



**KLK**

**KLK ELECTRICAL LIMITED**

31<sup>st</sup> Annual Report

2011-12



## BOARD OF DIRECTORS

**Shri.V.Lavakumar** Chairman & Managing Director  
**Shri.Rajendra V.Naniwadekar** Director  
**Shri.Brijmohan Mandala** Director

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

**Registered & Admin. Office** Old No.2, New No.3, 1<sup>st</sup> Main Road  
Seethammal Colony Extension,  
Teynampet  
Chennai 600 018.

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

**Listing 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 31st Annual General Meeting of the members KLK ELECTRICAL LIMITED will be held on Thursday the 29<sup>th</sup> of November 2012 at 11.00 A.M.at the registered office of the Company at old No.2 New No.3 1<sup>st</sup> Main Road Seethammal Colony Extension Chennai 600 018 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, 2012 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. V.Lavakumar**, who retires by rotation on that date and has indicated his inability to continue.
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.

"RESOLVED THAT pursuant to the provisions of section 225 (1) and other applicable provisions, if any, of the Companies Act, 1956 M/s Chitta & Associates, Chartered Accountants, 304, Divya Sai Chambers,Chanda Nagar, Hyderabad-500 050 be and are hereby appointed as the Statutory Auditor of the Company in the place of retiring auditor, Mr.N.Subramanian, Chartered Accountant, Chennai to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting, to Audit the Annual Accounts of the Company for the financial year ending 31.03.2013 on a remuneration to be fixed by the board of directors in consultation with the proposed appointee.

#### SPECIAL BUSINESS:

4. To Consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. RAJENDRA VITHAL NANIWADEKAR, who was appointed by the Board of Directors of the company as Additional director on 19.10.2011 to hold office as such upto the conclusion of the ensuing annual general meeting and in respect of whom the company has

received a notice in writing from a member signifying his intention to propose the candidature of Mr. RAJENDRA VITHAL NANIWADEKAR, for the office of director, as required by section 257 of the Companies Act, 1956 be and is hereby appointed a director of the company, liable to retire by rotation."

"RESOLVED further that the Board of Directors be and is hereby authorized to take all such steps as may be necessary for the purpose of giving effect to this resolution and matters incidental thereto."

5. To Consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. BRIJMOHAN MANDALA, who was appointed by the Board of Directors of the company as Additional director on 19.10.2011 to hold office as such upto the conclusion of the ensuing annual general meeting and in respect of whom the company has received a notice in writing from a member signifying his intention to propose the candidature of Mr. BRIJ MOHAN MANDALA, for the office of director, as required by section 257 of the Companies Act, 1956 be and is hereby appointed a director of the company, liable to retire by rotation."

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to take such steps as it may consider necessary or expedient to give effect to this Resolution."

6. To Consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 257 and all other applicable provisions, if any of the companies Act, 1956, Mr. DATTATRAY PATIL, be and is hereby appointed a director of the company, liable to retire by rotation."

"RESOLVED further that the Board of Directors be and is hereby authorized to take all such steps as may be necessary for the purpose of giving effect to this resolution and matters incidental thereto."

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

"RESOLVED THAT pursuant to the provisions of section 257 and all other applicable provisions, if any of the companies Act, 1956, Mr. R.RAVI KUMAR RAO, be and is hereby appointed a director of the company, liable to retire by rotation."

"RESOLVED further that the Board of Directors be and is hereby authorized to take all such steps as may be necessary for the purpose of giving effect to this resolution and matters incidental thereto."

- 8.To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of section 257 and all other applicable provisions, if any of the companies Act, 1956, Mr. G.RAGHAVULU, be and is hereby appointed a director of the company, liable to retire by rotation."

**FURTHER RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ("Act") or any re-enactment thereof and subject to the approval of other Statutory authorities if any as may be required, Mr. R.RAVIKUMAR RAO be and is hereby appointed as the Whole Time Director of the company for a period of Five years with effect from 1.12.2012 on a remuneration of not exceeding a sum of Rs.50000 per month (including all allowances and perquisites), as may be approved by the Remuneration Committee and the Board of directors at their meetings.

**Resolved further that** in case of the company not attaining adequate profits or the profits are inadequate to make the payment of remuneration as above, the Board of Directors do accept to vary the terms of remuneration and perquisites with the liberty to revise the remuneration payable to Mr. R.RAVI KUMAR RAO, Executive Director in accordance with Section II of Part II of Schedule XIII to the Companies Act, 1956.

**Resolved further that** the Board of Directors and / or a Committee of the Board fix his salary within the scale from time to time, increasing thereby proportionately value of the benefits relating to the salary, and, with the liberty to the Board of Directors and /or a Committee of Board to alter and vary the terms and conditions of appointment and /or agreement in such manner as may be agreed to by and between the Board of Directors and the appointee within the applicable provision of the Companies Act, 1956.

