



# KUSAM ELECTRICAL INDUSTRIES LIMITED



## 37<sup>TH</sup> ANNUAL REPORT (2019-2020)



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
- Mr. Sushilkumar B. Jhunjhunuwala
- Mr. Navin C. Goliya

### ❖ **CHIEF FINANCIAL OFFICER**

Mr. Naval S. Jha

### ❖ **COMPANY SECRETARY**

Ms. Amruta K. Lokhande

### ❖ **AUDITORS**

**M/s. Chhajed & Doshi**

(Chartered Accountants)

Andheri (E), Mumbai.

### ❖ **SHARE TRANSFER AGENT**

**Satellite Corporate Services Pvt. Ltd.**

A Wing, office no. 106 and 107, Dattani Plaza

Andheri Kurla Road, East west Ind estate

Sakinaka, Mumbai-400072

### **BANKERS**

Canara Bank, Mumbai

### ❖ **REGISTERED OFFICE**

G- 17, Bharat Industrial Estate,

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

Email: [kusammeco.acct@gmail.com](mailto:kusammeco.acct@gmail.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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## **NOTICE**

**NOTICE** is hereby given that the 37<sup>th</sup> Annual General Meeting of the Members of Kusam Electrical Industries Ltd will be held on Saturday, 31<sup>st</sup> October, 2020 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. ADOPTION OF AUDITED FINANCIAL STATEMENTS**

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2020, the Reports of the Board of Directors and Auditors thereon.

#### **2. APPOINTMENT OF DIRECTOR OR RETIREMENT BY ROTATION**

To appoint a Director in place of Mr. Jhanwarlal Bhanwarlal Sipani (DIN 01261901) who retires by rotation and being eligible offers himself for re-appointment.

#### **3. APPOINTMENT OF STATUTORY AUDITOR**

To appoint M/S. RANK & Associates Chartered Accountants as Statutory Auditors for a term of 5 five years commencing from the conclusion of this Annual General Meeting upto the conclusion of the Annual General Meeting of the Company to be held for the Financial Year ended March 31, 2025 and to fix their remuneration, in place of M/s. Chhajed & Doshi Accountants whose two term has expired and ceased to get reappointed and to pass the necessary resolution.

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 and other provisions, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. RANK & Associates, Chartered Accountants (Firm Registration No. 105589W), be and is hereby appointed as the Statutory Auditors of the Company for a term of 5 (five) years commencing from the conclusion of this Annual General Meeting upto the conclusion of the Annual General Meeting to be held in the Financial Year ended March 31, 2025 at a remuneration to be fixed by the Board of Directors, in addition to the re-imbursement of applicable taxes and actual out of pocket and travelling expenses incurred in connection with the audit.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution and / or otherwise considered by them to be in the best interest of the Company.”

### **SPECIAL BUSINESS**

To consider, and if thought fit, to pass the following resolution as a special resolution:

#### **4. APPROVAL FOR VARIATION IN TERMS OF APPOINTMENT OF SHRI NAVIN CHANDMAL GOLIYA (DIN-0016481) DIRECTOR OF THE COMPANY TO BE DESIGNATED AS WHOLE TIME DIRECTOR**

**“RESOLVED THAT** in supersession of resolution passed by the Members of the Company at 36<sup>th</sup> Annual General Meeting of the Company held on 27<sup>th</sup> September, 2019 pursuant to the provisions of Section 196, 197, and Schedule V to the Companies Act, 2013 ("the Act") read with Companies (Appointment and Remuneration to Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Rules made there under to the extent applicable, on the recommendation of Nomination & Remuneration Committee, consent of the Members be and hereby accorded for Re-appointment of Mr. Navin Chandmal Goliya, Director of the company (DIN:- 0016481) as Whole Time Director of the Company for a term of 23 months w.e.f 1<sup>st</sup> November, 2020 till 30<sup>th</sup> September, 2022 on the following terms and conditions.

Remuneration and other emoluments will be as under:-

1. Basic Salary: ₹ 1,90,000/- (Rupees One Lac Ninety Thousand only) per month.
2. Medical Expenses Reimbursement: Reimbursement of medical expenses incurred on him and his family to an extent of 20% of the Total Basic Salary.
3. Leave Travel Allowance: For him and his family once in a year to an extent of 30% of the Total Basic Salary.
4. Bonus as per the Rules of the Company.
5. Medical Insurance coverage of ₹ 8 Lacs for him and his family.
6. Accident Insurance coverage of ₹ 10 Lacs for him and his family.
7. Gratuity: Gratuity shall be as per the Company Rules.
8. Leave Entitlement & Encashment: Leave entitlement shall be as per the Company Rules. He shall be permitted to encash unavailed leave.
9. Conveyance: Provision of car for Company's business which includes fuel and other charges.
10. Telephone: Reimbursement of expenses incurred on telephone at residence and cell phones.
11. Club's membership fees: Reimbursement of membership fee for the club's, including yearly/ life membership fee.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution and / or otherwise considered by them to be in the best interest of the Company.”

By Order of the Board

Sd/-  
**Amruta Lokhande**  
Company Secretary

**Registered Office:**

G-17, Bharat Industrial Estate,  
T. J Road, Sewree- West,  
Mumbai- 400 015  
Place - Mumbai  
Date – 14-09-2020

**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) In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company’s website [www.kusamelectrical.com](http://www.kusamelectrical.com), website of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). Members are requested to support Green initiative by registering/ updating their e-mail addresses with the Depository Participant (in case of shares in dematerialized form) or with M/s. Satellite Corporate Services Pvt Ltd., the Registrar and Transfer Agent (“RTA”) of the Company (in case of shares held in physical form) for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
- (5) 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.
- (6) 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.
- (7) In terms of Section 152 of the Companies Act, 2013 Jhanwarlal Bhanwarlal 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 Jhanwarlal Bhanwarlal Sipani (DIN 01261901), Director is given below and forms part of this Notice.
- (8) 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.

- (9) The Company has notified closure of Register of Members and Share Transfer Books from 24<sup>th</sup> October, 2020 to 31<sup>st</sup> October, 2020 (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the Meeting.
- (10) Relevant documents referred to in the accompanying Notice and the Explanatory Statement 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.
- (11) 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.
- (12) The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, Secretarial Standard-2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Special Business under Item No. 4 of the accompanying Notice is annexed hereto.
- (13) 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.
- (14) Members are requested to quote their Registered Folio No. on all correspondence with the Company.
- (15) Members desirous of getting any information in relation to the Company's Annual Report 2019-20 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.
- (16) 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.
- (17) 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.
- (18) Electronic Copy of the Annual Report 2019-20 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)

- (19) 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.
- (20) 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, - A Wing, office no. 106 and 107, Dattani Plaza Andheri Kurla Road, East west Ind estate Sakinaka, Mumbai-40007
- (21) 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%)

- (22) 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.
- (23) Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.
- (24) The Members/ Claimants whose shares and unclaimed dividends has been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) alongwith requisite fee as decided by it from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per IEPF Rules.
- (25) As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed entities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this, and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members

can contact the Registrar and Share Transfer Agent or the Company for any assistance in this regard.

- (26) 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 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.
- (27) The route map showing directions to reach the venue of the 37<sup>th</sup> AGM is annexed herewith the Notice.

### **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 37<sup>th</sup> Annual General Meeting of the Company dated on 31<sup>st</sup> October, 2020 (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**

- i. 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)
- ii. Members who have cast their votes by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the meeting.

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

- i. The voting period begins from 9.00 a.m. (Starting Time) on Wednesday, 28<sup>th</sup> October, 2020 and ends at 5.00 p.m. (Ending Time) on Friday, 30<sup>th</sup> October, 2020. During this period Shareholders' of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off date 24<sup>th</sup> October, 2020, 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 cast 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. 24/10/2020 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 polling and e-Voting process in a fair and transparent manner.
- 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 Friday, 30<sup>th</sup> October, 2020.

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 cut-off date of 24<sup>th</sup> October, 2020.

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 No. 4, of the accompanying Notice dated 14<sup>th</sup> September 2020.

### ITEM NO. 4

The Company in its 36th Annual of the Company held on 27th September 2019 had Re-appointed Mr. Navin Chandmal Golia (DIN: 00164681) as Director on terms and conditions as contained in the Resolution passed by the Members of the Company at the said Annual General Meeting. The Board of Director in its meeting held on 14th September 2020 decided to alter the term of Re-appointment of Mr. Navin Chandmal Golia (DIN: 00164681) and to revise his remuneration, the detail whereof are given in the proposed resolution set out at item no 4.

