balance C/F to next year	(76.86)	(66.90)

#### OPERATIONS:

The Company achieved turnover of Rs.25.28 Lakhs (Previous Year Rs. 90.84 Lakhs). The turnover declined due to lack of demand.

#### DEPOSITS:

The Company has not invited / received any fixed deposits during the year under review as per section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

### DIVIDEND:

Your directors have not recommended any dividend for the financial year ended 31<sup>st</sup> March, 2011 to the members due to Loss.

### DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association Shri. John B.Thangasamy, Director is due to retire by rotation and is eligible for re-appointment.

### AUDITORS:

M/s. N. SUBRAMANIAN, Chartered Accountants, Chennai retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office of Auditors, if re-appointment.

### AUDITORS REPORT:

The observations made by the auditors in their report and notes to the accounts are self-explanatory.

### LISTING STATUS:

The Company's Shares are listed both in Chennai and Bombay Stock Exchanges at present. Listing fees have been paid for the financial year

### CORPORATE GOVERNANCE:

Pursuant to the circular of Securities and Exchange Board of India, the Stock Exchanges have incorporated a Clause 49 in the Listing Agreement on Corporate Governance with regard to the composition of Board of Directors, Audit Committee, Remuneration of Directors, Board meeting procedures, Management, discussions and analysis about the business, redressal of shareholders' grievances and their services. According to the schedule of implementation forwarded by these Stock Exchanges, the Companies whose paid-up capital is Rs.3 Crores and above is advised to comply with the Clause 49 of the Listing Agreement. Since the capital of your Company is less than Rs.3 Crores, compliance of the Clause 49 of the Listing Agreement does not arise.

INFORMATION UNDER SECTION 217(1)(E) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES AND FORMING PART OF DIRECTORS REPORT.

#### 1). CONSERVATION OF ENERGY:

The company has no activity relating to Conservation of Energy, during the year.

#### 2). TECHNOLOGY ABSORPTION:

The Company has entered into Technical collaboration with M/s. Elin Union, Austria.

- Technology imported: Load Break Switch and off load isolators.
- Year of Import: Agreement 1984 extended for a further period of six years from 1999.

#### 3). DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of provisions of Section 217(2AA) of the Companies Act, 1956 the Directors confirm.

1. That in the preparation of the Annual accounts, for the financial year ended 31<sup>st</sup> March, 2010 the applicable accounting standards had been followed along with proper explanations relating to material departures.

2. That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

4. That the Directors had prepared the annual accounts on a going concern basis.

### COMPLIANCE CERTIFICATE:

Compliance Certificate as required under provision to Sub-section (1) of Section 383A of Companies Act, 1956 is annexed hereto.

### PERSONNEL:

Particulars of Employees pursuant to Section 217(2A) of the Companies Act, 1956 are not applicable since none of the employees are in receipt of remuneration in excess of the limits specified herein during the period under review.

### ACKNOWLEDGEMENTS:

Your Directors would like to express their grateful appreciation for the assistance and continued co-operation extended by the Banks, Government Authorities and Clients during the period under review. Your Directors wish to place on record their deep sense of appreciation for the devotion and sense of commitment shown by the employees at all the level and acknowledge their contribution for its success

For and on behalf of the Board,

Place:Chennai  
Date: 02-09-11

(J.M. MENEZES)  
DIRECTOR

(V. LAVAKUMAR)  
CHAIRMAN

### Compliance Certificate

Registration No. 18- 008230

Authorised Capital: Rs. 20,000,000/-

To,  
The Members,  
M/s. KLK ELECTRICAL LIMITED

We have examined the registers, records, books and papers of M/s. KLK ELECTRICAL LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March 2011. In our opinion and to the best of our information and according to the examinations carried out by us and information, explanations and declarations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been recorded.

2. The company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies at the dates specified therein.

3. The company being a public limited company the applicability of Section 3(1)(iii) does not arise.

4. The Board of Directors met 7 (SEVEN) times on 15.05.2010, 03.06.2010, 31.07.2010, 28.08.2010, 30.10.2010, 31.01.2011 & 24.03.2011 in respect of which meetings the proceedings were recorded in the Minutes Book maintained for the purpose.

