



# KUSAM ELECTRICAL INDUSTRIES LIMITED



## 35<sup>TH</sup> ANNUAL REPORT (2017-2018)



Mr. Chandmal P. Goliya  
Whole Time Director

## MISSION

KUSAM-MECO is committed to provide quality products and after sales services that meet customer's requirements and enhance their satisfaction through continual improvements. This shall be achieved through effective application of quality management system.

## VISION

The vision of our Company is to be the one single source for all high quality and reliable Test and Measuring Instrument required by the Customer.

**CORPORATE INFORMATION****❖ BOARD OF DIRECTORS:**

- Mr. Chandmal P. Goliya
- Mr. J. B. Sipani
- Mrs. Sushma Ranka
- Ms. Damini Jhunjhunuwala

**❖ CHIEF FINANCIAL OFFICER**

Mr. Naval S. Jha

**❖ COMPANY SECRETARY**

Ms. Neha Sangam

**❖ AUDITORS**

**M/s. Chhajed & Doshi**

(Chartered Accountants)

Andheri (E), Mumbai.

**❖ SHARE TRANSFER AGENT**

**Satellite Corporate Services Pvt. Ltd.**

Unit No. 49, Bldg No.13-A-B, 2nd Floor,

Samhita Commercial Co-Op. Soc. Ltd.

Off Andheri Kurla Road, MTNL Lane,

Sakinaka, Mumbai - 400 072

**❖ BANKERS**

Canara Bank, Mumbai

**❖ REGISTERED OFFICE**

G- 17, Bharat Industrial Estate,

T. J. Road, Sewree – West, Mumbai – 400015.

Email: [kusam\\_meco@vsnl.com](mailto:kusam_meco@vsnl.com); [sales@kusam-meco.co.in](mailto:sales@kusam-meco.co.in)

Website: [www.kusamelectrical.com](http://www.kusamelectrical.com)

**❖ CORPORATE OFFICE**

1/F, Cidco Shopping Complex,

Plot No. 9, Rajiv Gandhi Marg,

Sanpada Sector 7, Navi Mumbai- 400705.

**❖ LISTED IN STOCK EXCHANGE**

Bombay Stock Exchange

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**Kusam Electrical Industries Ltd.**  
Regd. Office : G-17, Bharat Industrial Estate, T.J.Road, Sewree (W), MUMBAI- 400 015. INDIA.  
Tel. Sales Direct Line : (022) 24156638  
Tel. : (022) 24181649, 24124540,  
Fax : (022) 24149659  
CIN NO. : L31909MH1983PLC220457



## NOTICE

**NOTICE** is hereby given that the 35<sup>th</sup> Annual General Meeting of the Members of Kusam Electrical Industries Ltd will be held on Thursday, 27<sup>th</sup> September, 2018 at the registered office situated at G-17, Bharat Industrial Estate, T. J. Road, Sewree (West), Mumbai- 400 015 at 11:00 a.m. to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2018, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Jhanwarlal B. Sipani (DIN 01261901) who retires by rotation and being eligible offers himself for reappointment.

## SPECIAL BUSINESS

3. **RE-APPOINTMENT OF SHRI CHANDMAL GOLIYA (DIN: 00167842), WHOLE TIME DIRECTOR FOR A PERIOD OF 5 YEARS W.E.F 1<sup>ST</sup> OCTOBER, 2018 AND FIXATION OF HIS REMUNERATION**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution.

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the members be and is hereby accorded to re-appoint Shri Chandmal Goliya (**DIN: 00167842**) as Whole-time Director of the Company for a period of five years with effect from 1<sup>st</sup> October, 2018 at a remuneration in the scale of Rs 180,000/- per month and shall be increased by Rs.20,000/- per month per year for three years and thereafter it shall be increased by Rs.25000/- per month per year for further two years with all other perquisites / benefits as are applicable to other Senior Members of the Staff and shall be valued as per applicable Income Tax Act and Rules

**RESOLVED FURTHER THAT** in the absence of profits or inadequacy of profits in any financial year, remuneration will be paid in accordance with the provisions of Schedule V –Section II- Part- II of Companies Act, 2013 and (including any statutory modification(s) or re-enactment thereof for the time being in force).

By Order of the Board

**Neha Sangam**  
Company Secretary

**Registered Office:**  
G-17, Bharat Industrial Estate,  
T. J Road, Sewree- West,  
Mumbai- 400 015

Place - Mumbai  
Date – 10-08-2018

**NOTES:**

- (1) A Member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint one or more Proxies to attend and vote on a poll instead of himself/herself and the Proxy so appointed need not be a Member of the Company. The instrument appointing the Proxy in order to be effective must be duly filed in all respects and should however, be deposited at the Registered Office of the Company not less than 48 (forty-eight) hours before the commencement of the Meeting.

Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying Voting Rights. A Member holding more than ten percent of the total Share Capital of the Company, carrying voting rights may appoint a single person as Proxy and such person shall not act as a Proxy for any other person or Shareholder.

- (2) Corporate Members intending to send their Authorised Representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
- (3) A Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- (4) Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No. along with their copy of Annual Report to the Meeting. The Attendance slip is annexed with this Annual Report. Members, who hold shares in Electronic Form, are requested to bring their Depository ID Number and Client ID Number to facilitate their identification for recording attendance at the forthcoming Annual General Meeting.
- (5) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 7<sup>th</sup> May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed at the Annual General Meeting held on 26<sup>th</sup> September, 2017.

- (6) In terms of Section 152 of the Companies Act, 2013 Mr. Jhanwarlal B. Sipani (DIN 01261901), Director of the Company, retires by rotation at the Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. The brief profile of Mr. Jhanwarlal B. Sipani (DIN 01261901), Director is given below and forms part of this Notice.
- (7) The Form should be signed by the Member as per the specimen signature registered with the Company. In case the shares are jointly held, the Form should be completed and signed by the first named holder and in his/her absence, by the next named holder. Holders of Power of Attorney (POA) on behalf of a Member may vote on the Form mentioning the Registration No. of the POA registered with the Company or attach notarially attested copy of the POA. Unsigned Form will be rejected.

- (8) The Company has notified closure of Register of Members and Share Transfer Books from 20<sup>th</sup> September, 2018 to 28<sup>th</sup> September, 2018 (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the Meeting.
- (9) Relevant documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours on all working days except, Sundays, up to and including the date of the Annual General Meeting of the Company.
- (10) Members holding shares in electronic form may note that bank particulars registered against their respective Depository Accounts will be used by the Company for payment of Dividend. The Company or its Registrars and Transfer Agents, M/s. Satellite Corporate Services Private Limited cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or Bank mandates. Such changes are to be advised only to the Depository Participant by the Members.
- (11) The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- (12) Members, holding shares in physical form, are requested to notify changes in address, if any, to the Registrars of the Company immediately, quoting their folio numbers. Members, holding shares in dematerialized form, should send the above information to the respective Depository Participants.
- (13) Members are requested to quote their Registered Folio Nos. on all correspondence with the Company.
- (14) Members desirous of getting any information in relation to the Company's Annual Report 2017-18 are requested to address their query (ies) well in advance, i.e. at least 10 days before the Meeting, to the Secretary of the Company to enable the Management to keep the information readily available at the Meeting.
- (15) As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Shares Capital and Debentures) Rules, 2014 as amended from time to time, Members holding shares in single name and physical form are advised to make nomination in respect of shareholding in the Company. Members can avail of the Nomination facility by filing Form SH-13 with the Company or its Registrar. Blank forms will be supplied on request. In case of shares held in Demat form, the nomination has to be lodged with their DP.
- (16) Non-Resident Indian Members are requested to inform M/s. Satellite Corporate Services Private Limited, immediately of:
  - (a) Change in their residential status on return to India for permanent settlement.
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- (17) Electronic Copy of the Annual Report 2017-18 is being sent to those Members whose e-mail addresses are registered with the Company / Depositories for communication purpose, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Annual Report are being sent in the permitted mode. Members may note that this Annual Report will also be available on the Company's website at [www.kusamelectrical.com](http://www.kusamelectrical.com)
- (18) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s. Satellite Corporate Services Private Limited, for consolidation into a single folio.



(19) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts(s). Members holding shares in physical form can submit their PAN details to M/s. Satellite Corporate Services Private Limited, Unit no. 49, Bldg No. 13-AB, 2<sup>nd</sup> floor, Samhita commercial co-op. soc Ltd., off. Andheri Kurla road, MTNL Lane, Sakinaka, Mumbai-72.

(20) Details of the Director retiring by rotation and seeking re-appointment [in pursuance to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015]:

<b>Name of Director</b>	<b>Shri. Jhanwarlal B. Sipani</b>
Date of Appointment	<b>25/05/1983</b>
Qualification	B.com
Expertise in specific functional area and years	Overall Management
List of Other Directorship held	MECO INSTRUMENTS PRIVATE LIMITED
Chairman/Member of the Committees of the Board of Directors of the Company	3
Chairman/Member of the Committee(s) of Board of Directors of other Companies in which he is a Director	NIL
Shareholding in the Company	39500 (16.46%)

(21) Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

(22) SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/24 dated 08<sup>th</sup> June, 2018 has decided that Securities of listed Companies can be transferred only in dematerialised form which shall come into force on the One hundred and eightieth day from 08<sup>th</sup> June, 2018. i.e. on or before 5th December, 2018. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.

(23) All documents referred to in the Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. to 1.00 p.m. up to the date of declaration of the result of the Annual General Meeting of the Company.

(24) The route map showing directions to reach the venue of the 35<sup>th</sup> AGM is annexed herewith the Notice.

#### **(25) E-Voting:**

The Company is pleased to provide E-voting facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically on the resolutions mentioned in the notice of 35<sup>th</sup> Annual General Meeting of the Company dated on 27<sup>th</sup> September, 2018 (the AGM Notice). The Company has appointed



Dr. S K Jain, Practicing Company Secretary, as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional.

**(1) Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

**(2) The procedure and instructions for E-voting are as follows:**

- i. The voting period begins from 9.00 a.m. (Starting Time) on Monday, 24<sup>th</sup> September, 2018 and ends at 5.00 p.m. (Ending Time) on Wednesday, 26<sup>th</sup> September, 2018. During this period Shareholders' of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off date 20<sup>th</sup> September, 2018, may cast their vote electronically. The E-voting module shall be disabled by CDSL for voting at the Ending Time.
- ii. Open your web browser during the voting period and log on to the E-voting website [www.evotingindia.com](http://www.evotingindia.com);
- iii. Click on "Shareholders" tab to caste your votes;
- iv. Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT";
- v. Now Enter your User ID
  - a) For Shareholder holding De-materialised Shares in CDSL: 16 digits beneficiary ID,
  - b) For Shareholder holding De-materialised Shares in NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Enter the image Verification as displayed and Click on Login
- vii. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio number or client ID in the PAN Field.</li> <li>In case the folio number or client ID is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.</li> </ul>

DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. Members who have not registered their Dividend Bank Details kindly enter no of shares held as on holding or cutoff date.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the no. of shares held as on cut off date i.e. 20/09/2018 in the Dividend Bank details field.</li> </ul>

- ix. After entering these details appropriately, click on “SUBMIT” tab;
- x. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat is for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for E-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for E-voting on the resolutions contained in this Notice.
- xii. Click on the relevant EVSN on which you choose to vote.
- xiii. On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you Assent to the Resolution and option NO implies that you Dissent to the Resolution.
- xiv. Click on the “Resolutions File Link” if you wish to view the entire Resolutions
- xv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xviii. If Demat account holder has forgotten the changed password then enter the User ID and Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
- xix. Note for Institutional Shareholders
  - Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and Sign of the entity to.
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding E-voting, you may refer the Frequently Asked Questions (“FAQs”) and E-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- xxi. Dr. S. K. Jain, Practicing Company Secretary (FCS No. 1473)(COP No. 3076) has been appointed as the Scrutinizer to scrutinize the Postal Ballot and E-voting process in a fair and transparent manner.  
The Scrutinizer shall within a period not exceeding 3(three) working days from the conclusion of the E-voting period unblock the votes in the presence of at least 2(two) witness not in the employment of the Company.
- xxii. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI etc.) may also cast their vote as shareholder for respective Company and send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority Letter etc. together with attested specimen signature(s) of the duly authorized signatory/(ies) who are authorized to vote, to the Scrutinizer at email ID : [skjaincs1944@gmail.com](mailto:skjaincs1944@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). The scanned copy image of the above mentioned documents should be in the naming format “Corporate Name-EVSN.”
- xxiii. Members who do not have access to e-voting facility, may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Dr. S. K. Jain, Practicing Company Secretary (FCS No. 1473) (COP No. 3076), at the Registered Office of the Company at G-17, Bharat Industrial Estate, T. J. Road, Sewree (West), Mumbai 400015 not later than Wednesday, 26th September, 2018.

The voting rights of the Members shall be in proportion to their Shares of the Paid up Equity Share Capital of the Company as on the cutoff date of 20<sup>th</sup> September, 2018.

A Member can opt for only one mode of voting i.e. either through E-voting or by Physical Ballot. If a Member casts votes by both modes, then voting done through E-voting shall prevail and Ballot shall be treated as invalid.

The Scrutinizer will submit his Report of the votes cast in Favour or against by the Shareholders both by way of Physical Postal Ballot and E-voting, forthwith to the Chairman of the Company. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.kusamelectrical.com](http://www.kusamelectrical.com) and on the website of CDSL within 2 (two) working days of the Resolutions at the AGM of the Company and shall be communicated to the BSE Ltd. where the Shares of the Company are listed.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item Nos. 3 of the accompanying Notice dated 10<sup>th</sup> August, 2018.

**ITEM NO. 3**

Shri Chandmal Goliya, aged 73 years, is a Whole-time Director of the Company and having over 48 years of industry experience in the field of the Company is carrying on. His current term of appointment as a Whole-time Director of the Company will expire 30<sup>th</sup> September, 2018. He has excellent grasp and thorough knowledge and experience of engineering. His knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the considered opinion that for smooth and efficient running of the business, the services of Shri Chandmal Goliya should be available to the Company for a further period of three years with effect from October 01, 2018. In terms of the provisions of the Companies Act, and the Articles of Association of the Company, the Board of Directors have, at their meeting held on 10<sup>th</sup> August, 2018, re-appointed him as Whole-time Director of the Company for a further period of Five years with effect from October 01, 2018 on the current remuneration of Rs 180,000 per month. In case, the Company has no profits or its profits are inadequate, then the remuneration shall be paid to him in accordance with the provisions of the Companies Act, 2013 read with Schedule V of the Act.

Following are the details of the salary (payable monthly) proposed to be paid to Shri Chandmal Goliya Whole-time Director: - Basic Salary Rs. 180,000/- per month

In addition to the above, he shall be entitled to receive the following: -

1. Medical Expenses Reimbursement: Reimbursement of medical expenses incurred on him and his family.
2. Leave Travel Allowance: For him and his family once in a year in accordance with the Rules of the Company for the time being in force.
3. Bonus as per the Rules of the Company.
4. Medical and Accident Insurance: For him and his spouse
5. Gratuity: Gratuity shall be as per the Company Rules.
6. Leave Entitlement & Encashment: Leave entitlement shall be as per Company Rules. He shall be permitted to encash unavailed leave.
7. Conveyance: Provision of car for Company's business.
8. Telephone: Reimbursement of expenses incurred on telephone at residence and cell phones.

