

# 14th ANNUAL REPORT AND ACCOUNTS 2003-2004

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## KUSUM IRON & STEEL LIMITED

# **KUSUM IRON & STEEL LIMITED**

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## **BOARD OF DIRECTORS**

SRI ASHOK KUMAR AGARWALA	Director
SRI NARESH KUMAR AGARWALA	Director
SRI SANJAY KUMAR AGARWALA	Director
SRI SHASHANKA SEKHAR GUHA	Director
SRI AMARNATH JHA	Director
SRI SHIV KUMAR GUPTA	Director

## **BANKERS**

STATE BANK OF MYSORE  
VIJAYA BANK  
INDIAN BANK

## **AUDITOR**

M/S L.K. BOHANIA & CO.

Chartered Accountants

"Anand Jyoty",

41, N.S. Road, 4th Floor,

Room No. 404, Kolkata - 700 001

## **SHARE TRANSFER DEPARTMENT**

S.K. COMPUTERS

34/1A, SUDHIR CHATTERJEE STREET

KOLKATA - 700 006

## **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**

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## **NOTICE**

Notice is hereby given that the Fourteenth Annual General Meeting of KUSUM IRON & STEEL LIMITED will be held at "Mitruka House", 42, M.G. Road, Siliguri - 734405 on Saturday, 18th September, 2004 at 11.00 A.M. to transact the following business.

### **ORDINARY BUSINESS :-**

1. To consider and adopt the Audited Accounts of the Company, as at 31st March, 2004 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.

### **SPECIAL BUSINESS :-**

5. To consider and, if thought fit, to pass with or without modification(s) the following resolutions as an ordinary resolution : "RESOLVED that pursuant to the provisions of Section 257 read with other applicable provisions if any of the Companies Act, 1956 as amended to date, consent of the company be and is hereby accorded to appoint Sri Shashanka Sekhar Guha as Director of the company liable to retire by rotation".
6. To consider and, if thought fit, to pass with or without modification(s) the following resolutions as an ordinary resolution : "RESOLVED that pursuant to the provisions of Section 257 read with other applicable provisions if any of the Companies Act, 1956 as amended to date, consent of the company be and is hereby accorded to appoint Sri Amar Nath Jha as Director of the company liable to retire by rotation".
7. To consider and, if thought fit, to pass with or without modification(s) the following resolutions as an ordinary resolution : "RESOLVED that pursuant to the provisions of Section 257 read with other applicable provisions if any of the Companies Act, 1956 as amended to date, consent of the company be and is hereby accorded to appoint Sri Shiv Kumar Gupta as Director of the company liable to retire by rotation".
8. To consider and, if thought fit, to pass with or without modification(s) the following resolutions as Special Resolution :- "RESOLVED that pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 1956 and Clause 6.1 and other applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003 (hereinafter referred to as "Delisting Guidelines") and subject to such other approvals, permissions and sanctions, as may

## **KUSUM IRON & STEEL LIMITED**

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be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company ("Board" which term shall be deemed to include any committee thereof) consent of the Company be and is hereby accorded to the Board to delist Equity Shares of the Company from Madras Stock Exchange Ltd. and The Calcutta Stock Exchange Association Ltd.

"RESOLVED FURTHER that the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the aforesaid voluntary Delisting of shares as it may in its absolute discretion deem fit without being required to seek any further approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval expressly by the authority of this resolution."

"RESOLVED FURTHER that the Board be and is hereby authorised to take all necessary steps in this regard in order to comply with all the legal and procedural formalities further to authorise any of its Directors or any of the officers of the Company to do all such acts, deeds, matter and things that may be necessary to implement this resolution".

By order of the Board

Place : Siliguri

Date : 15-07-2204

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**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 8th day of September, 2004 to 17th day of September, 2004 (both days inclusive).
3. The explanatory statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 is annexed to this notice.
4. 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.
5. Members are requested to bring their copy of Annual Report to the Meeting.

# **KUSUM IRON & STEEL LIMITED**

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## **EXPLANATORY STATEMENT**

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

### **Item Nos. 5, 6 & 7**

Sri Shashanka Shekhar Guha, Sri Amar Nath Jha and Sri Shiv Kumar Gupta were inducted as additional directors of the company at the Board Meeting held on 18th September, 2003. Pursuant to the provisions of Section 260 of the Companies Act, 1956 they hold office till the date of the ensuing Annual General Meeting. The Company has received notices from the shareholders Under Section 257 of the Act proposing them as directors. (Notices received are placed at the registered office for members inspection any time during the business hours).

The above directors have rich experience in the field of real-estate, tea & steel business. The Board feels their service would be beneficial to the company as directors.

Board recommends the Resolution for your approval. None of the Director is interested/concerned in the resolution except Sri Shashanka Shekhar Guha, Sri Amar Nath Jha and Sri Shiv Kumar Gupta.