The information and disclosures about Re-appointment of Mr. Navin Chandmal Golia (DIN: 00164681) as Whole Time Director of the Company as required to be given in Part II Section 2 second proviso to clause B (IV) are given here in below

(1) Nature of industry - Assembly and Sale of Meters, Instruments & Accessories

(2) Date or expected date of commencement of commercial production - Not applicable (Company is an existing Company)

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus - NA

(4) Financial performance based on given indicators -

(Rs. in Lakhs except EPS and per share data)

Particulars	2019-2020	2018-2019
Sales and other income	407.40	556.18
EBIDTA	1.18	79.70
Profit before tax	(19.05)	69.99
Provision for Income Tax	-	20.97
Provision for Deferred Tax	(0.03)	0.50
Tax for earlier Year	-	2.64
Profit after tax	(19.02)	45.88
EPS	(7.93)	19.12

(5) Foreign investments or collaborations, if any - Nil

### II. Information about the appointee:

(1) Background details - Mr. Navin Chandmal Goliya is an Electronic Engineer and having rich experience in the Company Line of Business.

(2) Past remuneration – Basic Salary: ₹ 1,80,000/- (Rupees One Lac Eighty Thousand only) per month.

(3) Recognition or awards - Bachelor degree in Engineering in Electronics

(4) Job profile and his suitability- Mr. Navin Chandmal Goliya has wide industry experience in the field of the Company. His immense knowledge in the field of electronic engineering helps the Company in various ways.

(5) Remuneration proposed - Basic Salary: ₹ 1,90,000/- (Rupees One Lac Ninety Thousand only) per month.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) - Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Mr. Navin Chandmal Goliya, the remuneration proposed to be paid is commensurate with the remuneration packages paid to their similar counterparts in other companies.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.- Son of Mr. Chandmal P Goliya (WTD)

### III. Other information:

(1) Reasons of loss or inadequate profits – The Company has reported a net loss on standalone basis primarily on account of charges taken by the Company towards various optimization and integration measures being carried out by the Company. The Company's integration and optimization exercise is progressing well and is as per schedule. In addition to these optimization and integration measures, supply constraints and increased compliance/remediation costs also adversely impacted the profitability of the Company for the year.

(2) Steps taken or proposed to be taken for improvement - It has been endeavour of the Company to increase its sales. The Company has been making all possible efforts to increase the volume of its business with focus on quality of its products.

(3) Expected increase in productivity and profits in measurable terms - The Company is engaged in the Business of Assembling and Sale of Meters, Instruments & Accessories. The product range differs as per demand in different market segments. Hence, the increase in productivity vis-à-vis products cannot be measured. However, the Company will give its best efforts to increase its sales.

The Board Recommends the resolution as set out in item no 4 for consideration and approval of the Members of the Company. Except Mr. Navin Chandra Goliya and Shri Chandmal Goliya Directors of the Company and their relative none of the other directors and Key Managerial Persons are concerned and are interested in the proposed resolution.

For, Kusam Electrical Industries Ltd.

Sd/-  
Amruta Lokhande  
Company Secretary

### Registered Office:

G-17, Bharat Industrial Estate,  
T. J Road, Sewree – West, Mumbai- 400 015  
PLACE:Mumbai  
DATE: 14<sup>th</sup> September, 2020

## DIRECTORS' REPORT

To,  
The Members,  
Kusam Electricals Industries Ltd

Your Directors are pleased to present the Thirty Seventh Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2020.

### 1. Financial Results

The Company's financial performance for the year ended March 31, 2020 is summarized below:

Particulars	2019-2020 (In ₹ '000)	2018-2019 (In ₹ '000)
Gross Income	40,740.13	55,618.11
Profit Before Interest and Depreciation	118.54	7969.47
Less: Interest	550.19	104.73
Less: Provision for Depreciation	1,473.72	865.73
Profit Before Exceptional & Extraordinary items & Tax	(1,905.36)	6,999.01
Less: Exceptional Items	-	-
Less: Extraordinary items	-	-
Profit Before Tax	(1,905.36)	6,999.01
Less: Provision for Tax	-	2360.7
Less: Deferred Tax	(2.84)	50.36
Net Profit After Tax	(1,902.52)	4587.95
Earnings Per Share- Diluted	(7.93)	19.16

### 2. Review of Operations

The Income from operations and other income during the year was at ₹ 4,07,40,130 as against ₹ 5,56,18,110 in the previous year. The Net Profit (before exceptional and extra ordinary items and tax) was (₹ 19,05,360) as against ₹ 69,99,010 in the previous year. The Company's Net Profit after tax is of (₹ 19,02,520) as against ₹ 45,87,950 after 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 Equity Share Capital of the Company as on March 31, 2020 is ₹ 25,00,000 (Rupees Twenty five lacs) having 2,50,000 Equity Shares of ₹ 10/- each . The Paid-up Equity Shares Capital of the Company as on March 31, 2020 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 Bhanwarlal 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 2019-20. 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. Amruta Lokhande: Company Secretary

## **9. DISCLOSURES UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013**

The Company does not have any employee. Hence the requirements as specified in Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company. Disclosures pertaining to Remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are kept at the Registered Office for inspection 21 days before the date of Annual General Meeting of the Company Pursuant to Section 136 of the Companies Act, 2013 and members, if any interested in obtaining the details thereof shall make specific request to the Compliance Officer of the Company in this regard.

**10. NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR - NIL**

**11. Board & Committee Meetings**

**a) Board Meeting:**

During the financial year 2019-20, total Four (4) Board Meetings were held on 20<sup>th</sup> May, 2019, 14<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019, and 12<sup>th</sup> February, 2020. 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	4	Yes
Mr. Jhanwarlal Bhanwarlal Sipani	Non- Executive Director	4	Yes
Mrs. Sushma Ranka	Non- Executive Independent Director	4	Yes
Mr. Sushilkumar Jhunjhunuwala	Non- Executive Independent Director	3	Yes
Mr. Navin Chandmal Goliya	Executive Director	4	No

**b) Audit Committee Meeting:**

During the financial year 2019-20, total four (4) Audit Committee Meetings were held on 20<sup>th</sup> May, 2019, 14<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019, and 12<sup>th</sup> February, 2020.

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 2019-2020 are as follows:

**Chairman:** Ms. Sushma Ranka

**Members:** Mr. J B. Sipani  
Mr. Sushilkumar Jhunjhunuwala

**Attendance :**

Name of the Director	Category	Number of Committee Meetings attended	Attended last AGM
Mrs. Sushma Ranka	Non - Executive Independent Director (Chairman)	4	Yes
Mr. J B. Sipani	Non - Executive Director	4	Yes
Mr. Sushilkumar Jhunjhunuwala	Non - Executive Independent Director	3	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, 2020.

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 2019-20, total one (1) Nomination & Remuneration Committee Meeting was held on 14<sup>th</sup> August 2019.

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  
Mr. Sushilkumar Jhunjhunuwala

**Attendance:**

Name of the Director	Category	Number of Committee Meetings attended	Attended last AGM
Ms. Sushma Ranka	Non- Executive Independent Director (Chairman)	1	Yes
Mr. J B. Sipani	Non- Executive Director (Member)	1	Yes
Ms.Sushilkumar Jhunjhunuwala	Non-Executive Independent Director	0	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.

### **C). Stakeholders Relationship Committee:**

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

The Board has reconstituted Shareholders'/Investors Grievance Committee as Stakeholders Relationship Committee in accordance with the provisions of the Companies Act, 2013. The Stakeholders Relationship Committee comprised of:

Sr. No.	Name	Designation
1	Jhanwarlal Sipani	Non Executive Director Chairman
2	Sushma Ranka	Independent Director
3	Chandmal Goliya	Whole Time Director

#### **(b) Meetings And Attendance:**

The Stakeholders Relationship Committee met Four (4) times during the Financial Year 2019- 20. The Committee met on 20th May 2019, 14th August 2019, 14th November 2019 & 12th February 2020. The necessary quorum was present for all Meetings.

#### **(c) TERMS OF REFERENCE:**

The Company with the assistance of the Registrar and Share Transfer Agent M/s. Satellite Corporate Services Pvt. Ltd attend to all grievances of the Shareholders received directly through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The Minutes of the Stakeholders Relationship Committee Meetings are circulated to the Board and noted by the Board of Directors at the Board Meeting.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the Investors. Shareholders are requested to furnish their Telephone Numbers and e-mail address to facilitate prompt action.



**(d) DETAILS OF SHAREHOLDERS COMPLAINTS RECEIVED, SOLVED AND PENDING SHARE TRANSFERS COMPLAINTS:**

Sr. No.	Nature of the complaint	Received	Replied	Pending
1	Non-receipt of shares certificates lodged for transfer	0	0	0
2	Non-receipt of dividend warrants	0	0	0
3	Non-receipt of dividend warrants after revalidation	0	0	0
4	Non-receipt of share certificates lodged for split/ Bonus shares	0	0	0
5	Non Receipt of duplicate shares certificates	0	0	0
6	Letters from SEBI / stock Exchange	0	0	0
7	Letters from Department of Company Affairs / Other Statutory Bodies	0	0	0
	Total	0	0	0

During the year, nil complaints regarding non-receipt of shares sent for transfer, Demat queries were received from the shareholders, all of which have been resolved. The company had no transfers pending at the close of 31.03.2020.