Accordingly the Board recommends the passing of the Special resolution as set out in the item no. 3 of the Notice.

For, Kusam Electrical Industries Ltd.  
**Sd/-**

**Neha Sangam**  
Company Secretary

**Registered Office:**  
G-17, Bharat Industrial Estate,  
T. J Road, Sewree – West,  
Mumbai- 400 015

PLACE: Mumbai  
DATE: 10<sup>th</sup> August, 2018

## DIRECTORS' REPORT

To,  
The Members,  
Kusam Electricals Industries Ltd

Your Directors are pleased to present the Thirty Fifth Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2018.

### 1. Financial Results

The Company's financial performance for the year ended March 31, 2018 is summarized below:

Particulars	2017-2018 (In ₹)	2016-2017 (In ₹)
Gross Income	379,88,716	339,80,606
Profit Before Interest and Depreciation	31,80,970	19,82,623
Interest	1,83,416	1,69,690
Provision for Depreciation	8,21,409	8,02,809
Profit Before Exceptional & Extraordinary items & Tax	21,76,145	10,10,124
Exceptional Items	-	14,15,564
Extraordinary items	-	-
Profit Before Tax	21,76,145	24,25,688
Provision for Tax	3,79,830	-
Deferred Tax	2,51,967	(2,44,377)
Net Profit After Tax	15,44,348	26,70,065
Earnings Per Share- Diluted	6.51	11.33

### 2. Operations

The Income from operations and other income during the year was at ₹ 379,88,716 as against ₹ 339,80,606 in the previous year. The Net Profit (before exceptional and extra ordinary items and tax) was ₹ 21,76,145 as against ₹ 10,10,124 in the previous year. The Company's Profit before tax is of ₹ 21,76,145 as against ₹ 24,25,688 before tax in the Previous year.

### 3. Outlook

The Management of the Company is focusing on procuring bulk orders at competitive rates. The initiative taken by the company has started showing good results. The Company is confident of improved performance during the current year.

### 4. Dividend

With a view to conserve funds for the operations of the Company. Your Directors have not recommended any Dividend on the Equity Shares for the Financial Year under review.

### 5. Transfer To Reserves

There has been no transfer to reserves in the current Financial Year under review.

## **6. Share Capital**

The Authorised capital of the company is ₹ 25,00,000 (Rupees Twenty five lacs). The Paid-up capital of the company is ₹ 24,00,000 (Rupees Twenty four lacs) having 2,40,000 Equity shares of ₹ 10/- each.

## **7. Public Deposits**

During the year under review, the Company has not accepted or renewed any deposits falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirements for furnishing of details of deposits which are not in compliance with Chapter V of the Act is not applicable.

## **8. Directors and Key Managerial Personnel**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Jhanwarlal B. Sipani (DIN: 01261901) Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

The Independent Directors of the Company are highly competent with relevant experience and expertise. They contribute in various ways in the growth and development of the Company.

None of the Independent Directors had any pecuniary relationship or transactions with the Company during Financial Year 2017-18. None of the Directors or Key Managerial Personnel (KMP) of the Company are related inter-se.

The information as required to be disclosed under Regulation 36 of SEBI LODR Regulations, 2015 in case of reappointment is forming part of Notice.

As per the information available with the Company, none of the Directors of the Company are disqualified for being appointed as a Directors as specified in Section 164(2) of the Companies Act, 2013.

The Key managerial personnel in the company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

Mr. Chandmal Goliya: Whole Time Director

Mr. Naval Jha: Chief Financial Officer

Ms. Neha Sangam: Company Secretary

## **9. Particulars of Employees**

The prescribed particulars of Employees required under Section 134 (3)(q) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure II and forms part of this report of the Directors.

There are no employees of your Company who comes within the purview of Section 134 (3)(q) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the amended Rules during the year under review.

## 10. Board & Committee Meetings

### a) Board Meeting:

During the financial year 2017-18, total Six (6) Board Meetings were held on 22<sup>nd</sup> May, 2017, 14<sup>th</sup> June, 2017, 26<sup>th</sup> August, 2017, 14<sup>th</sup> September, 2017, 12<sup>th</sup> December, 2017 and 12<sup>th</sup> February, 2018. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### Attendance :

Name of the Director	Category	Number of Board Meetings attended	Attended last AGM
Mr. Chandmal Parasmal Goliya	Whole time Director	6	Yes
Mr. Jhanwarlal Bhanwarlal Sipani	Non- Executive Director	5	No
Mrs. Sushma Ranka	Non- Executive Independent Director	6	Yes
Ms. Damini Jhunjhunwala	Non- Executive Independent Director	5	Yes

### b) Audit Committee Meeting:

During the financial year 2017-18, total Six (6) Audit Committee Meetings were held on 22<sup>nd</sup> May, 2017, 14<sup>th</sup> June, 2017, 26<sup>th</sup> August, 2017, 14<sup>th</sup> September, 2017, 12<sup>th</sup> December, 2017 and 12<sup>th</sup> February, 2018.

The Board has well-qualified Audit Committee with majority of Independent Directors including Chairman. They possess sound knowledge on Accounts, Audit, Finance, Taxation, Internal Controls etc. The details of the Composition of the Audit Committee during the financial year 2017-2018 are as follows:

**Chairman:** Ms. Sushma Ranka

**Members:** Mr. J B. Sipani  
Ms. Damini Jhunjhunwala

#### Attendance :



Name of the Director	Category	Number of Committee Meetings attended	Attended last AGM
Mrs. Sushma Ranka	Non - Executive Independent Director (Chairman)	6	Yes
Mr. J B. Sipani	Non - Executive Director	6	No
Ms. Damini Jhunjhunwala	Non - Executive Independent Director	5	Yes

**(a) TERMS OF REFERENCE:**

The terms of reference of the Audit Committee inter alia include the following:

- i. The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
- ii. Review and monitor the Auditors Independence and performance, and effectiveness of Audit process.
- iii. Examination of the financial statement and Auditors Report thereon.
- iv. Approval or any subsequent modification of transaction of the Company with related parties.  
  
Provided that the Audit Committee may make Omnibus Approval for related party transactions proposed to be entered into by the Company subject to such consultations as may be prescribed.
- v. Scrutiny of Corporate Loans and Investments.
- vi. Valuation of undertakings or assets of the Company wherever it is necessary.
- vii. Evaluation of internal financial controls and risk management system.
- viii. Monitoring the end use of funds raised through public offers and related matters.
- ix. Calling for the Comments of the Auditors about internal control system, the scope of Audit, including the observations of the Auditors and review of Financial Statements before their submission to the Board and may also discuss any related issues with the Internal and Statutory Auditors and Management of the Company.

Authority to investigate into any matter in relation to the item specified from (i) to (ix) above or referred to it by the Board

**(b) FUNCTION:**

The Audit Committee, while reviewing the Annual Financial Statement also review the applicability of various Accounting Standards (AS) referred to in Section 133 of the Companies Act, 2013. Compliance of the Accounting Standard as applicable to the Company has been ensured in the preparation of the Financial Statement for the year ended 31<sup>st</sup> March, 2018.

Besides the above Chairman and Managing Director, Whole-Time Director, Chief Financial Officer, Business heads of the Company divisions and the representatives of the Statutory Auditors are permanent invitees of the Audit Committee Meetings.

The Audit Committee also oversees and reviews the functioning of Vigil Mechanism (implemented in the Company as a Risk Management Policy and Whistle Blower Policy) and review the finding of investigation in the cases of material nature and the action taken in respect thereof.

**c) Nomination & Remuneration & Compensation Committee Meeting:**

During the Financial Year 2017-18, total one (1) Nomination & Remuneration Committee Meeting was held on 26<sup>th</sup> August 2017.

The Company has constituted Nomination & Remuneration Committee. The details of the Composition of the Nomination & Remuneration Committee are as follows:

**Chairman:** Mrs. Sushma Ranka  
**Members:** Mr. J B. Sipani  
Ms. Damini Jhunjhunuwala

**Attendance:**

Name of the Director	Category	Number of Committee Meetings attended	Attended last AGM
M <sup>rs</sup> Sushma Ranka	Non- Executive Independent Director(Chairman)	1	Yes
Mr. J B. Sipani	Non- Executive Director (Member)	1	No
Ms. Damini Jhunjhunuwala	Non-Executive Independent Director	1	Yes

**(a) TERMS OF REFERENCE:**

The Committees composition meets with requirements of Section 178 of the Companies Act, 2013. The terms of reference of the Committee inter alia, includes the following:

1. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria let down and to recommend to the Board their appointment and removal and shall carry out evaluation of every Directors performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Directors and recommend to the Board a Policy relating to the remuneration for the Directors, Key Managerial Personnel and other Employees.
3. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
4. To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmark.
5. To ensure that remuneration to Directors, Key Managerial Personnel and Senior Management involves balance between fixed and incentive pay reflecting short term and long term performance objectives appropriate to the working of the Company and its goals.

**11. Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the Evaluation of the working of its various committees.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the company. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the directors being evaluated. The Performance Evaluation of the Chairman and Non Independent Directors was carried out by the Independent Directors at their separate meeting.

**12. FIXED DEPOSITS**

The Company has not accepted any Fixed Deposits during the year.

**13. Declaration by an Independent Director(s) and re-appointment, if any**

All Independent Directors have given declarations affirming that they meet the criteria of independence as provided under Section 149 (6) of the Companies Act, 2013, and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent Directors during the year.

**14. Policy on Directors Appointment & Remuneration**

Details of Nomination and Remuneration Policy, pursuant to Section 178 (4) of the Companies Act, can be accessed by clicking on the web link:

Details of Familiarisation Programme for Independent Directors and criteria for making payment to Non- Executive Directors can be accessed by clicking on the web link:  
<http://www.kusamelectrical.com/Directors-Familiarisation-Programme.pdf>

## **15. Management Discussion and Analysis Report**

Management Discussion and analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (LODR) Regulation, 2015 is presented in the separate Section forming part of Annual Report. (Annexure IV)

## **16. Auditors:**

### **(i) Statutory Auditor**

The Statutory Auditors of your Company namely, M/s Chhajed & Doshi, Chartered Accountants, Mumbai (Firm Registration No. 101794W) were appointed as the Statutory Auditors of the Company for first time at the 31<sup>st</sup> Annual General Meeting held for a term of three years and hold office up to conclusion of the 34<sup>th</sup> Annual General Meeting, be and are hereby appointed as statutory Auditor of the Company to hold office from the conclusion of this Annual general Meeting till conclusion of the 37<sup>th</sup> Annual General Meeting, subject to ratification by the members of the Company at each of the Annual General Meeting held in each subsequent year at such remuneration as may be mutually agreed between the Board of Directors and the Auditors.

The Auditors' Report for the financial year 2017-18 does not contain any qualification, reservation or adverse remark and the same is attached with the annual financial statements.

### **(ii) Secretarial Auditor**

As per Section 204 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company is required to appoint a Secretarial Auditor for auditing secretarial and related records of the Company.

Nancy Jain, Practicing Company Secretary, was appointed as Secretarial Auditors for carrying out the Secretarial audit for the Financial Year 2017-18.

The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2018 is annexed herewith marked as "Annexure A" to this Report. The observations made by the Secretarial Auditor in her report are self-explanatory.

As required by Section 204 of the Act, 2013, the Secretarial Audit Report for the year 2017-18 given by Nancy Jain, Practicing Company Secretary for auditing the Secretarial and related records is attached herewith as "Annexure III.

### **iii) Internal Auditor**

The Company has adequate system of Internal check and control and the functions of Internal Auditor is being looked after by the Ms. Namrata Juvekar.

### **iv) Cost Auditor**

The Company is not required to maintain Cost Audit Records as its turnover is less than ₹ 1 Crore, Company not engaged in production of goods or providing services in respect of which any order has been passed by the Central Government under Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

## **17. Internal Controls**

Your Company has in place adequate Internal Control Systems commensurate with the size of its operations. Internal control systems comprising of policies and procedures are designed to ensure sound management procedures are designed to ensure sound management of your Company's operations, safekeeping of its assets, optimal utilization of resources, reliability of its financial information and compliance. Clearly defined roles and responsibilities have been institutionalized. Systems and

procedures are periodically reviewed to keep pace with the growing size and complexity of your company's operations.

**18. Vigil Mechanism:**

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, the Company have a Vigil Mechanism Policy for directors and employees to deal with an instance of fraud or mismanagement, if any. The Vigil Mechanism Policy has been uploaded on the website of the Company at <http://www.kusamelectrical.com/pdf/Whistle-Blower-policy.pdf>

**19. Risk Management Policy**

The Board of Directors has put in place a Risk Management policy for the company, which includes business risks, markets risks, event risks and IT / Financial/ Interest rate/ liquidity, risks and the structure , infrastructure, processes, awareness and risk assessment / minimization procedures. The elements of the risk, which in severe form can threaten Company's existence, have been identified by the Board of Directors. Details of the Risk management Policy have been uploaded on the website of the Company at <http://www.kusamelectrical.com/Risk-Management-Policy.pdf>

**20. Extract of Annual Return:**

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return of your Company for the financial year ended 31<sup>st</sup> March, 2018 is given in **MGT 9** as a part of this Annual Report as **ANNEXURE I**.

**21. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and on the date of this report.

**22. Particulars of loans, guarantees or investments**

The details of Loan, Guarantees and Investments are given under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to Financial Statements.

**23. Related Parties Transactions:**

During the financial year 2017-18, the Company had not entered into any material transactions with any of its related parties. The related party transactions entered into with the related parties as defined under Companies Act, 2013 during the financial year 2017-2018 were in the ordinary course of business and at arm's length and the same has been approved by the Audit Committee. The disclosure of Related Party Transactions under Accounting Standard-18 with related party are disclosed in the notes to Accounts of the Standalone Financial Statements.

Details of policy for dealing with related party transactions can be accessed by clicking on the web link: <http://www.kusamelectrical.com/Related-party-transaction-policy.pdf>

## **24. Corporate Governance**

Clause 49 of the erstwhile Listing agreement and Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of the SEBI (LODR) Regulations, 2015 are not applicable to the Company as the paid up Share Capital of the Company is less than 10 Crores and its Net Worth does not exceed 25 Crores as on 31<sup>st</sup> March, 2018. Hence, the Corporate Governance Report is not included in this Report.

## **25. Corporate Social Responsibility (CSR)**

In accordance with the provisions of Section 135 read with Schedule VII of the Companies Act, 2013 the Company is not required to adopt a CSR Policy outlining various CSR activities to be undertaken by the Company.

## **26. General Disclosures**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
2. The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
3. The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
4. During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.
5. No orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concern status and the Company's operations in future.

## **27. Obligation of Company Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has set up an Internal Complaints Committee (ICC) for providing a Redressal mechanism pertaining to Sexual harassment of women employees at workplace. There was no complaint received during the year under review.

## **28. (a) Conservation of energy, technology absorption**

Your Company has no activities relating to conservation of energy and absorption of Technology.

