

Twenty Seventh
Annual Report
And Accounts
2010

KUSAM ELECTRICAL INDUSTRIES LIMITED

Directors :

Shri Vijay Mal Lodha
Shri Jhanwar Lal Sipani
Shri Navrattan Mal Goliya
Smt. Pramila Goliya
Shri Chand Mal Goliya - Wholetime Director

Auditors :

SURENDRA KUMAR SURANA & CO.
Chartered Accountants

CHHAJED & DOSHI
Chartered Accountants
Mumbai

Bankers :

ICICI Bank, Kolkatta
Canara Bank , Mumbai

Registered Office :

7, Sarat Bose Road
4 th Floor , Flat 4 B
Kolkata - 700 020

Mumbai Office :

17 , Bharat Industrial Estate
T.J. Road , Sewree
Mumbai – 400 015

A -72 ,CHINAR
R.A.K.ROAD
WADALA ,MUMBAI -400031

NOTICE

Notice is hereby given that the 27th Annual General Meeting of M/S KUSAM ELECTRICAL INDUSTRIES LTD., will be held at its Registered Office at 7, Sarat Bose Road ,4 th Floor, Kolkata -700020 on Wednesday ,the 29 September 2010 , at 11:00 A.M. for transacting the following business :

- 1.To receive, consider and adopt the audited Balance Sheet as at 31stMarch,2010 and the Profit & Loss Account for the year ended as on that date and the reports of the Auditors and Directors thereon.
- 2.To appoint a Director in place of Shri Jhanwar Lal Sipani who retires by rotation and being eligible offers for re-appointment.
- 3.To appoint a Director in place of Smt. Pramila Goliya who retires by rotation and being eligible offers for re-appointment .
4. a) To appoint auditors for the year ending 31 March 2010 and to fix their remuneration.

b) To appoint Auditors for Mumbai Office and to fix their remuneration.

7,Sarat Bose Road
4th Floor ,Flat 4 B ,
Kolkatta – 700020
Dated : the 31st day of August,2010

By the order of the Board

V.M.Lodha
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.
 2. The Register of Members of the Company in respect of Equity Shares will remain closed from 22nd September 2010 to 29th September 2010 both the days inclusive.

KUSAM ELECTRICAL INDUSTRIES LIMIED

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting to you the 27th Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2010.

PERFORMANCE OF THE COMPANY

This year's working shows an improvement in Sales, including Exports, as compared to previous year. The Global Competition in the Company Products affects the Profitability of the Company. The Global Economic Environment has affected the expansion plans in many sectors of the Indian Economy resulting in a tough year ahead for the company. However continued efforts are being made to improve the sales by introducing new products in the same segment.

	Year Ended 31.3.2010	Year Ended 31.3.2009
FINANCIAL RESULTS	Rs.	Rs.
Profit/Loss before Tax	23,60,889	21,69,688
Less Provision for Taxation & FBT	(8,00,000)	(8,70,000)
Add: Deferred Tax Asset	40,238	84,555
(Excess)/Short provision for Earlier years	(4,626)	61,990
Add: Balance Brought forward from Previous Year	71,42,221	56,95,988
Balance Carried to next year	87,38,722	71,42,219

DIVIDEND

No Dividend has been recommended in order to augment the resources of the Company .

DIRECTORS

Shri. Navratanmal Goliya and Shri Vijaymal Lodha retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS' OBSERVATIONS

The observations made by the Auditors in their report are self-explanatory and needs no further clarifications.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956. your Directors state that :-

- A) In the preparation of annual accounts under review the applicable accounting standards have been followed.
- B) Appropriate accounting policies were selected and applied consistently and reasonable prudent judgments and estimates were so made as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit or loss of the Company.
- C) Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- D) The Annual Accounts are prepared on a going concern basis.

COMPLIANCE CERTIFICATE

In accordance with Section 383A of the Companies Act, 1956, and Companies (Compliance Certificate) Rules, 2002 the Company has obtained a certificate from a Secretary in the whole time practice, confirming that the Company has complied with all the provisions of the Companies Act, 1956.