"RESOLVED FURTHER THAT the information provided above and in the explanatory statement shall be treated as an Abstract under section 302 of the companies Act 1956"

**Resolved further that** the Board of Directors and the Company Secretary be and are hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any committee of directors or director(s).

FURTHER RESOLVED THAT the Board of Directors be and are hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any committee of directors or director(s).

By order of the Board

For KLK Electrical Ltd.  
(Sd/-) V.Lavakumar  
Chairman

Place : Chennai  
Date : 03-11- 2012

#### **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 28th November, 2012 to 29th November, 2012 (both days inclusive) in connection with the Annual General Meeting.
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.

#### **EXPLANATORY STATEMENT**

(Pursuant to Section 173(2) of the Companies Act, 1956)

#### **ITEM NO. 4:**

Mr. RAJENDRA VITHAL NANIWADEKAR, was appointed by the Board of Directors of the company as Additional director on 19.10.2011 to hold office as such upto the conclusion of the ensuing annual general meeting. The company has received a notice in writing from a member proposing his appointment.

Hence the above resolution is recommended for the approval of the members.

None of the Directors of the Company are interested or concerned in the Resolution except Mr.Rajendra Naniwadekar.

#### **ITEM NO. 5:**

Mr. Brij Mohan Mandala, was appointed by the Board of Directors of the company as Additional director on 19.10.2011 to hold office as such upto the conclusion of the ensuing annual general meeting. The company has received a notice in writing from a member proposing his appointment.

Hence the above resolution is recommended for the approval of the members.

None of the Directors of the Company are interested or concerned in the Resolution except Mr.Brij Mohan Mandala.

#### **ITEM NO. 6:**

The company has received a notice in writing from a member proposing the name of Mr.Dattaray Patil for appointment as a Director of the Company liable to retire by rotation.

Hence the above resolution is recommended for the approval of the members.

None of the Directors of the Company are interested or concerned in the Resolution except Mr. Dattaray Patil

#### **ITEM NO. 7:**

The company has received a notice in writing from a member proposing the name of Mr.R.Ravi Kumar Rao for appointment as a Director of the Company liable to retire by rotation.

Hence the above resolution is recommended for the approval of the members.

None of the Directors of the Company are interested or concerned in the Resolution except Mr. R.Ravi Kumar Rao.

#### **ITEM NO. 8:**

The company has received a notice in writing from a member proposing the name of Mr.G.Raghavulu for appointment as a Director of the Company liable to retire by rotation.

Hence the above resolution is recommended for the approval of the members.

None of the Directors of the Company are interested or concerned in the Resolution except Mr.G.Raghavulu .

By order of the Board,

Place : Chennai  
Date : 03-11-2012

for KLK Electrical Ltd.  
(V. Lavakumar)  
Chairman

## DIRECTOR'S REPORT TO THE MEMBERS

Dear Members,

Your Directors have pleasure in presenting the 31<sup>st</sup> Annual Report of the Company with audited accounts for the year ended 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS.

Particulars	31.03.2012 (Rs. In Lakhs)	31.03.2011 (Rs. In Lakhs)
Sales	34.95	24.09
Other Income	Nil	Nil
Profit/ (Loss) Before Dep. & Tax	(18.81)	(9.71)
Depreciation	Nil	0.25
Profit/ (Loss) After depreciation	(18.81)	(9.96)
Provision for Taxation	Nil	Nil
Profit/(Loss) after tax	(18.81)	(9.96)
Add: Balance of Loss B/F	(76.86)	(66.90)
(Loss) BalanceC/F to next year	(95.67)	(76.86)

### OPERATIONS:

The Company achieved turnover of Rs.34.95 Lakhs (Previous Year Rs. 25.28 Lakhs). During the year 2011-12, the Company had allotted 14,00,000 equity shares of the company on preferential basis to publicat a premium Your Directors are hopeful that the activities of the Company would improve during the Current financial year.

### 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, 2012 to the members due to Loss.

### DIRECTORS:

On October 31, 2011, Mr. Brijmohan Mandala and Mr. Rajendra V. Naniwadekar were appointed as additional directors of the company and they hold office till the ensuing annual general meeting of the company. Both Mr. Brij Mohan Mandala and Mr. Rajendra V.Naniwadekar are eligible for appointment as directors of the of the company. On 14-08-12 Mr. J.M. Menezes resigned as a director of the of the company. On 03-11-12, Mr. John Thangasamy resigned as a director of the of the company. The Board placed on the record the valuable services rendered by Mr. J.M. Menezes and Mr. John Thangasamy during their tenure as directors of the company. Mr. V.Lavakumar retires by rotation at the end of this AGM and has expressed his inability to continue. The Board places on record its appreciation for the valuable services rendered by Mr.Lavakumar.