5. The company has closed its Register of Members and share transfer books from 29.09.2010 and 30.09.2010(both inclusive) and necessary compliance of section 154 of the act has been made.

6. The Annual general meeting of the company for the financial year ended on 31.03.2010 was held on 30.09.2010 and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.

7. No Extraordinary General Meeting of members of the company for the financial year ended on 31.03.2011. However the company has conducted a Postal Ballot for altering

the object clause of Memorandum of Association and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.

8. As per the information and declaration given by the management the company had not granted any loans to directors or persons or firms or companies referred in the provisions of Section 295 of the Act.

9. According to the information, explanation and declaration furnished by the management the company had not entered into any transactions pursuant to the provisions of section 297 of the Act, hence the question of obtaining approval u/s 297 of the Act does not arise.

10. The company has made necessary entries in the register maintained under section 301 of the Act.

11. According to the information, explanations and declaration furnished by the management, there was no instance falling within the purview of section 314 of the Companies Act, 1956 and hence the company was not required to obtain any approval from the Board of Directors, members, Central Government during the financial year under review.

12. The Board of Directors had not received any request for issue of duplicate share certificates during the year under review.

13. The Company, during the financial year under review, had:  
(i) Delivered all the share certificates on lodgement thereof for transfer of shares and not made any allotment of securities or received any request for transmission of securities  
(ii) Not Declared any dividend during the financial year under review and hence the question of opening of a separate bank account within the stipulated period does not arise.  
(iii) Not declared any dividend/ interim dividend during the financial year and hence the question of payment/posting of dividend warrants within the stipulated time and transfer of unpaid/unclaimed dividend to unclaimed dividend account of the company does not arise.  
(iv) No unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed/unpaid for a period of seven years, to be transferred to Investor Education and Protection Fund.  
(v) Generally complied with the requirements of section 217 of the Act.

14. The Board of Directors of the company is generally well constituted and the company has complied with the provision of the Act in respect of appointment of director by filing necessary forms with Registrar of Companies. There was no appointment of additional director, alternate directors or director to fill casual vacancy.

15. The company has appointed Managing Director during the financial year under review and complied with the provision of the Act by filling necessary forms with Registrar of Companies

16. The Company had not appointed any sole-selling agents during the financial year under review.

17. The Company had no transaction, which necessitated the Company to seek any approval from the Company Law Board, Regional Director, Registrar of Companies, Central Government or such authorities during the financial year under review.

18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.

19. The company had not issued shares/debentures/other securities during the financial year under review.

20. The company had not bought back any shares during the financial year under review.

21. The company had not issued any redeemable preference Shares/debentures; and hence the question of redeeming any preference shares/debentures does not arise.

22. The Company had not kept in abeyance rights to dividend, rights shares, and bonus shares pending registration of transfer of shares during the financial year under review.

23. According to the information and explanations given by the management, the company had not accepted any deposits from the public and outsiders except the unsecured loan borrowed from Director and their relatives which in the opinion of the management are not deposits and hence not complied with the provision of sections 58A and 58AA read with Companies (Acceptance and Deposit) Rules, 1975

24. The amount borrowed by the Company from the director and their relatives during the financial year is within the borrowing limits of the Company as fixed by the board of directors of the company. Since the amount borrowed by the company is within the limits laid down under section 293(1) (d), of the Act the compliance with the provision of said section does not arise.

25. According to the information, explanations and declaration furnished by the management, the company had not made any loans/ given guarantees or provided securities to other bodies corporate during the year under review. Hence compliance with the provision of section 372A does not arise.

26. The company had not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the financial year under review.

27. The company had altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny and complied with the provision of the Act

28. The company had not altered the provisions of the memorandum with respect to name during the year under scrutiny.

29. The company had not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.

30. The company had not altered its articles of association during the financial year under review.

31. According to the information, explanations and declaration furnished by the management, no prosecution has been initiated against the Company or no show cause notices has been received by the company for any alleged offences under the Act and hence the question of fine or penalties does not arise.

32. The company had not received any amount as security from its employees during the financial year under review except the amount brought forward from previous year; hence the applicability of the provisions of section 417(1) of the Act does not arise.