OTHER STATUTORY INFORMATION

The Company has no activities relating to conservation of energy and absorption of Technology. There was Foreign Exchange earning on account of Export Sale of Rs 6, 98,673/- (Rs. 2,94,040/-) and the outgo during the year was Rs. 1,03,24,487/- (Rs. 93,61,117/-) by way of imports and Rs.2,39,225/- (Rs.6,80,100/-) by way of Traveling .

(Figures indicated in the bracket are of previous year.)

EMPLOYEES

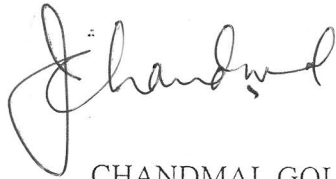
None of the employees is covered by the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and therefore no details have been furnished as part of this report.

LISTING

Your Company's Shares are listed with The Calcutta Stock Exchange Association Ltd. and Bombay Stock Exchange Ltd. The Company is regular in paying the listing fees.

AUDITORS

M/s SURENDRA KUMAR SURANA & CO, Chartered Accountants, Kolkata, the Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. M/s Chhajer & Doshi, Chartered Accountants, Mumbai the Auditors for Mumbai Office also retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.



CHANDMAL GOLIYA
V.M. LODHA
J L SIPANI

7, Sarat Bose Road
4th Floor, Flat 4B
Kolkata – 700 020

Dated: the 31st day of August, 2010

Whole time Director
Director ✓
Directors ✓



AUDITORS' REPORT

To
The Members,
KUSAM ELECTRICAL INDUSTRIES LIMITED

We have audited the attached Balance Sheet of **M/S KUSAM ELECTRICAL INDUSTRIES LIMITED, Kolkata** as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement 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 statements 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 mis-statements. An audit 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 (As Amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.

Further to our comments in the Annexure referred to in paragraph 3 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 purposes of our audit ;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of such books of our Company;
- (iii) The Balance Sheet and Profit & Loss account dealt with by this report are in agreement with the books of account ;
- (iv) In our opinion, the Balance Sheet and the 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) The report on account of the Mumbai Branch, audited by other Auditors has been forwarded to us and the same has been duly considered by us in preparing our report.



- (vii) In our opinion and to the best of our information and according to explanations given to us the annexed accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :-
- (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and
 - (b) In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date.
 - (c) In the Case of Cash Flow Statement, of the Cash Flows for the year Ended on that date.

Kolkata

Dated : 31.08.2010



For SURENDRA KUMAR SURANA & CO.
✓ CHARTERED ACCOUNTANTS
Firm Regn. No. 317119E

S. Surana

(S.K. SURANA)

Partner

(Membership No. 53271)

Annexure to the Auditors' Report

(As Referred to in paragraph 3 of our report of even date)

1.
 - a) The Company has maintained proper records to show full particulars, including quantitative details and situation of its Fixed Assets. The management have physically verified the Fixed Assets and we have been informed that no serious discrepancies were noticed on such verification. In our opinion the frequency of verification is reasonable.
 - b) The Company has not disposed off substantial amount of Fixed Assets during the year and none of the Fixed Assets have been revalued during the year.
2.
 - a) The inventory has been physically verified during the year by the management at periodical intervals. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) In our opinion and according to the information and explanation given to us and on the basis of our examination of records of inventory, the Company is maintaining proper records of inventory.
3.
 - a) As informed to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, clause (iii) (b), (iii) (c), (iii) (d), (iii) (f). (iii)(g) of the Order are not applicable.
 - b) As informed to us, the Company has not taken any loan, secured or unsecured, to companies, firms or other parties covered in the Register maintained Under Section 301 of the Companies Act, 1956. Therefore, the provisions of clauses (iii)(e) to (g) of the Companies (Auditor's Report) Order, 2003(as amended) are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and sale of goods and services.