**REQUESTS:**

Sr. No.	Nature of the Requests	Received	Replied	Pending
1	Receipt of dividend warrants for revalidation	0	0	0
2	Request for mandate correction on Dividend warrants	0	0	0
3	Request for duplicate Dividend warrant	0	0	0
4	Request for copy of Annual Report	0	0	0
5	Request for TDS Certificate	0	0	0
6	Request for exchange of split Share certificate	0	0	0
	Total	0	0	0

**12. 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.

**13. FIXED DEPOSITS**

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

#### **14. Declaration by an Independent Director(s)**

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.

#### **15. Internal Financial Controls**

The Board has laid down Internal Financial Control Policy to be followed by the Company and the policy is available on Company's website at the link [www.kusamelectrical.com](http://www.kusamelectrical.com). The Company has in place adequate internal financial controls with reference to financial statements. During the year such controls were reviewed and no reportable material weakness in the operation was observed.

#### **16. 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>

#### **17. 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)

#### **18. Auditors:**

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

M/s. R A N K & Co, Chartered Accountants (Firm Registration Number: 101794W) who are to be appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the Annual General Meeting to be held in the Financial Year ended March 31, 2025 in place of M/s. Chhajed & Doshi Chartered Accountants whose two term has expired and ceased to get reappointed as required under the provisions of Section 139 of the Companies Act, 2013. The Company has obtained written confirmation from M/s. R A N K & Co that their appointment if made would be in conformity with the limits specified in the said section.

The Report given by the Statutory Auditor for the Financial Statements for the year ended 31st March, 2020 read with Explanatory Notes thereon do not call for any explanation or comments from the Board under Section 134 of the Companies Act, 2013.

##### **(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.

CS Unnatti Jain, Practicing Company Secretary, was appointed as Secretarial Auditors for carrying out the Secretarial audit for the Financial Year 2019-20.

The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2020 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 2019-20 given by Unnatti Jain, Practicing Company Secretary for auditing the Secretarial and related records is attached herewith as “Annexure III.

**iii) Cost Auditor**

The Company is not required to maintain Cost Audit Records as its turnover is less than ₹ 35 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.

**19. 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.

**20. 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>

**21. 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>

**22. 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, 2020 is given in **MGT 9** as a part of this Annual Report as **ANNEXURE I**.

**23. 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.

#### **24. 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.

#### **25. Related Parties Transactions:**

During the financial year 2019-20, 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 2019-2020 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>

#### **26. Corporate Governance**

In terms of Regulation 15(2)(a) of SEBI(LODR), Regulations 2015, the compliance with the Corporate Governance provisions as specified in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and Clauses (b) to (i) of sub-regulation(2) of Regulation 46 and paras C, D and E of Schedule V 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 31st March, 2020.

#### **27. 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.

#### **28. 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.

**29. 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.

**30. (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 ₹ 1,24,080/- on account of export sale and outgo of foreign exchange during the year was ₹ 3,09,30,416/- for imports.

**31. Directors' Responsibility Statements**

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, 2020, 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 2020 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 2020 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.

**32. 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.

**33. 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

**34. 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.

**35. Listing with Stock Exchanges:**

The Company confirms that it has paid the Annual Listing Fees for the year 2020-2021 to BSE where the Company's Shares are listed.

**36. 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: 14-09-2020

## **ANNEXURE I**

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

**For the Financial Year Ended on 31<sup>st</sup> March, 2020**

**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. A Wing, office no. 106 and 107, Dattani Plaza Andheri Kurla Road, East west Ind estate, Sakinaka, Mumbai – 400072. scs_pl@yahoo.co.in service@satellitecorporate.com Tel no.28520461-62 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-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% 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	150700	-	150700	62.79	150700	-	150700	62.79	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(1)</b>	<b>150700</b>		<b>150700</b>	<b>62.79</b>	<b>150700</b>	-	<b>150700</b>	<b>62.79</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>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>150700</b>	-	<b>150300</b>	<b>62.79</b>	<b>150700</b>	-	<b>150700</b>	<b>62.79</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	500	9650	10150	4.23	950	9200	10150	4.23	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	45800	-	45800	19.08	45800	-	45800	19.08	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>79650</b>	<b>9650</b>	<b>89300</b>	<b>37.21</b>	<b>80100</b>	<b>9200</b>	<b>89300</b>	<b>37.21</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>79650</b>	<b>9650</b>	<b>89300</b>	<b>37.21</b>	<b>80100</b>	<b>9200</b>	<b>89300</b>	<b>37.21</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>230350</b>	<b>9650</b>	<b>240000</b>	<b>100</b>	<b>230800</b>	<b>9200</b>	<b>240000</b>	<b>100</b>	<b>-</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	
2	Shree Ajaykumar Goliya	20000	8.33		20000	8.33	-	-
3	Shree Chandmal Goliya	77800	32.42	-	85800	35.68	-	3.33
4	Shree Jhanwarlal Sipani	39500	16.46	-	39500	16.46	-	-
5	Smt. Pramila Goliya	5000	2.08	-	5000	2.08	-	-
6	Smt. Premdevi Goliya	8000	3.33	-	-	-	-	(3.33)
7	Pradip Chandmal Goliya	400	0.17	-	400	0.17	-	0.17

### 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	150700	62.79	150700	62.79
	Transaction (purchase / sale) during the year	-	-	-	-
	At the end of the year	150700	62.79	150700	62.79

**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 31.03.2019		Cumulative Shareholding during the year 31.03.2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	NANDITA KAMAL GOLIYA	27450	11.44	27450	11.44
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 HRAKHCHAND 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	77800	32.42	85800	35.68
2.	Jhanwar Lal Sipani, Non-executive Director	39500	16.46	39500	16.46
3.	Sushma Ranka, Independent Director	-	0.00	-	0.00
4.	Sushilkumar Jhunjhunwala- Independent Director	-	0.00	-	0.00
5.	Navin Goliya – Director	-	0.00	-	0.00
7.	Naval Jha, KMP- CFO	-	0.00	-	0.00

8.	Amruta Lokhande, KMP-CS	-	0.00	-	0.00
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**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	2,08,251	0	0	2,08,251
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>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition				
Motor Car Loan	39,50,000			39,50,000
Plant & Machinery Loan	9,52,000	0	0	9,52,000
* Reduction			0	
• Motor Car Loan	6,66,585			6,66,585
• Plant & Machinery Loan	17,745	0		17,745
<b>Net Change</b>	<b>6,84,330</b>	<b>0</b>	<b>0</b>	<b>6,84,330</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount			0	
• Motor Car Loan	34,91,666			34,91,666
• Plant & Machinery Loan	9,34,255	0		9,34,255
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>44,25,921</b>	<b>0</b>	<b>0</b>	<b>44,25,921</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
		Chandmal P. Goliya - Whole Time Director	Navin C. Goliya	
		(in ₹ p.a)	(in ₹ p.a)	(in ₹ p.a)
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	30,19,100	10,80,000	40,99,100
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	52,231	-	52,231
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-		-
2	Stock Option	-		-
3	Sweat Equity	-		-

4	Commission - as % of profit - others, specify...	-		-
5	Others, please specify	-		-
	<b>Total</b>	<b>30,71,331</b>	<b>10,80,000</b>	<b>41,51,331</b>

## B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Sushma Ranka	Jhanwarlal Sipnai	Sushilkumar Jhunjhunuwala	
1	<b>Independent Directors</b>				
	Fee for attending board committee meetings	30,000	Nil	22,500	52,500
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (1)</b>				
2	<b>Other Non-Executive Directors</b>	Nil	Nil	Nil	Nil
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	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>30,000</b>	<b>Nil</b>	<b>22,500</b>	<b>52,500</b>

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

SN	Particulars of Remuneration	Key Managerial Personnel		
		Naval Jha- CFO	Amruta Lokhande-CS	Total
		(In Rs)	(In Rs)	
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	5,19,261	3,19,741	8,39,002
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	
2	<b>Stock Option</b>	-	-	
3	<b>Sweat Equity</b>			

4	Commission			
	- as % of profit	-	-	
	others, specify...	-	-	
5	Others, please specify	-	-	
	<b>Total</b>	5,19,261	3,19,741	8,39,002

## 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 – 8.59</b> <b>Shri Navin Goliya- Director Ratio - 3.71</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 (10%) Mr. Naval Jha- CFO (10%) Ms. Amruta Lokhande – CS (10%)
3.	the percentage increase in the median remuneration of employees in the financial year;	12.30%
4.	the number of permanent employees on the rolls of the company	10
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, 2020 is as per the remuneration policy of the Company

## 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(2) (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 2019-2020 was as under.

