



# KUSAM ELECTRICAL INDUSTRIES LIMITED



## 36<sup>TH</sup> ANNUAL REPORT (2018-2019)



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. Jhunjhunwala
- 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.**

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

Samhita Commercial Co-Op. Soc. Ltd.

Off Andheri Kurla Road, MTNL Lane,

Sakinaka, Mumbai - 400 072

**❖ BANKERS**

Canara Bank, Mumbai

**❖ REGISTERED OFFICE**

G- 17, Bharat Industrial Estate,

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

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

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

**❖ CORPORATE OFFICE**

1/F, Cidco Shopping Complex,

Plot No. 9, Rajiv Gandhi Marg,

Sanpada Sector 7, Navi Mumbai- 400705.

**❖ LISTED IN STOCK EXCHANGE**

Bombay Stock Exchange

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## NOTICE

**NOTICE** is hereby given that the 36<sup>th</sup> Annual General Meeting of the Members of Kusam Electrical Industries Ltd will be held on Friday, 27<sup>th</sup> September, 2019 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 2019, 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. Chandmal Parasmal Goliya (DIN 00167842) who retires by rotation and being eligible offers himself for reappointment.

### SPECIAL BUSINESS

#### 3. TO APPOINT MR. SUSHILKUMAR BHOORAMAL JHUNJHUNUWALA (DIN: 08351009) AS AN INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of section 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof for the time being in force and Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time Mr. Sushilkumar Bhooramal Jhunjhunuwala (DIN: 08351009), who was appointed as an Additional Director of the Company w.e.f. 11th February, 2019 by the Board of Directors and who holds office up to the date of this Annual General Meeting pursuant to Section 161 (1) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Sushilkumar Bhooramal Jhunjhunuwala as a candidate for the office of a Director of the Company, and on the recommendation of Nomination and Remuneration and Compensation Committee, be and is hereby appointed as an Independent director of the Company, not liable to Retire by Rotation and to hold office for five consecutive years with effect from 11th February, 2019 to 10th February, 2024.”

**“RESOLVED FURTHER THAT** any of the Directors of the Company or Company Secretary, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

**4. TO APPROVE THE APPOINTMENT OF MR. NAVIN CHANDMAL GOLIYA (DIN: 00164681) AS A DIRECTOR:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152, and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Mr. Navin Chandmal Goliya (DIN: 00164681), who was appointed as an Additional Director on February 11, 2019 who holds office up to the date of this Annual General Meeting pursuant to Section 161 (1) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose his candidature for the office of Director, and on the recommendation of Nomination and Remuneration and Compensation Committee be and is hereby appointed as Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** any of the Directors of the Company or Company Secretary, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

**5. RE-APPOINTMENT OF MR. NAVIN CHANDMAL GOLIYA (DIN: 00164681) AS A DIRECTOR AND FIXATION OF HIS REMUNERATION**

Mr. Navin Chandmal Goliya is an Electronic Engineer and having rich experience in the Company Line of business. Taking into consideration his knowledge and vast experience the board proposed to fixation of his remuneration and the same is recommended to the members for adoption in the forthcoming ensuing Annual General Meeting.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), read with Companies (Appointment and Qualifications of Directors) Rules 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and the Rules made there under, and applicable provisions read with Schedule V to the Act, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the provisions of Article 133 of Article of Association of the Company and on the recommendation of Nomination and Remuneration and Compensation Committee, consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Navin Chandmal Goliya (DIN: 00164681) as a Director of the Company and to hold office for a term of five consecutive years from the conclusion of 36th Annual General Meeting up to the conclusion of 40th Annual General Meeting and payment of Basic Remuneration which is hereby fixed at ₹ 1,80,000/- (Rupees One Lac Eighty Thousand only) per month from 1st October, 2019 as placed before the Board and is hereby approved and the same is recommended to the members for adoption in the forthcoming ensuing Annual General Meeting.”

Remuneration and other emoluments will be as under:-

1. Basic Salary: ₹ 1,80,000/- (Rupees One Lac Eighty 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 Monthly 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** any of the Directors of the Company or Company Secretary, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

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 – 14-08-2019

**NOTES:**

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

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

- (2) Corporate Members intending to send their Authorised Representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
- (3) A Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- (4) Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No. along with their copy of Annual Report to the Meeting. The Attendance slip is annexed with this Annual Report. Members, who hold shares in Electronic Form, are requested to bring their Depository ID Number and Client ID Number to facilitate their identification for recording attendance at the forthcoming Annual General Meeting.
- (5) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (6) In terms of Section 152 of the Companies Act, 2013 Mr. Chandmal Parasmal Goliya (DIN 00167842), Director of the Company, retires by rotation at the Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. The brief profile of Mr. Chandmal Parasmal Goliya (DIN 00167842), Director is given below and forms part of this Notice.
- (7) The Form should be signed by the Member as per the specimen signature registered with the Company. In case the shares are jointly held, the Form should be completed and signed by the first named holder and in his/her absence, by the next named holder. Holders of Power of Attorney (POA) on behalf of a Member may vote on the Form mentioning the Registration No. of the POA registered with the Company or attach notarially attested copy of the POA. Unsigned Form will be rejected.
- (8) The Company has notified closure of Register of Members and Share Transfer Books from 20<sup>th</sup> September, 2019 to 28<sup>th</sup> September, 2019 (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the Meeting.
- (9) Relevant documents referred to in the accompanying Notice 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.

- (10) Members holding shares in electronic form may note that bank particulars registered against their respective Depository Accounts will be used by the Company for payment of Dividend. The Company or its Registrars and Transfer Agents, M/s. Satellite Corporate Services Private Limited cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or Bank mandates. Such changes are to be advised only to the Depository Participant by the Members.
- (11) The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- (12) Members, holding shares in physical form, are requested to notify changes in address, if any, to the Registrars of the Company immediately, quoting their folio numbers. Members, holding shares in dematerialized form, should send the above information to the respective Depository Participants.
- (13) Members are requested to quote their Registered Folio No. on all correspondence with the Company.
- (14) Members desirous of getting any information in relation to the Company's Annual Report 2018-19 are requested to address their query (ies) well in advance, i.e. at least 10 days before the Meeting, to the Secretary of the Company to enable the Management to keep the information readily available at the Meeting.
- (15) As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Shares Capital and Debentures) Rules, 2014 as amended from time to time, Members holding shares in single name and physical form are advised to make nomination in respect of shareholding in the Company. Members can avail of the Nomination facility by filing Form SH-13 with the Company or its Registrar. Blank forms will be supplied on request. In case of shares held in Demat form, the nomination has to be lodged with their DP.
- (16) Non-Resident Indian Members are requested to inform M/s. Satellite Corporate Services Private Limited, immediately of:
  - (a) Change in their residential status on return to India for permanent settlement.
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- (17) Electronic Copy of the Annual Report 2018-19 is being sent to those Members whose e-mail addresses are registered with the Company / Depositories for communication purpose, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Annual Report are being sent in the permitted mode. Members may note that this Annual Report will also be available on the Company's website at [www.kusamelectrical.com](http://www.kusamelectrical.com)
- (18) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s. Satellite Corporate Services Private Limited, for consolidation into a single folio.
- (19) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to M/s. Satellite Corporate Services Private Limited, Unit no. 49, Bldg No.

13-AB, 2<sup>nd</sup> floor, Samhita commercial co-op. soc ltd., off. Andheri Kurla road, MTNL Lane, Sakinaka, Mumbai-72.