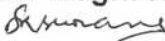
5. Based on the audit procedures applied by us and according to the information, provided to us by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been entered and the transactions are made at the prices which are reasonable with regard to the prevailing market prices at the relevant time.
 6. The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the rules framed there under. Therefore, the provisions of section 58AA or any other relevant provision of the Act are not applicable to the Company.
 7. The internal audit procedures in the Company commensurate with the size and nature of its activities being carried on by the Company.
 8. To the best of our information and explanations given to us the Central Govt. has not prescribed for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
 9.
 - a) According to the information and explanation given to us and the books and records as produced and examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Sales tax, income tax, wealth tax, service tax, custom duty, cess, excise duty, provident fund, employee's state insurance, investor education & protection fund and other material statutory dues as applicable with appropriate authorities.
 - (b) According to the information and explanation given to us and the records of the company, there have been no dues in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax and Service Tax etc. which have not been deposited on account of any dispute.
 10. The Company had not incurred any cash losses both in the financial year under report and during the immediately preceding financial year.
 11. Based on our procedures and on the basis of information and explanations given by the management, in our opinion the Company has not defaulted in repayment of dues to a financial institution and banks.
- The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



13. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund, nidhi or mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion and according to the information and explanation gives to us, the company is not dealing in or trading in shares, securities, debentures and other investments.
15. According to the information and explanations provided to us, the Company has not guaranteed for loans taken by others from banks or financial institutions.
16. As per the explanations and information's provided to us the term loan has been applied for the purpose for which they were taken.
17. On the basis of our examinations of the books of accounts and the explanations and information's provided to us, in our opinion, the funds raised on short term basis have not been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures and hence clauses 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
20. During the year covered by our report the Company has not raised any money by way of public issue.
21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the Company nor have we been informed of such cases by the management.

Kolkata
Dated : 31.08.2010



For SURENDRA KUMAR SURANA & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. 317119E

(S.K. SURANA)
Partner
(Membership No. 53271)

BRANCH AUDITORS' REPORT

M/S. SURENDRA KUMAR SURANA & CO.
STATUTORY AUDITORS,
KUSAM ELECTRICAL INDUSTRIES LIMITED,
KOLKATA.

1. We have audited the attached Balance Sheet of **MUMBAI BRANCH** of **M/S KUSAM ELECTRICAL INDUSTRIES LIMITED** (hereinafter referred as "the Branch") as at 31st March, 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Branch's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. 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 misstatements. An audit 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company's Mumbai branch so far as appears from our examination of these books;



- c. The Balance Sheet and Profit & Loss account dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e. The requirement regarding receipt of representations from Directors of the company and their taking on record in the meeting of the board of directors to ascertain whether any of the directors of the company is disqualified under section 274(1)(g) of the Companies Act, 1956 or otherwise, is to be examined at the Registered Office.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and notes thereon 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:
- i) In the case of Balance Sheet, of the state of affairs of the Company's Mumbai branch as at 31st March, 2010 and
- ii) In the case of the Profit & Loss Account of the Profit of the branch for the year ended on that date; and
- iii) Cash flow for the Company is to be prepared and certified at Registered Office.

Place: MUMBAI



**for CHHAJED & DOSHI
CHARTERED ACCOUNTANTS**
Firm Registration No. 101794W

A handwritten signature in black ink, appearing to read "M.P. Chhajed", written over a horizontal line.

**M.P.Chhajed
PARTNER
Membership No:49357**

Dated: 27/08/2010

**Annexure to the Auditors' Report
(As Referred to in paragraph 3 of our report of even date)**

- i. a) As per the information given to us, required records showing full particulars including quantitative details and situation of fixed assets are being maintained at Registered Office of the Company.
- b) All the fixed assets at the Mumbai branch have been physically verified during the year by the management and no material discrepancies between the book records and the Physical inventory have been noticed.
- c) The branch has not disposed off substantial part of fixed assets. In our opinion the going concern status of the branch is not affected.
- ii. a) The inventory has been physically verified during the year by the management at periodical intervals. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the branch is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. The branch has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, clause (iii) (b), (iii) (c), (iii) (d), (iii) (f). (iii)(g) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- v. a) The particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 are to be verified at the registered office.