**(b) Foreign exchange earnings and Outgo**

During the year, under review the Company has earned foreign exchange of ₹ 31,928/- on account of export sale and outgo of foreign exchange during the year was ₹ 188,70,846/- for imports.

**29. Directors' Responsibility Statement**

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:-

- (a) In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) The Directors has selected such accounting policies as mentioned in Note 2 of the Annual accounts have been applied 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 ended 31<sup>st</sup> March 2018 and of the profit and loss of the company for that period.
- (c) The Directors had taken proper and sufficient care has been taken 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.
- (d) The Directors had prepared the annual accounts for the year ended 31<sup>st</sup> March 2018 have been prepared on a going concern basis.
- (e) The Directors had laid down Internal Financial Control to be followed by the Company and that such internal financial control are adequate and were operating effectively.
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws are devised and are adequate and operating effectively.

**30. Significant And Material Orders Passed By The Regulators Or Courts**

During the year under review, no significant and material orders were passed by the Regulators, Securities Exchange Board of India, Stock Exchanges, Tribunal or Courts.

**31. AFFIRMATION ON COMPLIANCE OF SECRETARIAL STANDARDS**

The company hereby affirms that during the year under review company has complied with all the applicable secretarial standards (including any modifications or amendments thereto) issued by the Institute of Company Secretaries of India

**32. Reporting of Frauds**

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made thereunder.



**33. Listing with Stock Exchanges:**

The Company confirms that it has paid the Annual Listing Fees for the year 2018-2019 to BSE where the Company's Shares are listed.

**34. Acknowledgements**

Your Directors wish to thank Bankers, Government Authorities and various stakeholders, such as, shareholders, customers and suppliers, among others for their support and valuable guidance to the Company. Your Directors also wish to place on record their appreciation for the committed services of all the Employees of the Company.

For and on behalf of the Board of Directors

Sd/-  
Chandmal P. Goliya  
Whole time Director

Place: Mumbai  
Date: 10-08-2018

## **ANNEXURE I**

### **FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN**

**For the Financial Year Ended on 31<sup>st</sup> March, 2018**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

#### **I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L31909MH1983PLC220457
2.	Registration Date	25 <sup>TH</sup> MAY 1983
3.	Name of the Company	KUSAM ELECTRICAL INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	PUBLIC COMPANY / LIMITED BY SHARES
5.	Address of the Registered office & contact details	G-17, BHARAT INDUSTRIAL ESTATE, T. J. ROAD, SEWREE- WEST, MUMBAI- 400 015. PH: (022) 24181649, 24124540 FAX : (022) 24149659
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Registrar and Transfer Agents Satellite Corporate Services Pvt. Ltd. Unit No. 49, Bldg. No.13-A-B, 2nd Floor, Samhita Commercial Co-Op. Soc. Ltd. Off Andheri Kurla Road, MTNL Lane, Sakinaka, Mumbai - 400 072 Tel: 022-28520461 Fax: 28511809 <a href="mailto:Service@Satellitecorporate.Com">Service@Satellitecorporate.Com</a> Contact Person: Mr. Michael Monteiro

#### **II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Assembly and Sale of Meters, Instruments & Accessories	33125	98%

#### **III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATES COMPANIES**

Not applicable as there is no subsidiary and associate company.

## VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	138800	11500	150300	62.63	140800	10000	150300	62.63	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(1)</b>	<b>138800</b>	<b>11500</b>	<b>150300</b>	<b>62.63</b>	<b>140800</b>	<b>10000</b>	<b>150300</b>	<b>62.63</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other-individual	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
a) Banks/ FI	-	-	-	-	-	-	-	-	-
b) Any Others	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>138800</b>	<b>11500</b>	<b>150300</b>	<b>62.63</b>	<b>140800</b>	<b>10000</b>	<b>150300</b>	<b>62.63</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-

h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
i. Foreign Banks	-	-	-	-	-	-	-	-	-
ii. UTI	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	33350	-	33350	13.90	33350	-	33350	13.90	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	450	9850	10300	4.29	450	9850	10300	4.29	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	45800	250	46050	19.19	45800	250	46050	19.19	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>79600</b>	<b>10100</b>	<b>89700</b>	<b>37.38</b>	<b>79600</b>	<b>10100</b>	<b>89700</b>	<b>37.38</b>	
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>79600</b>	<b>10100</b>	<b>89700</b>	<b>37.38</b>	<b>79600</b>	<b>10100</b>	<b>89700</b>	<b>37.38</b>	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>206000</b>	<b>34000</b>	<b>240000</b>	<b>100</b>	<b>218400</b>	<b>21600</b>	<b>240000</b>	<b>100</b>	-

### B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shree Abhay Kumar Goliya	10000	4.17	-	10000	4.17	-	-
2	Shree Ajaykumar Goliya	10000	4.17	-	10000	4.17	-	-
3	Shree Chandmal Goliya	66300	27.63	-	67800	28.25	-	-
4	Shree Jhanwarlal Sipani	39500	16.46	-	39500	16.46	-	-
5	Smt. Pramila Goliya	5000	2.08	-	5000	2.08	-	-
6	Smt. Premdevi Goliya	5000	2.08	-	18000	7.50	-	-

### C) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	150300	62.63	150300	62.63
	Transaction (purchase / sale) during the year	-	-	-	-
	At the end of the year	150300	62.63	150300	62.63

**D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31.03.2017		Cumulative Shareholding during the year 31.03.2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	NANDITA KAMAL GOLIYA	27700	11.54	27700	11.54
2	KAMAL PREMCHAND GOLIYA	18350	7.65	18350	7.65
3	PARAS ELECTRONICS LLP	18350	7.65	18350	7.65
4	SURAJ INSTRUMENTS LLP	15000	6.25	15000	6.25
5	MAHENDRA KUMAR HARAKHCHAND SHAH	1000	0.42	1000	0.42
6	DEVILAL BAPNA	1000	0.42	1000	0.42
7	BHIKHAM CHAND DAFTARI	600	0.25	600	0.25
8	VINDRAI CHHAGANLAL DESAI	500	0.21	500	0.21
9	SHAKUNTALA MUNOT	500	0.21	500	0.21
10	SHAM SUBHEDAR	500	0.21	500	0.21
11	MANMAL AIRAN	500	0.21	500	0.21
12	GANPATLAL KOCHAR	450	0.19	450	0.19
		<b>84200</b>	<b>35.08</b>	<b>84200</b>	<b>35.08</b>

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Chandmal P. Goliya, Whole- time Director	66300	27.63	67800	28.25
2.	Jhanwar Lal Sipani, Non-executive Director	39500	16.46	39500	16.46
3.	Damini Jhunjhunwala, Independent Director	-	0.00	-	0.00
4.	Sushma Ranka, Independent Director	-	0.00	-	0.00
5.	Naval Jha, KMP- CFO	-	0.00	-	0.00
6.	Neha Sangam, KMP – CS	-	0.00	-	0.00

**V. INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount Motor Car Loan	396271	0	0	396271
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>396271</b>	<b>0</b>	<b>0</b>	<b>396271</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	0	0	0	0
* Reduction				
• Motor Car Loan	188020	0	0	188020
<b>Net Change</b>	<b>188020</b>	<b>0</b>	<b>0</b>	<b>188020</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
• Motor Car Loan	208251	0	0	208251
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>208251</b>	<b>0</b>	<b>0</b>	<b>208251</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		<b>Chandmal P. Goliya - Whole Time Director</b>	
		(in ₹ p.a)	(in ₹ p.a)
<b>1</b>	<b>Gross salary</b>		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	<b>23,93,050</b>	<b>23,93,050</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	<b>45,700</b>	<b>45,700</b>
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-
<b>2</b>	<b>Stock Option</b>	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-
<b>4</b>	<b>Commission</b> - as % of profit - others, specify...	-	-
<b>5</b>	<b>Others, please specify</b>	-	-
	<b>Total</b>	<b>24,38,750</b>	<b>24,38,750</b>



## B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		<b>Sushma Ranka</b>	<b>Jhanwarlal Sipnai</b>	<b>Damini Jhunjhunuwala</b>	
1	<b>Independent Directors</b>				
	<b>Fee for attending board committee meetings</b>	45000	Nil	45000	90000
	<b>Commission</b>	Nil	Nil	Nil	Nil
	<b>Others, please specify</b>	Nil	Nil	Nil	Nil
	<b>Total (1)</b>				
2	<b>Other Non-Executive Directors</b>	Nil	Nil	Nil	Nil
	<b>Fee for attending board committee meetings</b>	Nil	Nil	Nil	Nil
	<b>Commission</b>	Nil	Nil	Nil	Nil
	<b>Others, please specify</b>	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	Nil	Nil	Nil	Nil
	<b>Total (B)=(1+2)</b>	Nil	Nil	Nil	Nil
	<b>Total Managerial Remuneration</b>	<b>45000</b>	<b>Nil</b>	<b>45000</b>	<b>90000</b>

## C. Remuneration to Key Managerial Personnel Other Than MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel		
		<b>Naval Jha- CFO</b>	<b>Neha Sangam – CS</b>	<b>Total</b>
		(In ₹)	(In Rs)	
1	<b>Gross salary</b>			
	<b>(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961</b>	3,81,338	2,45,629	6,26,967
	<b>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</b>	-	-	-
	<b>(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961</b>	-	-	-
2	<b>Stock Option</b>	-	-	-
3	<b>Sweat Equity</b>			
4	<b>Commission</b>			
	<b>- as % of profit</b>	-	-	-
	<b>others, specify...</b>	-	-	-
5	<b>Others, please specify</b>	-	-	-
	<b>Total</b>	<b>3,81,338</b>	<b>2,45,629</b>	<b>6,26,967</b>

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fee imposed	Authority (RD/NCLT/COURT)	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

## ANNEXURE – II

### Statement of Particulars of employees pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Requirements of Rule 5(1)	Details
1.	the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	<b>Shri Chandmal Goliya- Whole-time Director Ratio – 17.61</b>
2	the percentage increase in remuneration of each director, Chief financial officer, Company Secretary, if any, in the financial year;	Shri Chandmal Goliya- WTD (6%) Mr. Naval Jha- CFO (10%) Ms. Neha Sangam - CS
3.	the percentage increase in the median remuneration of employees in the financial year;	17.61%
4.	the number of permanent employees on the rolls of the company	11
5.	average percentile increase already made in salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any increase in the managerial remuneration;	-
6	the key parameters for any variable component of remuneration availed by the directors;	<b>None</b>
7.	Affirmation that the remuneration is as per the remuneration policy of the company	Remuneration paid during the year ended March 31, 2018 is as per the remuneration policy of the Company

**ANNEXURE – III**

**FORM NO. MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
Kusam Electrical Industries Limited  
G/17, Bharat Industrial Estate,  
T. J. Road, Sewree (West),  
Mumbai- 400015.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good Corporate Governance practice by **M/S KUSAM ELECTRICAL INDUSTRIES LIMITED** (hereinafter called “**the Company**”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018 (“the reporting period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board–processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in ‘**Annexure I**’ for the period 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;

- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the period under Audit)**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011);
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. **(The Company has not made any further issue of Shares during the financial year under review)**
  - c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. Now known as SEBI (Share based employees Benefits) Regulation, 2014; **(The Company has not introduced any such scheme during the financial year under review)**
  - d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(The Company has not issued any Debt Securities during the financial year under review)**
  - e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **( The Company has not delisted/propose to delist its Equity Shares from any Stock Exchange during the financial year under review)**
  - g) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; **(The Company has not bought back / propose to buy-back any of its securities during the financial year under review)** and
  - h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

I have also examined Compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate Notice was given to all Directors to schedule the Board Meetings, agenda and detailed Notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with the applicable Laws, Rules, Regulations and Guidelines.

I have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditors for systems and mechanism framed by the Company for Compliances under other Acts, Laws and Regulations applicable to the Company.

**I further report that** during the audit period, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, and Standards etc.

The details of Registered and Corporate Office of **M/s. Kusam Electrical Industries Limited** are given in 'Annexure-II'.

**For Nancy Jain & Co.**

**Date:** 23.07.2018

**Place:** Mumbai

Nancy Jain

Practicing Company Secretary

ACS No: 44135

C P No: 16179

This report should be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

### **ANNEXURE - I**

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers and agents, I report that the Company has, during the financial year under review, complied with the provisions of the Acts, the Rules made thereunder the Memorandum & Articles of Association of the Company with regard to:-

1. Minutes of the Meetings of the Board of Directors, Audit Committee and Nomination & Remuneration Committee along with Attendance Register held during the Financial Year under report.
2. Minutes of General Meetings held during the Financial Year under report.
3. Maintenance of various Statutory Registers and Documents and making necessary entries therein;
4. Notice and Agenda papers submitted to all the Directors for the Board Meetings and Committee Meetings.
5. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and attachments thereto during the Financial Year under Report.
6. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
7. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Obligations and Disclosure Requirements during the financial year under Report.



**ANNEXURE - II**

**Registered Office**

G/17, Bharat Industrial Estate,  
T.J. Road, Sewree (West),  
Mumbai- 400015.

**Corporate Office:**

Shop No. 18, 1st Floor,  
CIDCO Shopping complex,  
Plot No.9, Sector 7, Rajiv Gandhi Marg,  
Sanpada, Navi Mumbai- 400705

**ANNEXURE A**

To,  
The Members,  
Kusam Electrical Industries Limited

My report of even date is to be read along with this letter:

- 1) Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
- 2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- 3) I have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
- 4) Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Nancy Jain & Co.**

**Date:** 23.07.2018

**Place:** Mumbai

Nancy Jain  
Practicing Company Secretary  
ACS No: 44135  
CP No: 16179

## ANNEXURE – IV

### **Management Discussion and Analysis Report**

The Management of **KUSAM ELECTRICAL INDUSTRIES LIMITED** presents its Analysis report covering performance and outlook of the Company. The Report has been prepared in compliance with the requirements of Regulation 34 (e) of SEBI (LODR) Regulations, 2015. The Management accepts responsibility for the integrity and objectivity of the financial statements. However, certain statements made in this Report relating to outlook, expectations, etc., may constitute 'forward looking statements' within the meaning of applicable laws and regulations and may differ from actuals. Several factors could make a significant difference to the Company's operations, including climatic conditions, economic conditions affecting demand and supply, government regulations, revision in government policies, taxation and natural calamities, over which the Company does not have any control.

#### **Opportunity and Threats**

There are ample opportunities in the business of the Company due to rapid industrialization of the country. However, the imports specially from China is area of concern which the Company is trying to mitigate by procuring bulk orders at competitive rates. The management of the Company is optimistic about the future operations of the company.

#### **Segment**

The Company has only one segment i.e. trading in Electronic & Electrical Instruments', Accessories etc. The financial performance of the Company during the financial year 2017-2018 was as under.