33. According to the information and explanations furnished by the management, the Company had not constituted its own Provident Fund pursuant to the provisions of Section 418 of the Companies Act 1956; however the company had generally been regular in depositing both the

employers and employees contribution to the Provident Fund with prescribed authorities.

Place: Chennai

Sd/-

Date: 02.09.2011

Name of Company Secretary :  
LAKSHMMI SUBRAMANIAN  
C. P. No. : 1087

**Annexure A**

**Registers as maintained by the Company**

1. Register of Members u/s 150 of the Companies Act, 1956
2. Register of Directors u/s 303 of the Companies Act, 1956
3. Register of Directors Shareholdings u/s 307 of the Companies Act, 1956
4. Register of Contracts, Companies and Firms in which Directors of the Company are interested u/s 299, 301 and 301(3) of the Companies Act, 1956
5. Minutes of the Annual General Meeting/Extra Ordinary General Meeting & Board Meetings u/s 193 of the Companies Act, 1956

**Annexure B**

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on 31<sup>st</sup> March 2011

	Date of Event	Date of filing	Due date	Remarks
Form 23 AC/ACA	30.09.2010	15.10.2010	30-10-2010	In time
Form 20B	30.09.2010	24.11.2010	29-11-2010	In time
Form 66	30.09.2010	15.10.2010	30-10-2010	In time
Form 32	23.03.2011	25.03.2011	22-04-2011	In time
Form 32	15.05.2010	12.06.2010	14-06-2010	In time
Form 32	30.09.2010	18.10.2010	30-10-2010	In time
Form 25C	30.09.2010	13.12.2010	29-11-2010	Belated
Form 25C	30.09.2010	19.10.2010	29-11-2010	In time
Form 23	26.07.2010	10.08.2010	28-08-2010	In time
Form 61	03.06.2010	10.06.2010	10-06-2010	In time

**AUDIT REPORT TO THE MEMBERS OF KLK ELECTRICAL LIMITED**

Ladies & Gentlemen,

- i. I have audited the attached Balance Sheet of M/s. **KLK ELECTRICAL LIMITED, CHENNAI**, as at March 31, 2011 and also the Profit and Loss Account and Cash flow Statement for the year ended on that date annexed thereto all of which I have signed under reference to this report. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.
- ii. I have conducted my audit in accordance with the auditing statement standards generally accepted in India. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
- iii. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, I give below, a statement on the matters specified in paragraph 4 & 5 of the said Order.

1. The Company has maintained proper records showing full particulars including quantitative details and the situation of its fixed assets. The company had disposed off all the fixed assets during the year and no assets were there for physical verification at the year-end. As the company is planning for starting a new line of business and acquire new assets, the sale of assets will not affect the going concern concept of the Company.

2. (a) During the year there was no inventory at the year-end and hence the physical verification of inventory is not applicable.

(b) On the basis of my examination of the records of inventory, I am of the opinion that the company is maintaining proper records of inventory. The discrepancies, if any, noticed on verification of physical stocks and the book record does not arise.

3. (a) The company had not granted any loan, secured or unsecured, to other companies, firms or persons covered in the register maintained under section 301 of the Companies Act, 1956.

(b) The company had taken interest free unsecured loan from three parties listed in the register maintained u/s.301 of the Act. The maximum amount due during the year was Rs.4,241,135/- and the balance outstanding as at the end of the financial year is Rs.4,241,135/-

(c) No interest is payable on such loan taken from him and the other terms and conditions with regard to repayment are, in my opinion prima facie, not prejudicial to the interest of the Company.

4. In my opinion and according to the information and explanation given to me, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory and with regard to the sale of goods. During the course of my audit, no major weakness has been noticed in the internal controls.

5. Based on the audit procedures applied by me and according to the information and explanations provided by the management, I am of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.

6. In my opinion and according to the information and explanations given to me, that there are no transactions made in pursuance of contracts or arrangements, entered in the registers maintained under section 301 and exceeding the value of 5 Lakh rupees during the year.

7. In my opinion and according to the information and explanations given to me, the company has not accepted deposits from public under sections 58A and 58AA of the Companies Act, 1956 during the year.