- b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements in respect of any party during the year at the branch are reasonable having regard to prevailing market prices at the relevant time.
- vi. The branch has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the rules framed there under. Therefore, the provisions of section 58AA or any other relevant provision of the Act are not applicable at the Branch.
- vii. The requirement for reporting on internal audit system is to be examined at the registered office taking into consideration paid up capital of the Company and average annual turnover. However, there is no internal audit system at the branch.
- viii. Since the Branch does not carry on any manufacturing activity the question of maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 does not arise.
- ix. a) According to the information and explanation given to us and the books and records as produced and examined by us, in our opinion, the Branch is generally regular in depositing undisputed statutory dues including Sales tax, service tax, custom duty, cess and other material statutory dues as applicable with appropriate authorities. Liability for undisputed income tax, wealth tax and other statutory dues if any is to be examined at Head office. We have been informed that the provisions of Provident Fund and Employees' State Insurance Act do not apply to the branch.
- b) According to the information and explanations given to us and the records of the branch examined by us, there have been no dues in respect of Sales tax and Cess as at year end, which have not been deposited on account of disputes. Disputed Demands for the matters not covered in hereinabove need to be examined at the registered office.
- x. Profit earned by the Branch during the year has been transferred to Head Office. The branch had not incurred any cash losses both in the financial year under report and during the immediately preceding financial year. The position for the company as a whole should be examined at the Registered Office.
- xi. Based on our procedures and on the basis of information and explanations given by the management, in our opinion the branch has not defaulted in repayment of dues to a financial institution and bank.
- xii. The branch has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



- xiii. In our opinion, considering the nature of activities carried on by the branch during the year, the provisions of any special statute applicable to chit fund, nidhi or mutual benefit fund/ societies are not applicable to the branch.
- xiv. In our opinion and according to the information and explanation gives to us, the branch is not dealing in or trading in shares, securities, debentures and other investments.
- xv. The branch has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi. In our opinion and according to the information and explanation gives to us, the term loans have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the branch, we report that the no fund raised on short- term basis have been used for long-term investment by the branch.
- xviii. The requirement regarding preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act the needs to be examined at the registered office.
- xix. The requirement regarding debentures issued if any and creation of securities and charge are to be examined at the registered office.
- xx. The requirement regarding any money raised by public issue during the year needs to be examined at the registered office.
- xxi. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the branch nor have we been informed of such cases by the management.

Place: MUMBAI**for CHHAJED & DOSHI
CHARTERED ACCOUNTANTS**
Firm Registration No. 101794W

A handwritten signature in black ink, appearing to be "M.P. Chhajed", written over a horizontal line.

**M.P.Chhajed
PARTNER
Membership No:49357****Dated: 27/08/2010**

KUSAM ELECTRICAL INDUSTRIES LIMITED

BALANCE SHEET AS AT 31st MARCH 2010

SOURCE OF FUNDS	SCHEDULES	AS AT	AS AT
		31-03-2010	31-03-2009
Shareholders' Funds		AMT. (RS.)	AMT. (RS.)
Share Capital	1	2,400,000	2,400,000
Reserves and Surplus	2	8,738,722	7,142,219
LOAN FUNDS:			
SECURED LOANS	3	1,110,179	570,408
TOTAL Rs.		<u>12,248,901</u>	<u>10,112,628</u>
APPLICATION OF FUNDS :			
(A) FIXED ASSETS			
GROSS BLOCK:	4	6,549,347	3,340,212
LESS: DEPRECIATION		<u>2,192,659</u>	<u>1,770,920</u>
NET BLOCK :		4,356,688	1,569,292
(B) INVESTMENTS	5	256	256
(C) DEFERRED TAX ASSET		297,093	256,855
(D) CURRENT ASSETS , LOANS & ADVANCES:			
(1) INVENTORIES :	6	7,311,143	7,743,253
(2) SUNDRY DEBTORS :	6	1,164,019	1,094,129
(3) CASH & BANK BALANCES :	6	413,710	340,397
(4) OTHER CURRENT ASSETS :	6	1,042	2,806
(5) LOANS & ADVANCES :	7	4,195,257	3,667,124
		<u>13,085,172</u>	<u>12,847,709</u>
LESS : CURRENT LIABILITIES & PROVISIONS			
(1) CURRENT LIABILITIES	8	2,438,965	2,396,845
(2) PROVISIONS	8	<u>3,051,342</u>	<u>2,164,639</u>
		5,490,307	4,561,484
NET CURRENT ASSETS		7,594,864	8,286,225
TOTAL Rs.		<u>12,248,901</u>	<u>10,112,628</u>


