

30TH
Annual Report
And Accounts
2013

KUSAM ELECTRICAL INDUSTRIES LIMITED

Directors :

Shri Dinesh Babal
Shri Amar Bafna – Additional Director
Shri Jhanwar Lal Sipani
Shri Navrattan Mal Goliya
Shri Chandmal Goliya - Whole-time Director

Auditors:

CHHAJED & DOSHI
Chartered Accountants
Mumbai

Bankers :

Canara Bank , Mumbai

Registered Office :

G-17 , Bharat Industrial Estate
T.J. Road , Sewree
Mumbai – 400 015

Mumbai Office :

A -72 ,CHINAR Apartment,
R.A.K.ROAD
WADALA ,MUMBAI -400031

INDEPENDENT AUDITORS' REPORT

To,
**THE MEMBERS OF
KUSAM ELECTRICAL INDUSTRIES LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of KUSAM ELECTRICAL INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case, of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case, of the Statement of Profit and Loss, of the Profit for the year ended on that date.
- (c) In the case, of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- i. Attention is drawn to note no 28 wherein the company has not complied with various conditions as stipulated in the listing agreement.
- ii. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- iii. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet and Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet and Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1) (g) of the Act.

Place: Mumbai

For CHHAJED & DOSHI.
CHARTERED ACCOUNTANTS
[FRN 101794W]

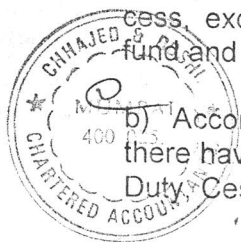


Date : 31st May, 2013

M.P. Chhajed
Partner
(Membership No. 49357)

Annexure to Independent Auditors' Report
(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirement" of our report of even date)

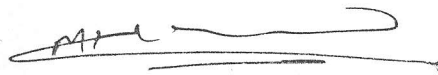
- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed Assets.
- b) All the fixed assets of the company have been physically verified during the year by the management and no material discrepancies between the book records and the Physical inventory have been noticed.
- c) In our opinion and according to the information and explanation given to us, the Company has not disposed off a substantial part of fixed assets during the year.
- ii. a) The inventory has been physically verified during the year by the management at periodical intervals. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us and on the basis of our examination of records of inventory, the Company is maintaining proper records of inventory.
- iii. As informed to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, reporting under clause (iii) of paragraph 4 of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, 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, fixed assets and sale of goods and services.
- v. Based on the audit procedures applied by us and according to the information, provided to us by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been entered and the transactions are made at the prices which are reasonable with regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the rules framed there under. Therefore, the provisions of section 58AA or any other relevant provision of the Act are not applicable to the Company.
- vii. The Company does not have system of formal internal audit. However we have been informed by the management that day to day operations of the company are supervised by Directors and looking the size and nature of its business the company at present does not have system of formal internal audit.
- viii. Since the company is not a manufacturing company, provisions for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 are not applicable to the company.
- ix. a) According to the information and explanation given to us and the books and records as produced and examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Sales tax, income tax, wealth tax, service tax, custom duty, cess, excise duty, provident fund, employee's state insurance, investor education & protection fund and other material statutory dues as applicable with appropriate authorities.
- b) According to the information and explanation given to us and the records of the company, there have been no dues in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty, Cess and Service Tax etc. which have not been deposited on account of any dispute.



- x. The Company had not incurred any cash losses in the financial year under report and during the immediately preceding financial year.
- xi. Based on our procedures and on the basis of information and explanations given by the management, in our opinion the Company has not defaulted in repayment of dues to a financial institution and banks.
- xii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures, stock and other securities.
- xiii. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund, nidhi or mutual benefit fund/ societies are not applicable to the Company.
- xiv. In our opinion and according to the information and explanation gives to us, the company is not dealing in or trading in shares, securities, debentures and other investments.
- xv. According to the information and explanations provided to us, the Company has not issued any guarantee for loans taken by others from banks or financial institutions.
- The term loan obtained by the company during the year has been applied for the purpose for which it has been obtained.
- xvii. On the basis of our examinations of the books of account and the explanations and information's provided to us, in our opinion, the funds raised on short term basis have not been used for long term investment.
- xviii. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Act.
- xix. The Company has not issued any debentures and hence clauses 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xx. During the year covered by our report the Company has not raised any money by way of public issue.
- xxi. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the Company nor have we been informed of such cases by the management.

Place: Mumbai

For CHHAJED & DOSHI.
CHARTERED ACCOUNTANTS
[FRN 101794W]



M.P. Chhajed
Partner
(Membership No. 49357)

Date : 31st May, 2013