8. The company has an internal audit system during the year commensurate with the size of the company and nature of its business.

9. In my opinion and according to the information and explanations given to me, the Central Government has not prescribed any rules under clause (d) of sub-section (1) of Section 209 of the Act for the maintenance of cost records in respect of the products dealt with by the company.

10.(a) According to the records of the company, the company is yet to remit the undisputed income tax arrears of Rs.566,607/- relating to the asst. years 1984 - 85 to 1989 - 90, which is outstanding as at March 31, 2011 for a period of more than six months from the date they become payable.

(b) According to the records of the company, there are no dues of sale tax, income tax, customs tax or wealth tax, excise duty / cess which have not been deposited on account of any dispute.

11. The company has incurred cash losses during the financial year covered by my audit; but the company has not incurred any cash losses in the immediately preceding financial year. The accumulated loss has exceeded 50% of the net worth of the company.

12. Based on my audit procedures and on the information and explanations given by the management, I am of the opinion that the company has not defaulted in repayment of dues to a bank. The company does not have any debenture holders.

13. Based on my examination of documents and records, I am of the opinion that the company has not granted during the year any loans or advances on





**KLK ELECTRICAL LIMITED**

New No.64, Ground Floor, 8<sup>th</sup> Cross Street,  
West Shenoy Nagar, Chennai 600 030.

**ATTENDANCE SLIP FOR  
THIRTIETH  
ANNUAL GENERAL MEETING**

Please fill in this attendance slip and hand it over at the entrance of the meeting hall, Joint shareholders may obtain additional attendance slip on request.

NAME AND ADDRESS OF THE SHARE HOLDER

Master Folio No.									
------------------	--	--	--	--	--	--	--	--	--

No. of Shares held :

I hereby record my presence at the Twenty ninth Annual General Meeting of the Company held on the 29<sup>th</sup> September 2011 at 11.00 A.M. at New No,64, 8<sup>th</sup> Cross Street, West Shenoy Nagar , Chennai-600 030

SIGNATURE OF THE SHAREHOLDER OR PROXY

.....

**PROXY**

KLK ELECTRICAL LIMITED  
New No.64, Ground Floor, 8<sup>th</sup> Cross Street,  
West Shenoy Nagar, Chennai 600 030.

Master Folio No.									
------------------	--	--	--	--	--	--	--	--	--

I We .....  
..... being a  
member of KLK ELECTRICAL LIMITED hereby appoint  
..... Of .....  
or failing him ..... of .....

As my/our proxy to vote for me/us and on my/our behalf at the Thirtieth Annual General Meeting of the Company to be held on 29<sup>th</sup> September 2011 at 11.00 A.M. at New No.64,8<sup>th</sup> Cross Street, West Shenoy Nagar Chennai-600 030

Signed ..... day of ..... 2011

Affix a 1  
Rupee  
Revenue  
Stamp

**Note :**  
The proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

the basis of security by way of pledge of shares, debentures and other securities.

14. Based on my examination of documents and records, I am of the opinion the company is not carrying on any activity relating to chit fund, nidhi, mutual benefit fund/society, no special statute is applicable to the company.

15. Based on my examination of the records and evaluation of the related internal controls, I am of the opinion that the company is not dealing or trading in shares, securities, debentures and other investments and hence the question of maintenance of adequate records relating to the same does not arise.

16. The company has not given any guarantee for loans taken by others from bank or financial institutions.

17. The company has not raised any term loans during the year and hence the application of the funds for the purpose for which they were raised does not arise.

18. According to the information and explanations given to me and on an overall examination of the balance sheet of the company, I report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets.

19. Based on my examination of records and the information provided to me by the management, I report that the company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Act.

20. During the period covered by my audit report, the company had not issued any debentures and hence the question of creation of any security in the respect of these debentures does not arise.

21. The company had not raised any money through public issues during the year under audit.

22. Based upon the audit procedures performed and information and explanations given by the management, I report that no fraud on or by the company has been noticed or reported during the course of my audit.