Significant Accounting Policies and Notes & Information 14

As per our Report of even date annexed
For Surendra Kumar Surana & Co.
Chartered Accountants

KOLKATA
DATE: 31.08.10

(S.K.Surana)
Partner
Membership No. 53271

FOR KUSAM ELECTRICAL INDUSTRIES LIMITED


DIRECTORS





KUSAM ELECTRICAL INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

<u>SCHEDULES</u>	<u>FOR THE YEAR ENDED 31-03-2010</u>		<u>FOR THE YEAR ENDED 31-03-2009</u>	
		AMT. (RS.)		AMT. (RS.)
INCOME :				
TRADING SALES		24,967,578		21,235,206
EXPORT SALES		<u>698,673</u>		<u>294,040</u>
		25,666,251		21,529,246
OTHER INCOME	9	427,085		342,089
		<u>26,093,336</u>		<u>21,871,336</u>
EXPENDITURE :				
COST OF SALES	10	15,774,840		12,023,793
PAYMENTS TO & PROVISIONS FOR EMPLOYEES	11	1,917,386		1,736,703
SELLING & ADMINISTRATIVE EXPE	12	5,426,510		5,450,420
FINANCE COST	13	191,972		74,700
DEPRECIATION	4	421,739		416,031
		<u>23,732,447</u>		<u>19,701,648</u>
Profit Before Taxation		2,360,889		2,169,688
Provision for:				
Income Tax		800,000		800,000
Fringe Benefit Tax		NIL		70,000
Deferred Tax (Assets)		(40,238)		(84,555)
(Excess)/Short provision for Earlier years		<u>4,626</u>		<u>(61,990)</u>
		764,388		723,455
Profit after Taxation		1,596,501		1,446,233
Add: Profit brought forward		7,142,221		5,695,988
Balance carried forward		<u>8,738,722</u>		<u>7,142,219</u>
Earning Per Share				
Basic & Diluted		6.65		6.03
Number of Shares		240,000		240,000
Earning for Equity Shareholders		1,596,501		1,446,233
Significant Accounting Policies and Notes & Information	14			

As per our Report of even date annexed

For Surendra Kumar Surana & Co.

Chartered Accountants

Firm Regn. No. 317119E

S.K. Surana
(S.K. Surana)

Partner

Membership No. 53271

KOLKATA

DATED: 31.08.10

[Signature]
FOR KUSAM ELECTRICAL INDUSTRIES LIMITED
Directors



6. EMPLOYEE BENEFITS:

Short term employee benefits are recognized as an expense at the undiscounted amounts in the Profit and Loss account of the year in which the related service is rendered.

Defined Contribution Plan

Provident Fund:

Employer's contribution towards provident fund of the employees is charged to Profit & Loss Account.

Defined Benefit Plan

Gratuity and Leave Salary:

Provision for gratuity and leave salary is made on the basis of actuarial valuation.

7. BORROWING COSTS:

Borrowing costs attributable to the acquisition of qualifying Assets are capitalized, all other borrowing costs are charged off to the Profit and Loss Account.

8. USE OF ESTIMATES:

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of financial statements. Actual results could differ from those estimates. Difference between actual results and estimates are recognized in the period in which the results are known.

9. IMPAIRMENT:

Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

10. Provisions, Contingent Liabilities and Contingent Assets:

A Provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent Liabilities, if material, are disclosed by way of notes to accounts. Contingent Assets are not recognized or disclosed in the financial statements.

