


**9TH ANNUAL REPORT
&
ACCOUNTS
1998-99**

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KUSUM IRON & STEEL LTD.

For Kusum Iron & Steel Limited


Director

KUSUM IRON & STEEL LTD.

BOARD OF DIRECTORS :

SRI A. K. AGARWALA	:	Director
SRI N. K. AGARWALA	:	Director
SRI S. K. AGARWALA	:	Director

BANKERS :

STATE BANK OF MYSORE
VIJAYA BANK
INDIAN BANK

FINANCIER :

WEST BENGAL FINANCIAL CORPORATION

AUDITOR :

M/s. L. K. BOHANIA & CO.
Chartered Accountants
"Anand Jyoty"
41, N. S. Road, 4th Floor,
Room No. 404, Calcutta-700 001

SHARETRANSFER DEPARTMENT

KUSUM IRON & STEEL LTD.

Share Department

"Mitruka House"

42, M. G. Road, Siliguri-734405 (W.B.)

REGD. OFFICE :

"MITRUKA HOUSE"

42-M. G. ROAD, SILIGURI-734405

FACTORY :

RANINAGAR INDUSTRIAL GROWTH CENTRE
P. O. PATKATA, DIST. JALPAIGURI (W.B.)

KUSUM IRON & STEEL LTD.

DIRECTORS' REPORT

Dear Shareholders,

The Directors have pleasure in presenting the Ninth Annual Report together with the Audited Accounts for the year ended 31st March 1999.

FINANCIAL RESULTS :

	(Rs. in Lakh)	
	For the Year ended 31-03-99	For the Year ended 31-03-98
1. Turnover	2.43	33.24
2. Total Expenditure	7.30	43.74
3. Interest	3.47	2.73
4. Gross Profit/(Loss)	(8.34)	(13.23)
5. Depreciation	8.22	8.22
6. Provision for Taxation	—	—
7. Net Profit/(Loss)	(16.56)	(21.45)

PRODUCTION

There was no production during the year due to power cut and Labour Problem.

DIRECTORS :

In accordance with the provision of Articles of Association Sri Ashok Kumar Agarwala and Sri Sanjay Kumar Agarwala retire by rotation and being eligible, offer themselves for re-appointment.

AUDITORS :

M/s. L. K. BOHANIA & Co., Chartered Accountants, Auditors of the Company retire at the forthcoming Annual General Meeting. The Company has received a certificate under Section 224 (1B) of the Companies Act, 1956 to the effect that their appointment, if made, will be in accordance to the limit specified in the said Section.

FORFEITURE OF SHARES :

During the year the company has forfeited 30, 67, 600 Eq. Shares amounting to Rs. 77,03,000, The company forfeited the shares after several Reminders to the shareholders who failed to pay the call money due on shares.

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NOTICE

Notice is hereby given that the Ninth Annual General Meeting of KUSUM IRON & STEEL LIMITED will be held at "Mitraka House", 42, M. G. Road, Siliguri-734405 on Wednesday, 22nd September, 1999 at 10.00 A.M. to transact the following business.

ORDINARY BUSINESS :—

1. To consider and adopt the Audited Accounts of the Company, as at 31st March, 1999 and the report of the Directors and Auditors Report thereon.
2. To appoint a Director in place of Sri Ashok Kumar Agarwala, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri Sanjay Kumar Agarwala, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration. M/s. L. K. Bohania & Co, Chartered Accountants, retire at the conclusion of this Annual General Meeting and being eligible offers themselves for re-appointment.

By Order of the Board

Sd/-

Place Siliguri

Date : 08-07-1999

N. K. AGARWALA

Director

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. The proxy form duly completed and signed, should reach the company's registered office at least 48 hours before the time fixed for the meeting.
2. The Register of Member and Share Transfer Books of the Company will remain closed from the 13th day of September, 1999 to 22nd day of September, 1999 (both days inclusive)
3. Members desiring any information as regards Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
4. Members are requested to bring their copy of Annual Report to the Meeting.

KUSUM IRON & STEEL LTD.

PARTICULARS OF EMPLOYEES :

None of the employee of the Company is drawing remuneration exceeding the limits specified under Section 217 (2A) of the Companies Act, 1956.

PUBLIC DEPOSIT :

The Company has neither invited nor availed of any public deposit during the year under review.

FOREIGN EXCHANGE EARNING & OUTGO ACTIVITIES :

There is neither inflow nor outflow of Foreign Exchange.