<b>Particulars</b>	<b>2019-2020 (In ₹)</b>	<b>2018-2019 (In ₹)</b>
Gross Income	4,07,40,130	5,56,18,110
Profit Before Interest and Depreciation	1,18,550	79,69,470
Profit Before Exceptional & Extraordinary items & Tax	(19,05,360)	69,99,010
Exceptional items	-	-
Extraordinary items	-	-
Net Profit After Tax	(19,02,520)	45,87,950

#### **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 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 Report 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: 14/09/2020

**FORM NO. MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

[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.

Due to nation-wide lockdown to contain the spread of Covid-19, I have relied on records and documents provided by the company electronically and also on documents available on websites of MCA, Stock Exchanges and Company's website.

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, 2019 to 31<sup>st</sup>

March, 2020 (“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, 2019 to 31<sup>st</sup> March, 2020** 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; **(The Company has not availed any Foreign Direct Investment Overseas Direct Investment and External Commercial Borrowings during the Period under review.)**
- 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 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2019. (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 the following:

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India
- ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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, Standards etc.

**I further report** that during the audit period the Company has not undertaken any specific events.

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

**For Unnatti Jain & Co.  
Company Secretaries**

**Unnatti Jain  
Proprietor  
ACS No. 39639  
C.P. No. 15899  
UDIN No. A039639B000843200  
Place: Mumbai  
Date: 01.10.2020**

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 review.

## **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 Unnatti Jain & Co.  
Company Secretaries**

**Unnatti Jain  
Proprietor  
ACS No. 39639  
C.P. No. 15899  
UDIN No. A039639B000843200  
Place: Mumbai  
Date: 01.10.2020**

## ANNEXURE – IV

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#### **Opportunity and Threats**

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Exceptional items	-	-
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#### **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 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 Report 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: 14/09/2020



**INDEPENDENT AUDITOR'S REPORT**

The Members of  
**KUSAM ELECTRICAL INDUSTRIES LIMITED**

**1. Opinion**

We have audited the accompanying Ind AS financial statements of **Kusam Electrical Industries Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity, Statement of cash flows for the year ended March 31, 2020, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, of the state of affairs of the Company as at March 31, 2020, and its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the IND AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

**2. Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the IND AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no key audit matters identified in our audit.





## KUSAM ELECTRICAL INDUSTRIES LIMITED

CIN : L31909MH1983PLC220457

## Balance Sheet as at 31st March, 2020

Amount (Rs. '000)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
<b>A. NON CURRENT ASSETS</b>			
(a) Property, plant and equipment	3	10,107.12	5,672.82
(b) Financial assets		-	-
(c) Deferred tax assets (Net)	36	816.48	813.64
(d) Income Tax Asset (Net)		-	-
<b>B. CURRENT ASSETS</b>			
(a) Inventories	4	23,247.52	15,943.59
(b) Financial Assets			
(i) Trade Receivables	5	2,850.61	1,752.79
(ii) Cash and cash equivalents	6	230.44	3,169.26
(iii) Loans	7	1.57	4.59
(iv) Others	8	180.78	61.89
(c) Other current assets	9	2,006.35	1,300.76
<b>TOTAL ASSETS</b>		<b>39,440.87</b>	<b>28,719.34</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A. EQUITY</b>			
(a) Equity Share Capital	10	2,400.000	2,400.00
(b) Other Equity	11	18,482.576	20,365.02
<b>B. LIABILITIES</b>			
<b>1. NON CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	12	3,409.96	-
(b) Provisions	13	2,881.29	2,552.56
<b>2. CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Trade Payables			
(A) total Outstanding dues in micro enterprises and small enterprises	14	16.87	1.45
(B) total Outstanding dues of creditors other than micro enterprises and small enterprises	14	775.32	163.22
(ii) Borrowings	15	6,587.49	10.50
(iii) Other Financial Liabilities	16	3,954.45	2,196.84
(b) Other Current Liabilities	17	839.73	651.80
(c) Provisions	18	29.76	26.36
(d) Income Tax Liabilities (Net)	19	63.43	351.60
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>39,440.87</b>	<b>28,719.34</b>

See accompanying notes forming part of the financial statements

1 to 46

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

CA Piyush S. Chhajed  
Partner  
Membership No: 108090

Place : Mumbai  
Date : 30th July 2020



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

Chandmal P. Goliya  
Wholetime Director  
DIN : 00167842

Naval Jha  
Chief Financial Officer

Navin C. Goliya  
Director  
DIN : 00164681

Amruta K. Lokhande  
Company Secretary  
M. No.: A38254



**KUSAM ELECTRICAL INDUSTRIES LIMITED**

CIN : L31909MH1983PLC220457

**Statement of Profit and Loss for the year ended 31st March 2020**

Amount (Rs. '000)

S. N.	Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	Revenue from operations	20	40,048.351	55,086.71
2	Other income	21	691.77	531.40
3	<b>Total revenue (1 + 2)</b>		<b>40,740.13</b>	<b>55,618.11</b>
4	<b>Expenses</b>			
	Purchase of stock-in-trade	22	25,569.55	35,109.51
	Changes in inventories of stock-in-trade	23	(2,562.61)	(4,399.47)
	Employee benefits expense	24	8,245.46	6,142.58
	Finance cost	25	550.19	104.73
	Depreciation and amortisation expense	3	1,473.72	865.73
	Other expenses	26	9,369.19	10,796.02
	<b>Total expenses</b>		<b>42,645.49</b>	<b>48,619.09</b>
5	<b>Profit/ (loss) before tax (3 - 4)</b>		<b>(1,905.36)</b>	<b>6,999.01</b>
6	<b>Tax expense</b>			
	a) Current tax		-	2,096.42
	b) Tax for earlier years		-	264.28
	c) Deferred tax	36	(2.84)	50.36
			<b>(2.84)</b>	<b>2,411.06</b>
7	<b>Profit/ (loss) for the year (5 - 6)</b>		<b>(1,902.52)</b>	<b>4,587.95</b>
8	<b>Other comprehensive income / (loss)</b>			
	- Items that will not be reclassified to profit or (loss) (Net of tax)	27	20.08	10.19
	- Items that will be reclassified to profit or (loss) (Net of tax)		-	-
9	<b>Total comprehensive income for the year (7 + 8)</b> (Profit/ loss + other comprehensive income)		<b>(1,882.45)</b>	<b>4,598.14</b>
10	<b>Earnings per equity share (EPS) - Basic &amp; Diluted</b>		<b>(7.93)</b>	<b>19.12</b>

See accompanying notes forming part of the financial statements

1 to 46

As per our report of even date attached

**For CHHAJED & DOSHI**

**Chartered Accountants**

[Firm Ref. No. 101794W]

**CA Piyush S. Chhajed**

**Partner**

**Membership No: 108090**

**Place : Mumbai**

**Date : 30th July 2020**



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

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

*Naval Jha*  
**Naval Jha**  
**Chief Financial Officer**

*Navin C. Goliya*  
**Navin C. Goliya**  
**Director**  
**DIN : 00164681**

*Amruta K. Lokhande*  
**Amruta K. Lokhande**  
**Company Secretary**  
**M. No.: A38254**



## KUSAM ELECTRICAL INDUSTRIES LIMITED

CIN: L31909MH1983PLC220457

Cash Flow Statement for the year ended 31<sup>st</sup> March, 2020

Particulars	Amount (Rs. '000)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	(1,905.36)	6,999.01
<u>Adjustments for:</u>		
Depreciation and amortisation	1,473.72	865.73
Finance costs	550.19	104.73
Interest income	(69.96)	(68.42)
Net unrealised exchange (gain) / loss	0.00	0.00
	1,953.95	902.04
Operating profit / (loss) before working capital changes	48.59	7,901.05
<u>Changes in working capital:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	(7,303.93)	(4,470.07)
Trade receivables	(1,097.82)	3,013.20
Loans and advances	3.03	40.64
Other Financial Assets	(118.88)	(20.00)
Other Current Assets	(685.52)	(6.80)
	(9,203.13)	(1,443.03)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Provisions	332.14	287.31
Trade payables	627.52	(33.76)
Other Financial Liabilities	1,757.62	165.63
Other Current Liabilities	187.93	440.20
	2,905.20	859.38
Net unrealised exchange (gain) / loss	0.00	0.00
Taxes Paid	(288.19)	(1,837.66)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(6,537.53)</b>	<b>5,479.74</b>
<b>B. Cash flow from investing activities</b>		
Interest Income	69.96	68.42
Capital expenditure on fixed assets	(5,908.02)	(677.91)
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(5,838.07)</b>	<b>(609.49)</b>
<b>C. Cash flow from financing activities</b>		
Repayment of borrowings (Net)	9,986.96	(4,511.63)
Finance cost	(550.19)	(104.73)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>9,436.77</b>	<b>(4,616.36)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(2,938.82)</b>	<b>253.89</b>
Cash and cash equivalents at the beginning of the year	3,169.26	2,915.37
<b>Cash and cash equivalents at the end of the year</b>	<b>230.44</b>	<b>3,169.26</b>