IV. Further to my comments in Para III above, I report that:

a) I have obtained all the informations, and explanations which to the best of my knowledge and belief were necessary for the purpose of audit;

b) In my opinion, proper books of account as required by law have been kept by the Company so far as appears for my examination of those books.

c) The balance sheet and the profit and loss account and cash flow statement dealt with by this report are in agreement with the books of accounts.

d) In my opinion the balance sheet and the profit loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

e) On the basis of written representation received from the Directors as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, I report that none of the Director is disqualified as on 31<sup>st</sup> March 2011 from being appointed as a director in terms of clause (g) of Section 274 of the Companies Act, 1956;

f) In my opinion and to the best of my information and according to the explanations given to me, the said accounts give the information required by the Companies Act, 1956, in the manner so required:

i In the case of Balance Sheet of the State of Affairs at March 31, 2011;

ii In the case of the profit and loss account, of the Profit for the year ended on that date; and

iii In the case of the Cash Flow Statement for the year ended on that date.

Chennai  
Dt.02-09 -2011

N.Subramanian  
Chartered Accountant  
Membership Number 21628

**BALANCE SHEET AS AT MARCH 31,2011**

	Sch. No.	As at 31.03.2011	As at 31.03.2010
		Rs.	Rs.
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDER'S FUNDS</b>			
Share Capital	1	12,500,000	12,500,000
Reserves & Surplus	2	13,500	13,500
<b>LOAN FUNDS</b>			
Unsecured Loans	3	4,241,135	4,179,827
<b>TOTAL</b>		<b>16,754,635</b>	<b>16,693,327</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS LES DEPRECIATION</b>			
Fixed Assets	4	5,562,573	5,703,261
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	5	-	30,470
Sundry Debtors	6	4,429,016	12,925,151
Cash on Hand & at Banks	7	14,103	12,790
Loans & Advances	8	236,943	437,943
Sub-Total - A		4,680,061	13,406,353
<b>Less : CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	9a	607,376	8,539,638
Provisions	9b	566,607	566,607
Sub-Total-B		1,173,983	9,106,245
Net Current Assets (A-B)		3,506,078	4,300,109
<b>PROFIT &amp; LOSS ACCOUNT- LOSS TOTAL</b>			
		7,685,984	6,689,956
<b>TOTAL</b>		<b>16,754,635</b>	<b>16,693,327</b>
Notes on Accounts	11	As per my report of even date attached	

28/08/2010 V. Lavakumar J.M.Menezes N.Subramanian  
Chennai Managing Director Director Chartered  
Accountant  
Mem. No. 21628

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

	Sch. No.	Year ended 31.03.2011	Year ended 31.03.2010
<b>INCOME</b>			
Sale of Computer Soft wares		-	9,084,188
Tuition fees		2,409,033	-
Other Income		118,711	-
<b>TOTAL</b>		<b>2,527,744</b>	<b>9,084,188</b>
<b>EXPENDITURE</b>			
Consumption of Materials		-	6,536,000
Administrative Expenses	10	3,498,954	2,305,301
Depreciation	4	24,817	30,175
<b>TOTAL</b>		<b>3,523,771</b>	<b>8,871,476</b>
Net Profit/(Loss) for the year		(996,027)	212,711
Less: Provision for Current Taxation/FBT Fringe Benefit Tax		-	-
Net (Profit/Loss) After Tax		(996,027)	212,711
Add/Less : Balance Loss b/f from previous year		(6,689,956)	(6,902,668)
Balance Loss Carried to Balance Sheet		(7,685,984)	6,689,956
Earnings per share-Basic		(0.80)	0.17
Notes on Accounts	11	As my report of even date attached	