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

<b>Name of Director</b>	<b>Shri Chandmal Parasmal Goliya</b>
<b>Date of Appointment</b>	<b>24/07/2001</b>
<b>Qualification</b>	<b>B.E., M.I.E, C.E.(I)</b>
<b>Expertise in specific functional area and years</b>	<b>37 years and above</b>
<b>List of Other Directorship held.</b>	1. KUSAM-MECO IMPORT EXPORT PRIVATE LIMITED 2. MAHAVIR INSTRUMENTATION PVT LTD 3. KUSAM ELECTRICAL INSTRUMENTS LLP
<b>Chairman/Member of the Committees of the Board of Directors of the Company</b>	CHAIRMAN
<b>Chairman/Member of the Committee(s) of Board of Directors of other Companies in which he is a Director</b>	1. KUSAM-MECO IMPORT EXPORT PRIVATE LIMITED 2. MAHAVIR INSTRUMENTATION PVT LTD 3. KUSAM ELECTRICAL INSTRUMENTS LLP
<b>Shareholding in the Company</b>	<b>77800 (32.42%)</b>

- (21) Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
- (22) 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.
- (23) 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.
- (24) SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/24 dated 08<sup>th</sup> June, 2018 has decided that Securities of listed Companies can be transferred only in dematerialised form which shall come into force on the One hundred and eightieth day from 08<sup>th</sup> June, 2018. i.e. on or before 5<sup>th</sup> December, 2018. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.

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

(26) The route map showing directions to reach the venue of the 36<sup>th</sup> AGM is annexed herewith the Notice.

**(27) 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 36<sup>th</sup> Annual General Meeting of the Company dated on 27<sup>th</sup> September, 2019 (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 Tuesday, 24<sup>th</sup> September, 2019 and ends at 5.00 p.m. (Ending Time) on Thursday, 26<sup>th</sup> September, 2019. During this period Shareholders' of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off date 20<sup>th</sup> September, 2019, 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. 20/09/2019 in the Dividend Bank details field.</li> </ul>

- ix. After entering these details appropriately, click on “SUBMIT” tab;
- x. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat is for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for E-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for E-voting on the resolutions contained in this Notice.
- xii. Click on the relevant EVSN on which you choose to vote.
- xiii. On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you Assent to the Resolution and option NO implies that you Dissent to the Resolution.
- xiv. Click on the “Resolutions File Link” if you wish to view the entire Resolutions
- xv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xviii. If Demat account holder has forgotten the changed password then enter the User ID and Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
- xix. Note for Institutional Shareholders
  - Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and Sign of the entity to.
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding E-voting, you may refer the Frequently Asked Questions (“FAQs”) and E-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- xxi. Dr. S. K. Jain, Practicing Company Secretary (FCS No. 1473)(COP No. 3076) has been appointed as the Scrutinizer to scrutinize the Postal Ballot and E-voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding 3(three) working days from the conclusion of the E-voting period unblock the votes in the presence of at least 2(two) witness not in the employment of the Company.
- xxii. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI etc.) may also cast their vote as shareholder for respective Company and send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority Letter etc. together with attested specimen signature(s) of the duly authorized signatory/(ies) who are authorized to vote, to the Scrutinizer at email ID : [skjaincs1944@gmail.com](mailto:skjaincs1944@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). The scanned copy image of the above mentioned documents should be in the naming format “Corporate Name-EVSN.”
- xxiii. Members who do not have access to e-voting facility, may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Dr. S. K. Jain, Practicing Company Secretary (FCS No. 1473) (COP No. 3076), at the Registered Office of the Company at G-17, Bharat Industrial Estate, T. J. Road, Sewree (West), Mumbai 400015 not later than Thursday, 26th September, 2019.

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 20<sup>th</sup> September, 2019.

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. 3, 4 and 5 of the accompanying Notice dated 14<sup>th</sup> August 2019.

### **ITEM NO. 3**

Mr. Sushilkumar Bhooramal Jhunjhunuwala (DIN: 08351009), Director retires by rotation at the forthcoming Annual General Meeting. In terms of Section 149(10) of the Act, an Independent Director may be appointed by a Company for a consecutive period of 5 years. It is, therefore, proposed that Mr. Sushilkumar Bhooramal Jhunjhunuwala (DIN: 08351009) be hereby appointed as an Independent director of the Company, not liable to Retire by Rotation and to hold office for five consecutive years with effect from 11th February, 2019 to 10th February, 2024.”

Mr. Sushilkumar Bhooramal Jhunjhunuwala (DIN: 08351009) is Bachelor of Commerce and Fellow Member of the Institute of Chartered Accountants of India. He is not related to any other Director of the Company.

The Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Sushilkumar Bhooramal Jhunjhunuwala as a candidate for the office of a Director of the Company, and on the recommendation of Nomination and Remuneration and Compensation Committee, be and is hereby appointed as an Independent director of the Company, not liable to Retire by Rotation and to hold office for five consecutive years with effect from 11th February, 2019 to 10th February, 2024.”

The Company has also received declaration from Mr. Sushilkumar Bhooramal Jhunjhunuwala (DIN: 08351009) that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

In the opinion of the Board, Mr. Sushilkumar Bhooramal Jhunjhunuwala (DIN: 08351009) fulfills the conditions for appointment as an Independent Directors as specified in the Act. Mr. Sushilkumar Bhooramal Jhunjhunuwala (DIN: 08351009) is independent of the management of the Company.

Mr. Sushilkumar Bhooramal Jhunjhunuwala (DIN: 08351009) is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Your directors recommend the resolution at item no. 3 for your approval.

Mr. Sushilkumar Bhooramal Jhunjhunuwala (DIN: 08351009) is interested in the resolution since it pertains to his appointment. None of the other directors or key managerial personnel of the Company or their relatives are in any way concerned or interested in the said resolution.



#### **ITEM NO. 4**

Mr. Navin Chandmal Goliya (DIN: 00164681) was appointed as an Additional Director with effect from 11th february, 2019. As an Additional Director Mr. Navin Chandmal Goliya holds office up to the date of the ensuing Annual General Meeting and being eligible, offers himself for appointment as a Director to be Designated as an Director.

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose his candidature for the office of Director, and on the recommendation of Nomination and Remuneration and Compensation Committee be and is hereby appointed as Director of the Company liable to retire by rotation.

Your directors recommend the resolution at item no. 4 for your approval.

#### **ITEM NO. 5**

Mr. Navin Chandmal Goliya, is a Electronic Engineer and having rich experience in the Line of business which the Company is carrying on. Taking into consideration his knowledge and vast experience in the field of the Company is carrying on. it is proposed to fix his remuneration as per resolution given in the notice. He has excellent grasp and thorough knowledge and experience of engineering. His knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the considered opinion that for smooth and efficient running of the business, the services of Mr. Navin Chandmal Goliya should be available to the Company for a further period of five years.

In the term of provisions Companies Act, and Article 133 of Article of Association of the Company and on the recommendation of Nomination and Remuneration and Compensation Committee, consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Navin Chandmal Goliya (DIN: 00164681) as a Director of the Company and to hold office for a term of five consecutive years from the conclusion of 36th Annual General Meeting up to the conclusion of 40th Annual General Meeting and payment of Basic Remuneration which is hereby fixed at ₹ 1,80,000/- (Rupees One Lac Eighty Thousand only) per month from 1st October, 2019

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

Remuneration and other emoluments will be as under:-

1. Basic Salary: ₹ 1,80,000/- (Rupees One Lac Eighty 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 Monthly 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.

Accordingly the Board recommends the passing of the Ordinary resolution as set out in the item no. 5 of the Notice.

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> August, 2019



## DIRECTORS' REPORT

To,  
The Members,  
Kusam Electricals Industries Ltd

Your Directors are pleased to present the Thirty Sixth Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2019.