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Particulars	Amount (Rs. '000)			
	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
<b>Components of Cash &amp; Cash Equivalents</b>				
(i) Cash on hand	26.08		8.96	
(ii) Balances with Bank in Current Accounts	188.44		107.80	
(iii) Balances with Bank in Fixed Deposit with Bank maturing within 3 months	15.92		3,052.50	
		<b>230.44</b>		<b>3,169.26</b>

**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 statements

1 to 46

As per our report of even date attached

**For CHHAJED & DOSHI**  
**Chartered Accountants**  
(Firm Ref. No. 101794 W)

CA Piyush S. Chhajed  
Partner  
Membership No: 108090



Place : Mumbai  
Date : 30th July 2020

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

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

*Naval Jha*  
Naval Jha  
Chief Financial Officer

*Navin C. Goliya*  
Navin C. Goliya  
Director  
DIN : 00164681  
*Amruta K. Lokhande*  
Amruta K. Lokhande  
Company Secretary  
M. No.: A38254



**KUSAM ELECTRICAL INDUSTRIES LIMITED**  
CIN: L31909MH1983PLC220457  
**Statement Of Changes In Equity as at 31st March, 2020**

**A. Equity Share Capital**

		Amount (Rs. '000)		
Balance as at As at 1st April 2018	Changes in equity share capital during 2018-19	Balance as at As at 31st March 2019	Changes in equity share capital during 2019-20	Balance as at As at 31st March 2020
2,400.00	-	2,400.00	-	2,400.00

**B. Other Equity**

	Reserves & Surplus	Total
	Retained Earnings	
Balance as on 1st April 2018	14,939.59	14,939.59
Profit for the year	4,587.95	4,587.95
Other Comprehensive Income (Net of Tax)	10.19	10.19
<b>Total Comprehensive Income for the year</b>	<b>4,598.14</b>	<b>4,598.14</b>
Less: Dividends	-	-
<b>Balance as on 31st March 2019</b>	<b>21,662.06</b>	<b>21,662.06</b>
Profit for the year	(1.90)	(1.90)
Other Comprehensive Income (Net of Tax)	20.08	20.08
<b>Total Comprehensive Income for the year</b>	<b>18.17</b>	<b>18.17</b>
Less: Dividends	-	-
<b>Balance as on 31st March 2020</b>	<b>21,680.23</b>	<b>21,680.23</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 Piyush S. Chhajed  
Partner  
Membership No: 108090



Place : Mumbai  
Date : 30th July 2020

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

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

*Naval Jha*  
Naval Jha  
Chief Financial Officer

*Navin C. Goliya*  
Navin C. Goliya  
Director  
DIN : 00164681

*Amruta K. Lokhande*  
Amruta K. Lokhande  
Company Secretary  
M. No.: A38254



**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 2020**

**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) With effect from 1st April, 2019, Ind AS 116 – “Leases” (Ind AS 116) supersedes Ind AS 17 – “Leases”. The Company has adopted Ind AS 116 using the modified retrospective approach. The application of Ind AS 116 has resulted into recognition of ‘Right-of-Use’ asset with a corresponding Lease Liability in the Balance Sheet.
- d) 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





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

**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.

**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.



Handwritten signatures in blue ink, including a signature that appears to be 'Alam' and another that appears to be 'Jeh'.



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

**Sale of Goods/Service**

Revenue is recognized to the extent that it is probable 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.

Volume discounts, pricing incentives and other variable rebates are reduced from revenue. In respect of quantity rebates, the company recognizes the liability based on the estimate of the customer future purchases. Any change in the estimated amount of obligation of discount is accounted in the period in which the change occurs.

**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.

**e) 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.

**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.





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

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.

**Depreciation**

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

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) Leases**

The Company assesses whether a contract contains a lease, at the inception of the contract. A Contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of economic benefits from the use of asset through a period of lease and (iii) the Company has the right to direct the use of the asset.

**Short-term leases and leases of low-value assets**

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

There are no leases/assets falling within definition of right to control the use.





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

**h) 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.

**i) 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.

**j) 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.

**k) 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.

**l) 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.





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

**m) 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 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.



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

**n) 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.

**o) 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.

**p) 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 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.

**q) 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.

**r) 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.



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

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

Description	Gross Block			As at 31st March 2020	Accumulated Depreciation			Net Block	
	As at 1st April 2019	Additions	Disposals		As at 1st April 2019	Depreciation for the year	Eliminated on disposal of assets	As at 31 st March 2020	As at 31st March 2019
<b>Tangible Assets (Owned)</b>									
(a) Air Conditioners	439.48	34.38	-	473.85	310.48	33.67	-	129.70	128.99
(b) Office Premises	4,903.25	-	-	4,903.25	1,544.45	157.68	-	3,201.11	3,358.80
(c) Furniture and Fixtures	2,780.59	-	-	2,780.59	2,004.17	213.70	-	562.72	776.42
(d) Electrical Fittings	544.82	-	-	544.82	467.05	58.52	-	19.26	77.77
(e) Office equipment	390.34	79.50	-	469.85	294.91	39.63	-	135.30	95.44
(f) Computers	787.54	8.20	-	795.74	610.75	118.13	-	66.87	176.79
(g) Testing Equipment	1,079.15	1,270.00	-	2,349.15	978.45	111.89	-	1,258.81	100.71
(h) Vehicles *	2,173.33	4,455.45	-	6,628.78	1,408.99	673.12	-	4,546.66	764.34
<b>Intangible Asset</b>									
(a) Software	215.00	60.50	-	275.50	21.44	67.37	-	186.69	193.56
<b>Total</b>	<b>13,313.50</b>	<b>5,908.023</b>	<b>-</b>	<b>19,221.53</b>	<b>7,640.69</b>	<b>1,473.71754</b>	<b>-</b>	<b>10,107.122</b>	<b>5,672.82</b>
<b>Previous Year</b>		<b>677.91</b>	<b>-</b>			<b>865.73</b>	<b>-</b>		

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

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



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

**Note 4: Inventories**

Particulars	Amount (Rs. '000)	
	As at 31st March, 2020	As at 31st March, 2019
(At lower of cost and net realisable value)		
(a) Stock-in-trade	18,316.82	15,754.21
(b) Stock-in-trade (in transit)	4,723.30	107.21
(c) Consumable Stores and Spares	90.36	28.45
(d) Packing Material	117.04	53.73
<b>Total</b>	<b>23,247.52</b>	<b>15,943.59</b>

**Note 5: Trade Receivables**

Trade Receivables:		
(a) Considered good - Secured	-	-
(b) Considered good - Unsecured	2,915.61	1,843.79
(c) Which have significant increase in credit risk	-	-
(d) Credit impaired	-	-
Less: Provision for Expected Credit Loss	(65.00)	(91.00)
<b>Total</b>	<b>2,850.61</b>	<b>1,752.79</b>

**ECL % - Ageing**

Not Due	0.60	0.25
1-3 months	2.00	2.00
4-6 months	15.00	15.00
7-12 months	40.00	40.00
more than 1 year	100.00	100.00

**Age of Receivable**

Not Due	1,933.10	619.22
1-3 months	806.96	1,088.31
4-6 months	163.71	67.45
7-12 months	0.23	19.06
more than 1 year	11.60	49.75
<b>Total</b>	<b>2,915.61</b>	<b>1,843.79</b>

**Note 6: Cash and Cash Equivalent**

(i) Cash on hand	26.08	8.96
<b>Balances with Banks:</b>		
(ii) in Current Accounts	188.44	107.80
(iii) in Fixed Deposit with Bank maturing within 3 months	15.92	3,052.50
<b>Total</b>	<b>230.44</b>	<b>3,169.26</b>



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

**Note 7: Loans**

Amount (Rs. '000)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good		
(a) Loans and Advances to Employees	1.57	4.59
<b>Total</b>	<b>1.57</b>	<b>4.59</b>

**Note 8: Other Current Financial Assets**

(a) Earnest Money Deposits	-	-
(b) Rent Receivable (from Related party)	37.21	18.94
(c) Others Receivable (from Related party)	120.62	-
(d) Security Deposits	22.95	42.95
<b>Total</b>	<b>180.78</b>	<b>61.89</b>

**Note 9: Other Current Assets**

(a) Advance payments made to Suppliers	1,939.14	1,119.87
(b) Prepaid Expenses	32.61	138.96
(c) Prepaid Insurance	34.61	26.99
(d) Advance to related parties	-	-
(e) Fixed Deposit Interest Accrued	-	14.93
<b>Total</b>	<b>2,006.35</b>	<b>1,300.76</b>



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

**Note 10: Equity Capital**

Amount (Rs. '000)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	Rs.	Number of shares	Rs.
(a) Authorised Equity Shares of Rs. 10/- each	250,000	2,500	250,000	2,500
(b) Issued, Subscribed and fully paid up Equity Shares of Rs. 10/- each	240,000	2,400	240,000	2,400
<b>Total</b>	<b>240,000</b>	<b>2,400</b>	<b>240,000</b>	<b>2,400</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**