INDUSTRIAL RELATIONS :

Industrial relations during the year under review continued to be cordial.

On 09-05-1997 the Electricity Department disconnected the line. The Electricity Department raised the differential bill from 01-04-95 to 30-04-97. The Company has disputed the demand and filed a petition against the above demand to Calcutta High Court. The Hon'ble High Court referred the Case to the Chief Electrical Inspector, West Bengal and the Case is under process. Also your Company has disputed bill amounting to Rs. 12,83,751/- raised during the year. The Chief Electrical Inspector awarded the same and directed W.B.S.E.B. to issue revised Bill. Subsequently W.B.S.E.B. has issued revised bill which was against the order of Chief Electrical Inspector.

AUDITOR'S REMARK :

The remarks of the Auditor are self explanatory.

ACKNOWLEDGEMENTS :

The Directors are grateful for the continued co-operation and assistance extended to it by the Financial Institution and banks in meeting the financial requirements of the company. The Directors also wish to place on record their warm appreciation for the service rendered by the Executives of the Company.

Registered Office :

"Mitruka House"

42-M.G. Road,

Siliguri-734405

Dated : The 8th day of July, 1999

For and on behalf of the Board

Sd/-

N . K. AGARWALA

Director

KUSUM IRON & STEEL LTD.

ANNEXURE TO DIRECTORS' REPORT

Additional information as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A CONSERVATION OF ENERGY :—

(a) Energy Conservation measures taken :

Steps are being taken to conserve energy. There is a conscious and concerted drive towards conservation of energy in all its form.

(b) Additional Investment and proposal for Reduction of Consumption of energy : NIL

(c) Impact of measures at (a) and (b) above :

There is continues efforts to reduce the cost of production and conserve the energy.

(d) Total energy consumption and energy consumption per unit of production as per Form A given below :

A POWER AND FUEL CONSUMPTION :—	1998-99
1) Electricity	
(a) Purchased Units	—
Total Amount (Rs. in thousand)	14.400
Rate/Unit (Rs.)	—
(b) Own Generation	—
2) COAL	—
3) FURNACE OIL	—
4) OTHERS	—
Bags, Husk and other agro Waste	—
Quantity (in tonnes)	—
Total Amount (Rs. in thousand)	14.400
Average Rate/Tonne (Rs.)	—

B. TECHNOLOGY ABSORPTION :—

1) Efforts in brief made towards technology absorption, adoption and innovation :

- a) The Company is successfully running its plant with a totally indigenous technology.
- b) Bags husk and use of other agro waste is being used for firing in the Boilers furnance.

KUSUM IRON & STEEL LTD.

2) Benefits derived as a results of the above efforts :

- * Achieving towards cost economy.
- * Reducing the cost of fuel.
- Utilisation of waste.

3) Information regarding technology imported during the last 5 years : NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :—

Foreign Exchange earning	Rs.	NIL
Foreign Exchange used	Rs.	NIL

Registered Office :

"Mitruka House"

42-M.G. Road,

Siliguri-734405

Dated : The 8th day of July, 1999

For and on behalf of the Board

Sd/-

N . K. AGARWALA

Director

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AUDITORS' REPORT TO THE MEMBERS OF KUSUM IRON & STEEL LTD.

We have audited the attached Balance Sheet of KUSUM IRON & STEEL LIMITED as at 31st March, 1999 and also the annexed Profit & Loss Account of the company for the year ended on that date and report that

1. As required by the manufacturing and other Companies (Auditor's Report) Orders, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above;
 - 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 accounts as required by law have been kept by the Company, so far as appears from our examination of the books.
 - c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the Books of Accounts.
 - d) In our opinion the Balance Sheet Profit & Loss Account comply with the mandatory accounting standards referred to in Sec 211 (3C) of the companies Act, 1956, to the extent applicable.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the said statements of accounts read with Note Nos. B-1 (b) & B-1 (c) under Schedule 19 regarding non-provision of contingent liabilities give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view.
 - (i) in the case of the Balance Sheet of the state of the affairs of the company as at 31st March, 1999 and
 - (ii) in the case of the Profit & Loss Account, of the Loss of the company for the accounting year ending on 31st March, 1999

"Anand Jyoty"
 41, N. S, Road,
 4th Floor, Room No. 404
 Calcutta-700 001
 Dated : The 8th day of July, 1999

For L. K. BOHANIA & CO.
 Chartered Accountants
 Sd/-
L. K. BOHANIA
 Proprietor