### 1. Financial Results

The Company's financial performance for the year ended March 31, 2019 is summarized below:

Particulars	2018-2019 (In ₹ '000)	2017-2018 (In ₹ '000)
Gross Income	55,618.11	37,988.72
Profit Before Interest and Depreciation	7969.47	3180.97
Less: Interest	104.73	183.42
Less: Provision for Depreciation	865.73	821.41
Profit Before Exceptional & Extraordinary items & Tax	6,999.01	2,176.14
Less: Exceptional Items	-	-
Less: Extraordinary items	-	-
Profit Before Tax	6,999.01	2,176.14
Less: Provision for Tax	2360.7	444.83
Less: Deferred Tax	50.36	186.97
Net Profit After Tax	4587.95	1,544.35
Earnings Per Share- Diluted	19.16	6.51

### 2. Operations

The Income from operations and other income during the year was at ₹ 5,56,18,110 as against ₹ 3,79,88,720 in the previous year. The Net Profit (before exceptional and extra ordinary items and tax) was ₹ 69,99,010 as against ₹ 21,76,140 in the previous year. The Company's Net Profit after tax is of ₹ 45,87,950 as against ₹ 15,44,350 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, 2019 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, 2019 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. Chandmal Parasmal Goliya (DIN: 00167842) 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 2018-19. 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

During the year, Ms. Neha Sangam resigned as Company Secretary w.e.f. 25.10.2018 and Ms. Amruta Lokhande is appointed as Company Secretary in place w.e.f. 1st November, 2018.

During the year, Ms. Damini Jhunjhunwala (DIN: 07480193) resigned as Directors from the Board of your Company with effect from 14<sup>th</sup> January, 2019. The Board places on record its deep appreciation for the services rendered by Ms. Damini Jhunjhunwala during her tenure as Members of the Board and Committees.

Mr. Sushilkumar Bhooramal Jhunjhunwala (DIN: 08351009) was appointed as an Additional Director (Independent) with effect from 11<sup>th</sup> February, 2019 as an Additional Director Mr. Sushilkumar Bhooramal Jhunjhunwala holds office up to the date of the ensuing Annual General Meeting and being eligible, offers himself for appointment as a Director to be Designated as an Independent Director.

Mr. Navin Chandmal Goliya (DIN: 00164681) was appointed as an Additional Director with effect from 11<sup>th</sup> February, 2019 as an Additional Director Mr. Navin Chandmal Goliya holds office up to the date of the ensuing Annual General Meeting and being eligible, offers himself for appointment as a Director to be Designated as an Director.

## 9. Particulars of Employees

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

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

## 10. Board & Committee Meetings

### a) Board Meeting:

During the financial year 2018-19, total Four (4) Board Meetings were held on 30<sup>th</sup> May, 2018, 10<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018, and 11<sup>th</sup> February, 2019. 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	No
Ms. Damini Jhunjhunuwala	Non- Executive Independent Director	2	Yes

\*Ms. Damini Jhunjhunuwala resigned w.e.f. 14<sup>th</sup> January, 2019

### b) Audit Committee Meeting:

During the financial year 2018-19, total four (4) Audit Committee Meetings were held on 30<sup>th</sup> May, 2018, 10<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018, and 11<sup>th</sup> February, 2019.

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 2018-2019 are as follows:

**Chairman:** Ms. Sushma Ranka

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

**Attendance :**

Name of the Director	Category	Number of Committee Meetings attended	Attended last AGM
Mrs. Sushma Ranka	Non - Executive Independent Director(Chairman)	4	No
Mr. J B. Sipani	Non - Executive Director	4	Yes
Ms. Damini Jhunjhunuwala	Non - Executive Independent Director	2	Yes

\*Ms. Damini Jhunjhunuwala resigned w.e.f. 14<sup>th</sup> January, 2019

**(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, 2019.

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 2018-19, total one (1) Nomination & Remuneration Committee Meeting was held on 10<sup>th</sup> August 2018.

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

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

#### Attendance:

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

#### (a) TERMS OF REFERENCE:

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

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

#### 11. Board Evaluation

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

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

## **12. FIXED DEPOSITS**

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

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

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

Mr. Chandmal Parasmal Goliya (DIN: 00167842 ), Director retires by rotation and being eligible and not being disqualified under Section 164 of the Companies Act, 2013, offers himself for re-appointment.

Ms. Damini Jhunjhunuwala (DIN: 07480193) resigned as Directors from the Board of your Company with effect from 14<sup>th</sup> January, 2019. The Board places on record its deep appreciation for the services rendered by Ms. Damini Jhunjhunuwala during her tenure as Members of the Board and Committees.

Mr. Sushilkumar Bhooramal Jhunjhunuwala (DIN: 08351009) was appointed as an Additional Director (Independent) with effect from 11th february, 2019. As an Additional Director Mr. Sushilkumar Bhooramal Jhunjhunuwala holds office up to the date of the ensuing Annual General Meeting and being eligible, offers himself for appointment as a Director to be Designated as an Independent Director.

Notice pursuant to Section 160 of the Act has been received from a Member along with the requisite deposit proposing the candidature of Mr.Sushilkumar Bhooramal Jhunjhunuwala for his appointment as an Independent Director/Director at the ensuing Annual General Meeting. The Board recommends for their appointment.

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

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

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

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

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

## **16. Auditors:**

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

The Statutory Auditors of your Company namely, M/s Chhajed & Doshi, Chartered Accountants, Mumbai (Firm Registration No. 101794W) were appointed as the Statutory Auditors of the Company for first time at the 31<sup>st</sup> Annual General Meeting held for a term of three years and hold office up to conclusion of the 34<sup>th</sup> Annual General Meeting, be and are hereby appointed as statutory Auditor of the Company to hold office from the conclusion of this Annual general



Meeting till conclusion of the 37<sup>th</sup> Annual General Meeting, subject to ratification by the members of the Company at each of the Annual General Meeting held in each subsequent year at such remuneration as may be mutually agreed between the Board of Directors and the Auditors.

The Auditors' Report for the financial year 2018-19 does not contain any qualification, reservation or adverse remark and the same is attached with the annual financial statements.

**(ii) Secretarial Auditor**

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

CS Unnatti Jain, Practicing Company Secretary, was appointed as Secretarial Auditors for carrying out the Secretarial audit for the Financial Year 2018-19.

The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2019 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 2018-19 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 ₹ 1 Crore, Company not engaged in production of goods or providing services in respect of which any order has been passed by the Central Government under Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

**17. Internal Controls**

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

**18. Vigil Mechanism:**

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

**19. Risk Management Policy**

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



**20. Extract of Annual Return:**

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return of your Company for the financial year ended 31<sup>st</sup> March, 2019 is given in **MGT 9** as a part of this Annual Report as **ANNEXURE I**.

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

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

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

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

**23. Related Parties Transactions:**

During the financial year 2018-19, 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 2018-2019 were in the ordinary course of business and at arm's length and the same has been approved by the Audit Committee. The disclosure of Related Party Transactions under Accounting Standard-18 with related party are disclosed in the notes to Accounts of the Standalone Financial Statements.

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

**24. Corporate Governance**

Clause 49 of the erstwhile Listing agreement and Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of the SEBI (LODR) Regulations, 2015 are not applicable to the Company as the paid up Share Capital of the Company is less than 10 Crores and its Net Worth does not exceed 25 Crores as on 31<sup>st</sup> March, 2019. Hence, the Corporate Governance Report is not included in this Report.

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

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

**26. General Disclosures**

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

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

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

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

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

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

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

During the year, under review the Company has earned foreign exchange of ₹ 1,24,080/- on account of export sale and outgo of foreign exchange during the year was ₹ 3,09,30,416/- for imports.

**29. 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, 2019, 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 2019 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 2019 have been prepared on a going concern basis.
- (e) The Directors had laid down Internal Financial Control to be followed by the Company and that such internal financial control are adequate and were operating effectively.
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws are devised and are adequate and operating effectively.

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

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

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

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

**32. Reporting of Frauds**

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

**33. Listing with Stock Exchanges:**

The Company confirms that it has paid the Annual Listing Fees for the year 2019-2020 to BSE where the Company's Shares are listed.

