

*21<sup>st</sup> ANNUAL REPORT & ACCOUNTS*  
**2010 - 2011**

**KISL**



**CERTIFIED TO BE TRUE**

*Sanjay*

**KUSUM IRON & STEEL LIMITED**  
**"MITRUKA HOUSE" © 42-M.G. ROAD**  
**SILIGURI**

**KUSUM IRON & STEEL LIMITED**

**BOARD OF DIRECTORS**

SRI NEEM CHAND MITRUKA	Director
SRI ASHOK KUMAR AGARWALA	Director
SRI NARESH KUMAR AGARWALA	Director
SRI SANJAY KUMAR AGARWALA	Director
SRI SASANKA SEKHAR GUHA	Director
SRI AMAR NATH JHA	Director
SRI SHIV KUMAR GUPTA	Director
SRI RAJENDRA KUMAR SHARMA	Director

**BANKERS**

STATE BANK OF MYSORE  
VIJAYA BANK  
INDIAN BANK

**AUDITOR**

M/S R.K. BIHANI & ASSOCIATES  
Chartered Accountants  
Khudiram Sarani,  
(Above Kiran Optics), 1<sup>st</sup> Floor,  
Hill Cart Road, Siliguri-734001

**SHARE TRANSFER DEPARTMENT**

S.K.COMPUTERS  
34/1A, SUDHIR CHATTERJEE STREET  
KOLKATA-700 006

**REGD.OFFICE**

"MITRUKA HOUSE",  
42 - MAHATMAGANDHI ROAD,  
SILIGURI-734005

**FACTORY**

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

## **NOTICE**

Notice is hereby given that the Twenty First Annual General Meeting of **KUSUM II STEEL LIMITED** will be held at "Mitruka House", 42, M.G. Road, Siliguri-734001, Saturday, 24<sup>th</sup> September, 2011 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 31<sup>st</sup> 2011 and the report of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sri Sasanka Sekhar Guha, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri Rajendra Kumar Sharma, 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.R.K.Bi Associates, Chartered Accountants, retire at the conclusion of this General Meeting and being eligible offers themselves for re-appointment.

Your Directors recommend the Resolution for your approval.

None of the Directors is concerned or interested in this resolution.

Place: Siliguri

By order of the Board

Date : 18-07-2011

**S/d. 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 15<sup>th</sup> day of September, 2011 to 24<sup>th</sup> September, 2011 (both days inclusive)
3. The explanatory statement pursuant to the provisions of Section 173(2) Companies Act, 1956 is annexed to this notice
4. Members desiring any information as regards Accounts are requested to call on 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.

## **DIRECTORS' REPORT**

***Dear Shareholders,***

The Directors have pleasure in presenting the Twenty First Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2011.

### **FINANCIAL RESULTS**

		(Rs.in Lakh)	
		For the Year ended 31-03-11	For the Year ended 31-03-10
1.	Turnover .....	202.52	--
2.	Total Expenditure .....	182.91	2.45
3.	Interest .....	0.00	4.19
4.	Gross Profit/(Loss) .....	19.61	(6.64)
5.	Depreciation .....	8.17	8.20
6.	Provision For Taxation .....	0.00	--
7.	Net Profit/(Loss) (4-5-6) .....	11.44	(14.84)

### **PRODUCTION**

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

### **DIVIDEND**

Due to non availability of distributable profit, 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 Sasanka Sekhar Guha and Sri Rajendra Kumar Sharma, Directors of the Company 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 along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgments 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".

**THE CORPORATE GOVERNANCE CODE :**

The Company has complied with the conditions of Corporate Governance as stated 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 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 relating to conservation of energy, technology absorption, foreign exchange earning and outgo applicable for your company during the year under review.

**AUDITORS**

M/s.R.K.BIHANI & ASSOCIATES, Chartered Accountants, Auditors of the Company were re-appointed at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The company has received a certificate from the Auditor's that they are competent 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 that 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 58 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**

The factory remained closed through out the year and the Industrial relations continued to be strained.

On 09-05-1997 the Electricity Department disconnected the line. The Electricity Department raised the differential bill from 01-04-1995 to 30-04-1997. 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.D.C.L. 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.