<b>Particulars</b>	<b>2017-2018 (In ₹)</b>	<b>2016-2017 (In ₹)</b>
Gross Income	3,79,88,716	3,39,80,606
Profit Before Interest and Depreciation	31,80,970	19,82,623
Profit Before Exceptional & Extraordinary items & Tax	21,76,145	10,10,124
Exceptional items	-	14,15,564
Extraordinary items	-	-
Net Profit After Tax	15,44,348	26,70,065

#### **Internal Control Systems and their adequacy**

The Company has an adequate internal control system commensurate with the size and complexity of the organization. The Company has undertaken a comprehensive review of all internal control systems to take care of the needs of the expanding size of the Company. A system of internal audit to meet the statutory requirement as well as to ensure proper implementation of management and accounting controls is in place. The Company has an internal audit department, which independently monitors the compliance with the approved internal control procedures and exercise of powers strictly as per the approved delegation of powers. The Audit Committee periodically reviews the adequacy of the internal audit functions. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of persons.

## **Human Resources**

The Company treats its human resources as its important asset and believes in its contribution to the all-round growth of the Company. The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel.

## **Cautionary Statement**

Statement in this Management Discussion and analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates.

For and on behalf of the Board of Directors

Sd/-  
Chandmal P. Goliya  
Whole time Director

Place: Mumbai

Date: 10/08/2018

**INDEPENDENT AUDITOR'S REPORT**

**TO THE BOARD OF DIRECTORS OF  
KUSAM ELECTRICAL INDUSTRIES LIMITED**

**Report on the Comparative Indian Accounting Standards (Ind AS) Financial Statements**

1. We have audited the accompanying special purpose Ind AS financial statements of **Kusam Electrical Industries Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2017, the Opening Balance Sheet as at April 1, 2016, the Statement of Profit and Loss (including Other Comprehensive income), the Cash Flow Statement, the Statement of Changes in Equity for the year ended March 31, 2017, a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Comparative Ind AS Financial Statements").

**Management's Responsibility for the Comparative Ind AS Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Comparative Ind AS Financial Statements in accordance with the basis of accounting/preparation of these financial statements as described in Note 2.4 to these financial statements. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Comparative Ind AS Financial Statements.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these Comparative Ind AS Financial Statements based on our audit.

We conducted our audit of the Comparative Ind AS Financial Statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.





In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Comparative Ind AS Financial Statements.

#### **Opinion**

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Comparative Ind AS Financial Statements for the year ended March 31, 2017 (including opening balance sheet as at April 1, 2016), are prepared, in all material respects, in accordance with the basis of accounting / preparation of these financial statements as described in Note 2.4 to these financial statements.

#### **Basis of Preparation of Financial Statements**

5. Without modifying our opinion, we draw attention to Note 2.4 to these Comparative Ind AS Financial Statements, which describes the basis of accounting / preparation of these financial statements. The financial statements are prepared to assist the company to meet the requirements of preparation of the first set of complete Ind AS Financial Statements. As a result, the financial statements may not be suitable for another purpose.

#### **Other Matter**

6. The financial information for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these special purpose Ind AS Financial Statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us and our report dated May 22, 2017 and May 27, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

**For CHHAJED & DOSHI**  
**Chartered Accountants**  
Firm Reg. No. 101794W



**Nitesh Jain**  
Partner

Membership No. 136169



Place: Mumbai  
Date: 12<sup>th</sup> February 2018



**INDEPENDENT AUDITORS' REPORT**

To The Members of  
**KUSAM ELECTRICAL INDUSTRIES LIMITED**

**Report on the Ind AS Financial Statements**

1. We have audited the accompanying Ind AS financial statements of **Kusam Electrical Industries Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2018**, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Ind AS Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.





We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

#### **Opinion**

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS;

(a) in the case of the Balance Sheet, of the state of affairs (financial position) of the Company as at March 31, 2018.

(b) in the case of the Statement of Profit and Loss, of the profit (including Other Comprehensive Income) for the year ended on that date

(c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date

(d) in the case of the Statement of Changes in Equity, the changes in Equity for the year ended on that date.





**Other Matter**

5. The Comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statement prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us on which we have issued separate auditor's reports, to the Board of Directors dated 12<sup>th</sup> February, 2018.

**Report on Other Legal and Regulatory Requirements**

6. As required by section 143 (3) of the Act, we report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. 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 those books;
  - c. the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act;
  - e. on the basis of written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure I".
  - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;




- i. the Company has no pending litigations which have material impact on its financial position to Ind AS Financial Statements.
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. there were no amounts required to be to be transferred to the Investor Education and Protection Fund.
7. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013, we give in the **Annexure II** a statement on the matters specified in paragraphs 3 and 4 of the Order.

Place: Mumbai  
Date: 30<sup>th</sup> May, 2018



For CHHAJED & DOSHI  
Chartered Accountants  
FRN 101794W

  
CA. Nitesh Jain  
Partner  
M. No. 136169



**KUSAM ELECTRICAL INDUSTRIES LIMITED**  
**Annexure I to the Independent Auditors' Report**  
**(Referred to in our report of even date)**

**FY 2017-18**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of**  
**Section 143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls over financial reporting of **Kusam Electrical Industries Limited** ("the Company") as at March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Control over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.





Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

4. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

5. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.




**Opinion**

6. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Control over Financial Reporting issued by the ICAI.

Place: Mumbai  
Date: 30<sup>th</sup> May, 2018



For CHHAJED & DOSHI  
Chartered Accountants  
FRN 101794W

  
CA. Nitesh Jain  
Partner  
M. No. 136169



**KUSAM ELECTRICAL INDUSTRIES LIMITED**  
**Annexure II to the Independent Auditors' Report**  
**(Referred to in our report of even date)**

**FY 2017-18**

We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme for physical verification of its fixed assets and no material discrepancies were noticed on such verification.
- (c) Title Deeds of the immovable properties are held in the name of the Company.
- (ii) In our opinion and according to the information and explanations given to us, the inventory has been physically verified during the year by the management at reasonable intervals and no material discrepancies have been noticed.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not granted any loans, secured or unsecured, to companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, reporting requirement of paragraph 3 (iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not granted any loans to persons covered under section 185 of the Companies Act, 2013. As regards to Investments, Loans and Guarantees given to companies, provisions of section 186 have been complied with.
- (v) The Company has not accepted deposits from public hence directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under are not applicable for the year under audit.
- (vi) Since the company is not a manufacturing company hence provision for maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013 are not applicable to the Company.





- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including Income-tax, Sales tax / VAT, Service tax, Customs duty, Goods and Services Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) According to the information and explanations given to us and on the basis of our examination of the records, no undisputed amounts payable in respect of Income tax, Sales tax/VAT, Service tax, Customs duty, Goods and Services Tax, Cess and other material statutory dues which have not been deposited on account of any dispute except as indicated hereunder:

Name of the Statute	Nature of Dues and the period	Amount (Rs.)	Forum where dispute is pending
Income Tax Act, 1961	Assessment Dues F.Y. 2008-09	4,30,730	Income Tax Appellate Tribunal
	Assessment Dues F.Y. 2009-10	3,14,190	
Maharashtra VAT Act, 2002	Assessment Dues F.Y. 2009-10	3,667	Dy. Commissioner of Sales Tax (Appeals)
	Assessment Dues F.Y. 2010-11	12,532	

- (viii) The company did not have any dues outstanding to any financial institutions / banks / Government or to debenture holders during the year hence question of default does not arise.
- (ix) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not raised money by way of initial public offer /further public offer or Term Loans during the year.
- (x) According to the information and explanations given to us and on the basis of our examination of the records, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
- (xii) According to the information and explanations given to us and on the basis of our examination of the records, the company is not a Nidhi Company, thus reporting requirement under paragraph 3 (xii) of the Order is not applicable.



- (xiii) According to the information and explanations given to us and on the basis of our examination of the records, all transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act 2013, where applicable, and the details have been disclosed in the Ind AS financial Statements, as required by the applicable accounting standards.
- (xiv) The company has not made private placement of shares during the year.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records, there are no non-cash transactions with the directors or persons connected with him, covered under the provisions of section 192 of the Companies Act 2013.
- (xvi) According to the information and explanations given to us and in our opinion, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For CHHAJED & DOSHI  
Chartered Accountants  
FRN 101794W



*[Signature]*  
CA. Nitesh Jain  
Partner  
M. No. 136169

Place: Mumbai  
Date: 30<sup>th</sup> May, 2018



**KUSAM ELECTRICAL INDUSTRIES LIMITED**  
CIN : L31909MH1983PLC220457

**Balance Sheet as at 31<sup>st</sup> March, 2018**

Particulars	Note No.	(Rs. In Thousands)		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>ASSETS</b>				
<b>A. NON CURRENT ASSETS</b>				
(a) Property, plant and equipment	3	58,60,638	64,45,775	72,67,383
(b) Financial assets				
(i) Investments	4	-	-	255
(c) Deferred tax assets (Net)	38	4,99,000	7,69,988	5,47,017
(d) Income Tax Asset (Net)	5	5,23,344	3,00,000	4,943
<b>B. CURRENT ASSETS</b>				
(a) Inventories	6	114,73,523	97,84,631	77,98,010
(b) Financial Assets				
(i) Trade Receivables	7	47,84,934	26,99,301	17,99,167
(ii) Cash and cash equivalents	8	29,15,372	51,49,802	5,74,293
(iii) Loans	9	45,233	49,736	20,902
(iv) Others (Deposits)	10	22,950	65,827	36,950
(c) Other current assets	11	12,93,951	18,55,185	14,56,821
<b>TOTAL ASSETS</b>		<b>274,18,945</b>	<b>271,20,245</b>	<b>195,05,742</b>
<b>EQUITY AND LIABILITIES</b>				
<b>A. EQUITY</b>				
(a) Equity Share Capital	12	24,00,000	24,00,000	24,00,000
(b) Other Equity	13	157,66,884	142,05,118	114,84,794
<b>B. LIABILITIES</b>				
<b>1. NON CURRENT LIABILITIES</b>				
(a) Financial Liabilities				
(i) Borrowings	14	2,08,251	3,96,271	6,20,231
(b) Provisions	15	3,55,992	3,29,212	2,64,547
<b>2. CURRENT LIABILITIES</b>				
(a) Financial Liabilities				
(i) Trade Payables	16	1,95,522	3,01,036	4,47,586
(ii) Borrowings	17	43,13,877	53,96,126	-
(iii) Other Financial Liabilities	18	20,31,212	20,03,477	25,22,978
(b) Other Current Liabilities	19	2,11,597	2,06,198	2,98,302
(c) Provisions	20	19,35,610	16,21,172	14,67,304
(d) Income Tax Liabilities (Net)		-	2,61,634	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>274,18,945</b>	<b>271,20,245</b>	<b>195,05,742</b>

See accompanying notes forming part of the financial statements

1 to 48

As per our report of even date attached  
For CHHAJED & DOSHI  
Chartered Accountants  
[Firm Ref. No. 101794W]



CA Nitesh Jain  
Partner  
Membership No: 136169

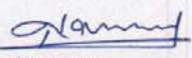
For and on behalf of the Board of Directors of  
KUSAM ELECTRICAL INDUSTRIES LIMITED



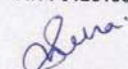
Chandmal P. Goliya  
Wholetime Director  
DIN : 00167842



Jhanwarlal B. Sipani  
Director  
DIN : 01261901



Naval Jha  
Chief Financial officer



Neha A. Sangam  
Company Secretary  
Membership No: A46052

Place : Mumbai  
Date : 30th May 2018



## KUSAM ELECTRICAL INDUSTRIES LIMITED

CIN : L31909MH1983PLC220457

Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2018

(Rs. In Thousands)

S. N.	Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
1	Revenue from operations	21	367,11,990	335,75,161
2	Other income	22	12,76,726	4,05,445
3	<b>Total revenue (1 + 2)</b>		<b>379,88,716</b>	<b>339,80,606</b>
4	<b>Expenses</b>			
	Purchase of stock-in-trade	23	219,60,345	212,61,574
	Changes in inventories of stock-in-trade	24	(18,59,555)	(21,71,284)
	Employee benefits expense	25	53,10,175	52,32,998
	Finance cost	26	1,83,416	1,69,690
	Depreciation and amortisation expense	3	8,21,409	8,02,809
	Other expenses	27	93,96,781	76,74,696
	<b>Total expenses</b>		<b>358,12,570</b>	<b>329,70,482</b>
5	<b>Profit/ (loss) before exceptional items and tax (3 - 4)</b>		<b>21,76,145</b>	<b>10,10,124</b>
6	Add: Exceptional items	28	-	14,15,564
7	<b>Profit/ (loss) before tax (5 + 6)</b>		<b>21,76,145</b>	<b>24,25,688</b>
8	<b>Tax expense</b>			
	a) Current tax		4,15,000	3,00,000
	b) MAT Credit		(65,000)	(3,00,000)
	c) Tax for earlier years		29,830	-
	d) Deferred tax	38	2,51,967	(2,44,377)
			<b>6,31,797</b>	<b>(2,44,377)</b>
9	<b>Profit/ (loss) for the year (7 - 8)</b>		<b>15,44,348</b>	<b>26,70,065</b>
10	<b>Other comprehensive income / (loss)</b>	29		
	- Items that will not be reclassified to profit or (loss) (Net of tax)		17,418	50,259
	- Items that will be reclassified to profit or (loss) (Net of tax)		-	-
11	<b>Total comprehensive income for the year (9 + 10)</b> (Profit/ loss + other comprehensive income)		<b>15,61,766</b>	<b>27,20,324</b>
12	<b>Earnings per equity share (EPS) - Basic &amp; Diluted</b>	47		
	EPS before exceptional items		6.51	5.44
	EPS after exceptional items		6.51	11.33

See accompanying notes forming part of the financial statements

1 to 48

As per our report of even date attached


For CHHAJED &amp; DOSHI


Chartered Accountants

[Firm Ref. No. 101794W]

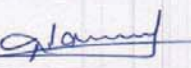
  
 CA Nitesh Jain  
 Partner  
 Membership No: 136169

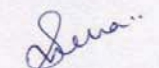
For and on behalf of the Board of Directors of  
KUSAM ELECTRICAL INDUSTRIES LIMITED

  
 Chandmal P. Goliya  
 Wholtime Director  
 DIN : 00167842

  
 Jhanwarlal B. Sipani  
 Director  
 DIN : 01261901

Place : Mumbai  
 Date : 30th May 2018

  
 Naval Jha  
 Chief Financial officer

  
 Neha A. Sangam  
 Company Secretary  
 Membership No: A46052



## KUSAM ELECTRICAL INDUSTRIES LIMITED

CIN: L31909MH1983PLC220457

Cash Flow Statement for the year ended 31<sup>st</sup> March, 2018

Particulars	(Rs. In Thousands)			
	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		21,76,146		25,31,541
<u>Adjustments for:</u>				
Depreciation and amortisation	8,21,409		8,02,809	
Profit on sale / write off of assets	-		(14,15,564)	
Finance costs	1,83,416		1,69,690	
Interest income	-		(918)	
Net unrealised exchange (gain) / loss	(68,864)		(69,427)	
		9,35,961		(5,13,411)
Operating profit / (loss) before working capital changes		<b>31,12,107</b>		<b>20,18,130</b>
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	(16,88,892)		(19,86,621)	
Trade receivables	(20,85,633)		(26,14,380)	
Loans and advances	4,503		12,50,548	
Other Financial Assets	42,877		-	
Other Current Assets	5,61,234	(31,65,912)	(59,987)	(34,10,440)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Long Term Provisions	26,780		-	
Trade payables	(1,05,514)		(1,46,550)	
Other Financial Liabilities	2,51,692		(6,11,606)	
Other Current Liabilities	5,399		-	
Short Term Provisions	3,50,877	5,29,234	2,18,533	(5,39,623)
Net unrealised exchange (gain) / loss		68,864		69,427
Taxes Paid		(8,64,808)		-
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(3,20,515)</b>		<b>(18,62,506)</b>
<b>B. Cash flow from investing activities</b>				
Proceeds from sale of fixed assets	-		14,64,313	
Proceeds from sale of Investments	-		255	
Interest Income	-		918	
Capital expenditure on fixed assets	(2,36,272)		(29,949)	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(2,36,272)</b>		<b>14,35,537</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from Other Short-term borrowings (Net)	(12,70,269)		53,96,126	
Repayment of Borrowings	(2,23,957)		(2,23,959)	
Finance cost	(1,83,416)		(1,69,690)	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(16,77,642)</b>		<b>50,02,477</b>
<b>Net increase / (decrease) in Cash and cash equivalents</b>		<b>(22,34,429)</b>		<b>45,75,509</b>
Cash and cash equivalents at the beginning of the year		51,49,802		5,74,293
<b>Cash and cash equivalents at the end of the year</b>		<b>29,15,373</b>		<b>51,49,802</b>
<b>Components of Cash &amp; Cash Equivalents</b>				
(i) Cash on hand	18,580		14,055	
(ii) Balances with Bank in Current Accounts	28,21,266		51,35,747	
(iii) Balances with Bank in Fixed Deposit with Bank maturing within 3 months	75,526		-	
		<b>29,15,372</b>		<b>51,49,802</b>



Dr. 21/4

Dr. 21/4

**Notes:**

(i) The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 on Cash Flow Statement and presents Cash Flows by the Operating, Investing & Financing Activities.