**34. Acknowledgements**

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

For and on behalf of the Board of Directors

Sd/-  
Chandmal P. Goliya  
Whole time Director

Place: Mumbai  
Date: 14-08-2019

## **ANNEXURE I**

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

**For the Financial Year Ended on 31<sup>st</sup> March, 2019**

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

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

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

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

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

S. No.	Name and Description of Main Products / Services	NIC Code of the Product/Service	% to Total Turnover of the Company
1	Assembly and Sale of Meters, Instruments & Accessories	33125	98%

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

Not applicable as there is no subsidiary and associate company.

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

### A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% 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	140800	9500	150300	62.63	150700	-	150700	62.79	0.17
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(1)</b>	<b>140800</b>	<b>9500</b>	<b>150300</b>	<b>62.63</b>	<b>150700</b>	<b>-</b>	<b>150700</b>	<b>62.79</b>	<b>0.17</b>
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other-individual	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
a) Banks/ FI	-	-	-	-	-	-	-	-	-
b) Any Others	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>140800</b>	<b>9500</b>	<b>150300</b>	<b>62.63</b>	<b>150700</b>	<b>-</b>	<b>150700</b>	<b>62.79</b>	<b>0.17</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-

h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
i. Foreign Banks	-	-	-	-	-	-	-	-	-
ii. UTI	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	33350	-	33350	13.90	33350	-	33350	13.90	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	450	10100	10550	4.40	500	9650	10150	4.23	-0.17
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>79600</b>	<b>10100</b>	<b>89700</b>	<b>37.38</b>	<b>79650</b>	<b>9650</b>	<b>89300</b>	<b>37.21</b>	<b>-0.17</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>79600</b>	<b>10100</b>	<b>89700</b>	<b>37.38</b>	<b>79650</b>	<b>9650</b>	<b>89300</b>	<b>37.21</b>	<b>-0.17</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>220400</b>	<b>19600</b>	<b>240000</b>	<b>100</b>	<b>230350</b>	<b>9650</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	67800	28.25	-	77800	32.42	-	4.17
4	Shree Jhanwarlal Sipani	39500	16.46	-	39500	16.46	-	-
5	Smt. Pramila Goliya	5000	2.08	-	5000	2.08	-	-
6	Smt. Premdevi Goliya	18000	7.50	-	8000	3.33	-	(4.17)
7	Pradip Chandmal Goliya	-	-	-	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	150300	62.63	150700	62.79
	Transaction (purchase / sale) during the year	-	-	-	-
	At the end of the year	150300	62.63	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 31.03.2018		Cumulative Shareholding during the year 31.03.2019	
		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 HARAKHCHAND SHAH	1000	0.42	1000	0.42
6	DEVILAL BAPNA	1000	0.42	1000	0.42
7	BHIKHAM CHAND DAFTARI	600	0.25	600	0.25
8	VINDRAI CHHAGANLAL DESAI	500	0.21	500	0.21
9	SHAKUNTALA MUNOT	500	0.21	500	0.21
10	SHAM SUBHEDAR	500	0.21	500	0.21
11	MANMAL AIRAN	500	0.21	500	0.21
12	GANPATLAL KOCHAR	450	0.19	450	0.19
		<b>84200</b>	<b>35.08</b>	<b>84200</b>	<b>35.08</b>

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

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Chandmal P. Goliya, Whole- time Director	67800	28.25	77800	32.42
2.	Jhanwar Lal Sipani, Non-executive Director	39500	16.46	39500	16.46
3.	Damini Jhunjhunuwala, Independent Director	-	0.00	-	0.00
4.	Sushma Ranka, Independent Director	-	0.00	-	0.00
5.	Sushilkumar Jhunjhunuwala- Additional	-	0.00	-	0.00



	Independent Director w.e.f 11.02.2019				
6	Navin Goliya – Additional Director	-	0.00	-	0.00
7.	Naval Jha, KMP- CFO	-	0.00	-	0.00
8.	Neha Sangam, KMP – CS	-	0.00	-	0.00
9	Amruta Lokhande, KMP-CS	-	0.00	-	0.00

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

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

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

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		<b>Chandmal P. Goliya - Whole Time Director</b>	
		(in ₹ p.a)	(in ₹ p.a)
<b>1</b>	<b>Gross salary</b>		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	25,87,700	25,87,700
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	48,888	48.888
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-
<b>2</b>	<b>Stock Option</b>	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-
<b>4</b>	<b>Commission</b> - as % of profit - others, specify...	-	-
<b>5</b>	<b>Others, please specify</b>	-	-
	<b>Total</b>	<b>26,36,588</b>	<b>26,36,588</b>

### B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		<b>Sushma Ranka</b>	<b>Jhanwarlal Sipnai</b>	<b>Damini Jhunjhunuwala</b>	
<b>1</b>	<b>Independent Directors</b>				
	<b>Fee for attending board committee meetings</b>	30,000	Nil	15,000	45000
	<b>Commission</b>	Nil	Nil	Nil	Nil
	<b>Others, please specify</b>	Nil	Nil	Nil	Nil
	<b>Total (1)</b>				
<b>2</b>	<b>Other Non-Executive Directors</b>	Nil	Nil	Nil	Nil
	<b>Fee for attending board committee meetings</b>	Nil	Nil	Nil	Nil
	<b>Commission</b>	Nil	Nil	Nil	Nil
	<b>Others, please specify</b>	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	Nil	Nil	Nil	Nil
	<b>Total (B)=(1+2)</b>	Nil	Nil	Nil	Nil
	<b>Total Managerial Remuneration</b>	<b>30,000</b>	<b>Nil</b>	<b>15,000</b>	<b>45000</b>

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		Naval Jha- CFO	Neha Sangam – CS *	Amruta Lokhande- CS**	Total
		(In Rs)	(In Rs)	(In Rs)	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	4,58,740	1,73,326	1,22,527	7,54,593
	(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	Stock Option	-	-	-	
3	Sweat Equity				
4	Commission				
	- as % of profit	-	-	-	
	others, specify...	-	-	-	
5	Others, please specify	-	-	-	
	<b>Total</b>	4,58,740	1,73,326	1,22,527	7,54,593

\*Resigned w.e.f 25-10-2018. \*\* Appointed –w.e.f. 01-11-2018

### 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 – 11.58</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 (13%) Mr. Naval Jha- CFO (20%) Ms. Neha Sangam - CS <b>- Resigned – 25-10-2018</b>
3.	the percentage increase in the median remuneration of employees in the financial year;	8.76%
4.	the number of permanent employees on the rolls of the company	9
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, 2019 is as per the remuneration policy of the Company

**ANNEXURE – III**  
**FORM NO. MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

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

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

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

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 (“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, 2018 to 31<sup>st</sup> March, 2019 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;

- iii. The Depositories Act, 1996 and the Regulations and Bye- laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the period under Audit)**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011);
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 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 Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013;

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

**I further report that**

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

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

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

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

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

I further report that during the audit period the Company has the following specific events:

1. The Board of Directors of the Company in its meeting held on August 10, 2018 re-appointed Mr. Chandmal P. Goliya (DIN: 00167842), whole time director of the company, for a period of 5 years.

2. The Board of Directors of the Company in its meeting held on November 14, accepted the resignation of Ms. Neha Anil Sangam, from the Designation of Company Secretary of the Company with effect from 25th October, 2018.
3. The Board of Directors of the Company in its meeting held on November 14, appointed Mrs. Amruta Kiran Lokhande, a Member of The Institute of Company Secretary of India (ICSI) having Membership Number A38254, as whole time Company Secretary and Compliance Officer of the Company.
4. The Board of Directors of the Company in its meeting held on November 14, appointed SATELLITE CORPORATE SERVICES PVT LTD be and hereby appointed as Registrar And Share Transfer Agent (RTA) for handling the share transfer and demat activities of the Company”.
5. The Board of Directors of the Company in its meeting held on February 11, accepted as resignation of Ms. Damini Sushilkumar Jhunjhunuwala as Non-Executive & Independent Director, from the Board of Directors of the Company with effect from 14.01.2019.
6. The Board of Directors of the Company in its meeting held on February 11, appointed Mr. Sushilkumar Bhooramal Jhunjhunuwala (08351009) as an Additional Independent Director of the Company.
7. The Board of Directors of the Company in its meeting held on February 11, appointed Mr. Navin Chandmal Goliya (00164681) as an Additional Director of the Company.