Particulars	Opening Balance	Fresh issue	Buy back	Closing Balance
<b>Equity Shares</b>				
As at 31 March, 2020				
- Number of shares	240,000	-	-	240,000
- Amount (Rs.)	2,400	-	-	2,400
As at 31 March, 2019				
- Number of shares	240,000	-	-	240,000
- Amount (Rs.)	2,400	-	-	2,400

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:**

**(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, 2020		As at 31st March, 2019	
	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	85,800	35.75	77,800	32.42
Jhanwarlal Sipani	39,500	16.46	39,500	16.46
Nandita Goliya	27,450	11.44	27,450	11.44
Premdevi Goliya	-	0.00	8,000	3.33
Ajay Abhaykumar Goliya	20,000	8.33	20,000	8.33
Kamal Goliya	18,350	7.65	18,350	7.65
Paras Electronics LLP	18,350	7.65	18,350	7.65
Suraj Instruments LLP	15,000	6.25	15,000	6.25



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

**Note 11: Other Equity**

Particulars	Amount (Rs. '000)	
	As at 31st March, 2020	As at 31st March, 2019
(a) Retained Earnings		
Opening Balance	20,365.02	15,766.88
Add: Profit/(Loss) for the year	(1,902.52)	4,587.95
Add: Remeasurement of Defined Benefit Plans (Net of Tax)	20.08	10.19
<b>Total</b>	<b>18,482.58</b>	<b>20,365.02</b>

**Note 12: Borrowings**

(a) Secured Loans		
(i) Car Loan	2,815.96	-
(Secured by Hypothecation of the Motor Car)		
CY - Repayable in 60 monthly installment starting from 5th July 2019. Last installment due on 5th December 2022 Rate of Interest 9.59% p.a.		
(ii) Calibrators Loan	594.00	-
(Secured by Hypothecation of the Calibrator)		
CY - Repayable in 36 monthly installment starting from 29th February 2020. Last installment due on 29th January 2023 Rate of Interest 8.70% p.a.		
<b>Total</b>	<b>3,409.96</b>	<b>-</b>

**Note 13: Provisions**

(a) Provision for Employee benefits:		
(i) Provision for Gratuity	2,803.30	2,486.68
(ii) Provision for Leave Salary	77.99	65.87
<b>Total</b>	<b>2,881.29</b>	<b>2,552.56</b>

**Note 14: Trade Payables**

Particulars	Amount (Rs. '000)	
	As at 31st March, 2020	As at 31st March, 2019
(a) Trade Payables:		
Total Outstanding dues in micro enterprises and small enterprises*	16.87	1.45
Total Outstanding dues of creditors other than micro enterprises and small enterprises	775.32	163.22
<b>Total</b>	<b>792.19</b>	<b>164.67</b>

Note 30: Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006



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

**Note 15: Borrowings**

	Amount (Rs. '000)	
(a) Loans Repayable on Demand		
Secured		
(i) From Banks (Refer Note No.i)	6,587.49	10.50
<b>Total</b>	<b>6,587.49</b>	<b>10.50</b>
<b>Notes:</b>		
(i) Details of Security for the Secured Short-Term Borrowings:		
<u>Loan Repayable on Demand from Banks:</u>		
Canara Bank Cash Credit	6,587.49	10.50
(Secured by Hypothecation of Inventories and Book Debts)		

**Note 16: Other Financial Liabilities**

(a) Current Maturities of Long-term Debt		
(i) Car Loan	675.70	208.25
(Secured by Hypothecation of the Motor Car)		
CY - Repayable in 60 monthly installment starting from 5th July 2019. Last installment due on 5th December 2022 Rate of Interest 9.59% p.a.		
(ii) Calibrators Loan	340.26	-
(Secured by Hypothecation of the Calibrator)		
CY - Repayable in 36 monthly installment starting from 29th February 2020. Last installment due on 29th January 2023 Rate of Interest 8.70% p.a.		
(b) Trade Deposit	120.00	215.00
(c) Other Payables		
(i) Salary/Remuneration Payable #	736.26	324.29
(ii) Bonus Payable *	912.64	664.38
(iii) Other Payables	1,169.60	784.91
<b>Total</b>	<b>3,954.45</b>	<b>2,196.84</b>

# Remuneration includes payable to Director 31st march 2020 Rs.490.67/- (PY Rs.17.16/).

\* Bonus payable includes payable to Director 31st march 2020 Rs. 327.70 (PY Rs.327.70).

**Note 17: Other Current Liabilities**

(a) Advance from Customers	334.33	304.38
(b) Statutory Remittances	505.40	347.42
<b>Total</b>	<b>839.73</b>	<b>651.80</b>

**Note 18: Provisions**

(a) Provision for Employee Benefits:		
(i) Provision for Gratuity	28.32	25.18
(ii) Provision for Leave Salary	1.44	1.18
<b>Total</b>	<b>29.76</b>	<b>26.36</b>

**Note 19: Income Tax Liabilities (Net)**

(a) Provision (Net of Advances)	63.43	351.60
<b>Total</b>	<b>63.43</b>	<b>351.60</b>



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

**Note 20- Revenue from Operations**

Amount (Rs. '000)

Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
(a) Sale of Traded goods		
- Export Sales	249.16	124.08
- Inland Sales	39,333.23	54,252.81
	<b>39,582.39</b>	<b>54,376.89</b>
(b) Other Operating Revenues (Refer Note (i) below)	465.96	709.82
<b>Total</b>	<b>40,048.35</b>	<b>55,086.71</b>

(i) Other Operating Revenues Comprise:		
Calibration Charges	94.22	168.53
Repairing Charges	360.49	541.30
Servicing Charges	11.25	-
<b>Total - Other Operating Revenues</b>	<b>465.96</b>	<b>709.82</b>

**Note 21- Other Income**

(a) Interest Income (Refer Note (i) below)	69.96	68.42
(b) Net Gain on Foreign Currency Transactions and Translation	185.51	(0.20)
(c) Other Non-Operating Income (Refer Note (ii) below)	436.31	463.18
<b>Total</b>	<b>691.77</b>	<b>531.40</b>

**Note**

(i) Interest Income Comprises:

Interest on Fixed Deposits	3.40	68.23
Other Deposits (Loans to Employees)		-
Other Interest	66.56	0.19
<b>Total - Interest Income</b>	<b>69.96</b>	<b>68.42</b>

(ii) Other Non-Operating Income Comprises:

Liabilities/Provisions no longer required written back	26.00	82.74
Rent	400.32	379.61
Miscellaneous Income	9.99	0.84
<b>Total - Other Non-Operating Income</b>	<b>436.31</b>	<b>463.18</b>



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

**Note 22: Purchase of Traded Goods**

Amount (Rs. '000)

Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Purchase of Stock in trade (Meters, Instruments & Accessories)	25,569.546	35,109.51
	25,569.55	35,109.51

**Note 23: Changes in Inventories of Stock-in-trade**

Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Inventories at the end of the year Stock-in-trade (Meters, Instruments & Accessories)	18,316.82	15,754.21
Inventories at the beginning of the year: Stock-in-trade (Meters, Instruments & Accessories)	15,754.21	11,354.74
<b>Net (increase) /decrease</b>	<b>(2,562.61)</b>	<b>(4,399.47)</b>

**Note 24: Employee Benefits Expense**

Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
(a) Salaries, Wages and Bonus	7,656.41	5,533.84
(b) Staff Welfare Expenses	266.92	319.27
(c) Provision for Gratuity	322.13	289.48
<b>Total</b>	<b>8,245.46</b>	<b>6,142.58</b>

**Note 25: Finance Costs**

Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
(a) Interest on Borrowings		
(i) Borrowings	550.19	104.73
(b) OCC Renewal Charges	-	-
<b>Total</b>	<b>550.19</b>	<b>104.73</b>



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

**Note 26: Other Expenses**

Amount (Rs. '000)

Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Consumption of Stores and Spare Parts	684.55	530.62
Consumption of Packing Materials	893.07	1,521.50
Electricity Charges	148.00	146.78
Repairs and Maintenance - Buildings	-	-
Repairs and Maintenance - Others	250.76	391.10
Insurance	65.34	54.90
Rates and Taxes	94.02	90.29
Travelling and Conveyance	1,387.14	793.42
Printing and Stationery	1,424.36	1,498.36
Legal & Professional Charges	532.05	1,716.24
Payments to Auditors (Refer Note (i) below)	491.00	358.50
Provision for ECL	-	16.00
Vehicle Expense	385.19	481.59
Bank commission/ Bank Charge	280.22	259.61
Advertisement Expenses	659.74	716.85
Exhibition Expenses	571.72	206.86
Freight & Forwarding	347.73	285.28
Communication Expense	114.32	112.31
Postage & Courier Charges	152.20	175.49
Sundry Debit Balance W/Off (Net)	-	54.95
Miscellaneous Expenses	887.77	1,385.39
<b>Total</b>	<b>9,369.19</b>	<b>10,796.02</b>
<b>Notes:</b>		
<b>(i) Payments to the Auditors :</b>		
As Auditors - Statutory Audit	131.25	131.25
As Auditors - Tax Audit Fee	100.00	78.75
As Auditors - VAT/GST Audit	150.00	52.50
For Taxation Matters	50.00	30.00
Others	59.75	66.00
<b>Total</b>	<b>491.00</b>	<b>358.50</b>