**Schedules to Balance Sheet as at March 31, 2011**

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
<b>1. SHARE CAPITAL</b>		
Authorised Capital		
2,000,000 Equity Shares of Rs.10/- each	20,000,000	20,000,000
Issued and Subscribed Capital		
1,250,000 Equity Shares of Rs.10/- each fully paid-up for cash at pat	12,500,000	12,500,000
<b>2. RESERVES &amp; SURPLUS</b>		
Capital Reserve	13,500.00	13,500.00
<b>3. UN-SECURED LOANS</b>		
From Directors & their relatives	4,241,135	4,179,827
<b>5. INVENTORIES</b>		
(At cost or market value which ever is lower – certified by management)		
Raw Materials	-	30,470
Total	-	30,470
<b>6. SUNDRY DEBTORS</b>		
(Unsecured-Considered good)		
Debts outstanding for more than 6 months	4,429,016	3,840,963
Other debts	-	9,084,188
	4,429,016	12,925,151
<b>7. CASH &amp; BANK BALANCES</b>		
Cash on hand	156	-
<b>Balances with Scheduled Banks</b>		
e. In current accounts	13,946	12,790
	14,103	12,790
<b>8. LOANS &amp; ADVANCES</b>		
(Unsecured – Considered good)		
Tax Deducted at Source	236,943	236,943
Other Advances	-	1,000
Rent Advance	-	200,000
	236,943	437,943
<b>9. CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>a. CURRENT LIABILITIES</b>		
Sundry Creditors – For Expenses	551,756	81,204
Sundry Creditors – For Trade	-	8,170,228
Advance received against sales/service	-	288,206
Sundry creditors-For others	55,620	-
	607,376	8,539,638
b.Provision for Income tax	566,607	566,607
<b>10. ADMINISTRATIVE EXPENSES</b>		
Salaries and wages	1,025,739	742,000

Directors' Remuneration	268,269	-
Directors Sitting fees	11,000	4,000
Staff welfare	23,915	-
Rent	330,000	-
Legal & Consultancy Charges	265,890	58,498
Electricity Charges	131,495	-
Bad debts written off	1,000	1,361,613
Registration & Relisting Fees	452,069	98,311
Postage & Telephone Charges	151,057	1,521
Printing & Stationery	71,071	512
Board Meeting Expenses	862	662
Office Maintenance	55,511	1,441
Advertisement Charges	607,650	6,750
Bank charges	9,310	2,419
Auditor's Remuneration for Statutory Audit	27,575	27,575
Repairs and maintenance	10,493	-
Travelling and conveyance Expenses	28,466	-
Rates and Taxes	1,500	-
Business promotion Expenses	7,700	-
Miscellaneous Expenses	18,329	-
Total	3,498,954	2,305,301

**SCHEDULE-11: NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011**

**A. ACCOUNTING POLICIES:**

**a.ACCOUNTING CONCEPTS**

The Company follows mercantile system of accounting and recognizes income and expenses on accrual basis. Accounting policies not specifically referred to are consistent with Generally Accepted Accounting Principles as applicable followed in India.

**b.REVENUE RECOGNITION**

All expenses and income are accounted for on mercantile basis except accounting of relief, incentives and concessions, which are accounted for as and when the amounts finally receivable against these are ascertained.

**c.FIXED ASSETS**

Fixed Assets are stated at cost including taxes, freight and other incidental expenses incurred in relation to acquisition and installation of the same.

**d.DEPRECIATION**

Depreciation on all fixed assets have been provided on Written down value Method on pro-rata basis with respect to the month of additions of respective assets at the rates specified in Schedules XIII to the companies Act, 1956.

**e. INVESTMENTS**

There are no investments held by the company.

**f.INVENTORIES**

Raw Materials, Bought out components, consumable stores and Spares are valued at cost.

### g. RETIREMENT BENEFITS

As there were no employees in the Company at the year-end, no provision for gratuity /provident fund has been made in the books of accounts.

### h. FOREIGN EXCHANGE TRANSACTIONS

There are no foreign exchange transactions.

### i. LEASES

There is no lease transactions entered into by the company so far.

### j. TAXATION

Provision for current tax, if any, is made in accordance with the provisions of Income tax Act, 1961. Current Tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the prudence, of timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more periods.

### k. INTANGIBLE ASSETS

Intangible assets in the form of technical know-how and drawings are acquired from foreign collaborator and held for manufacture of new products. The cost of the same would be written off uniformly over a period of six years commencing from the year in which the new products using the technical know-how are manufactured.

### l. EARNINGS PER SHARE

The company reports basic and diluted earnings per share in accordance with the Accounting Standard – 20 – 'Earnings Per Share'.