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

**For Unnatti Jain & Co.**

**Date:** 14/08/2019

**Place:** Mumbai

Unnatti Jain

Practicing Company Secretary

ACS No: 39639

C P No: 15899



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

### **ANNEXURE - I**

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

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

## ANNEXURE - II

### **Registered Office**

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

### **Corporate Office:**

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

**ANNEXURE A**

To,  
The Members,  
Kusam Electrical Industries Limited

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

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

**For Unnatti Jain & Co.**

**Date: 14/08/2019**  
**Place: Mumbai**

**Unnatti Jain**  
**Practicing Company Secretary**  
**ACS No: 39639**  
**C P No: 15899**

## 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.

#### **Global Economic Scenario**

During the Year 2018 Global Economy grew by 3.6% signaling its resilience despite the presence of several constraints. The advanced economies grew at 2.2.% during the year whereas the emerging and developing economies witnessed a growth of 4.5%. However the growth is expected to slowdown in 2019 as the risks and challenges are being faced by the economies. The trade war between economies, particularly USA & China is likely to impact the growth momentum.

#### **Indian Economic Scenario**

India witnessed a GDP growth of 6.8% in F.Y. 2019 which is fastest amongst the Developing economies in the world. However the slowdown in auto, real estate, textile and other sectors is impacting the growth momentum.

The imports slowed to 9.8% in F.Y. 2019 reflecting sluggishness in imports other than oil whereas exports grew by 8.9% particularly registering a healthy growth in exports of electronics, chemicals, pharmaceuticals, machinery, and textiles.

Due to slowdown of economy and sluggishness of domestic demand, the trade associations have appealed to the government of India to come to its rescue as there is an impending threat of unemployment.

#### **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 2018-2019 was as under.

<b>Particulars</b>	<b>2018-2019 (In ₹)</b>	<b>2017-2018 (In ₹)</b>
Gross Income	5,56,18,110	3,79,88,720
Profit Before Interest and Depreciation	79,69,470	31,80,970
Profit Before Exceptional & Extraordinary items & Tax	69,99,010	21,76,140

Exceptional items	-	-
Extraordinary items	-	-
Net Profit After Tax	45,87,950	15,44,350

### 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: 14/08/2019



**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, 2019, 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, 2019, 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, 2019, and its profits 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.





### 3. 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.

### 4. 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 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.





## CHHAJED & DOSHI

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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.

### 5. 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.



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

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.

## **6. Report on Other Legal and Regulatory Requirements**

- 6.1** 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.





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

**6.2** 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 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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;



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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note No29of the financial statements.
- iii. There was no delay in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

*Aruna*  
**CA. Aruna Dhanesha**  
**Partner**  
**M. No: 107863**

**Place: Mumbai**  
**Date: 20<sup>th</sup> May 2019**





**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 2019**

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.





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

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

Name of the Statute	Nature of Dues and the period	Amount (Rs.)	Forum where dispute is pending
Maharashtra VAT Act, 2002	Assessment Dues F.Y. 2009-10	3,667	Dy. Commissioner of Sales Tax (Appeals)
	Assessment Dues F.Y. 2010-11	12,532	

- (viii) The company did not have any dues outstanding to any financial institutions / banks / Government or to debenture holders during the year hence question of default does not arise.
- (ix) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not raised money by way of initial public offer /further public offer or Term Loans during the year.
- (x) According to the information and explanations given to us and on the basis of our examination of the records, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
- (xii) According to the information and explanations given to us and on the basis of our examination of the records, the company is not a Nidhi Company, thus reporting requirement under paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records, all transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act 2013, where applicable, and the details have been disclosed in the Ind AS financial Statements, as required by the applicable accounting standards.
- (xiv) The company has not made private placement of shares during the year.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records, there are no non-cash transactions with the directors or persons connected with him, covered under the provisions of section 192 of the Companies Act 2013.



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**CHARTERED ACCOUNTANTS**

- (xvi) According to the information and explanations given to us and in our opinion, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

*Aruna*

**CA. Aruna Dhanesha**  
**Partner**  
**Membership No: 107863**

**Place: Mumbai**  
**Date: 20<sup>th</sup> May 2019**





**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 2019**

**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, 2019 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.





**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, 2019, 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"

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

*Aruna*  
**CA. Aruna Dhanesha**  
**Partner**  
**Membership No: 107863**

**Place: Mumbai**  
**Date: 20<sup>th</sup> May, 2019**



**KUSAM ELECTRICAL INDUSTRIES LIMITED**

CIN : L31909MH1983PLC220457

**Balance Sheet as at 31st March, 2019**

Amount (Rs. '000)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017
<b>ASSETS</b>				
<b>A. NON CURRENT ASSETS</b>				
(a) Property, plant and equipment	3	5,672.82	5,860.64	6,445.78
(b) Financial assets				
(c) Deferred tax assets (Net)	36	813.64	499.00	769.99
(d) Income Tax Asset (Net)		-	523.34	300.00
<b>B. CURRENT ASSETS</b>				
(a) Inventories	4	15,943.59	11,473.52	9,784.63
(b) Financial Assets				
(i) Trade Receivables	5	1,771.73	4,784.93	2,699.30
(ii) Cash and cash equivalents	6	3,169.26	2,915.37	5,149.80
(iii) Loans	7	4.59	45.23	49.74
(iv) Others (Deposits)	8	42.95	22.95	65.83
(c) Other current assets	9	1,300.76	1,293.95	1,855.18
<b>TOTAL ASSETS</b>		<b>28,719.34</b>	<b>27,418.95</b>	<b>27,120.24</b>
<b>EQUITY AND LIABILITIES</b>				
<b>A. EQUITY</b>				
(a) Equity Share Capital	10	2,400.00	2,400.00	2,400.00
(b) Other Equity	11	20,365.02	15,766.88	14,205.12
<b>B. LIABILITIES</b>				
<b>1. NON CURRENT LIABILITIES</b>				
(a) Financial Liabilities				
(i) Borrowings	12	-	208.25	396.27
(b) Provisions	13	2,552.56	355.99	329.21
<b>2. CURRENT LIABILITIES</b>				
(a) Financial Liabilities				
(i) Trade Payables				
(A) total Outstanding dues in micro enterprises and small enterprises	14	1.45	-	-
(B) total Outstanding dues of creditors other than micro enterprises and small enterprises	14	163.22	195.52	301.04
(ii) Borrowings	15	10.50	4,313.88	5,396.13
(iii) Other Financial Liabilities	16	2,196.84	2,031.21	2,003.48
(b) Other Current Liabilities	17	651.80	211.60	206.20
(c) Provisions	18	26.36	1,935.61	1,621.17
(d) Income Tax Liabilities (Net)	19	351.60	-	261.63
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>28,719.34</b>	<b>27,418.95</b>	<b>27,120.24</b>

See accompanying notes forming part of the financial statements

1 to 45

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

CA Aruna Dhanesha  
Partner  
Membership No: 107863

Place : Mumbai  
Date : 20th May 2019

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

Jhanwarial B. Sipani  
Director  
DIN : 01261901

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 2019**

Amount (Rs. '000)