B. NOTES TO ACCOUNTS:

1. Contingent Liability :

- i. Bank Guarantee of Rs.3938/- (P.Y. Rs. 16,738 /-) against the FDR of Rs.1,023/- (P Y Rs. 4,185/-).
- ii. Letter of Credit of Rs.5,70,908/- (P.Y. Rs.7,09,380) against the FDR of Rs.1,44,000/- (P Y Rs. 1,85,572/-).

2. The disclosures required under Accounting Standard 15 Employee Benefits are as under

Defined Benefit Plan:

- i. Gratuity and Leave Encashment benefits which are in the nature of defined benefit scheme are provided for based on valuations, as at the balance sheet dates made by an independent actuary. Both liabilities for gratuity and leave encashment benefits are unfunded as 31st March, 2010
- ii. Defined benefit plans as per actuarial valuation as on 31st March, 2010, and recognized in the financial statements.

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I. Defined Benefit Plan-

	Gratuity	Leave Encashment
Period ending	31-3-10	31-3-10
Discount Rate at the start of The Year	7.5%	7.5%
Rate of increase in Compensation level	5%	5%
Current Service Cost (Rs.)	61,919	2,838
Benefit Paid	-----	-----
Present value of Obligation on the valuation date (Rs.)	5,23,854	7,488

II. Change in the Present value of the Benefit Obligations

	Gratuity	Leave Encashment
	31-3-10 Amount (Rs.)	31-3-10 Amount (Rs.)
Projected benefit obligations at beginning	3,83,517	6,122
Service Cost	61,919	2,838
Interest cost	28,764	459
Past service Cost	-----	-----
Actuarial (gain) loss On obligation	49,654	(1,931)
Benefit Paid	-----	-----
Projected Benefit obligation, end of the Period	5,23,854	7,488

III. Amounts Recognized in Balance Sheet

	Gratuity	Leave Encashment
	31-3-10 Amount (Rs.)	31-3-10 Amount (Rs.)
Present Value of obligation 31 st March	5,23,854	7,488
Present Value of Assets	-----	-----
Liability recognized in Balance Sheet	5,23,854	7,488

IV. Expenses recognized in Statement of Profit & Loss

	Gratuity	Leave Encashment
	31-3-10 Amount (Rs.)	31-3-10 Amount (Rs.)
Current service Cost	61,919	2,838
Interest Cost	28,764	459
Expected Return on Plan Assets	-----	-----
Net Actuarial gain	49,654	(1,931)
Net Periodic Cost	1,40,337	1,366

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V. Amount recognized in Balance Sheet

	Gratuity 31-3-10 Amount (Rs.)	Leave Encashment 31-3-10 Amount (Rs.)
Opening net liability	3,83,517	6,122
Expenses as above	1,40,337	1,366
Contributions Paid	-----	-----
Closing net liability	5,23,854	7,488

3. Break up of Deferred Tax Assets (DTA) and Deferred Tax Liabilities (DTL) into major components of the respective balances is as under :-

	Deferred Tax Liabilities/ (Assets) as on 1.4.2009	Current Year Charge/ (Credit)	Deferred Tax Liabilities/ (Assets) as on 31.3.2010
Depreciation	(84,506)	15,106	(69,400)
Provision of Gratuity	(1,18,507)	(43,364)	(16,187)
Provision for Leave Salary	(1,892)	(422)	(2,314)
Other 43B	(51,951)	(11,557)	(63,508)
Net Deferred Tax Liability/(Asset)			(2,97,093)

4. Information pursuant to para 3 & 4 of part II of Schedule VI to the Companies Act, 1956 (As worked out, compiled & certified by a Director.)