### AUDITORS:

M/s. N. SUBRAMANIAN, Chartered Accountants, Chennai retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and has expressed his inability to continue. Hence it is proposed that M/s.Chitta Associates,Chartered Accountants be appointed as the auditor's of the company until the conclusion of the next AGM.

### 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 Madras 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.
- Has the technology been fully absorbed: Yes

#### 3). FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company did not have any foreign exchange or outgo during the year.

### DIRECTORS' RESPONSIBILITY STATEMENT:

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

- 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.
- 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.
- 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      **(Rajendra V.Naniwadekar)**      **(V.Lavakumar)**  
Date :03-11-12      **DIRECTOR**      **CHAIRMAN**

#### **COMPLIANCE CERTIFICATE**

**Registration No. 18- 008230      Authorised Capital: Rs. 50,000,000/-**

To,  
**The Members,**  
**M/s. KLK ELECTRICAL LIMITED,**  
**Old No.2, New No.3, 1<sup>st</sup> Main road**  
**Seethammal Colony, Teynampet Chennai-600 018**

We have examined the registers, records, books and papers of M/s. **KLK ELECTRICAL LIMITED**, having Registered office at old No.2, new No.3, 1<sup>st</sup> Main Road, Seethammal Colony, Teynampet, CHENNAI - 600 018, as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2012**. It is the responsibility of the Company to prepare and maintain the relevant necessary records under the Companies Act, 1956 and other applicable laws. Our responsibility is to carry out an examination, on the basis of our professional judgement so as to award a reasonable assurance of the correctness and completeness of the records for the purpose of this certificate. In our opinion and to the best of our information and explanations 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 all registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.

2. The Company has duly filed the forms and returns as stated in Annexure 'B' to his Certificate, with the Registrar of Companies, Tamilnadu, at the date specified therein.

3. The Company being a Public Limited Company, the applicability Section 3(1)(iii) does not arise

4. The Board of Directors met **7 (Seven) times 10.06.2011, 30.07.2011, 02.09.2011, 19.10.2011, 31.10.2011, 15.11.2011 and 14.02.2012** in respect of which meetings the proceedings were properly recorded in the Minutes Book maintained for the purpose. The Company has not passed any resolution by circulation.

5. The Company has closed its Register of Members and Share Transfer Books from 28-09-11 to 29-09-2011 (both inclusive) and necessary Compliance of section 154 of the Act has been made.

6. The Annual General Meeting for the financial year ended on 31-03-11 was held on 29-09-2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.

7. No Extra-ordinary General Meeting was held during the financial year ended 31-03-12

8. As per the information and declaration given by the management the Company has not advanced any loans to its director's or persons or firms or Companies referred in the Section 295 of the Act during the financial year.

9. According to the information, explanation and declarations 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 under section 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 has not required to obtain any approval from the Board of Directors, Members or 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 financial year under review.

13. The Company during the financial year under review had:

(i) Delivered all the share certificates on allotment of 1400000 equity shares and on lodgement thereof for transfer of shares and not received any request for transmission of securities.

(ii) Not declared any dividend during the financial year under review and hence the question of opening 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 additional directors and cessation of director by filing necessary forms with Registrar of Companies. There was no appointment of director, alternate directors or director to fill casual vacancy during the financial year under review.

15. The Company has not appointed any Managing Director/Whole-Time Director/Manager during the financial year under review.

16. The Company has 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 thereunder.

19. The company had issued 1400000 equity shares on preferential basis and complied by filing the necessary forms with the Registrar of Companies during the financial year under review.

20. The Company has not bought back any shares during the financial year.

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 Directors which in the opinion of the management are not deposits and hence the question of compliance with the provision of sections 58A and 58AA read with Companies (Acceptance and Deposit) Rules, 1975 does not arise.

24. The amount borrowed by the Company from the directors 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 except the investment made by way of share application money in body corporate during the year under review. Hence compliance with the provision of section 372A does not arise.

26. The Company has 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 has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.

28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.

29. The Company has altered the provisions of the Memorandum with respect to share capital of the Company and complied by filing the necessary forms with the Registrar of Companies.

30. The company had altered its articles of association during the financial year under review and after obtaining approval of members in the general meeting held on 29.09.2011 and the amendments to the articles of association have been duly registered with the Registrar of Companies

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 has not received any money as security from its employees during the financial year under review. Hence the applicability of the provisions of section 417(1) of the Act does not arise.

33. According to the information and explanations, declaration given by the management, the provisions of Employee Provident Fund does not apply to the Company. Hence compliance with the Provisions relating to deposit of both employers and employees contribution to the Provident Fund with prescribed authorities pursuant to the provisions of section 418 of the companies Act.