(ii) Figures in Brackets are outflows/ deductions

(iii) The Cash Credit facilities availed from the Bank are part of Financing Activity which do not form part of Cash & Cash Equivalents for Cash Flow Statement purpose.

See accompanying notes forming part of the financial statem 1 to 48

As per our report of even date attached

For CHHAJED & DOSHI

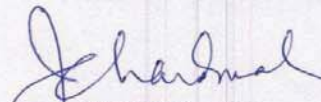
Chartered Accountants

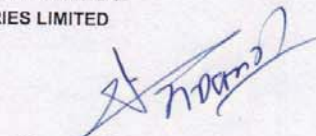
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CA Nitesh Jain  
Partner  
Membership No: 136169

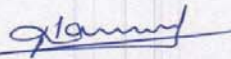


For and on behalf of the Board of Directors of  
KUSAM ELECTRICAL INDUSTRIES LIMITED

  
Chandmal P. Goliya  
Wholetime Director  
DIN : 00167842

  
Jhanwarlal B. Sipani  
Director  
DIN : 01261901

Place : Mumbai  
Date : 30th May 2018

  
Naval Jha  
Chief Financial officer

  
Neha A. Sangam  
Company Secretary  
Membership No: A46052



**KUSAM ELECTRICAL INDUSTRIES LIMITED**  
CIN: L31909MH1983PLC220457  
**Statement Of Changes In Equity as at 31st March, 2018**

**A. Equity Share Capital**

Balance as at As at 1st April 2016	Changes in equity share capital during 2016-17	Balance as at As at 31st March 2017	Changes in equity share capital during 2017-18	Balance as at As at 31st March 2018
24,00,000	-	24,00,000	-	24,00,000

(Rs. In Thousands)

**B. Other Equity**

	Reserves & Surplus Retained Earnings	Total
<b>Balance as on 1st April 2016</b>	<b>114,94,965</b>	<b>114,94,965</b>
Changes in accounting policy as per Ind AS (ECL)	(14,503)	(14,503)
Income tax relating to above items	4,332	4,332
<b>Balance as on 1st April 2016</b>	<b>114,84,794</b>	<b>114,84,794</b>
Profit for the year	34,04,541	34,04,541
Other Comprehensive Income (Net of Tax)	50,259	50,259
<b>Total Comprehensive Income for the year</b>	<b>34,54,800</b>	<b>34,54,800</b>
Less: Dividends	-	-
<b>Balance as on 31st March 2017</b>	<b>149,39,594</b>	<b>149,39,594</b>
Profit for the year	15,44,348	15,44,348
Other Comprehensive Income (Net of Tax)	17,418	17,418
<b>Total Comprehensive Income for the year</b>	<b>15,61,766</b>	<b>15,61,766</b>
Less: Dividends	-	-
<b>Balance as on 31st March 2018</b>	<b>165,01,360</b>	<b>165,01,360</b>

See accompanying notes forming part of the financial statements

As per our report of even date attached

For CHHAJED & DOSHI  
Chartered Accountants  
[Firm Ref. No. 101794W]



CA Nitesh Jain  
Partner  
Membership No: 136169

For and on behalf of the Board of Directors of  
KUSAM ELECTRICAL INDUSTRIES LIMITED

*Chandmal P. Goliya*  
Chandmal P. Goliya  
Wholetime Director  
DIN : 00167842

*Jhanwarlal B. Sipani*  
Jhanwarlal B. Sipani  
Director  
DIN : 01261901

*Naval Jha*  
Naval Jha  
Chief Financial officer

*Neha A. Sangam*  
Neha A. Sangam  
Company Secretary  
Membership No: A46052

Place : Mumbai  
Date : 30th May 2018



**KUSAM ELECTRICAL INDUSTRIES LIMITED**  
Notes forming part of the financial statements

**Statement of Significant Accounting Policies forming Part of Financial Statements for the year ended 31<sup>st</sup> March 2018**

**1. Corporate information**

Kusam Electrical Industries Ltd is a listed company having its shares listed at Bombay Stock Exchange (BSE). The company is importer and trader in Digital Multimeters & Clampmeters in Indian industry.

**2. Significant Accounting Policies:**

**2.1 Basis of preparation:**

- a) The financial statements of the Company have been prepared in accordance with accounting standards prescribed under Section 133 of the Companies Act 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards)(Amendment) Rules, 2016 and other relevant provisions of the Act.
- b) The financial statements have been prepared under the historical cost and on accrual basis, except for certain provisions recognized using actuarial valuation techniques.
- c) All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousands as per the requirement of Schedule III, unless otherwise stated

**2.2 Significant accounting judgements, estimates and assumptions:**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities as at the Balance Sheet date.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Any revisions to the accounting estimates are recognized prospectively when revised, in current and future periods.

Some of the items where significant judgements and assumptions exercised are given as under:-

- Deferred tax
- Defined benefit plans
- Fair value measurements of financial instruments

**2.3 Significant accounting policies**

**a) Current versus non-current classification**

The classification of an asset/liability either current or non-current has been made applying the criteria of realization/payment of such assets/liability within a period of 12 months after the reporting date. The Company classifies all other assets / liabilities as non-current.

**b) Foreign currencies**

**Functional & presentation currency**

The financial statements are presented in Indian Rupees(INR), which is also the Company's functional currency.





**KUSAM ELECTRICAL INDUSTRIES LIMITED**  
**Notes forming part of the financial statements**

**Transactions and Balances**

Foreign Currency transactions are accounted at the rates prevailing on the date of transaction. Year-end monetary assets and liabilities are translated at the exchange rate prevailing on the date of the Balance sheet.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and loss for the period in which they arise.

**c) Fair value measurement**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**d) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Amounts disclosed as revenue are inclusive of excise duty and net of returns, rebates, Value added taxes / GST and amounts collected on behalf of third parties.

**Sale of Goods/Services**

Sales are recognized when goods are delivered and the significant risks and rewards of ownership have been transferred to the buyer. Revenues from services are recognized when such services are rendered.

**Interest income**

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR).

**Rental income**

Rental income arising from operating leases is accounted on accrual basis in accordance with the terms of the contract since such charges are structured to increase in line with expected general inflation to compensate for expected inflationary cost.

**Taxation**

Income tax expense for a financial year represents the sum of tax currently payable, adjustments for tax provisions of previous years and deferred tax.





**KUSAM ELECTRICAL INDUSTRIES LIMITED**  
**Notes forming part of the financial statements**

**Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting period.

Current and Deferred tax are recognized in Statement of Profit and loss, except when they relate to items that are recognized in Other Comprehensive Income (OCI) and in that case the current and deferred tax are recognized in OCI.

**f) Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost, net of recoverable taxes and discounts.

The cost includes the cost of replacing part of the property, plant and equipment meeting the recognition criteria and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment upto the date of commissioning of the assets.

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

**Exemption availed under Ind AS 101:-**On transition to Ind AS, Company has elected to continue with the carrying value of all its property plant and equipment existing as at 1st April 2016, measured as per previous GAAP (Indian GAAP) and used that carrying value as the deemed cost of the property plant and equipment.

**Depreciation**

Depreciation on Tangible assets is provided on Straight-line basis over the useful lives prescribed in Schedule II to Companies Act, 2013.





**KUSAM ELECTRICAL INDUSTRIES LIMITED**  
**Notes forming part of the financial statements**

EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade and other receivables.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- ii. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

**Financial liabilities**

The Company's financial liability consists of trade and other payables, loans and borrowings and bank overdrafts.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs, if any.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to interest-bearing loans and borrowings.

**m) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, highly liquid investments that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value.

**n) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**o) Employee benefits**

**Short Term Employee Benefits:**

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee





**KUSAM ELECTRICAL INDUSTRIES LIMITED**  
**Notes forming part of the financial statements**

Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value. A maximum residual value of 5% is considered for all assets.

**g) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the Statement of profit and loss.

**h) Borrowing costs**

Borrowing cost includes interest Borrowing costs directly attributable to the acquisition an asset that necessarily takes a substantial period of time to get ready for its intended use are accumulated and capitalized upto the date when such assets are ready for their intended use or sale, as part of the cost of the asset.

All other borrowing costs are expensed in the period in which they occur.

**i) Inventories**

Stock of Trading Goods is valued at lower of Cost or Net Realizable Value.

Cost of purchase includes duties, taxes (net of those recoverable) freight and other expenses net of trade discounts, rebates and price adjustments.

**j) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When a provision is expected to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

**k) Contingencies**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized but are disclosed where an inflow of economic benefits is probable. The estimation of financial effect in respect of contingent liabilities and contingent assets wherever not practicable, is not disclosed and such fact is accordingly stated.

**l) Financial instruments**

**Financial assets**

All financial assets are recognized initially at fair value. However in case of financial assets that are not recorded at fair value through profit or loss; the transaction costs that are directly attributable to the acquisition of issue of such financial assets are added to the value of the financial assets.

Financial assets presently held by the Company are classified as Debt instruments at amortized cost

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The





**KUSAM ELECTRICAL INDUSTRIES LIMITED**  
**Notes forming part of the financial statements**

benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

**Retirement benefit costs and termination benefits and other long term employee benefits**

**Defined Benefit Plans**

Provision for Gratuity and Leave Salary is made on the basis of Actuarial Valuation at the end of the Financial Year.

**p) Earnings per Share (EPS)**

Basic earnings per share is calculated by dividing net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Upon discontinuation of an operation the basic and diluted amount per share for the discontinued operation is separately reported, as applicable.

**q) Cash Dividend**

The Company recognizes a liability to make cash distributions to shareholders when the distribution is authorized and the same is no longer at the discretion of the Company. As per corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

**2.4 First-time adoption of Ind AS**

These financial statements, for the year ended 31<sup>st</sup> March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31<sup>st</sup> March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2015 (Indian GAAP).

The Company has adopted all the applicable Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies Accounts Rules, 2014 (IGAAP), which was the previous GAAP.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31<sup>st</sup> March 2017 as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1<sup>st</sup> April 2016, the Company's date of transition to Ind AS Reconciliations and descriptions of the effect of the transition have been summarized in Note no.43 to the financial statements.

**2.5 Exemptions applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS.

Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition measured as per Indian GAAP and use that as its deemed cost as at date of transition. The same is applicable even for Investment property, intangible assets and its investments in Joint venture, associates and subsidiaries.





**KUSAM ELECTRICAL INDUSTRIES LIMITED**  
Notes forming part of the financial statements

**Note 3: Property, Plant and Equipment**

Description	Gross Block			Accumulated Depreciation			(Rs. In Thousands)	
	As at 1st April 2017	Additions	Disposals	As at 31st March 2018	As at 1st April 2017	Depreciation for the year	Eliminated on disposal of assets	Net Block
<b>Tangible Assets (Owned)</b>								
(a) Air Conditioners	1,56,334	37,500	-	1,93,834	34,071	28,605	-	1,31,158
(b) Office Premises	36,76,157	-	-	36,76,157	1,296	1,58,381	-	35,16,480
(c) Furniture and Fixtures	10,40,648	80,544	-	11,21,192	1,71,669	1,73,820	-	7,75,703
(d) Electrical Fittings	2,48,045	4,500	-	2,52,545	58,013	58,241	-	1,36,291
(e) Office equipment	55,079	5,580	-	60,659	16,887	23,262	-	20,510
(f) Computers	80,032	1,08,147	-	1,88,180	36,015	57,862	-	38,192
(g) Testing Equipment	3,72,548	-	-	3,72,548	91,081	90,381	-	94,303
(h) Vehicles *	14,56,822	-	-	14,56,822	2,30,857	2,30,857	-	1,91,086
<b>Total</b>	<b>70,85,665</b>	<b>2,36,272</b>	<b>-</b>	<b>73,21,937</b>	<b>6,39,889</b>	<b>8,21,409</b>	<b>-</b>	<b>58,60,638</b>
<b>Previous Year</b>	<b>1,25,81,041</b>	<b>29,949</b>	<b>2,11,667</b>	<b>1,23,99,323</b>	<b>53,13,657</b>	<b>8,02,809</b>	<b>1,62,919</b>	<b>64,45,775</b>

\* Both the Vehicles are being held in the name of the Whole time director in trust for and on behalf of the Company.

Description	Gross Block			Accumulated Depreciation			(Rs. In Thousands)	
	As at 1st April 2016	Additions	Disposals	As at 31st March 2017	As at 1st April 2016	Depreciation for the year	Eliminated on disposal of assets	Net Block
<b>Tangible Assets (Owned)</b>								
(a) Air Conditioners	1,56,334	-	-	1,56,334	-	34,071	-	1,22,263
(b) Office Premises	36,76,157	-	2,00,000	36,76,157	-	1,58,381	1,57,085	38,76,157
(c) Furniture and Fixtures	10,40,648	-	-	10,40,648	-	1,71,669	-	8,68,979
(d) Electrical Fittings	2,48,045	-	-	2,48,045	-	58,013	-	1,90,032
(e) Office equipment	36,797	29,949	11,667	55,079	-	22,721	5,834	36,192
(f) Computers	80,032	-	-	80,032	-	36,015	-	44,017
(g) Testing Equipment	3,72,548	-	-	3,72,548	-	91,081	-	2,81,467
(h) Vehicles *	14,56,822	-	-	14,56,822	-	2,30,857	-	12,25,965
<b>Total</b>	<b>72,67,383</b>	<b>29,949</b>	<b>2,11,667</b>	<b>70,85,665</b>	<b>-</b>	<b>8,02,809</b>	<b>1,62,919</b>	<b>64,45,775</b>
								<b>72,67,383</b>

\* Both the Vehicles are being held in the name of the Whole time director in trust for and on behalf of the Company.