### **Item No 8**

The Securities and Exchange Board of India vide its SMD/Policy/CIR -7/2003 issued "Securities and Exchange Board of India (Delisting of Securities) Guideline 2003" on 17-2-2003. As per the Guidelines, with the approval of the shareholders, a listed company can delist its securities voluntarily if the securities of the Company have been listed for minimum period of 3 years on any stock exchange and the securities continue to be listed in stock exchange having nationwide terminals.

Presently, the Company's shares are listed on The Bombay Stock Exchange ("BSE") and The Stock Exchange of Madras and Calcutta. At the time of listing of the shares in the Stock Exchanges at Madras and Calcutta, BSE was not having nationwide terminals for servicing the investors.

Now, BSE is having their trading terminals all over India. Hence the Delisting of shares in the Stock Exchanges at Madras and Calcutta would not affect the interest of the shareholders. Thus with the approval of shareholders, it is proposed to delist the shares of the Company at the Stock Exchanges of Madras and Calcutta in terms of Guidelines of SEBI.

Accordingly the Board commends passing of the resolutions as set out at Item No. 8 of the accompanying notice.

None of the Directors of the Company is, in any way, concerned or interested in the said Resolution.

# **KUSUM IRON & STEEL LIMITED**

## **ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT :**

As required under the listing agreement the particulars of Directors who are proposed to be appointed/ re-appointed are given below :

1. Name : Sri Shashanka Shekhar Guha  
 Age : 55 Years  
 Qualification : B. Sc.  
 Expertise : Vast experience in the field of trading and real-estate business.  
 Other Directorship : No.
2. Name : Sri Amar Nath Jha  
 Age : 45 Years  
 Qualification : H. S.  
 Expertise : Vast experience in the field of steel trading  
 Other Directorship : No.
3. Name : Sri Shiv Kumar Gupta  
 Age : 34 Years  
 Qualification : B. Com.  
 Expertise : Good experience in the field of finance and documentation  
 Other Directorship : No.
4. Name : Sri Ashok Kumar Agarwala (Mitruka)  
 Age : 39 Years  
 Qualification : B. A.  
 Expertise : Vast experience in the field of steel trading and real-estate business  
 Other Directorship : i) Dalu Holding Private Limited ii) Megacity Projects Limited
5. Name : Sri Sanjay Kumar Agarwala  
 Age : 35 Years  
 Qualification : B. Com.  
 Expertise : Vast experience in the field of tea trading and real-estate business  
 Other Directorship : No.

# KUSUM IRON & STEEL LIMITED

## DIRECTORS' REPORT

**Dear Shareholders,**

The Directors have pleasure in presenting the Fourteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2004.

### FINANCIAL - RESULTS

	(Rs. in Lakh)	
	For the Year ended 31-03-04	For the Year ended 31-03-03
1. Turnover .....	81.94	34.63
2. Total Expenditure .....	73.93	31.31
3. Interest .....	3.91	8.93
4. Gross Profit/(Loss) .....	5.10	(4.59)
5. Depreciation .....	8.22	8.22
6. Provision For Taxation .....	--	--
7. Net Profit /(Loss) (4-5-6) ...	(3.12)	(12.81)

### PRODUCTION

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

### DIVIDEND

Due to non availability of distributable profitability, the Director 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, Director of the Company retire by rotation and being eligible, offer themselves for re-appointment.

Sri Shashanka Shekar Guha, Sri Amar Nath Jha and Sri Shiv Kumar Gupta were re-inducted as the additional directors of the company at the Board Meeting held on 18th September, 2003. They hold office till the date of the ensuing Annual General Meeting. The company has received letters from shareholders proposing Sri Shashanka Shekhar Guha, Sri Amar Nath Jha and Sri Shiv Kumar Gupta as Directors of the Company. The Board recommend their appointment.

# **KUSUM IRON & STEEL LIMITED**

## **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 director had selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profit of loss on the company for that period;
- (iii) the director 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".

## **THE CORPORATE GOVERNANCE CODE :**

The Company has complied with the conditions of Corporate Governance as stipulated under the Listing Agreement with the Stock Exchanges. A separate section on Corporate Governance along with a certificate from the Auditor's for the compliance is annexed and forms part of this report.

## **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.



# **KUSUM IRON & STEEL LIMITED**

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## **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 for Rs. 51,96,125/-.

## **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

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**S.K. Agarwala**  
Director

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**N.K. Agarwala**  
Director

Dated : - The 15th day of July, 2004

# KUSUM IRON & STEEL LIMITED

## ANNEXURE TO DIRECTOR 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 : 2003-2004

1)	Electricity	
	(a) Purchased Units	-----
	Total Amount (Rs. in thousand)	-----
	Rate/ Unit (Rs.)	-----
	(b) Own Generation	-----
2)	Coal	-----
3)	Furance Oil	-----
4)	Others	-----
	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.
- (2) Benefits derived as a results of the above efforts :