S. N.	Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1	Revenue from operations	20	55,086.71	36,711.99
2	Other income	21	531.40	1,276.73
3	<b>Total revenue (1 + 2)</b>		<b>55,618.11</b>	<b>37,988.72</b>
4	<b>Expenses</b>			
	Purchase of stock-in-trade	22	35,109.51	21,960.34
	Changes in inventories of stock-in-trade	23	(4,399.47)	(1,859.56)
	Employee benefits expense	24	6,142.58	5,310.18
	Finance cost	25	104.73	183.42
	Depreciation and amortisation expense	3	865.73	821.41
	Other expenses	26	10,796.02	9,396.78
	<b>Total expenses</b>		<b>48,619.09</b>	<b>35,812.57</b>
5	<b>Profit/ (loss) before exceptional items and tax (3 - 4)</b>		<b>6,999.01</b>	<b>2,176.14</b>
6	Add: Exceptional items		-	-
7	<b>Profit/ (loss) before tax (5 + 6)</b>		<b>6,999.01</b>	<b>2,176.14</b>
8	<b>Tax expense</b>			
	a) Current tax		2,096.42	415.00
	b) Tax for earlier years		264.28	29.83
	c) Deferred tax	36	50.36	186.97
			<b>2,411.06</b>	<b>631.80</b>
9	<b>Profit/ (loss) for the year (7 - 8)</b>		<b>4,587.95</b>	<b>1,544.35</b>
10	<b>Other comprehensive income / (loss)</b>			
	- Items that will not be reclassified to profit or (loss) (Net of tax)	27	10.19	17.42
	- Items that will be reclassified to profit or (loss) (Net of tax)			-
11	<b>Total comprehensive income for the year (9 + 10)</b> <i>(Profit/ loss + other comprehensive income)</i>		<b>4,598.14</b>	<b>1,561.77</b>
12	<b>Earnings per equity share (EPS) - Basic &amp; Diluted</b>			
	EPS before exceptional items		19.16	6.51
	EPS after exceptional items		19.16	6.51

See accompanying notes forming part of the financial statements

1 to 45

As per our report of even date attached

For CHHAJED & DOSHI

Chartered Accountants

[Firm Ref. No. 101794W]

CA Aruna Dhanesha  
Partner  
Membership No: 107863



Place : Mumbai  
Date : 20th May 2019

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

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

*Naval Jha*  
Naval Jha  
Chief Financial Officer

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

*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, 2019**

Amount (Rs. '000)

Particulars	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
<b>A. Cash flow from operating activities</b>				
<b>Net Profit / (Loss) before extraordinary items and tax</b>		6,999.01		2,176.15
<u>Adjustments for:</u>				
Depreciation and amortisation	865.73		821.41	
Finance costs	104.73		183.42	
Interest income	(68.42)			
Net unrealised exchange (gain) / loss			(68.86)	
		902.04		935.96
Operating profit / (loss) before working capital changes		<b>7,901.05</b>		<b>3,112.11</b>
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	(4,470.07)		(1,688.89)	
Trade receivables	3,013.20		(2,085.63)	
Loans and advances	40.64		4.50	
Other Financial Assets	(20.00)		42.88	
Other Current Assets	(6.80)	(1,443.03)	561.23	(3,165.91)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Provisions	287.31		377.66	
Trade payables	(33.76)		(105.51)	
Other Financial Liabilities	165.63		251.69	
Other Current Liabilities	440.20		5.40	
		859.38		529.23
Net unrealised exchange (gain) / loss		0.00		68.86
Taxes Paid		(1,837.66)		(864.81)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>5,479.74</b>		<b>(320.52)</b>
<b>B. Cash flow from investing activities</b>				
Interest Income	68.42		0.00	
Capital expenditure on fixed assets	(677.91)		(236.27)	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(609.49)</b>		<b>(236.27)</b>
<b>C. Cash flow from financing activities</b>				
Repayment of borrowings (Net)	(4,511.63)		(1,493.96)	
Finance cost	(104.73)		(183.42)	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(4,616.36)</b>		<b>(1,677.37)</b>
<b>Net increase / (decrease) in Cash and cash equivalents</b>		<b>253.89</b>		<b>(2,234.16)</b>
Cash and cash equivalents at the beginning of the year		2,915.37		5,149.80
<b>Cash and cash equivalents at the end of the year</b>		<b>3,169.26</b>		<b>2,915.64</b>



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<b>Components of Cash &amp; Cash Equivalents</b>			
(i) Cash on hand	8.96	18.58	
(ii) Balances with Bank in Current Accounts	107.80	2,821.27	
(iii) Balances with Bank in Fixed Deposit with Bank maturing within 3 months	3,052.50	75.53	
	<b>3,169.26</b>		<b>2,915.37</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

(ii) 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 statement 1 to 45

As per our report of even date attached

For CHHAJED & DOSHI

Chartered Accountants

[Firm Ref. No. 101794 W]

CA Aruna Dhanesha

Partner

Membership No: 107863

Place : Mumbai

Date : 20th May 2019

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

Jhanwarlal B. Sipani

Director

DIN : 01261901

Amruta K. Lokhande

Company Secretary

Membership No: A38254



# KUSAM ELECTRICAL INDUSTRIES LIMITED

CIN: L31909MH1983PLC220457

## Statement Of Changes In Equity as at 31st March, 2019

A. Equity Share Capital				Amount (Rs. '000)
Balance as at As at 1st April 2017	Changes in equity share capital during 2017-18	Balance as at As at 31st March 2018	Changes in equity share capital during 2018-19	Balance as at As at 31st March 2019
2,400.00	-	2,400.00	-	2,400.00

B. Other Equity		
	Reserves & Surplus	Total
Balance as on 1st April 2017	Retained Earnings 14,939.59	14,939.59
Profit for the year	2,106.91	2,106.91
Other Comprehensive Income (Net of Tax)	17.42	17.42
<b>Total Comprehensive Income for the year</b>	<b>2,124.32</b>	<b>2,124.32</b>
Less: Dividends	-	-
<b>Balance as on 31st March 2018</b>	<b>17,063.92</b>	<b>17,063.92</b>
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>

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 Aruna Dhanesha  
Partner  
Membership No: 107863

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

Chandmal P. Goliya  
Wholetime Director  
DIN : 00167842

Jhanwarlal B. Sipani  
Director  
DIN : 01261901

Naval Jha  
Chief Financial Officer

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

Place : Mumbai  
Date : 20th May 2019





**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 2019**

**1. Corporate information**

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

**2. Significant Accounting Policies:**

**2.1 Basis of preparation:**

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

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

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

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

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

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

**2.3 Significant accounting policies**

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

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



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

**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.

**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.





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

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 reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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



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

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) Impairment of non-financial assets**

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

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

**h) Borrowing costs**

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

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

**i) Inventories**

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

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

**j) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate



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

can be made of the amount of the obligation. When a provision is expected to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

**k) Contingencies**

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

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

**l) Financial instruments**

**Financial assets**

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

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

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



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

of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

**Financial liabilities**

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

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

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

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

**m) Cash and cash equivalents**

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

**n) Cash Flow Statement**

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

**o) Employee benefits**

**Short Term Employee Benefits:**

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





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

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

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

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

**q) Cash Dividend**

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



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**AM ELECTRICAL INDUSTRIES LIMITED**  
is forming part of the financial statements