	UNITS	CURRENT YEAR		PREVIOUS YEAR	
		Qty.	Value(Rs.)	Qty.	Value(Rs.)
A) SALES					
Meters & Instruments	Pcs	9,509	2,53,93,096	7,272	2,13,24,363
Accessories			2,73,155		2,04,883
Total			2,56,66,251		2,15,29,246
B) OPENING STOCK					
*Meters & Instruments	Pcs	5,166	72,82,802	3,700	52,01,539
Accessories			1,45,552		1,10,721
Total			74,28,354		53,12,260
C) CLOSING STOCK					
Meters & Instruments	Pcs	4,304	68,29,246	5,166	72,82,802
Accessories			1,21,689		1,45,552
Total			69,50,935		74,28,354
D) PURCHASES					
Meters & Instruments	Pcs	8,647	1,31,26,694	8,738	1,24,62,914
Accessories			85,664		1,40,662
Total			1,32,12,358		1,26,03,576

(The quantities are after adjustment of excesses/ shortages ascertained on physical count)

KUSAM ELECTRICAL INDUSTRIES LIMITED

2009-10

E.) FOB Value of Exports

Meters, Instruments & Accessories

Current Year

Rs.
6,98,673

Previous Year

Rs.
2,94,040

F) CIF VALUE OF IMPORTS:

Meters, Instruments & Accessories

1,03,24,487

93,61,117

G.) EXPENDITURE IN FOREIGN CURRENCY:

Traveling Expenses

2,39,225

6,80,100

H) Auditor's Remuneration :



	Statutory Auditors		Branch Auditors	
	Current Year	Previous Year	Current Year	Previous Year
Audit Fees	4,000	4,000	50,000	50,000
Tax Audit Fees	3,500	3,000	25,000	25,000
Service Tax	-	-	16,302	16,558
Other Matters	-	-	78,800	78,800

5. Disclosure in respect of Related Parties* pursuant to Accounting Standard 18.

- (A) **Associated Companies/Concerns:**
Goliya Instruments Private Limited
Goliya Electricals Private Limited
Kusam - Meco Import Export Private Limited
Mahavir Instrumentation Private Limited
Goliya Industrial Corporation

- (B) **Key Managerial Personnel:**
Shri C.P. Goliya , Director

- (C) During the year, the following transactions were carried out with the related parties in the ordinary course of the business.

Name Of Related Party	Nature of Transaction	Associated Company/ concerns	Key Managerial Personnel	Closing Balance	
				Debit	Credit
Kusam-Meco Import Export Pvt Ltd	Purchases	1,68,459			
		(4,20,150)		NIL	
	Sales	9,174		NIL	
		(1,91,865)		NIL	
Goliya Industrial Corporation	Rent, Rates and Taxes	23,614		NIL	
		(22,753)		(NIL)	
Shri C.P. Goliya	Remuneration, Bonus & Perquisites		10,44,190		85,149
			(9,04,694)		(12,119)
Goliya Instruments Pvt.Ltd	Repairing Charges	NIL		Nil	
		(500)			

*As identified and certified by the Management.

Note: Previous year's figures have been indicated in brackets



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6. Two of the vehicles are being held in the name of the Whole time director in trust on behalf of the Company.
7. The Company operates in single business segment of Electrical & Electronics Measuring Instruments.
8. The company has not received the required information from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been made.

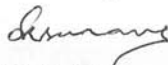
9. Earnings Per Share:

	Current Year (Rs.)	Previous Year (Rs.)
Profit After Tax	15,96,501	14,46,233
Earnings for Equity Shareholders No. of shares	2,40,000	2,40,000
Basic & Diluted Earnings per share	6.65	6.03

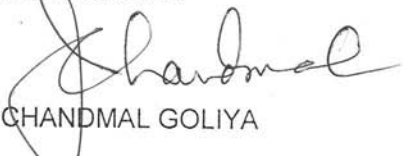
10. Previous years figures have been regrouped / rearranged and recast wherever necessary.




For Surendra Kumar Surana & Co.
Chartered Accountants
Firm Regn. No. 317119E


(S.K. Surana)
Partner
Membership No. 53271

Kolkata
Date: 31.08.2010


CHANDMAL GOLIYA
(Wholetime Director)


V.M. Lodha
(Director)