

KUSUM IRON & STEEL LIMITED

12th ANNUAL REPORT

AND

ACCOUNTS

2001-2002

KUSUM IRON & STEEL LIMITED

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

SHARE TRANSFER 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 LIMITED

NOTICE

Notice is hereby given that the Twelveth Annual General Meeting of Kusum Iron & Steel Limited will be held at "Mitruka House", 42, M. G. Road, Siliguri-734405 on Tuesday, 19th September, 2002 at 11.00 am to transact the following business.

ORDINARY BUSINESS :-

1. To consider and adopt the Audited Accounts of the Company, as at 31st March, 2002 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

Place : Siliguri

Date : 11-07-2002

By order of the Board

N. K. AGARWALA
Director

NOTE :

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 Members and Share Transfer Books of the Company will remain closed from the 9th day of September, 2002 to 18th day of September, 2002 (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 Meetings.

KUSUM IRON & STEEL LIMITED

DIRECTORS - REPORT

Dear Shareholders,

The Directors have pleasure in presenting the Twelveth Annual Report together with the Audited Accounts for the year ended 31st March, 2002.

Financial Results

	(Rs. in Lakh)	
	<u>For the Year ended 31-03-02</u>	<u>For the Year ended 31-03-01</u>
1. Turnover -	120.83	--
2. Total Expenditure -	97.65	6.67
3. Interest -	14.09	15.87
4. Gross Profit/(Loss) -	10.02	(19.51)
5. Depreciation -	8.22	8.22
6. Provision for Taxation -	--	--
7. Net Profit/(Loss) (4-5-6)	1.80	(27.73)

PRODUCTION

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

DIVIDEND

Due to non availability of distributable profitability, the Directors regret their inability to recommend any dividend in respect of Equity Shares for the year under review.

DIRECTORS

In accordance with the provision of the Companies Act, 1956 and the Company's Articles of Association, Sri Ashok Kumar Agarwala and Sri Sanjay Kumar Agarwala, Directors retire by rotation and being eligible, offer themselves for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000, the Directors confirm that :

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- (ii) 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 or loss of the company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the directors had prepared the annual accounts on a "going concern basis".

KUSUM IRON & STEEL LIMITED

THE CORPORATE GOVERNANCE CODE :

Pursuant to clause 49 of listing agreement, the corporate governance code has to be implemented by the Board by March, 2003. The Board is taking efforts to comply the same.

SUBSIDIARIES :

The Company has no subsidiaries, within the meaning of Section 4 of the Companies Act, 1956.

INFORMATION PURSUANT TO SECTION 217 (1)(e) OF THE COMPANIES ACT. 1956 :

Information Under Section 217(1) (e) of the Companies Act, 1956, read with the companies (disclosure of particulars in the report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption, foreign exchange earning and outgo is not applicable for your company during the year under review.

AUDITORS

M/s. L. K. Bohania & Co., Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a certificate from the Auditors that they are qualified under Section 224 (1B) of the Companies Act, 1956, to act as the Auditors of the Company, if re-appointed.

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 read with the Companies (Particulars of the Employees) Rules, 1975.

PUBLIC DEPOSIT

The Company has not accepted any deposit(s) within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereof.

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 Kolkata High Court. The Hon'ble High Court referred the Case to the Chief Electrical Inspector, West Bengal and the Case is under process. The Company has also disputed bill amounting to Rs. 12, 83, 751/- raised during the Financial Year 1998-99. 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.

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AUDITOR'S REMARK

With reference to the observations made by the Auditors in their report, the directors are to state that the notes submitted by the Board as contemplated under section 217 (3) of the Companies Act, 1956; forming part of the Company's Accounts are self explanatory and therefore do not call for any further clarification.

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

For and on behalf of the Board

Report  junction.com

S. K. Agarwala
Director

N. K. Agarwala
Director

Dated : The 11th day of July, 2002

KUSUM IRON & STEEL LIMITED

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 continuous 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 :-

2001-2002

1) Electricity	
(a) Purchased Units	--
Total Amount (Rs. in thousand)	--
Rate/Unit (Rs.)	--
(b) Own Generation	--
2) Coal	--
3) Furnace Oil	--
4) Other	--
Bags, Husk and other agro Waste	--
quantity (in tonnes)	--
Total Amount (Rs. in thousand)	--
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 furnace.

KUSUM IRON & STEEL LIMITED

(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 earner	Rs. Nil
Foreign Exchange used	Rs. Nil

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"Mitruka House",
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Siliguri-734405

For and on behalf of the Board

S. K. Agarwala
Director

N. K. Agarwala
Director

Dated : The 11th day of July, 2002

KUSUM IRON & STEEL LIMITED**AUDITORS REPORT TO THE MEMBERS OF KUSUM IRON & STEEL LIMITED**

We have audited the attached Balance Sheet of Kusum Iron & Steel Limited, as at 31st March, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 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.

Further to our comments in the Annexure referred to above, we report that:-

- (i) 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;
- (ii) 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.
- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the Books of Accounts.
- (iv) In our opinion, the Balance Sheet and 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.
- (v) On the basis of written representations received from the directors, as on 31st March, 2002, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.