Registered Office:  
"Mitruka House",  
42-M.G.Road,  
Siliguri-734005

For and on behalf of the Board

S/d.S.K.Agarwala  
Director

S/d.N.K.Agarwala  
Director

Dated:- The 18<sup>th</sup> day of July, 2011

**REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY**

Your Company has always believed in the concept of good corporate go involving transparency, empowerment, accountability and integrity with a enhancing shareholders value. The company has professionally on its Board of who are actively involved in the deliberations of the board on all important policy

**2. BOARD OF DIRECTORS****(a) Composition**

Your Company is having 8 Directors comprising of 1 Chairman and 4 independ executive Directors as on 31-03-2011.

**(b) Attendance of each Director at the Board Meetings and the last AGM.**

7 Board Meetings were held during the year 2010-2011. The dates on w meetings were held i.e.29-04-2010, 26-07-2010, 27-09-2010, 26-10-2010, 24-30-12-2010 & 12-02-2011.

Name of the Director	Category	No. of Other Director-ship	No. of Committees In which member	No. of Board Meetings attended	W at
Mr. Neem Chand Mitruka	Executive	5	NIL	7	
Mr. Ashok Kumar Agarwala	Executive	2	NIL	6	
Mr. Sasanka Sekhar Guha	Independent Non-Executive	Nil	2	6	
Mr. Amar nath Jha	Independent Non-Executive	Nil	2	7	
Mr. Shiv Kumar Gupta	Independent Non-Executive	Nil	2	7	
Mr. Naresh Kumar Agarwala	Executive	3	NIL	7	
Mr. Sanjay Kumar Agarwala	Executive	Nil	NIL	7	
Mr. Rajendra Kumar Sharma	Independent Non-Executive	Nil	Nil	2	

**3. AUDIT COMMITTEE**

An Audit Committee was constituted in April, 2002 which consists of three indep Non-executive Directors. The Members of the Committee are well versed in I matters, accounts, company law and general business as well as in Com business practices.

The Audit Committee has met four times during the year 2010-2011 on 27-04 27-07-2010, 25-10-2010 and 29-01-2011.

Members of the Audit Committee and the number of meetings attended by each D for the Financial year 2010-2011.

Name	Designation	Meetings attended
Mr. Sanjay Kumar Agarwala	Chairman / Non-Executive Director	4
Mr. Amar Nath Jha	Non-Executive Director	4
Mr. Shiv Kumar Gupta	Non-Executive Director	4

The terms of reference stipulated by the Board of Directors to the Audit Committee covers all matters specified under the listing Agreement as well as the provisions of Section 292A of the Companies Act, 1956. A brief summary is as under :

- i) To review financial statements and pre-publication announcements before submission to the Board.
- ii) To ensure compliance of internal control systems.
- iii) To apprise the Board on the impact of accounting policies, auditing standards and legislation.
- iv) To hold periodical discussions with statutory auditors on the scope and content of the audit.
- v) To review the Company's financial and risk management policies.

4. **REMUNERATION COMMITTEE :**

The Company does not have a "Remuneration Committee". Yours Directors recommend that all such items that may be required to be discussed at a meeting of the "Remuneration Committee" could be considered at a meeting of the Board of Directors.

**Details of remuneration to the directors for the year :**

As the Company is in losses the company has not paid any remuneration for the year 2010-2011 to any directors. No sitting fee was paid to any directors.

5. **SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE :**

The company overseas share transfers and monitors investor grievances. To look into the redresses of shareholders and investors compliant like - transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

The Shareholders / investors Grievances committee has met four times during the year 2010-2011 on 30-04-2010, 20-07-2010, 29-10-2010 and 26-01-2011.

Members of the Shareholders / Investors Grievance Committee and the number of meetings attended by them for the financial year 2010-2011.

Name	Designation	Meetings attended
Mr. Sanjay Kumar Agarwala	Chairman / Non-Executive Director	4
Mr. Amar Nath Jha	Non-Executive Director	4
Mr. Shiv Kumar Gupta	Non-Executive Director	4

The Company during the year received NO complaints from the shareholders.

The outstanding complaints as on 31<sup>st</sup> March, 2011 were NIL

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