**KUSAM ELECTRICAL INDUSTRIES LIMITED**  
Notes forming part of the financial statements

**Note 4: Investments**

Particulars	(Rs. In Thousands)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Investments in Unquoted Equity Instruments			
5 Shares of The Mahakant Owners Association Ahmedabad of Rs.51/- each fully paid up (At Cost)	-	-	-
<b>Total</b>	-	-	255
Aggregate Value of Unquoted Investment			255

**Note 5: Income Tax Assets (Net)**

(a) Advance Tax (Net of Provisions)	1,58,344	-	4,943
(b) MAT Credit	3,65,000	3,00,000	
<b>Total</b>	<b>5,23,344</b>	<b>3,00,000</b>	<b>4,943</b>

**Note 6: Inventories**

(At lower of cost and net realisable value)			
(a) Stock-in-trade	1,13,54,736	94,95,181	73,23,897
(b) Consumable Stores and Spares	23,860	96,100	1,04,114
(c) Packing Material	94,927	1,93,350	2,16,492
(d) Stock In Transit	-	-	1,53,507
<b>Total</b>	<b>1,14,73,523</b>	<b>97,84,631</b>	<b>77,98,010</b>

**Note 7: Trade Receivables**

(a) Unsecured, considered good	48,59,934	27,47,992	18,13,671
Less: Provision for Expected Credit Loss	(75,000)	(48,691)	(14,503)
<b>Total</b>	<b>47,84,934</b>	<b>26,99,301</b>	<b>17,99,167</b>

**Age of Receivable**

Not Due	33,72,263	17,40,420	16,69,156
1-3 months	13,16,037	8,22,467	1,24,956
4-6 months	1,07,925	1,85,105	-
7-12 months	63,709	-	19,559
<b>Total</b>	<b>48,59,934</b>	<b>27,47,992</b>	<b>18,13,671</b>

**Note 8: Cash and Cash Equivalent**

(i) Cash on hand	18,580	14,055	67,904
<b>Balances with Banks:</b>			
(ii) in Current Accounts	28,21,266	51,35,747	1,14,700
(iii) in Fixed Deposit with Bank maturing within 3 months	75,526	-	-
(iii) Debit balance OCC A/C	-	-	3,91,689
<b>Total</b>	<b>29,15,372</b>	<b>51,49,802</b>	<b>5,74,293</b>



*as per*



**KUSAM ELECTRICAL INDUSTRIES LIMITED**  
Notes forming part of the financial statements

**Note 9: Loans**

Particulars	(Rs. In Thousands)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, considered good			
(a) Loans and Advances to Employees	45,233	49,736	20,902
<b>Total</b>	<b>45,233</b>	<b>49,736</b>	<b>20,902</b>

**Note 10: Other Current Financial Assets**

(a) Earnest Money Deposits	-	2,475	-
(b) Rent Receivable	-	39,859	14,000
(c) Security Deposits	22,950	23,493	22,950
<b>Total</b>	<b>22,950</b>	<b>65,827</b>	<b>36,950</b>

**Note 11: Other Current Assets**

(a) Advance payments made to Suppliers	9,40,198	16,87,304	13,44,971
(b) Prepaid Expenses	1,55,314	1,20,962	67,094
(c) Prepaid Insurance	20,444	44,180	40,247
(d) VAT Refund Receivable	-	2,739	-
(e) SAD Refund Receivable	-	-	4,509
(f) Advance Recoverable in Cash or Kind	1,77,995	-	-
<b>Total</b>	<b>12,93,951</b>	<b>18,55,185</b>	<b>14,56,821</b>



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**KUSAM ELECTRICAL INDUSTRIES LIMITED**  
Notes forming part of the financial statements

**Note 12: Equity Capital**

Particulars	As at 31st March, 2018		As at 31st March 2017		As at 1st April 2016	
	Number of shares	Rs.	Number of shares	Rs.	Number of shares	Rs.
(a) Authorised Equity Shares of Rs. 10/- each	2,50,000	25,00,000	2,50,000	25,00,000	2,50,000	25,00,000
(b) Issued, Subscribed and fully paid up Equity Shares of Rs. 10/- each	2,40,000	24,00,000	2,40,000	24,00,000	2,40,000	24,00,000
<b>Total</b>	<b>2,40,000</b>	<b>24,00,000</b>	<b>2,40,000</b>	<b>24,00,000</b>	<b>2,40,000</b>	<b>24,00,000</b>

Refer Notes (i) to (iv) below

**Notes:**

**(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	Opening Balance	Fresh issue	Buy back	Closing Balance
Equity Shares				
As at 31 March, 2018				
- Number of shares	2,40,000	-	-	2,40,000
- Amount (Rs.)	24,00,000	-	-	24,00,000
As at 31st March, 2017				
- Number of shares	2,40,000	-	-	2,40,000
- Amount (Rs.)	24,00,000	-	-	24,00,000
As at 1st April, 2016				
- Number of shares	2,40,000	-	-	2,40,000
- Amount (Rs.)	24,00,000	-	-	24,00,000

The Company has neither issued bonus shares nor brought back any equity shares during the last 5 years.

**(ii) Rights & Restrictions attached to shares**

- (a) The Company has only one class of share capital namely Equity Shares having face value of Rs 10/- each. The equity shares have right, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 2013.
- (b) In respect of every equity share (whether fully paid or partly paid except where calls are in arrears), voting right shall be in the same proportion as the capital paid up on such equity share bears to the total paid up equity capital of the company.
- (c) The dividend proposed by Board Of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.
- (d) In the event of liquidation, the shareholders of equity shares are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholdings.

**(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: NIL**

**(iv) Details of shares held by each shareholder holding more than 5% of the Aggregate shares in the Company :**

Class of shares / Name of shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares</b>						
Chandmal Goliya	67,800	28.25	66,300	27.63	66,300	27.63
Jhanwarlal Sipani	39,500	16.46	39,500	16.46	39,500	16.46
Nandita Goliya	27,700	11.54	27,700	11.54	27,700	11.54
Navratanmal Goliya	-	-	13,000	5.42	13,000	5.42
Pratidevi Goliya	18,000	7.50	5,000	2.08	5,000	2.08
Arvind Kumar Goliya	10,000	4.17	10,000	4.17	20,000	8.33
Kamal Goliya	18,350	7.65	18,350	7.65	18,350	7.65
Japan Electronics LLP	18,350	7.65	18,350	7.65	18,350	7.65
Suraj Instruments LLP	15,000	6.25	15,000	6.25	15,000	6.25





**KUSAM ELECTRICAL INDUSTRIES LIMITED**  
Notes forming part of the financial statements

**Note 13: Other Equity**

Particulars	(Rs. In Thousands)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Retained Earnings			
Opening Balance	1,42,05,118	1,14,84,794	1,14,94,965
Add: Changes in accounting policy as per Ind AS (Net of Tax) (ECL)	-	-	(10,171)
Add: Profit/(Loss) for the year	15,44,348	26,70,065	
Add: Remeasurement of Defined Benefit Plans (Net of Tax)	17,418	50,259	
<b>Total</b>	<b>1,57,66,884</b>	<b>1,42,05,118</b>	<b>1,14,84,794</b>

**Note 14: Borrowings**

(a) Secured Loans			
(i) Car Loan			
(Secured by Hypothecation of the Motor Cars)	2,08,251	3,96,271	6,20,231
CY - Repayable in 60 monthly installment starting from 5th April 2015. Last installment due on 5th March 2020 Rate of Interest 10.26% p.a.			
<b>Total</b>	<b>2,08,251</b>	<b>3,96,271</b>	<b>6,20,231</b>

**Note 15: Provisions**

(a) Provision for Employee benefits:			
(i) Provision for Gratuity	3,06,835	2,77,416	1,99,602
(ii) Provision for Leave Salary	49,157	51,796	64,945
<b>Total</b>	<b>3,55,992</b>	<b>3,29,212</b>	<b>2,64,547</b>



*[Signature]*

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**KUSAM ELECTRICAL INDUSTRIES LIMITED**  
Notes forming part of the financial statements

**Note 16: Trade Payables**

Particulars	(Rs. In Thousands)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Trade Payables			
(i) Total Outstanding dues in micro enterprises and small enterprises *	-	-	-
(ii) Others	1,95,522	3,01,036	4,47,586
<b>Total</b>	<b>1,95,522</b>	<b>3,01,036</b>	<b>4,47,586</b>

\* Refer Note 32: Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

**Note 17: Borrowings**

(a) Loans Repayable on Demand			
Secured			
(i) From Banks (Refer Note No.i )	43,13,877	53,96,126	-
<b>Total</b>	<b>43,13,877</b>	<b>53,96,126</b>	<b>-</b>
<b>Notes:</b>			
(i) Details of Security for the Secured Short-Term Borrowings:			
Loan Repayable on Demand from Banks:			
Canara Bank Cash Credit			
(Secured by Hypothecation of Inventories and Book Debts)	43,13,877	53,96,126	-

**Note 18: Other Financial Liabilities**

(a) Current Maturities of Long-term Debt			
(i) Car Loan			
(Secured by Hypothecation of the Motor Cars)	1,88,020	2,23,957	3,54,593
CY - Repayable in 60 monthly installment starting from 5th April 2015. Last installment due on 5th March 2020 Rate of Interest 10.26% p.a.			
(b) Trade Deposit			
(c) Other Payables	2,15,000	2,15,000	1,85,775
(i) Salary/Remuneration Payable #	2,21,300	4,02,900	4,59,313
(ii) Bonus Payable *	5,51,827	5,47,076	5,47,873
(iii) Other Payables	8,55,065	6,14,545	9,75,425
<b>Total</b>	<b>20,31,212</b>	<b>20,03,477</b>	<b>25,22,978</b>

# Remuneration includes payable to Director Rs.36,104/- (31st March 2017- Rs.1,43,742/-),(1st April 2016- Rs.1,42,358/-)

\* Bonus payable includes payable to Director Rs.3,03,050/- (31st March 2017- Rs.2,85,650/-),(1st April 2016- Rs.2,68,250/-)

**Note 19: Other Current Liabilities**

(a) Advance from Customers	1,01,938	3,223	57,402
(b) Statutory Remittances	1,09,659	2,02,975	2,40,900
<b>Total</b>	<b>2,11,597</b>	<b>2,06,198</b>	<b>2,98,302</b>

**Note 20: Provisions**

(a) Provision for Employee Benefits:			
(i) Provision for Gratuity	19,34,630	16,19,820	14,66,070
(ii) Provision for Leave Salary	980	1,352	1,234
<b>Total</b>	<b>19,35,610</b>	<b>16,21,172</b>	<b>14,67,304</b>



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**KUSAM ELECTRICAL INDUSTRIES LIMITED**  
Notes forming part of the financial statements

**Note 21- Revenue from Operations**

Particulars	(Rs. In Thousands)	
	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
(a) Sale of Traded goods		
- Export Sales	31,928	7,73,580
- Inland Sales	3,60,37,450	3,20,01,427
	<b>3,60,69,378</b>	<b>3,27,75,007</b>
(b) Other Operating Revenues (Refer Note (i) below)	6,42,612	8,00,154
<b>Note (i)</b>	<b>3,67,11,990</b>	<b>3,35,75,161</b>
Other Operating Revenues Comprise:		
Calibration Charges	1,34,474	1,67,152
Repairing Charges	4,99,638	6,33,002
Servicing Charges	8,500	-
<b>Total - Other Operating Revenues</b>	<b>6,42,612</b>	<b>8,00,154</b>

**Note 22- Other Income**

(a) Interest Income (Refer Note (i) below)	3,888	918
(b) Net Gain on Foreign Currency Transactions and Translation	68,864	69,427
(c) Other Non-Operating Income (Refer Note (ii) below)	12,03,974	3,35,100
<b>Note</b>	<b>12,76,726</b>	<b>4,05,445</b>
(i) Interest Income Comprises:		
Interest on Fixed Deposits	3,650	-
Other Deposits (Loans to Employees)	-	-
Other Interest	238	918
<b>Total - Interest Income</b>	<b>3,888</b>	<b>918</b>
(ii) Other Non-Operating Income Comprises:		
Liabilities/Provisions no longer required written back	1,02,600	-
Rent	3,61,020	3,28,100
Miscellaneous Income #	7,40,354	7,000
<b>Total - Other Non-Operating Income</b>	<b>12,03,974</b>	<b>3,35,100</b>

# Includes CVD Rs. 7,40,035/- admissible as credit under GST.



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**KUSAM ELECTRICAL INDUSTRIES LIMITED**  
Notes forming part of the financial statements

**Note 23: Purchase of Traded Goods**

Particulars	(Rs. In Thousands)	
	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Purchase of Stock in trade	2,19,60,345	2,12,61,574
	<b>2,19,60,345</b>	<b>2,12,61,574</b>

**Note 24: Changes in Inventories of Stock-in-trade**

Inventories at the end of the year	1,13,54,736	94,95,181
Inventories at the beginning of the year	94,95,181	73,23,897
<b>Net (increase) /decrease</b>	<b>(18,59,555)</b>	<b>(21,71,284)</b>

**Note 25: Employee Benefits Expense**

(a) Salaries, Wages and Bonus	46,43,405	46,04,518
(b) Staff Welfare Expenses	3,31,730	3,52,043
(c) Provision for Gratuity	3,35,040	2,76,437
<b>Total</b>	<b>53,10,175</b>	<b>52,32,998</b>

**Note 26: Finance Costs**

(a) Interest on Borrowings	1,83,416	1,69,690
<b>Total</b>	<b>1,83,416</b>	<b>1,69,690</b>



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**KUSAM ELECTRICAL INDUSTRIES LIMITED**  
Notes forming part of the financial statements

**Note 27: Other Expenses**

Particulars	(Rs. In Thousands)	
	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Consumption of Stores and Spare Parts	6,28,122	5,98,643
Consumption of Packing Materials		12,37,088
Electricity Charges	12,87,620	2,51,591
Repairs and Maintenance - Buildings	1,78,200	-
Repairs and Maintenance - Machinery	63,160	9,417
Repairs and Maintenance - Others	910	1,75,647
Insurance	2,04,733	50,708
Rates and Taxes	47,710	2,31,714
Travelling and Conveyance	1,45,265	8,24,238
Printing and Stationery	5,89,302	5,81,335
Legal & Professional Charges	7,94,983	3,39,135
Payments to Auditors (Refer Note (i) below)	15,19,268	5,80,714
Provision for ECL	5,21,350	34,187
Vehicle Expense	39,055	3,34,671
Bank commission/ Bank Charge	3,80,699	1,87,775
Advertisement Expenses	3,23,340	6,94,558
Exhibition Expenses	4,26,920	2,13,156
Miscellaneous Expenses	5,50,069	13,30,119
<b>Total</b>	<b>93,96,781</b>	<b>76,74,696</b>
<b>Notes:</b>		
<b>(i) Payments to the Auditors :</b>		
As Auditors - Statutory Audit		
As Auditors - Tax Audit Fee	2,31,350	2,16,250
As Auditors - VAT/GST Audit	78,750	78,750
For Taxation Matters	52,500	52,500
Others	1,25,000	1,00,000
Service Tax	33,750	57,500
<b>Total</b>	<b>5,21,350</b>	<b>5,80,714</b>

**Note 28: Exceptional Item**

Profit/(Loss) on Sale/Discard of Fixed Assets		
<b>Total</b>	-	14,15,564
	-	14,15,564

**Note 29: Other Comprehensive Income**

<b>Items that will not be classified to Profit or Loss</b>		
Remeasurement of Defined Benefit Plans	36,439	71,665
Less: Income Tax on above items	19,021	21,406
<b>Total</b>	<b>17,418</b>	<b>50,259</b>



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**KUSAM ELECTRICAL INDUSTRIES LIMITED**  
Notes forming part of the financial statements

Additional information to the financial statements

**Note 30: Disclosure of Financial Assets and Liabilities**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>FINANCIAL ASSETS</b>			
<b>Breakup of Financial Assets carried at Amortised Cost</b>			
Investments	-	-	255
Loans	45,233	49,736	20,902
Trade Receivables	47,84,934	26,99,301	17,99,167
Cash and Cash Equivalents	29,15,372	51,49,802	5,74,293
Other Financial Assets	22,950	65,827	36,950
<b>TOTAL FINANCIAL ASSETS</b>	<b>77,68,489</b>	<b>79,64,665</b>	<b>24,31,568</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Breakup of Financial Liabilities carried at Amortised Cost</b>			
Borrowings	45,22,128	57,92,397	6,20,231
Trade Payables	1,95,522	3,01,036	4,47,586
Other Financial Liabilities	20,31,212	20,03,477	25,22,978
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>67,48,862</b>	<b>80,96,910</b>	<b>35,90,795</b>

The above referred carrying values of Financial Assets and Liabilities approximate its fair value as at the Balance Sheet Date.

