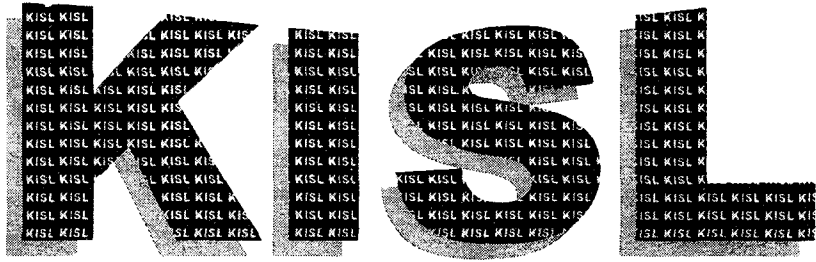


# **23<sup>rd</sup> ANNUAL REPORT & ACCOUNTS**

## **2012 – 2013**



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

## KUSUM IRON & STEEL LIMITED

### BOARD OF DIRECTORS

SRI NEEM CHAND MITRUKA  
SRI ASHOK KUMAR AGARWALA  
SRI NARESH KUMAR AGARWALA  
SRI SANJAY KUMAR AGARWALA  
SRI SASANKA SEKHAR GUHA  
SRI AMAR NATH JHA

Director  
Director  
Director  
Director  
Director  
Director

### BANKERS

STATE BANK OF MYSORE  
VIJAYA BANK  
INDIAN BANK

### AUDITOR

M/S.R.K.BIHANI & ASSOCIATES  
Chartered Accountants  
Khudiram Sarani,  
(Above Kiran Optics), 1st 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 Third Annual General Meeting of **KUSUM IRON & STEEL LIMITED** will be held at "Mitruka House", 42, M.G. Road, Siliguri-734005 on 28<sup>th</sup> September, 2013 at 11.00A.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> March, 2013 and the report of the Board of Directors' and Auditors' 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 Amar Nath Jha, 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.Bihani & Associates, Chartered Accountants, retire at the conclusion of this Annual 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.

By order of the Board

Place: Siliguri

Date : 06-06-2013

**S/d. Naresh Kumar Agarwal**  
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 19<sup>th</sup> day of September to 28<sup>th</sup> day of September (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.

## **DIRECTORS' REPORT**

***Dear Shareholders,***

The Directors have pleasure in presenting the Twenty Third Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2013.

### **FINANCIAL RESULTS**

		(Rs.in Lakh)	
		For the Year ended 31-03-13	For the Year ended 31-03-12
1.	Turnover .....	0.54	1.64
2.	Total Expenditure .....	5.05	6.05
3.	Interest .....	--	--
4.	Gross Profit/(Loss) .....	(4.51)	(4.41)
5.	Depreciation .....	8.17	8.17
6.	Provision For Taxation .....	--	--
7.	Net Profit/(Loss) (4-5-6) .....	(12.68)	(12.58)

### **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 Ashok Kumar Agarwala and Sri Amar Nath Jha, 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 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.R.K.BIHANI & ASSOCIATES, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointed. The company has received a certificate from the Auditor's 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**

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 Honb'le 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.Naresh Kumar Agarwal**  
Director

**S/d.Sanjay Agarwal**  
Director

Dated:- The 06<sup>th</sup> day of June, 2013

## **REPORT ON CORPORATE GOVERNANCE**

### **1. COMPANY'S PHILOSOPHY**

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

### **2. BOARD OF DIRECTORS**

#### **(a) Composition**

Your Company is having 5 Directors comprising of 1 Chairman and 1 independent Non-executive Directors as on 31-03-2013.

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

6 Board Meetings were held during the year 2012-2013. The dates on which the meetings were held i.e. 21-04-2012, 31-07-2012, 24-09-2012, 23-11-2012, 29-12-2012 & 28-02-2013.

Name of the Director	Category	No. of Other Director-ship	No. of Committees In which member	No. of Board Meetings attended	Whether attended last AGM
Mr. Neem Chand Mitruka	Executive	7	NIL	6	Yes
Mr. Ashok Kumar Agarwala	Executive	4	NIL	6	Yes
Mr. Amar nath Jha	Independent Non-Executive	Nil	2	6	Yes
Mr. Naresh Kumar Agarwala	Executive	8	NIL	6	Yes
Mr. Sanjay Kumar Agarwala	Executive	Nil	NIL	6	Yes

### **3. AUDIT COMMITTEE**

An Audit Committee was constituted in April, 2002 which consists of three Directors. The Members of the Committee are well versed in finance matters, accounts, company law and general business as well as in Companies business practices.