**3: Property, Plant and Equipment**

Gross Block					Accumulated Depreciation			Net Block		Amount (Rs. '000)
Description	As at 1st April 2018	Additions	Disposals	As at 31st March 2019	As at 1st April 2018	Depreciation for the year	Eliminated on disposal of assets	As at 31st March 2019	As at 31st March 2018	
Tangible Assets (Owned)										
	i) Air Conditioners	410.96	28.52	-	439.48	279.80	30.68	-	310.48	131.16
	j) Office Premises	4,903.25	-	-	4,903.25	1,386.77	157.68	-	1,544.45	3,516.48
	k) Furniture and Fixtures	2,585.49	195.10	-	2,780.59	1,809.78	194.39	-	2,004.17	775.70
	l) Electrical Fittings	544.82	-	-	544.82	408.53	58.52	-	467.05	136.29
	m) Office equipment	305.59	84.75	-	390.34	285.08	9.82	-	294.91	20.51
	n) Computers	633.00	154.54	-	787.54	538.70	72.05	-	610.75	94.30
	o) Testing Equipment	1,079.15	-	-	1,079.15	888.07	90.38	-	978.45	191.09
	p) Vehicles *	2,173.33	-	-	2,173.33	1,178.22	230.77	-	1,408.99	995.11
	Intangible Asset									
Software	-	215.00	-	215.00	-	21.44	-	21.44	-	
Total	12,635.59	677.91	-	13,313.50	6,774.96	865.73	-	7,640.69	5,860.64	
Previous Year		236.27	-			821.41	-			

Assets 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**

Amount (Rs. '000)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(At lower of cost and net realisable value)		
(a) Stock-in-trade	15,754.21	11,354.74
(b) Stock-in-trade (in transit)	107.21	-
(c) Consumable Stores and Spares	28.45	23.86
(d) Packing Material	53.73	94.93
<b>Total</b>	<b>15,943.59</b>	<b>11,473.52</b>

**Note 5: Trade Receivables**

Trade Receivables:		
(a) Considered good - Secured	1,862.73	4,859.93
(b) Considered good - Unsecured	-	-
(c) Which have significant increase in credit risk	-	-
(d) Credit impaired	-	-
Less: Provision for Expected Credit Loss	(91.00)	(75.00)
<b>Total</b>	<b>1,771.73</b>	<b>4,784.93</b>

**ECL % - Ageing**

Not Due	0.25	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	638.16	3,372.26
1-3 months	1,088.31	1,316.04
4-6 months	67.45	107.93
7-12 months	19.06	63.71
more than 1 year	49.75	-
<b>Total</b>	<b>1,862.73</b>	<b>4,859.93</b>

**Note 6: Cash and Cash Equivalent**

(i) Cash on hand	8.96	18.58
<b>Balances with Banks:</b>		
(ii) in Current Accounts	107.80	2,821.27
(iii) in Fixed Deposit with Bank maturing within 3 months	3,052.50	75.53
<b>Total</b>	<b>3,169.26</b>	<b>2,915.37</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, 2019	As at 31st March, 2018
Unsecured, considered good		
(a) Loans and Advances to Employees	4.59	45.23
<b>Total</b>	<b>4.59</b>	<b>45.23</b>

**Note 8: Other Current Financial Assets**

(a) Earnest Money Deposits	-	-
(b) Rent Receivable	-	-
Security Deposits	42.95	22.95
<b>Total</b>	<b>42.95</b>	<b>22.95</b>

**Note 9: Other Current Assets**

(a) Advance payments made to Suppliers	1,119.87	940.20
(b) Prepaid Expenses	138.96	155.31
(c) Prepaid Insurance	26.99	20.44
(d) Advance Recoverable in Cash or Kind	-	178.00
(e) Fixed Deposit Interest Accrued	14.93	-
<b>Total</b>	<b>1,300.76</b>	<b>1,293.95</b>



*Chh*  
*gk*

*gk*

*gk*



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

**Note 10: Equity Capital**

Amount (Rs. '000)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares	Rs.	Number of shares	Rs.
<b>(a) Authorised</b>				
Equity Shares of Rs. 10/- each	250,000	2,500	250,000	2,500
<b>(b) Issued, Subscribed and fully paid up</b>				
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 period:**

Particulars	Opening Balance	Fresh issue	Buy back	Closing Balance
<b>Equity Shares</b>				
As at 31 March, 2019				
- Number of shares	240,000	-	-	240,000
- Amount (Rs.)	2,400	-	-	2,400
As at 31 March, 2018				
- 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: NIL**

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

Class of shares / Name of shareholder	As at 31st March, 2019		As at 31st March, 2018	
	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	77,800	32.42	67,800	28.25
Jhanwarlal Sipani	39,500	16.46	39,500	16.46
Nandita Goliya	27,450	11.44	27,700	11.54
Premdevi Goliya	8,000	3.33	18,000	7.50
Ajay Abhaykumar Goliya	20,000	8.33	10,000	4.17
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**

Amount (Rs. '000)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>(a) Retained Earnings</b>		
Opening Balance	15,766.88	14,205.12
Add: Profit/(Loss) for the year	4,587.95	1,544.35
Add: Remeasurement of Defined Benefit Plans (Net of Tax)	10.19	17.42
<b>Total</b>	<b>20,365.02</b>	<b>15,766.88</b>

**Note 12: Borrowings**

<b>(a) Secured Loans</b>		
(i) Car Loan	-	208.25
(Secured by Hypothecation of the Motor Cars)		
CY - Repayable in 60 monthly installment starting from 5th April 2015. Last installment due on 5th March 2020 Rate of Interest 10.26% p.a.		
<b>Total</b>	<b>-</b>	<b>208.25</b>

**Note 13: Provisions**

<b>(a) Provision for Employee benefits:</b>		
(i) Provision for Gratuity	2,486.68	306.84
(ii) Provision for Leave Salary	65.87	49.16
<b>Total</b>	<b>2,552.56</b>	<b>355.99</b>

**Note 14: Trade Payables**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>(a) Trade Payables:</b>		
Total Outstanding dues in micro enterprises and small enterprises*	1.45	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises	163.22	195.52
<b>Total</b>	<b>164.67</b>	<b>195.52</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**

(a) Loans Repayable on Demand Secured (i) From Banks (Refer Note No.i )	10.50	4,313.88
<b>Total</b>	<b>10.50</b>	<b>4,313.88</b>
<b>Notes:</b>		
<b>(i) Details of Security for the Secured Short-Term Borrowings:</b>		
Loan Repayable on Demand from Banks:		
Canara Bank Cash Credit (Secured by Hypothecation of Inventories and Book Debts)	10.50	4,313.88

**Note 16: Other Financial Liabilities**

(a) Current Maturities of Long-term Debt (i) Car Loan (Secured by Hypothecation of the Motor Cars) CY - Repayable in 60 monthly installment starting from 5th April 2015. Last installment due on 5th March 2020 Rate of Interest 10.26% p.a.	208.25	188.02
(b) Trade Deposit	215.00	215.00
(c) Other Payables (i) Salary/Remuneration Payable # (ii) Bonus Payable * (iii) Other Payables	324.29 664.38 784.91	221.30 551.83 855.07
<b>Total</b>	<b>2,196.84</b>	<b>2,031.21</b>

# Remuneration includes payable to Director 31st march 2019 Rs.17.16/- (PY Rs.36.10/).

\* Bonus payable includes payable to Director 31st march 2019 Rs. 327.70 (PY Rs.303.05).