**Note 31: Contingent Liabilities and Commitments (to the extent not provided for)**

<b>Contingent Liabilities:</b>			
(a) Claims against the Company not acknowledged as debt	NIL	NIL	NIL
(b) Guarantees	NIL	NIL	NIL
(c) Disputed Tax Demands in Appeals	7,61,119	7,90,949	11,16,396
<b>Capital Commitments:</b>			
(d) Capital Expenditure Commitments	NIL	NIL	NIL
(e) Commitment Towards Investments	NIL	NIL	NIL

**Note 32: Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Based on the information available with the Company, there are no overdues outstanding to micro and small enterprises as defined under the MSMED Act, 2006. The Company has not received any claim for interest from any supplier under the said Act.

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

**Note 33: Details on Unhedged Foreign Currency Exposures**

The company has not carried out any hedging of foreign currency receivable and payable. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below.

As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
Receivable/(Payable) in home currency	Receivable/ (Payable) in Foreign currency	Receivable/(Payable) in home currency	Receivable/ (Payable) in Foreign currency	Receivable/(Payable) in home currency	Receivable/(Payable) in Foreign currency
Rs.	\$	Rs.	\$	Rs.	\$
NIL	NIL	-1,55,468	-2,474	-4,33,837	-6,505
9,40,198	14,508	16,80,059	25,793	14,68,688	22,064

**Note 34: Provisions**

The company gives warranty on certain products. However, the company has not made any provision for warranty costs based on the past experience and materiality of the amounts involved.

**Note 35: Segment Reporting**

The Company is engaged in trading of Electrical & Electronic Measuring Instruments only and therefore there are no reportable Segment.



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**Note 36: Employee Benefits:****General Description of Defined Benefit Plan****1) Leave Encashment:-**

The Company has been accounting for provision on account of leave encashment on retirement based on actuarial valuation carried out as at the Balance Sheet date.

The liability for the leave encashment on retirement as at 31<sup>st</sup> March 2018 is Rs.50,137 (31st March 2017 Rs.53,148) (1st April 2016 Rs.66,179)

**2) Gratuity:-**

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to one month salary last drawn for each completed year of service depending upon the date of joining the same is payable on death, separation from service, or retirement, whichever is earlier. The benefit vests after five years of continuous service. During the year, the charge on account of Gratuity to Statement of Profit and Loss is Rs.3,35,040 (PY Rs.2,76,437)

**Gratuity (Non - Funded):**

The following table shows the impact of actuarial valuation as recognized in the financial statements in respect of Gratuity.

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
<b>1) Components of Employer expenses</b>		
Current Service Cost		
Past Service cost	1,62,275	1,43,183
Net Interest Income / (Cost)	-	-
<b>Net expense/(gain) recognized in the statement of Profit and Loss (refer note below)</b>	<b>1,40,016</b>	<b>1,33,254</b>
	<b>3,02,291</b>	<b>2,76,437</b>
Remeasurement of the net defined benefit liability -		
Actuarial (Gains) or Losses due to changes in Financial Assumptions	(34,049)	32,229
Actuarial (Gains) or Losses due to experience adjustments	75,987	(77,103)
<b>Net expense/(gain) recognized in other comprehensive income (refer note below)</b>	<b>41,938</b>	<b>(44,874)</b>
<b>2) Reconciliation of Changes in Benefit Obligations</b>		
<b>Present value of Obligation at year beginning</b>		
Acquisition adjustment	18,97,236	16,65,672
Interest Cost	-	-
Past Service cost	1,40,016	1,33,254
Current Service Cost	-	-
Curtailement Cost	1,62,275	1,43,183
Settlement Cost	-	-
Benefits paid	-	-
Actuarial(gain)/Loss	-	-
<b>Present value of Obligation at year end</b>	<b>41,938</b>	<b>(44,874)</b>
	<b>22,41,465</b>	<b>18,97,236</b>
<b>3) Plan Assets</b>	<b>NIL</b>	<b>NIL</b>
<b>4) Actuarial Assumptions</b>		
<b>(a) Economic Assumptions</b>		
Discount Rate (per annum)	7.65%	7.38%
Salary Growth Rate	5%	5%
<b>(b) Demographic Assumptions</b>		
Retirement Age (Years)		
Mortality Rates Inclusive of Provision for Disability - Mortality Table	58	58
Attrition at Ages / Withdrawal Rate	IALM (2006-08)	IALM (2006-08)
Up to 30 Years		
From 31 to 44 Years	3%	3%
Above 44 Years	2%	2%
	1%	1%

**Sensitivity Analysis for Significant****Assumptions is as given below**

One percentage 0.50% increase in discount rate	(1,748)	(1,480)
One percentage 0.50% decrease in discount rate	1,763	1,492
One percentage 0.50% increase in salary increase		
One percentage 0.50% decrease in salary increase	1,180	999
Sensitivity due to retirement, mortality & withdrawal are not material & hence impact of change due to these are not calculated	(1,172)	(992)
Sensitivity as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable		



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**Note 37: Income Tax**  
**Reconciliation Of Tax Expense And The Accounting Profit**

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Accounting Profit Before Tax	21,76,145	25,31,541
Tax at Effective Income Tax Rate of 25.75% (PY - 30.90%)	5,60,357	7,82,246
Tax Effect of Expenses that are not Deductible in current year for Determining Taxable Profit	2,30,238	85,419
Tax Effect of Incomes that is Exempt from Taxation	-	-
Tax Effect of Additional Expenses Deductible in Determining Taxable Profit	(23,839)	(38,478)
Tax Effect of Deductions allowed in Determining Taxable Profit	38,625	-
Tax Effect of Losses allowed to set off in Determining Taxable Profit	(1,90,754)	(6,07,349)
Adjustment in respect of Income tax of Previous years	29,830	-
Tax at Effective Income Tax Rate of 29.61% (PY- 8.76%)	6,44,457	2,21,838

**Note 38: Deferred Tax**

Particulars	As at 31st March, 2017	Expense/(Income) Recognized in P&L	Expense/(Income) Recognized in OCI	As at 31st March, 2018
<b>DEFERRED TAX LIABILITY</b>				
Depreciation	1,35,566	(37,566)	-	98,000
<b>TOTAL</b>	1,35,566	(37,566)	-	98,000
<b>DEFERRED TAX ASSET</b>				
Provision for doubtful debts/claims/advances	10,212	(162)	-	10,050
Expenditure allowable on payment basis	7,46,000	(1,40,029)	(19,021)	5,86,950
Carry Forward Losses	1,49,342	(1,49,342)	-	-
<b>TOTAL</b>	9,05,554	(2,89,533)	(19,021)	5,97,000
<b>NET DEFERRED TAX ASSET</b>	7,69,988	(2,51,967)	(19,021)	4,99,000

Particulars	As at 31st March, 2016	Expense/(Income) Recognized in P&L	Expense/(Income) Recognized in OCI	As at 31st March, 2017
<b>DEFERRED TAX LIABILITY</b>				
Depreciation	1,41,233	(5,667)	-	1,35,566
<b>TOTAL</b>	1,41,233	(5,667)	-	1,35,566
<b>DEFERRED TAX ASSET</b>				
Provision for doubtful debts/claims/advances	4,332	5,880	-	10,212
Expenditure allowable on payment basis	6,83,918	83,488	(21,406)	7,46,000
Carry Forward Losses	-	1,49,342	-	1,49,342
<b>TOTAL</b>	6,88,250	2,38,710	(21,406)	9,05,554
<b>NET DEFERRED TAX ASSET</b>	5,47,017	2,44,377	(21,406)	7,69,988



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**Note 39: Fair values**

The management has assessed that its financial assets and liabilities like cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

**Note 40 : Financial risk Management objectives and policies**

The Company's principal financial liabilities, other than derivatives, comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations

The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The company has a Risk Management Policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the Risk Management Policy is to assess the unpredictability of the financial environment & to mitigate potential adverse effects on the financial performance of the Company

**(a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The Company's activities exposes it's primarily to the financial risk of changes in foreign currency risk.

**(i) Interest Rate Risk:**

The Company's borrowings are primarily in fixed rate interest bearing sources. Hence the Company is not significantly exposed to Interest Rate Risk.

**(ii) Currency Risk:**

The Company undertakes transactions denominated in foreign currencies, consequently, exposure to exchange rate fluctuations arise.

**Foreign Currency Sensitivity Analysis:**

The Company is mainly exposed to the currency of United State of America i.e. in USD.

The following table details the Company's sensitivity to a 5% increase and decrease in the INR as against the USD. The sensitivity analysis includes only outstanding foreign currency denominated monetary items i.e. Trade Payable and adjusts their translation at the period end for a 5% change in foreign currency rates.

Sensitivity due to Exposure in Trade Receivables are not material & hence impact of change due to these are not disclosed.

FC exposures	Balance As at 31st March, 2018	Exchange rate as on 31.3.2018	Change	Change per USD	Impact on Profit and Loss Account (+Profit / -Loss)
	USD	Rs. / USD	%	Rs. / USD	Rs.
Trade Payables	0	65.0441	+5%	3.25	0
			-5%	(3.25)	0

Foreign Currency Exposures	Balance As at 31st March, 2017	Exchange rate as on 31.3.2017	Change	Change per USD	Impact on Profit and Loss Account (+Profit / -Loss)
	USD	Rs. / USD	%	Rs. / USD	Rs.
Trade Payables	25,793	64.8386	+5%	3.24	(83,617)
			-5%	(3.24)	83,617

**(b) Credit Risk:**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigation the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.



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**(c) Liquidity risk**

Liquidity Risk refers to the risk that the Company cannot meet its financial obligations. The objective of Liquidity risk management is to maintain sufficient liquidity & ensure that funds are available for use as per requirements

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Company's Financial Liabilities	As at 31st March, 2018				
	Demand	0-12 Months	1-5 years	>5 Years	Total
Borrowings	43,13,877	-	2,08,251		45,22,128
Trade Payables		1,95,522			1,95,522
Other Financial Liabilities		20,31,212			20,31,212
<b>TOTAL</b>	<b>43,13,877</b>	<b>22,26,734</b>	<b>2,08,251</b>	<b>-</b>	<b>67,48,862</b>
	As at 31st March, 2017				
	Demand	0-12 Months	1-5 years	>5 Years	Total
Borrowings	53,96,126	-	3,96,271	-	57,92,397
Trade Payables	-	3,01,036	-	-	3,01,036
Other Financial Liabilities	-	20,03,477	-	-	20,03,477
<b>TOTAL</b>	<b>53,96,126</b>	<b>23,04,513</b>	<b>3,96,271</b>	<b>-</b>	<b>80,96,910</b>



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**Notes 41 : Capital Management**

For the purpose of the Company's Capital management, capital includes equity capital and all other reserves. The primary objective of the Company's capital management is to safeguard its ability to continue as a going concern & to maintain and optimal capital structure so as to maximize the shareholder value.

As at 31st March, 2018, the Company's capital management, the company has only one class of equity shares and low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the company allocated its capital for re-investment into business based on its long term financial plans

**Note 42 : Standards Issued but not yet effective**

The standard issued, but not yet effective up to the date of issuance of the company financial statement is disclosed below. The Company intends to adopt the standard when it becomes effective.

**IND AS 115 Revenue from Contracts with Customers:**

IND AS 115 was issued in February 2015 and establishes a five step model to account for revenue arising from contracts with customers. Under IND AS 115 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled for transferring goods or services to a customer. The new revenue standard will supersede the current revenue recognition requirements under IND AS. The standard comes into force from accounting period commencing on or after 1<sup>st</sup> April, 2018. The Company will adopt the new standard on the required effective date. The Company is in process of examining the applicability of the standard.