### m. CONTINGENCIES

All liabilities have been provided for in the accounts except liabilities of a contingent nature, which have been disclosed at their estimated value in the Notes on accounts.

## B. OTHER NOTES ON ACCOUNTS

1. Contingent Liabilities: Nil (Previous Year: Nil)
2. During the year 1995 – 96 the Company re-issued 2,700 Equity shares, which were earlier forfeited. After re-issue of shares an amount of Rs.13,500/- has been transferred from Share Forfeiture Account of Capital Reserve Account.
3. The Company has entered into a Foreign Collaboration Agreement with M/s. Elin Union, Austria, for the transfer of Technical Know-how for the manufacture of Isolators and Load Back Switches for which two instalments of the technical know-how fees has been paid. The company has received the technical know-how and the relevant drawings and specifications for the payments made.

4. Advance for capital expenditure represents the technical know-how fees paid to the foreign collaborator, restated at the exchange rate as on 31.03.2003 to represent the ruling market price at that point of time. No further revaluation was considered necessary during the current year. The amount spent for acquiring the technical know-how including all pre-operative expenses incurred for the same has been capitalized as on March 31, 2011. The utility of the technical knowhow or the products made out of the drawings (prepared a decade ago) to suit the current market requirements is not tested as it is a technical matter.

### 5. Remuneration paid to the Managing Director:

	Y.E.31-3-11	Y.E.31-3-10
V. LavaKumar – Chairman		
Salary	Nil	Nil
Gratuity paid as MD	2,68,269	Nil
6. Value of Imports calculated on CIF Basis	Nil	Nil
7. Expenditure in Foreign Exchange	Nil	Nil
8. Earnings in Foreign Exchange	Nil	Nil

### 9. Earnings Per Share:

Net Profit/ (Loss) After tax (Rs.) (996,027)	2,12,711
Shares outstanding (Nos.) 12,50,000	12,50,000
Face value per equity share (Rs.)10.00	10.00
Earnings per share (both basic and diluted) (Rs.) (0.80)	0.17

10. **Quantitative Information:** As the Company has been carrying on providing training on software animation courses which cannot be quantified in any measurable units and hence the quantitative information of the products dealt with by the company is not provided herein.
11. As none of the employees of the company were eligible for retirement benefits, no provision for retirement cum death gratuity made.
12. Previous year figures have been regrouped/ restated wherever necessary to conform to the current year representation.
13. The Company has obtained confirmations of balances from all the debtors and creditors.
14. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small & Medium Enterprises Development Act, 2006 (MS & MED) which came into force from October 02, 2006, certain disclosures are required to be made relating to Micro, Small & Medium Enterprises ( MS&ME). On the basis of the information and records available with the Company, there are no amounts due to Micro and Small Enterprises as on 31.03.2011.

## 15. Other Accounting Standards

- a. Related Party Transactions: There are no related party transactions during the year.

### LIST OF RELATED PARTIES

Related parties with whom transactions have taken place during the year

#### (a) Key Managerial Personnel / Individual Relatives

1. V. Lavakumar – Chairman ( and Managing Director for part of the year)
2. Ram V. Mani - Managing Director
3. Shanta Mani - Wife of Managing Director

- i. During the year the following transaction were carried out with related parties in the ordinary course of business

Sl No.	Nature of Transaction	Associated Individual Relatives		Key Managerial Personnel	
		31.03.2011	31.03.2010	31.03.2011	31.03.2010
	Transactions during the year				
1.	Director's Remuneration including gratuity	NIL	NIL	268,269	NIL
2.	Loan Taken	NIL	NIL	NIL	NIL
3.	Amount due to related parties	NIL	NIL	NIL	NIL
4.	Outstanding balance included in unsecured loan	NIL	NIL	5,381,135	4,179,827

16. **Segment Reporting:** As there was no activity in the Company other than providing computer software sales, there are no items to be reported under segment reporting.

17. **Deferred tax:** In the opinion of the company there is only deferred tax asset, consists of depreciation allowance and the company is not sure of getting the benefit of the same in future and hence the same not recognized.