**Note 27: Other Comprehensive Income**

Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
	Rs.	Rs.
<b>Items that will not be classified to Profit or Loss:</b>		
Remeasurement of Defined Benefit Plans	20.08	13.77
Less: Income Tax on above	-	3.58
<b>Total</b>	<b>20.08</b>	<b>10.19</b>



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

Additional information to the financial statements

Note 28: Disclosure of Financial Assets and Liabilities

Particulars	Amount (Rs. '000)	
	As at 31st March, 2020	As at 31st March, 2019
<b>FINANCIAL ASSETS</b>		
<b>Breakup of Financial Assets carried at Amortised Cost</b>		
Investments	-	-
Loans	1.57	5
Trade Receivables	2850.61	1,753
Cash and Cash Equivalents	230.44	3,169
Other Financial Assets	180.78	62
<b>TOTAL FINANCIAL ASSETS</b>	<b>3,263</b>	<b>4,989</b>
<b>FINANCIAL LIABILITIES</b>		
<b>Breakup of Financial Liabilities carried at Amortised Cost</b>		
Borrowings	9,997	10
Trade Payables	792	165
Other Financial Liabilities	3,954	2,197
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>14,744</b>	<b>2,372</b>

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

Note 29: 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
(b) Guarantees	NIL	NIL
(c) Disputed Tax Demands in Appeals	NIL	745
<b>Capital Commitments:</b>		
(d) Capital Expenditure Commitments	NIL	NIL
(e) Commitment Towards Investments	NIL	NIL

Note 30: 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 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 as on the date of balancesheet.

Note 31: 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, 2020		As at 31st March, 2019	
Receivable/(Payable)	Receivable/(Payable)	Receivable/(Payable)	Receivable/(Payable)
In home currency	In Foreign currency	In home currency	In Foreign currency
Rs.	\$	Rs.	\$
(546.87)	(7)	(10.79)	(155.00)
1,885.60	25	1,092.63	15,841

Note 32: 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 33: 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 34: 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 31st March 2020 is Rs.79.43/- (31st March 2019 is Rs.67.05/-).

**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.319.78/- (PY Rs.288.14/-)

**Gratuity (Non - Funded):**

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

Particulars	Amount (Rs. '000)	
	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
<b>1) Components of Employer expenses</b>		
Current Service Cost	125.73	79.84
Past Service cost		
Net Interest Income / (Cost)	191.66	171.47
<b>Net expense/(gain) recognized in the statement of Profit and Loss (refer note below)</b>	<b>317.39</b>	<b>251.31</b>
<b>Remeasurement of the net defined benefit liability -</b>		
Actuarial (Gains) or Losses due to changes in Financial Assumptions	509.88	(145.5)
Actuarial (Gains) or Losses due to experience adjustments	(507.50)	164.58
<b>Net expense/(gain) recognized in other comprehensive income (refer note below)</b>	<b>2.37</b>	<b>19.08</b>
<b>2) Reconciliation of Changes in Benefit Obligations</b>		
<b>Present value of Obligation at year beginning</b>	<b>2,167.63</b>	<b>1,897.24</b>
Acquisition adjustment		-
Interest Cost	191.66	171.47
Past Service cost		-
Current Service Cost	125.73	79.84
Curtailement Cost		-
Settlement Cost		-
Benefits paid		-
Actuarial(gain)/Loss	2.37	19.08
<b>Present value of Obligation at year end</b>	<b>2,487.39</b>	<b>2,167.63</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)	6.90%	7.63%
Salary Growth Rate	5.00%	5.00%
<b>(b) Demographic Assumptions</b>		
Retirement Age (Years)	58 TO 75	58 TO 75
Mortality Rates Inclusive of Provision for Disability - Mortality Table	IALM (2006-08)	IALM (2006-08)
Attrition at Ages / Withdrawal Rate		
Up to 30 Years	3%	3%
From 31 to 44 Years	2%	2%
Above 44 Years	1%	1%
<b>Sensitivity Analysis for Significant Assumptions is as given below</b>		
One percentage 0.50% increase in discount rate	(56.12)	(46.96)
One percentage 0.50% decrease in discount rate	56.84	55.94
One percentage 0.50% increase in salary increase	60.66	57.03
One percentage 0.50% decrease in salary increase	(57.37)	(48.42)
Sensitivity due to retirement, mortality & withdrawal are not material & hence impact of change due to these are not calculated		
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 35: Income Tax  
Reconciliation Of Tax Expense And The Accounting Profit

Particulars	Amount (Rs. '000)	
	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Accounting Profit Before Tax	(1,905)	8,989
Tax at Effective Income Tax Rate of 22.88% (PY-26%)		1,820
Tax Effect of Expenses that are not Deductible in Determining Taxable Profit		512
Effect of Incomes that are Exempt from Taxation		-
Effect of Additional Expenses Deductible in Determining Taxable Profit		(391)
Effect of Deductions allowed in Determining Taxable Profit		69
Effect of Losses allowed to set off in Determining Taxable Profit		-
Adjustment in respect of Income tax of Previous years		-
Tax at Effective Income Tax Rate of Nil (PY-28.72%)	-	2,010

Note 36: Deferred Tax

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>DEFERRED TAX LIABILITY</b>		
Depreciation	(73.25)	(53.28)
<b>TOTAL</b>	(73.25)	(53.28)
<b>DEFERRED TAX ASSET</b>		
Provision for doubtful debts/claims/advances	14.87	23.66
Expenditure allowable on payment basis	874.86	843.26
Carry Forward Losses	-	-
<b>TOTAL</b>	889.73	866.92
<b>NET DEFERRED TAX ASSET</b>	816.48	813.64
Opening Balance	813.64	499.00
Less: MAT Credit	-	385.00
<b>Net Expense/(Income) Recognized in P&amp;L</b>	(2.84)	50.36



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**Note 37 : 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 38 : 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 investments. 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 calculated.

Foreign Currency Exposures	Amount (Rs. '000)				
	Balance As at 31st March, 2020	Exchange rate as on 31.3.2020	Change	Change per USD	Impact on Profit and Loss Account (+Profit / -Loss)
	USD	Rs. / USD	%	Rs. / USD	Rs.
Trade Payables	7.20	75.9450	+5%	3.80	(27.3)
			-5%	(3.80)	27.3
Previous Year	155.00	69.6225	+5%	3.48	(539.6)
			-5%	(3.48)	539.6

**(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.

**(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, 2020				
	Demand	0-12 Months	1-5 years	>5 Years	Total
Borrowings	6,587.49		3,409.96	-	9,997.45
Trade Payables		775.32			775.32
Other Financial Liabilities		3,954.45			3,954.45
<b>TOTAL</b>	<b>6,587.49</b>	<b>4,729.77</b>	<b>3,409.96</b>	<b>-</b>	<b>14,727.22</b>
Company's Financial Liabilities	As at 31st March, 2019				
	Demand	0-12 Months	1-5 years	>5 Years	Total
Borrowings	10.50		-		10.50
Trade Payables		163.22			163.22
Other Financial Liabilities		2,196.84			2,196.84
<b>TOTAL</b>	<b>10.50</b>	<b>2,360.06</b>	<b>-</b>	<b>-</b>	<b>2,370.55</b>

**Notes 39 : 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, 2020, 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 40 : Standards issued but not yet effective**

As at the date of issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company. Hence the disclosure is not applicable.



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Note 41 : 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)  
Sushilkumar Jhunjhunwala (Director)  
Navin C Goliya (Director)  
Naval .S. Jha (CFO)  
Amruta Lokhande (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,2020:

Amount (Rs. '000)

Nature of Transaction	Associates	KMP / Relative of KMP	Total
Purchase of goods	922.88 (1,320.71)	-	922.88 (1,320.71)
Sale of goods	145.22 (406.63)	-	145.22 (406.63)
Reimbursement of Expenses	120.62 (12.00)	-	120.62 (12.00)
Payment of professional charges	-	299.50 (208.00)	299.50 (208.00)
Payment of Remuneration	-	4,893.97 (1,909.60)	4,893.97 (1,909.60)
Rental Income	400.32 (379.61)	-	400.32 (379.61)
Rent Deposit	75.00 (75.00)	-	75.00 (75.00)
Service Charges Paid	153.18 -	-	153.18 -
Balances outstanding at the end of the year	Associates	KMP/ Relative of KMP	Total
Trade payables	21.48 -	-	21.48 -
Rent receivable	37.21 (2,622.00)	-	37.21 (2,622.00)
Other current liabilities -Remuneration Payable	-	1,180.35 (76,767.00)	1,180.35 (76,767.00)

Note: Figures in bracket relates to the previous year



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**Note 42 : Impairment of Assets**  
There has been no impairment of assets as at the balance sheet date.