**Note 43 : Reconciliation Of Equity as at 1st April, 2016 & 31st March, 2017 & Profit & Loss for the year ended 31st March, 2017****43.1 Reconciliation Of Equity as at 1st April, 2016 & 31st March, 2017**

Particulars	(Rs. In Thousands)					
	As at 31st March 2017 - IGAAP	Ind AS Adjustment	As at 31st March 2017 - Ind AS	As at 1st April 2016 - IGAAP	Ind AS Adjustment	As at 1st April 2016 - Ind AS
<b>ASSETS</b>						
<b>1. NON CURRENT ASSETS</b>						
(a) Property, plant and equipment	64,45,775	-	64,45,775	72,67,384	-	72,67,384
(b) Financial assets	-	-	-	-	-	-
(i) Investments	-	-	-	255	-	255
(ii) Loans	-	-	-	-	-	-
(c) Deferred tax assets (Net)	7,57,242	12,746	7,69,988	5,42,685	4,332	5,47,017
(d) Income Tax Asset (Net)	3,00,000	-	3,00,000	4,943	-	4,943
<b>2. CURRENT ASSETS</b>						
(a) Inventories	97,84,631	-	97,84,631	77,98,010	-	77,98,010
(b) Financial Assets						
(i) Trade Receivables	27,47,992	(48,691)	26,99,301	18,13,671	(14,503)	17,99,167
(ii) Cash and cash equivalents	51,49,802	-	51,49,802	5,74,293	-	5,74,293
(iii) Loans	49,736	-	49,736	20,902	-	20,902
(iv) Others	65,827	-	65,827	36,950	-	36,950
(c) Other current assets	18,55,185	-	18,55,185	14,56,821	-	14,56,821
<b>TOTAL ASSETS</b>	<b>2,71,56,189</b>	<b>(35,945)</b>	<b>2,71,20,245</b>	<b>1,95,15,913</b>	<b>(10,171)</b>	<b>1,95,05,742</b>
<b>EQUITY AND LIABILITIES</b>						
<b>A. EQUITY</b>						
(a) Equity Share Capital	24,00,000	-	24,00,000	24,00,000	-	24,00,000
(b) Other Equity	1,42,41,063	(35,945)	1,42,05,118	1,14,94,965	(10,171)	1,14,84,794
<b>B. LIABILITIES</b>						
<b>1. NON CURRENT LIABILITIES</b>						
(a) Financial Liabilities						
(i) Borrowings	3,96,271	-	3,96,271	6,20,231	-	6,20,231
(b) Provisions	3,29,212	-	3,29,212	2,64,547	-	2,64,547
<b>2. CURRENT LIABILITIES</b>						
(a) Financial Liabilities						
(i) Trade Payables	3,01,036	-	3,01,036	4,47,586	-	4,47,586
(ii) Borrowings	53,96,126	-	53,96,126	-	-	-
(iii) Other Financial Liabilities	20,03,477	-	20,03,477	25,22,978	-	25,22,978
(b) Other Current Liabilities	2,06,198	-	2,06,198	2,98,302	-	2,98,302
(c) Provisions	16,21,172	-	16,21,172	14,67,304	-	14,67,304
(d) Current Tax Liabilities (Net)	2,61,634	-	2,61,634	-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,71,56,189</b>	<b>(35,945)</b>	<b>2,71,20,245</b>	<b>1,95,15,913</b>	<b>(10,171)</b>	<b>1,95,05,742</b>



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#### 43.2 Reconciliation of Profit & Loss for the year ended 31st March, 2017

(Rs. In Thousands)

Particulars	For the year ended 31st March 2017 - IGAAP	Ind AS Adjustments	For the year ended 31st March 2017 - Ind AS
1. Revenue from operations	3,35,75,161	-	3,35,75,161
2. Other income	4,05,445	-	4,05,445
<b>3. Total revenue (1+2)</b>	<b>3,39,80,606</b>	<b>-</b>	<b>3,39,80,606</b>
<b>4. Expenses</b>			
Purchase of stock-in-trade	2,12,61,574	-	2,12,61,574
Changes in inventories of stock-in-trade	(21,71,284)	-	(21,71,284)
Employee benefit expense	51,61,333	71,665	52,32,998
Finance costs	1,69,690	-	1,69,690
Depreciation and amortisation expense	8,02,809	-	8,02,809
Other expenses	76,40,509	34,187	76,74,696
<b>Total expenses</b>	<b>3,28,64,630</b>	<b>1,05,852</b>	<b>3,29,70,482</b>
<b>5. Profit/ (loss) before exceptional items and tax (3-4)</b>	<b>11,15,976</b>	<b>(1,05,852)</b>	<b>10,10,124</b>
<b>6. Add: Exceptional items</b>	<b>14,15,564</b>	<b>-</b>	<b>14,15,564</b>
<b>7. Profit/ (loss) before tax (5+6)</b>	<b>25,31,541</b>	<b>(1,05,852)</b>	<b>24,25,688</b>
<b>8. Tax expense</b>			
a) Current tax	3,00,000	-	3,00,000
b) MAT Credit	(3,00,000)	-	(3,00,000)
c) Deferred tax	(2,14,557)	(29,820)	(2,44,377)
	<b>(2,14,557)</b>	<b>(29,820)</b>	<b>(2,44,377)</b>
<b>9. Profit/ (loss) for the period (7-8)</b>	<b>27,46,098</b>	<b>(76,032)</b>	<b>26,70,065</b>
<b>10. Other comprehensive income</b>			
- Items that will not be reclassified to profit or loss	-	50,259	50,259
- Income Tax relating to above	-	-	-
<b>11. Total comprehensive income for the period (9+10)</b>	<b>27,46,098</b>	<b>(25,774)</b>	<b>27,20,324</b>

**Explanatory notes to the reconciliation of equity as at 1 April 2016 and 31 March 2017 and profit or loss for the year ended 31 March 2017.**

##### Trade Receivables

Under Previous IGAAP, provision for bad and doubtful debts have been made as per Company's policy. Under Ind AS, trade receivables are required to be tested for expected credit loss, if any. Accordingly, an impairment allowance has been determined based on Expected Credit Loss Model (ECL). A provision of Rs.14,503 as on 1st April 2016 has been recognised towards ECL by debiting retained earnings. An amount of Rs.34,187 towards ECL for year ended 31st March 2017 has been recognized in the Statement of Profit & Loss.

##### Deferred Tax

Previous IGAAP requires Deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for Deferred Taxes using the Balance Sheet approach, which focuses on temporary differences between carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under previous IGAAP.

##### Defined Benefit Obligation

Both under previous IGAAP and Ind AS, the Company recognized costs related to its post employment defined benefit on an actuarial basis. Under previous IGAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit and loss. Under Ind AS, remeasurement are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit cost is increased by Rs.71,665/- and remeasurement gains on defined benefit plans of Rs.50,259/- has been recognized in the OCI (Net of Tax) during the year 2016-17.



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**Note 44 : Related Party Transactions**

**Details of Related Parties:**  
Description of Relationship  
Associates

**Particulars**

**Names of Related Parties**

Goliya Instruments Private Limited  
Goliya Electricals Private Limited  
Kusam Electrical Instruments LLP  
Kusam - Meco Import Export Private Limited  
Mahavir Instrumentation Private Limited  
Goliya Industrial Corporation  
Manan Computers

**Key Management Personnel (KMP)**

Chandmal.P. Goliya (Wholetime Director)

Jhanwarlal .B. Sipani (Director)  
Sushma Ranka (Director)  
Damini .S. Jhunjhunwala (Director)  
Naval .S. Jha (CFO)  
Neha Sangam (CS)

**Relatives of Key Management Personnel (KMP)** Neha Goliya (Daughter-in-law of Director)

Kusum .C. Goliya (Wife of Director)

Note: Related parties have been identified by the Management.

**Details of related party transactions during the year end and balances outstanding as at 31 March,2018:**

Nature of Transaction	Associates	KMP / Relative of KMP	Total
Purchase of goods	7,64,966 (2,62,453)	NIL (NIL)	7,64,966 (2,62,453)
Sale of goods	17,77,825 (6,725)	NIL (NIL)	17,77,825 (6,725)
Reimbursement of Expenses	5,867 (NIL)	NIL (4,866)	5,867 (4,866)
Payment of professional charges	NIL (NIL)	1,50,450 (60,000)	1,50,450 (60,000)
Payment of - (i) Remuneration, Bonus & Perquisites	NIL (NIL)	27,15,811 (24,55,400)	27,15,811 (24,55,400)
(ii) Short-term Employees Benefits	NIL (NIL)	4,49,114 (4,46,858)	4,49,114 (4,46,858)
Rental Income	3,61,020 (3,28,100)	NIL (NIL)	3,61,020 (3,28,100)
Rent Deposit	75,000 (75,000)	NIL (NIL)	75,000 (75,000)
Sale of office premises	NIL (NIL)	NIL (14,89,000)	NIL (14,89,000)
<b>Balances outstanding at the end of the year</b>	<b>Associates</b>	<b>KMP/ Relative of KMP</b>	<b>Total</b>
Trade receivables	16,50,519 (NIL)	NIL (NIL)	16,50,519 (NIL)
Trade payables	NIL (27,538)	NIL (NIL)	NIL (27,538)
Rent receivable	33,740 (29,700)	NIL (NIL)	33,740 (29,700)
Other current liabilities (Director Remuneration, Bonus & Perquisites)	NIL (NIL)	83,769 (4,74,566)	83,769 (4,74,566)

Note: Figures in bracket relates to the previous year



**Note 45 : Impairment of Assets**

There has been no impairment of assets as at the balance sheet date.

**Note 46 : Earnings Per Share**

Basic & Diluted	For the Year Ended 31st	For the Year Ended 31st
Net profit/(loss) for the year attributable to the equity shareholders (before exceptional item)	15,61,766	13,04,760
Net profit for the year attributable to the equity shareholders	15,61,766	27,20,324
Weighted average number of equity shares	2,40,000	240000
Par value per share	10	10
Basic & Diluted EPS (before extraordinary item)	6.51	5.44
Basic & Diluted EPS (after extraordinary item)	6.51	11.33

**Note 47 :** The standalone financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 30th May 2018.

**Note 48 :** The figures as on the transition date and previous year have been re-arranged and regrouped wherever necessary and / or practicable to make them comparable with those of the current year.

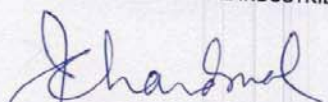
As per our report of even date attached


For CHHAJED & DOSHI  
Chartered Accountants  
[Firm Ref. No. 101794 W]

  
CA Nitesh Jain  
Partner  
Membership No: 136169

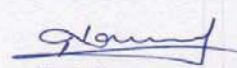



For and on behalf of the Board of Directors of  
KUSAM ELECTRICAL INDUSTRIES LIMITED

  
Chandmal P. Golliya  
Wholtime Director  
DIN : 00167842

  
Jhanwarlal B. Sipani  
Director  
DIN : 01261901

Place : Mumbai  
Date : 30th May 2018

  
Naval Jha  
Chief Financial officer

  
Neha A. Sangam  
Company Secretary  
Membership No: A46052



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**KUSAM ELECTRICAL INDUSTRIES LTD.**  
**CIN L31909MH1983PLC220457**  
**G-17, Bharat Industrial Estate, T. J. Road, Sewree (W), Mumbai- 400015**  
**Tel. No: 022-24181649 Website: [www.kusamelectrical.com](http://www.kusamelectrical.com)**

**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting hall)

Full name of the members attending \_\_\_\_\_  
(In block capitals)

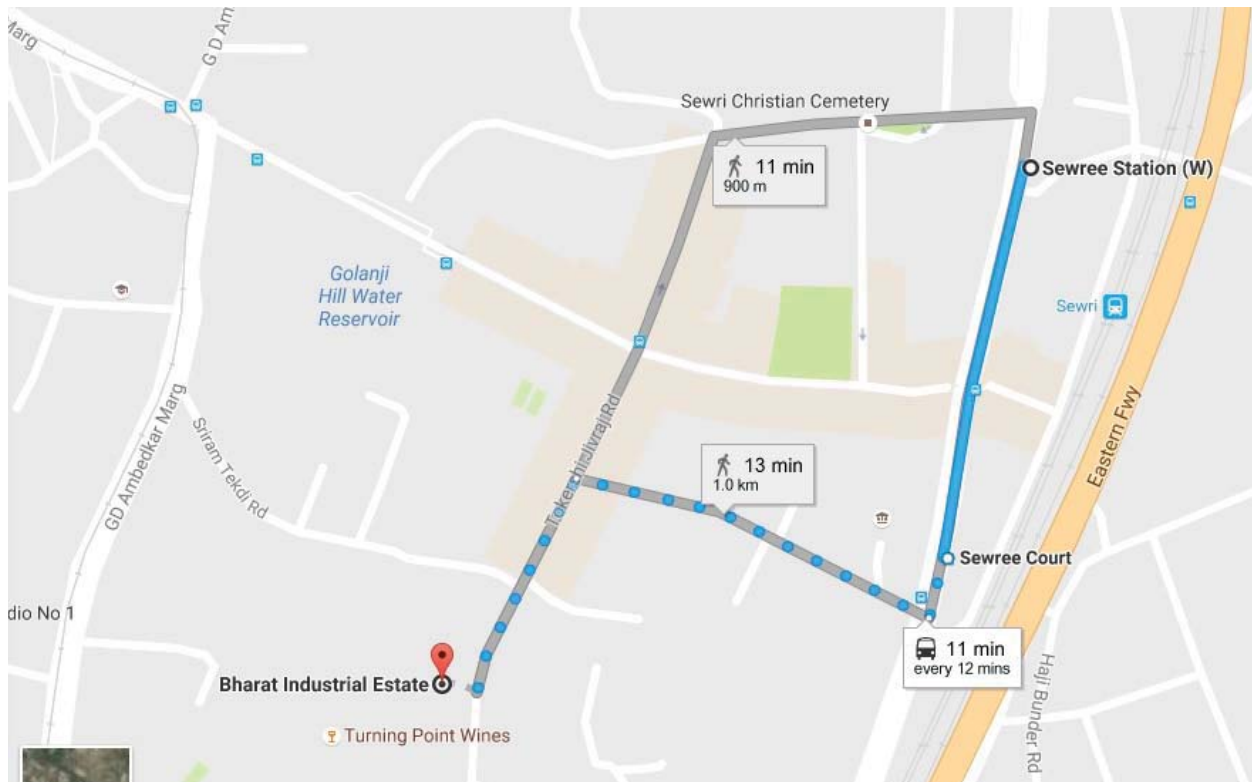
Ledger Folio No./Client ID No. \_\_\_\_\_ No. of shares held: \_\_\_\_\_

Name of Proxy \_\_\_\_\_  
(To be filled in, if the proxy attends instead of the member)

I/We hereby record my / our presence at the 35<sup>th</sup> Annual General Meeting of the Company , G-17, Bharat Industrial Estate, T. J. Road, Sewree (West), Mumbai- 400 015, being held on Thursday of 27<sup>th</sup> September, 2018 at 11.00 a.m.

(Member's /Proxy's Signature)

**ROUTE MAP**



**KUSAM ELECTRICAL INDUSTRIES LTD.**  
**CIN L31909MH1983PLC220457**  
**G-17, Bharat Industrial Estate, T. J. Road, Sewree (W), Mumbai- 400015**  
**Tel. No: 022-24181649 Website: [www.kusamelectrical.com](http://www.kusamelectrical.com)**

**PROXY FORM**

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DP ID

I/We, being the member(s) of \_\_\_\_\_ shares of the above named Company. Hereby appoint

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him	

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35<sup>th</sup> Annual General Meeting of the Company, to be held on the Thursday of 27<sup>th</sup> September 2018 at 11.00 a.m. at Registered office, G-17, Bharat Industrial Estate, T. J. Road, Sewree (West), Mumbai- 400 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote	
		For	Against
Ordinary Business			
1.	Adoption of Audited Financial Statements		
2.	Appointment of Director or Retirement By Rotation		
Special Business			
3.	Re-Appointment of Shri Chandmal Goliya (DIN: 00167842), Whole Time Director for a Period of 5 years w.e.f 1 <sup>st</sup> October, 2018 and Fixation of his Remuneration thereof		

Signed this \_\_\_\_\_ day of September, 2018.

\_\_\_\_\_  
Signature of Shareholder      Signature of Proxy holder

Affix  
Revenue  
Stamps

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the Company



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