Chennai

Date: 03-11-12

Sd/-  
Lakshmi Subramanian  
Name of the Company Secretary  
C.P. No. 1087

#### ANNEXURE 'A'

##### Registers as maintained by the Company

1. Register of Members u/s 150 of the Companies Act, 1956 computerised.
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 computerised.
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 ended 31st March, 2012.

Forms	Date of Event	Date of filing	Due Date	Remarks
Form 23 AC/ACA	29.09.2011	09.12.2011	31.12.2011	In time
Form 20B	29.09.2011	12.12.2011	28.11.2011	Belated
Form 66	29.09.2011	18.10.2011	29.10.2011	In time
Form 66 Revised	29.09.2011	08.12.2011	29.10.2011	Belated
Form 32	19.10.2011	20.10.2011	19.11.2011	In time
Form 23	29.09.2011	28.10.2011	29.10.2011	In time
Form 5	29.09.2011	28.10.2011	29.10.2011	In time
Form 2	31.10.2011	02.11.2011	30.11.2011	In time

N.Subramanian, B.Sc., F.C.A., A.C.S.

M.N.O Complex,  
81, Greams Road,  
Chennai-600 006.

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

Ladies & Gentlemen,

I have audited the attached Balance Sheet of M/s. **KLK ELECTRICAL LIMITED, CHENNAI**, as at March 31, 2012 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.

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. There are no tangible fixed assets in the company physical verification at the year-end of the same does not arise..

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.15,000/-

(c) No interest is payable on such loans taken from them 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, there is no amount payable in respect of sale tax, income tax, customs tax or wealth tax, excise duty / cess which are outstanding as at March 31,2012 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 as well as in the financial year immediately preceding the

financial year. The accumulated loss has not 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 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 made preferential allotment of shares during the year and the same are not prejudicial to the interest of the company or its members.

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 information and explanations, which to the best of my knowledge and belief were necessary for the purpose of my audit;

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

c)The Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of account.

d)In my opinion, the balance sheet and the profit and 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, 2012 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 2012 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 of the Company as at March 31, 2012;  
 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.

03-11-12  
 Chennai

N.Subramanian  
 Chartered  
 Accountant  
 Mem. No. 21628

BALANCE SHEET AS AT MARCH 31, 2012

	Note No.	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	26,500,000	1 25 00 000
(b) Reserves and Surplus	3	( 25 53 009)	( 76 72 483)
(2) Share application money pending allotment		NIL	NIL
<b>(3) Non-Current Liabilities</b>			
(a) Long Term borrowings	4	NIL	42 41 135
(b) Deferred tax liabilities (Net)		NIL	NIL
(c) Other Long term liabilities		NIL	NIL
(d) Long-Term Provisions	5	NIL	NIL
<b>(4) Current Liabilities</b>			
(a) Short Term Borrowings	6	15,000	NIL
(b) Trade Payables		NIL	NIL
(c) Other Current Liabilities	7	538,090	6 07 376
(d) Short-Term Provisions	8	NIL	5 66 607
<b>TOTAL</b>		<b>24,500,081</b>	<b>1 02 42 635</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	9	NIL	NIL
(ii) Intangible Assets		5,562,573	5,562,573
(b) Non-Current investments	10	8,400,001	NIL
(c) Deferred tax assets (net)		NIL	NIL
(d) Long term Loans and advances	11	NIL	NIL
(e) Other non-current assets		NIL	NIL
<b>(2) Current Assets</b>			
(a) Current Investments		NIL	NIL
(b) Inventories		NIL	NIL
(c) Trade Receivables	12	7,924,016	4,429,016
(d) Cash and cash equivalents	13	2,613,491	14,103
(e) Short-Term Loans and advances	14	NIL	236,943
(f) Other Current assets		NIL	NIL
<b>TOTAL</b>		<b>24,500,081</b>	<b>1 02 42 635</b>
Significant Accounting Policies	1		

Note 1 to 18 and 26 form an integral part of this Balance Sheet  
 Vide my report of even date attached

03-11-12  
 Chennai

V. Lavakumar  
 Managing Director

Rajendra  
 V.Nani  
 Wadekar  
 Director

N.Subramanian  
 Chartered  
 Accountant  
 Mem. No. 21628

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012  
 (Amount in Rs.)