The Audit Committee has met four times during the year 2012-2013 on 26-04-2012, 28-07-2012, 30-10-2012 and 28-01-2013.

Members of the Audit Committee and the number of meetings attended by each Director for the Financial year 2012-2013.

Name	Designation	Meetings attended
Mr. Sanjay Kumar Agarwala	Chairman / Executive Director	4
Mr. Amar Nath Jha	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". Your 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 2012-2013 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 2012-2013 on 26-04-2012, 28-07-2012, 30-10-2012 and 28-01-2013.

Members of the Shareholders / Investors Grievance Committee and the number of meetings attended by them for the financial year 2012-2013.

Name	Designation	Meetings attended
Mr. Sanjay Kumar Agarwala	Chairman / Executive Director	4
Mr. Amar Nath Jha	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, 2013 were NIL***



6. **GENERAL BODY MEETINGS:**

The 21<sup>st</sup>, 22<sup>nd</sup> Annual General Meetings were held at 11.00 A.M. on 24<sup>th</sup> September, 2011, 22<sup>nd</sup> September, 2012 respectively at the Registered Office of the Company. No Special Resolution was put through postal ballot last year.

7. **DISCLOSURES**

A. Disclosure on materially significant related party transactions i.e. transactions of the company of material nature with its promoters, the directors or the management's, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large :

Details on significant related party transactions are given in the appended financial statement under note 9 of the notes to accounts annexed to the financials.

B. Details of non-compliance by the company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter relating to capital markets, during the last three years.

*NONE*

8. **MEANS OF COMMUNICATIONS :**

As per the Listing requirements, the company publishes periodical financial results in leading English and Regional Newspapers. The Management Discussion and Analysis MD&A forms part of the Annual Report.

9. **GENERAL SHAREHOLDERS INFORMATION :**

i) **Annual General Meeting**

Date : 28-09-2013

Time : 11.00 A.M.

Venue : "Mitruka House", 42-M.G. Road, Siliguri-734005 (W.B.)

ii) **Financial Calendar**

Financial reporting for -

Quarter ending June 30, 2012 : End of July, 2012

Quarter ending Sept. 30, 2012 : End of October, 2012

Quarter ending Dec. 31, 2012 : End of January, 2013

Year ending March 31, 2013 : End of April, 2013

iii) **Dates of Book Closure** : 19/09/2013 to 28/09/2013 (both days inclusive)

iv) **Listing on Stock Exchanges at :**

1. The Calcutta Stock Exchange Association Limited  
7, Lyons Range, Kolkata – 700 001

2. The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400 001

3. Madras Stock Exchange Ltd.  
Exchange Building, Post Box No.183  
11, Third Line Beach, Chennai – 600 001

4. Depositories for Equity Shares : NSDL & CDSL

v) **Stock Code :**

The Calcutta Stock Exchange Association Ltd.

The Stock Exchange, Mumbai

13625

Madras Stock Exchange Ltd.

Demat ISIN Number in NSDL & CDSL

INE 397E01014

vi) **Stock Market Data :**

The Shares of the Company were not traded in the Stock Exchanges, hence monthly high / low prices are not available.

vii) **Share price performance in comparison to broad-based indices such as BSE Sensex, NSE Nifty :**

Details are not furnished as it is not applicable to our Company.

viii) **Registrar and Share Transfer Agents :**

M/s. S. K. Computers

34/1A, Sudhir Chatterjee Street, Kolkata – 700 016

ix) **Share Transfer System :**

Share Transfers are registered and returned within a period of 30 days from the date of receipt. If the documents are clear in all respects. The power to approve transfer of securities has been deflected by the Board to the Shareholders / Investors Grievance and Share Transfer Committee, which meets once in a fortnight. Share transfer requests are processed within an average of 15 days from the date of receipt. Letters are sent to the shareholders after transfer of shares in their names giving an option for dematerialization of shares of the physical shares. Physical shares are dematerialized and electronic credit is given to those shareholders, who opt for dematerialization and in respect of other shareholders, who have not opted for dematerialization, share certificates are dispatched by Registered Posts.