As per report of even date attached

V.Lavakumar      J.M.Menezes      N.Subramanian  
Chairman          Director          Chartered Accountant

Place: Chennai  
Date: September 02, 2011

## Balance Sheet Abstract and Company's General Business Profile as per Part IV of Schedule VI of the Companies Act, 1956.

Name of the Company: KLK ELECTRICAL LIMITED

Registration No.:8230 -

Balance Sheet Date:31.03.2010

a. Capital Raised during the year: (Amount in Rs.'000)

Public Issue:Nil Rights Issue:Nil

Bonus Issue:Nil Private Placement:Nil

b. Position of mobilization and deployment of funds (Amount in Rs.'000)

Total Liabilities:17,929

Total Assets:17,929

Sources of Funds:

Paid-up Capital:12,500

Reserves & Surplus:14

Secured Loans: Nil

Unsecured Loans: 4,241

Application of Funds:

Net Fixed Assets: 5,563

Investments: 0

Net Current Assets: 3,506

Misc. Expenditure: 0

Accumulated Losses: 7,686

Performance of Company (Amount in Rs.'000)

Turnover: 2,528

Expenditure: 3,524

Profit Before Tax (996)

Profit After Tax (996)

Earnings per share in Rs: (0.80) Dividend Rate % Nil

d.Generic Names of principal products/services of the Company

(As per monetary terms):

Item code No. (ITC Code):854490.00 8535.00 8537.00

Product Description: Bus duct with Isolator Drives, cubicle  
Accessories upto36 KV up to 36 KV for  
Distribution  
Panels

Item code No.(ITC Code): Computer hardware and software

V. Lavakumar  
Chairman and Managing Director

J.M. Menezes  
Director

**KLK ELECTRICAL LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011**

	Rs.	As at 31.03.2011 Rs.	Rs.	As at 31.03.2010 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit/(Loss) before Tax	(996,027)		212,712	
Add: Depreciation	24,817		30,175	
Non - Cash Expenses	-		-	
Operating Profit before working capital changes	(971,210)		242,886	
<u>Adjustments for :</u>				
Inventories	30,470		-	
Trade & Other Receivables	8,496,135		(7,581,394)	
Loans & Advances	201,000		-	
Trade Payable & Other Liabilities	(7,932,261)		6,465,277	
Cash generated from Operations	795,343		(1,116,117)	
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		(175,867)		(873,231)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase/(Sale) of Fixed Assets	115,871		-	
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		115,871		-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Secured Loans	-		-	
Unsecured Loans	61,308		864,418	
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		61,308		864,418
<b>NET CASH INFLOW</b>		1,312		(8,813)
Opening Balance of Cash and cash equivalents	12,790		21,603	
Closing Balance of cash and cash equivalents	14,103		12,790	
<b>NET (INCREASE)/DECREASE IN CASH &amp; CASH EQUIVALENTS</b>		(1,312)		8,813

Chennai  
02.09.2011

Chairman

Director

N.SUBRAMANIAN  
Chartered Accountant

**SCHEDULE - 5 - FIXED ASSETS AND DEPRECIATION FOR THE YEAR ENDED MARCH 31, 2011**

Name of Asset	Gross Block			Depreciation				Net Block	
	As at 01.04.2010	Additions/ Deletion	As at 31.03.2011	upto 31.03.20 10	For the year	Withdra wn during	upto 31.03.2 011	As at 31.03.2011	As at 31.03.2010
	Rs	Rs	Rs	Rs	Rs		Rs	Rs	Rs
Airconditioner	21,500	(21,500)	-	6,057	2,148	8,205	-	-	15,443
Furniture & Fix	194,718	(194,718)	-	69,472	22,669	92,141	-	-	125,246
Know-how Fees*	5,562,573	-	5,562,573	-	-	-	-	5,562,573	5,562,573
<b>Total</b>	5,778,791	(216,218)	5,562,573	75,529	24,817	100,346	-	5,562,573	5,703,261
Previous Year	5,778,791	-	5,778,791	45,355	30,175	-	75,529	5,703,261	5,733,436

Note: No depreciation is charged on technical know-how fees paid as the know-how was not put to use during the year.

**KLK ELECTRICAL LIMITED**

New No.64, 8th Cross Street,  
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