Particulars	Note	31.3.2012	31.3.2011
<b>I. Revenue from Operations</b>	15	34 95 000	NIL
<b>II. Other Income</b>	16	NIL	25 27 744
<b>III. Total Revenue (I+II)</b>		<b>34 95 000</b>	<b>25 27 744</b>
<b>IV. Expenses :</b>			
Cost of materials consumed	17	NIL	NIL
Purchases of Stock-in-Trade		NIL	NIL
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		NIL	NIL
Employee benefits expense	18	9 16 000	13 17 977
Finance Costs	19	2 724	9 310
Depreciation and amortization expense		NIL	24 817
Other expense	20	44 56 802	21 71 667
<b>Total Expenses</b>		<b>53 75 526</b>	<b>35 23 771</b>
<b>V. extraordinary items and taxes (III-IV)</b>		<b>( 18 80 526)</b>	<b>( 9 96 027)</b>
<b>VI. Exceptional Items</b>		NIL	NIL
<b>VII. taxes (V-VI)</b>		<b>( 18 80 526)</b>	<b>( 9 96 027)</b>
<b>VIII. Extraordinary Items</b>		NIL	NIL
<b>IX. Profit before Tax (PBT) (VII-VIII)</b>		<b>( 18 80 526)</b>	<b>( 9 96 027)</b>
<b>X. Tax Expense</b>			
Less: Provision for Tax		NIL	NIL
Less: Deferred Tax Liability		NIL	NIL
<b>XI. continuing operations</b>		<b>( 18 80 526)</b>	<b>( 9 96 027)</b>
<b>XII. Profit/(loss) for the period</b>		<b>( 18 80 526)</b>	<b>( 9 96 027)</b>
<b>XIII. Earnings per equity share</b>			
(1) Basic		- 1.03	- 0.80
(2) Diluted		- 1.03	- 0.80

Note 1, 16 to 26 form an integral part of this Statement of Profit and Loss

Vide my report of even date attached

03-11-12  
 Chennai

V. Lavakumar  
 Managing Director

Rajendra  
 V.Nani  
 Wadekar  
 Director

N.Subramanian  
 Chartered  
 Accountant  
 Mem. No. 21628

03-11-12  
 Chennai

V. Lavakumar  
 Managing Director

Rajendra  
 V.Nani  
 Wadekar  
 Director

N.Subramanian  
 Chartered  
 Accountant  
 Mem. No. 21628



PARTICULARS	31.03.2012		31.03.2011	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>Cash Flow from Operating Activities</b>				
Net Profit Before Tax and Extraordinary Items	(18 80 526)		(9 96 027)	
Adjustments For -				
Depreciation	NIL		24 817	
Interest Expenses	NIL		NIL	
Operating Profit before Changes in Working Capital		(18 80 526)		(9 71 210)
(Increase)/ Decrease in Working Capital				
Inventories - (increase)	NIL		30 470	
Sundry Debtors - (Increase)	3,495,000		8,496,135	
Loans and Advances - (Increase)	236,943		2 01 000	
Other current assets - (Increase)	NIL		NIL	
Current Liabilities and Provisions- (Decrease)	620,893		(79 32 261)	
<b>Net Cash Flow from Operating Activities</b>		(57 59 476)		(1 75 866)
<b>Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets	NIL		1 15 871	
Long term Investments	(84 00 001)			
Interest Income	NIL		NIL	
<b>Net Cash Flow from Investing Activities</b>		(84 00 001)		1 15 871
<b>Cash Flow from Financing Activities</b>				
Receipts from Issue of Equity Shares	210 00 000		NIL	
Receipts from Short-Term Borrowings	NIL			
Repayment of Long -Term Borrowings	(42 41 135)		NIL	
Repayment of Short-Term Borrowings	NIL			
Interest paid on Long-Term Borrowings	NIL		61 308	
Repayment of Long term provision				
<b>Net Cash Flow from Financing Activities</b>		167 58 865		61 308
(A)+(B)+(C)		2,599,388		1 313
year		14,103		12,790
Cash and Cash Equivalents at the end of the year		2,613,491		14,103

Vide my report of even date attached

03-11-12  
ChennaiV. Lavakumar  
Managing DirectorRajendra  
V.Nani  
Wadekar  
DirectorN.Subramanian  
Chartered  
Accountant  
Mem. No. 21628

## NOTES FORMING PART OF BALANCE SHEET AS AT 31.03.2012

## 2.(A) Share Capital

Particulars	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
<b>(a) Authorised Share Capital</b>		
50,00,000 (Previous Year: 20,00,000) Equity Shares of Rs.10/- each	50,00,000	20,00,000
<b>(b) Issued &amp; Subscribed Share Capital</b>		
26,50,000 (Previous Year: 12,50,000) Equity Shares of Rs.10/- each	26,50,000	12,50,000
<b>(c) Paid-up Share Capital</b>		
26,50,000 (Previous Year: 12,50,000) Equity Shares of Rs.10/- each fully paid up	26,50,000	12,50,000
<b>Total</b>	<b>26,50,000</b>	<b>12,50,000</b>

## 2.(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Number of shares outstanding as the beginning of the year	1,250,000	1,250,000
Number of shares outstanding as at the end of the year	2,650,000	1,250,000