		Amount (Rs. '000)	
<b>Note 43 : Earnings Per Share</b>			
Particulars		For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
<b>Basic &amp; Diluted</b>			
Net profit for the year attributable to the equity shareholders		(1,902.52)	4,587.95
Weighted average number of equity shares		240,000	240,000
Par value per share		10	10
Basic & Diluted EPS		-7.93	19.12

**Note 44 :** The financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 30th July 2020.

**Note 45 : Covid-19 Impact Analysis:**

The operations of the company were scaled down during the second fortnight of the month of March,2020. Operations have since been resumed by the company, taking the cognizance of government guidelines.As per our current assessment, no significant impact on carrying amount of inventories, tangible assets, trade receivables, and other financial assets is expected, and we continue to monitor the changes in future economic conditions . The Management does not see any risk in the ability to continue as a going concern and meeting its liabilities as and when they fall due. However the actual Impact of Covid-19 on the Company's financial statements may differ from that estimated .

**Note 46 :** 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 Piyush S. Chhajed  
Partner  
Membership No: 108090



Place : Mumbai  
Date : 30th July 2020

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

Chandmal P. Goliya  
Wholetime Director  
DIN : 00167842

Naval Jha  
Chief Financial officer

Navin C. Goliya  
Director  
DIN : 00164681

Amruta K. Lokhande  
Company Secretary  
M. No.: A38254



### 3. Emphasis of Matter

We draw attention to Note No. 45, which describes the impact of the outbreak of coronavirus (Covid-19) on the business operations of the company. In view of highly uncertain environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter

### 4. Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report and Management Discussion & Analysis Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

When we read the Directors Report and Management Discussion & Analysis Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### 5. Responsibilities of Management and Those Charged with Governance for the IND AS Financial Statements

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 financial position, the financial performance, total comprehensive income, changes in equity and cash flows 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments

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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.

In preparing the IND AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **6. Auditor's Responsibilities for the Audit of the IND AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the IND AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these IND AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the IND AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.





- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.
- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the IND AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the IND AS financial statements, including the disclosures, and whether the IND AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the IND AS financial statements that individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the IND AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





**7. Report on Other Legal and Regulatory Requirements**

**7.1** As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**7.2** 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 purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and 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 Indian Accounting Standards prescribed under section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 B**".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has paid remuneration to its directors during the year in accordance with the section 197(16) read with schedule V to the act.

- h. 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 disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note No 29 of the financial statements;



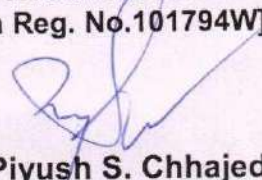


- ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There was no delay in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Mumbai  
Date: 30<sup>th</sup> July 2020



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

  
CA Piyush S. Chhajed  
Partner  
M. No: 108090  
UDIN: 20108090AAAABK7186



**ANNEXURE "A" TO AUDITOR'S REPORT**

**Annexure referred to in our report of even date to the members of Kusam Electrical Industries Limited on the accounts for the year ended 31<sup>st</sup> March 2020**

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, 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.





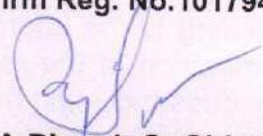
**CHHAJED & DOSHI**  
**CHARTERED ACCOUNTANTS**

- (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.

Place: Mumbai  
Date: 30<sup>th</sup> July 2020



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

  
CA Piyush S. Chhajed  
Partner  
M. No: 108090  
UDIN: 20108090AAAABK7186



**ANNEXURE "B" TO AUDITOR'S REPORT**

Annexure referred to in our report of even date to the members of Kusam Electrical Industries Limited on the accounts for the year ended 31<sup>st</sup> March 2020

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

**1. Report on the Internal Financial Controls**

We have audited the internal financial controls over financial reporting of Kusam Electrical Industries Limited as at 31<sup>st</sup> March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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 Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". 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.

**3. Auditors' Responsibility**

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 Institute of Chartered Accountants of India. 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 judgement, 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.

#### **4. Meaning of Internal Financial Controls over Financial Reporting**

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.

#### **5. Inherent Limitations of Internal Financial Controls over Financial Reporting**

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.





**CHHAJED & DOSHI**  
CHARTERED ACCOUNTANTS

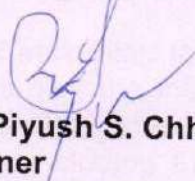
**6. Opinion**

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, 2020, 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 Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

Place: Mumbai  
Date: 30<sup>th</sup> July 2020



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

  
CA Piyush S. Chhajed  
Partner  
M. No: 108090  
UDIN: 20108090AAAABK7186



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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 022-24124540 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 37<sup>th</sup> Annual General Meeting of the Company, to be held on the Saturday of 31<sup>st</sup> October 2020 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		
3.	Appointment Of Statutory Auditor		
Special Business			
4.	Approval For Variation In Terms Of Appointment Of Shri Navin Chandmal Goliya (Din-0016481) Director Of The Company To Be Designated As Whole Time Director		

Signed this \_\_\_\_\_ day of October, 2020.

\_\_\_\_\_  
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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**ATTENDANCE SLIP**

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

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

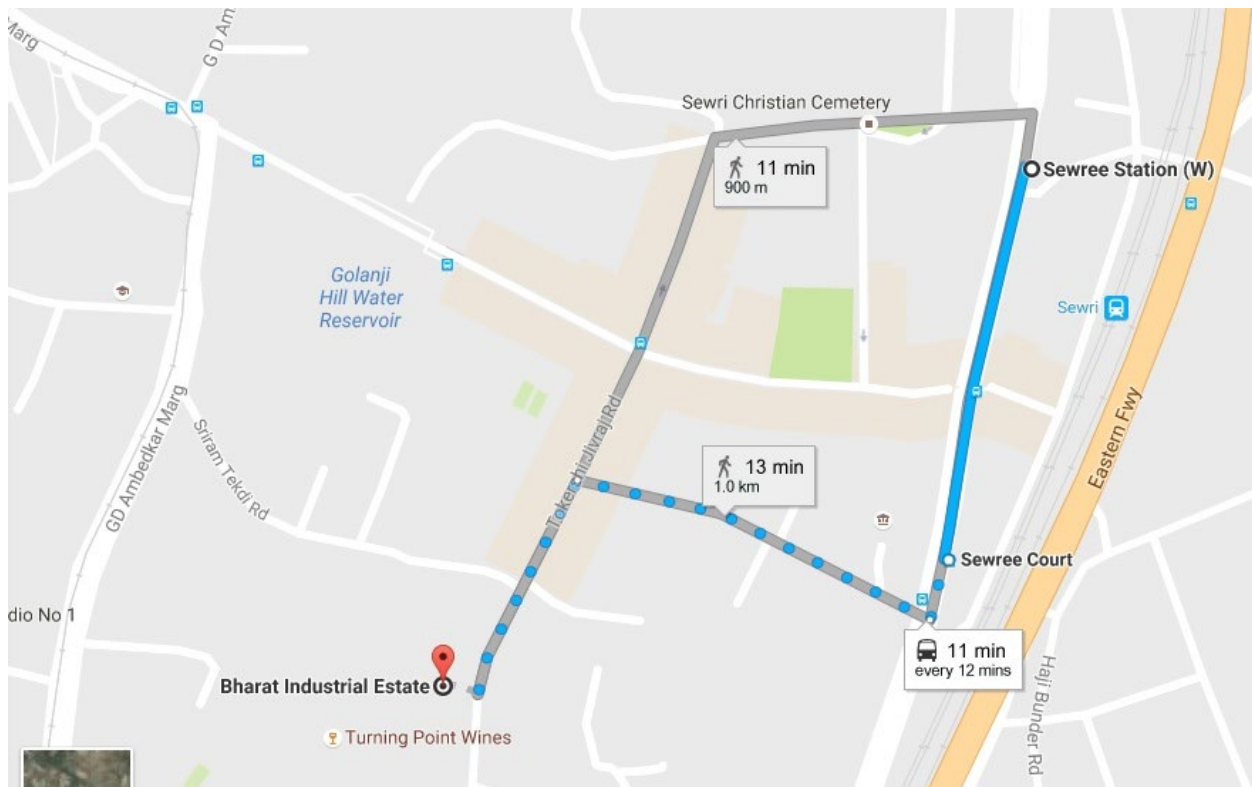
Ledger Folio No./Client ID No. \_\_\_\_\_ No. of shares held: \_\_\_\_\_

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

I/We hereby record my / our presence at the 37<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 Saturday of 31<sup>st</sup> October, 2020 at 11.00 a.m.

(Member's /Proxy's Signature)

**ROUTE MAP**



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