## 3. Reserves and Surplus

Particulars	As at 31.03.2012 Rs.	As at 31.3.2011 Rs.
(a) Capital Reserves	13,500	13,500
(b) Share Premium	7,000,000	-
	7,013,500	13,500
<b>(c) General Reserve</b>		
Opening Balance	-	-
Closing Balance	-	-
<b>(d) Surplus</b>		
Balance of Loss brought forward	(76 85 983)	(66 89 956)
Add: Loss for the period	(18 80 526)	(9 96 027)
	(95 66 509)	(76 85 983)
Less: Allocation/Appropriation	-	-
Balance carried to Balance Sheet	(95 66 509)	(76 85 983)
<b>Total</b>	<b>(25 53 009)</b>	<b>(76 72 483)</b>

## 4. Long Term Borrowings

Particulars	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
<b>(A) SECURED LOANS</b>	NIL	NIL
<b>(B) UNSECURED LOANS</b>		
From Directors & Relatives	NIL	4,241,135
<b>Total</b>	<b>NIL</b>	<b>4,241,135</b>

Particulars	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
<b>5. Long-Term Provisions</b>		
Provision for Income Tax, FBT and Wealth tax	NIL	566,607
<b>Total</b>	<b>NIL</b>	<b>5 66 607</b>

## 6. Short Term Borrowings

<b>(A) SECURED LOANS</b>	NIL	NIL
<b>(B) UNSECURED LOANS</b>		
From Directors	15 000	NIL
<b>Total (B)</b>	<b>15 000</b>	<b>NIL</b>
<b>Total</b>	<b>15 000</b>	<b>NIL</b>

## 7. Other Current Liabilities

Creditors For Expenses	38,090	551,756
Creditors For Others	500,000	55,620
<b>Total</b>	<b>538,090</b>	<b>607,376</b>

## 8. Short-Term Provisions

Provision for income tax	NIL	566,607
<b>Total</b>	<b>NIL</b>	<b>566,607</b>

9. Fixed Assets - Intangibles

Particulars of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01-04-2011	Additions	As at 31-03-2012	Up to 31-03-2011	Rate	For the year	Up to 31-03-2012	As at 31-03-2012	As at 31-03-2011
Technical Know-how Fees	5,562,573		5,562,573	-	-	-	-	5,562,573	5,562,573
Grand Total	5,562,573	-	5,562,573	-	-	-	-	5,562,573	5,562,573
PREVIOUS YEAR	5,778,791	(216,218)	5,562,573	75,529	-	24,817	-	5,562,573	5,703,261

10. Non-Current Investment

Particulars	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
Investments - Trade - At cost		
Share Application money paid to companies.	8,400,001	NIL
<b>Total</b>	<b>8,400,001</b>	<b>NIL</b>

11. Long-Term Loans And Advances

(A) Capital Advances	NIL	NIL
(B) Security Deposits		
(i) Secured, Considered good	NIL	NIL
(ii) Unsecured, Considered good	NIL	NIL
(iii) Doubtful	NIL	NIL
Less: Allowance for bad and doubtful advances	NIL	NIL
<b>Total (B)</b>	<b>NIL</b>	<b>NIL</b>
(C) Loans and advances to related parties	NIL	NIL
(D) Other Loans and Advances		
(i) Secured, Considered good	NIL	NIL
(ii) Unsecured, Considered good	NIL	NIL
(iii) Doubtful	NIL	NIL
Less: Allowance for bad and doubtful advances	NIL	NIL
<b>Total (E)</b>	<b>NIL</b>	<b>NIL</b>
<b>Total [(A)+(B)+(C)+(D)]</b>	<b>NIL</b>	<b>NIL</b>
officers of the company or any of them either severally or jointly with others or by firms or private companies respectively in which any director is a partner or a director or member	NIL	NIL

Particulars	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
12. Trade receivables		
(A) Outstanding for a period exceeding six months from the date they are due for payment:		
(i) Secured, Considered good	NIL	NIL
(ii) Unsecured, Considered good	NIL	NIL
(iii) Doubtful	NIL	NIL
Less: Allowance for bad and doubtful debts	NIL	NIL
<b>TOTAL (A)</b>	<b>NIL</b>	<b>NIL</b>
(B) Others		
(i) Secured, Considered good	NIL	NIL
(ii) Unsecured, Considered bad	7,924,016	4,429,016
Other Debts	NIL	NIL
Less: Allowance for bad and doubtful debts	NIL	NIL
<b>TOTAL (B)</b>	<b>7,924,016</b>	<b>4,429,016</b>
<b>Total</b>	<b>7,924,016</b>	<b>4,429,016</b>

13. Cash And Cash Equivalents

(A) Balance with Banks		
(i) Current Account	21 10 205	13,946
(ii) Fixed Deposit	5 00 000	NIL
(B) Cheques, drafts in hand		
(i) Cheques on hand	NIL	NIL
(ii) Drafts in hand	NIL	NIL
(C) Cash on hand		
	3 286	156
(D) Others		
	NIL	NIL
<b>TOTAL</b>	<b>26 13 491</b>	<b>14 103</b>
Note		
(1) Earmarked Bank Balances	NIL	NIL
(2) Bank balances held as margin money or as security against:		
(3) Repatriation restrictions	NIL	NIL
(4) Bank Deposit with more than 12 months maturity	NIL	NIL

14. Short-Term Loans And Advances

(A) Loans and Advances to related parties	NIL	NIL
(B) Others		
(i) Secured and considered good	NIL	2 36 943
(ii) Unsecured, Considered good		
Deposits	NIL	NIL
Other Current Asset	NIL	NIL
(iii) Doubtful	NIL	NIL
Less: Allowance for bad and doubtful advances	NIL	NIL
<b>Total (B)</b>	<b>NIL</b>	<b>2 36 943</b>
<b>Total [(A)+(B)]</b>	<b>NIL</b>	<b>2 36 943</b>

Note: Loans and advances due by directors or officers of the company or any of them either severally or jointly with others or by firms or private companies respectively in which any director is a partner or a director or member

15. Revenue from Operations

Particulars	31.3.2012	31.3.2011
Software Development Income	34 95 000	NIL
<b>Total</b>	<b>34 95 000</b>	<b>NIL</b>

16. Other Income

(A) Interest income	NIL	NIL
(B) Tution Fees for course offered	NIL	2,409,033
(C) Gain/Loss on sale of Investments	NIL	NIL
(D) Other income	NIL	118,711
<b>Total (A)+(B)+(C)</b>	<b>NIL</b>	<b>25 27 744</b>

**17. Cost of Materials Consumed**

Imported (0%)	NIL	NIL
Indigenous (100%)	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>

**18. Employee Benefit Expenses**

Salaries and wages	NIL	1,025,793
Contribution to PF,ESI and other funds	NIL	NIL
Directors Remuneration	9 00 000	268,269
Sitting fees for Directors	16 000	NIL
Staff Welfare Expenses	NIL	23,915
<b>Total</b>	<b>9 16 000</b>	<b>13 17 977</b>

**19. Finance Costs**

Interest Expense	NIL	NIL
Bank Charges	2 724	9,310
transactions/translation	NIL	NIL
<b>Total</b>	<b>2 724</b>	<b>9 310</b>

**20. Other Expenses**

Rent	NIL	330,000
Printing & Stationery	4 579	71,071
Repairs and Maintenance Others	21 491	10,493
Electricity Charges	NIL	131,495
income	NIL	1 500
Directors' Sitting Fees	NIL	11,000
Registration & Relisting Fees	NIL	452,069
Board Meeting Expenses	NIL	861
Legal & Consultancy Charges	43 11 877	265,890
Postage & Telephone charges	5 527	151,057
<b>Payment to statutory auditors:</b>		
- As Auditors	28 090	27,575
- Taxation Matters	NIL	NIL
- Company law matters	NIL	NIL
- Management services	NIL	NIL
- Other services	NIL	NIL
- Reimbursement of expenses	NIL	NIL
Travelling and Conveyance	71 998	28,466
Business Promotiion Expenses	NIL	7,700
Advertisement	3 240	607,650
Miscellaneous Expenses	NIL	18,329
Office Expenses	10 000	55,511
Bad Debts W/off	NIL	1,000
<b>Total</b>	<b>44 56 802</b>	<b>21 71 667</b>

**21. Additional Information disclosed as per Part II of The Companies Act, 1956**

Particulars	31.3.2012	31.3.2011
(i) Adjustment to the carrying amount of investments	NIL	NIL
(ii) Net gain/loss on foreign currency transaction and translation (other than considered as finance cost)	NIL	NIL
(iii) Value of imports calculated on CIF basis by the company during the financial year in	NIL	NIL
(iv) Expenditure in foreign currency during the financial year	NIL	NIL
(v) The amount remitted during the year in foreign currencies on account of dividends	NIL	NIL
(vi) Earnings in foreign exchange	NIL	NIL

**Annexure I to Form 3CD for the year ended 31st March 2012**

**Particulars of Depreciation allowable as per Income Tax Act, 1961 in respect of each asset or block of**

a) Description of Asset/Block of Assets	Building	Furniture & Fixtures	Motor Vehicles	Computer	Total
b) Rate of Depreciation	-	-	-	-	-
c) Actual Cost/WDV as the case may be	-	-	-	-	-
d) Additions/deletions during the year with dates:					
(i) Addition of Asset					
Put use for 180 Days or More	-	-	-	-	-
Less than 180 Days	-	-	-	-	-
<b>Total Addition</b>	-	-	-	-	-
(ii) Date of addition of asset	As per Annexure 2011-12				
(iii) Deletion of Asset	-	-	-	-	-
(iv) Date of deletion of asset	-	-	-	-	-
<b>Total Value</b>	-	-	-	-	-
In the case of any addition, date of put to use: including adjustments on account of -					
(i) Modified value added tax credit claimed and allowed under the Central Excise Rules, 1944 in respect of assets acquired on or after 1st March 1994	Nil	Nil	Nil	Nil	-
(ii) Change in rate of exchange of currency	Nil	Nil	Nil	Nil	-
(iii) Subsidy or grant or reimbursement, by whatever name called.	Nil	Nil	Nil	Nil	-
e) Depreciation allowable	-	-	-	-	-
f) Written down value at the end of the year	-	-	-	-	-

**Contingent Liabilities and Commitments**

Particulars	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
<b>(A) Contingent Liabilities</b>		
(a) Claims against the company not acknowledged as debts	NIL	NIL
(b) Guarantees		
(c) Other money for which the company is contingently liable		
<b>Total (A)</b>	NIL	NIL
<b>(B) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	NIL
(b) Un-called liability on shares and other investments partly paid	NIL	NIL
(c) Other commitments	NIL	NIL
<b>Total (B)</b>	NIL	NIL
<b>Total [(A)+(B)]</b>	NIL	NIL

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED  
MARCH 31, 2012

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

1. SIGNIFICANT 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

Long Term Investments are stated at cost. Decline in value of long term investments, other than temporary is provided for.

f. INVENTORIES

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

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.

g. FOREIGN EXCHANGE TRANSACTIONS

There are no foreign exchange transactions.

h. LEASES

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

i. 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.

j. 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.

k. EARNINGS PER SHARE

l. 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.

22. OTHER NOTES ON ACCOUNTS

1. 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.

2. 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.

3. 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, 2012. The utility of the technical know-how 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.

4. Earnings Per Share:

Net Profit/ (Loss) after tax (Rs.)	(18,80,526)	(996,027)
Weighted Average no. of Shares outstanding (Nos.)	18,33,014	12,50,000
Face value per equity share (Rs.)	10.00	10.00
Loss per share (both basic and diluted)	1.03	0.80

5. 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.

6. As there were employees in the company during the year, no provision for retirement cum death gratuity made.

7. Previous year figures have been regrouped/ restated wherever necessary to conform to the current year representation.

8. The Company has obtained confirmations of balances from all the debtors and creditors.

9. 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 31.03.2012.

11. Other Accounting Standards

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

Key Managerial Personnel / Individual Relatives

V. Lavakumar – Chairman

Rajendra NaniWadekar - Director

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

SI No.	Nature of Transaction	Associated Individual Relatives		Key Managerial Personnel	
		31.03.2012	31.03.2011	31.03.2012	31.03.2011
	Transactions during the year				
1.	Director's Remuneration including gratuity	NIL	NIL	9,00,000	268,269
2.	Loan Taken	Nil	NIL	15,000	NIL
3.	Amount due to related parties	NIL	NIL	NIL	NIL
4.	Outstanding balance included in unsecured loan	NIL	NIL	XXX	5,381,135

12. **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.

13. **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.

03-11-12      V. Lavakumar      Rajendra      N.Subramanian  
Chennai      Managing Director      V.Nani      Chartered  
                Wadekar      Accountant  
                Director      Mem. No. 21628

**KLK ELECTRICAL LIMITED**

**Old No,2,New NO.3, 1<sup>st</sup> Main Road**

**Seethammal Colony, Teynampet, Chennai-600 018**

**ATTENDANCE SLIP FOR THIRTYFIRST  
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.									
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No. of Shares held :

I hereby record my presence at the Thirtyfirst Annual General Meeting of the Company held on the 29<sup>th</sup> November 2012 at 11.A.M. at Old No.2,New No.3, 1<sup>st</sup> Main Road,Seethammal Colony,Teynampet Chennai-600 018

SIGNATURE OF THE SHAREHOLDER OR PROXY

.....

**PROXY**

**KLK ELECTRICAL LIMITED**

**Old No,2,New NO.3, 1<sup>st</sup> Main Road**

**Seethammal Colony, Teynampet, Chennai-600 018**

Master Folio No.									
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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 thirty first Annual General Meeting of the Company to be held on 29<sup>th</sup> November 2012 at 11 A.M. at Old No.2,New No.3, 1<sup>st</sup> Main Road, Seethammal Colony,Teynampet Chennai-600 018

Signed ..... day of ..... 2012



**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.

If undelivered please return to:

**KLK ELECTRICAL LIMITED**

New No.64, 8th Cross Street,

West Shenoy Nagar,

Chennai 600 030.