**Note 17: Other Current Liabilities**

(a) Advance from Customers	304.38	101.94
(b) Statutory Remittances	347.42	109.66
<b>Total</b>	<b>651.80</b>	<b>211.60</b>

**Note 18: Provisions**

(a) Provision for Employee Benefits: (i) Provision for Gratuity (ii) Provision for Leave Salary	25.18 1.18	1,934.63 0.98
<b>Total</b>	<b>26.36</b>	<b>1,935.61</b>

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

(a) Advance Tax (Net of Provisions)	351.60	(158.34)
(b) MAT Credit	-	(365.00)
<b>Total</b>	<b>351.60</b>	<b>(523.34)</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, 2019	For the Year Ended 31st March, 2018
(a) Sale of Traded goods		
- Export Sales	124.08	31.93
- Inland Sales	54,252.81	36,037.45
	<b>54,376.89</b>	<b>36,069.38</b>
(b) Other Operating Revenues (Refer Note (i) below)	709.82	642.61
<b>Total</b>	<b>55,086.71</b>	<b>36,711.99</b>

(i) Other Operating Revenues Comprise:		
Calibration Charges	168.53	134.47
Repairing Charges	541.30	499.64
Servicing Charges	-	8.50
<b>Total - Other Operating Revenues</b>	<b>709.82</b>	<b>642.61</b>

**Note 21- Other Income**

(a) Interest Income (Refer Note (i) below)	68.42	3.89
(b) Net Gain on Foreign Currency Transactions and Translation	(0.20)	68.86
(c) Other Non-Operating Income (Refer Note (ii) below)	463.18	1,203.97
<b>Total</b>	<b>531.40</b>	<b>1,276.73</b>

**Note**

(i) Interest Income Comprises:

Interest on Fixed Deposits	68.23	3.65
Other Deposits (Loans to Employees)	-	-
Other Interest	0.19	0.24
<b>Total - Interest Income</b>	<b>68.42</b>	<b>3.89</b>

(ii) Other Non-Operating Income Comprises:

Liabilities/Provisions no longer required written back	82.74	102.60
Rent	379.61	361.02
Miscellaneous Income #	0.84	740.35
<b>Total - Other Non-Operating Income</b>	<b>463.18</b>	<b>1,203.97</b>

# PY includes CVD Rs. 740.03/- admissible as credit under GST.



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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, 2019	For the Year Ended 31st March, 2018
Purchase of Stock in trade (Meters, Instruments & Accessories)	35,109.51	21,960.34
	<b>35,109.51</b>	<b>21,960.34</b>

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

Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
Inventories at the end of the year Stock-in-trade (Meters, Instruments & Accessories)	15,754.21	11,354.74
Inventories at the beginning of the year: Stock-in-trade (Meters, Instruments & Accessories)	11,354.74	9,495.18
<b>Net (increase) /decrease</b>	<b>(4,399.47)</b>	<b>(1,859.56)</b>

**Note 24: Employee Benefits Expense**

Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
(a) Salaries, Wages and Bonus	5,533.84	4,733.41
(b) Staff Welfare Expenses	319.27	241.73
(c) Provision for Gratuity	289.48	335.04
<b>Total</b>	<b>6,142.58</b>	<b>5,310.18</b>

**Note 25: Finance Costs**

Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
(a) Interest on Borrowings (i) Borrowings	104.73	183.42
(b) OCC Renewal Charges	-	-
<b>Total</b>	<b>104.73</b>	<b>183.42</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, 2019	For the Year Ended 31st March, 2018
Consumption of Stores and Spare Parts	530.62	628.12
Consumption of Packing Materials	1,521.50	1,287.62
Electricity Charges	146.78	178.20
Repairs and Maintenance - Buildings	-	63.16
Repairs and Maintenance - Others	391.10	205.64
Insurance	54.90	47.71
Rates and Taxes	90.29	145.27
Travelling and Conveyance	793.42	589.30
Printing and Stationery	1,498.36	794.98
Legal & Professional Charges	1,716.24	1,519.27
Payments to Auditors (Refer Note (i) below)	358.50	521.35
Provision for ECL	16.00	39.05
Vehicle Expense	481.59	380.70
Bank commission/ Bank Charge	259.61	323.34
Advertisement Expenses	716.85	426.92
Exhibition Expenses	206.86	550.07
Freight & Forwarding	285.28	256.55
Communication Expense	112.31	134.18
Computer Expenses	-	16.79
Postage & Courier Charges	175.49	155.04
Sundry Debit Balance W/Off (Net)	54.95	-
Miscellaneous Expenses	1,385.39	1,133.52
<b>Total</b>	<b>10,796.02</b>	<b>9,396.78</b>
<b>Notes:</b>		
<b>(i) Payments to the Auditors :</b>		
As Auditors - Statutory Audit	131.25	231.35
As Auditors - Tax Audit Fee	78.75	78.75
As Auditors - VAT/GST Audit	52.50	52.50
For Taxation Matters	30.00	125.00
Others	66.00	33.75
<b>Total</b>	<b>358.50</b>	<b>521.35</b>

**Note 27: Other Comprehensive Income**

Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
	Rs.	Rs.
<b>Items that will not be classified to Profit or Loss:</b>		
Remeasurement of Defined Benefit Plans	13.77	36.44
Less: Income Tax on above	3.58	19.02
<b>Total</b>	<b>10.19</b>	<b>17.42</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**

Amount (Rs. '000)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>FINANCIAL ASSETS</b>		
<b>Breakup of Financial Assets carried at Amortised Cost</b>		
Investments	-	-
Loans	5	45
Trade Receivables	1,772	4,785
Cash and Cash Equivalents	3,169	2,915
Other Financial Assets	43	23
<b>TOTAL FINANCIAL ASSETS</b>	<b>4,989</b>	<b>7,768</b>
<b>FINANCIAL LIABILITIES</b>		
<b>Breakup of Financial Liabilities carried at Amortised Cost</b>		
Borrowings	10	4,522
Trade Payables	165	196
Other Financial Liabilities	2,197	2,031
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>2,372</b>	<b>6,749</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	745	761
<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, 2019		As at 31st March, 2018	
Receivable/(Payable) in home currency Rs.	Receivable/ (Payable) in Foreign currency \$	Receivable / (Payable) in home currency Rs.	Receivable / (Payable) in Foreign currency \$
(10.79)	(155)	NIL	NIL
1,092.83	15,841	940.20	14,508

**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.

**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 liability for the leave encashment on retirement as at 31st March 2019 is Rs.67.05/- (31st March 2018 is Rs.50.13/-).

**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.268.14/- (PY Rs.335.04/-)



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**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, 2019	For the Year Ended 31st March, 2018
<b>1) Components of Employer expenses</b>		
Current Service Cost	79.84	162.28
Past Service cost		
Net Interest Income / (Cost)	171.47	140.02
<b>Net expense/(gain) recognized in the statement of Profit and Loss (refer note below)</b>	<b>251.31</b>	<b>302.29</b>
<b>Remeasurement of the net defined benefit liability -</b>		
Actuarial (Gains) or Losses due to changes in Financial Assumptions	(145.50)	(34.05)
Actuarial (Gains) or Losses due to experience adjustments	164.58	75.99
<b>Net expense/(gain) recognized in other comprehensive income (refer note below)</b>	<b>19.08</b>	<b>41.94</b>
<b>2) Reconciliation of Changes in Benefit Obligations</b>		
<b>Present value of Obligation at year beginning</b>	<b>2,241.47</b>	<b>1,897.24</b>
Acquisition adjustment	-	-
Interest Cost	171.47	140.02
Past Service cost	-	-
Current Service Cost	79.84	162.28
Curtailement Cost	-	-
Settlement Cost	-	-
Benefits paid	-	-
Actuarial(gain)/Loss	19.08	41.94
<b>Present value of Obligation at year end</b>	<b>2,511.86</b>	<b>2,241.47</b>
<b>3) Plan Assets</b>	<b>NIL</b>	<b>NIL</b>
<b>4) Actuarial Assumptions</b>		
<b>(a) Economic Assumptions</b>		
Discount Rate (per annum)	7.63%	7.65%
Salary Growth Rate	5%	5%
<b>(b) Demographic Assumptions</b>		
Retirement Age (Years)	58 TO 75	58
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%

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

One percentage 0.50% increase in discount rate	(46.96)	(1.75)
One percentage 0.50% decrease in discount rate	55.94	1.76
One percentage 0.50% increase in salary increase	57.03	1.18
One percentage 0.50% decrease in salary increase	(48.42)	(1.17)
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		

**Note 35: Income Tax Reconciliation Of Tax Expense And The Accounting Profit**

Particulars	Amount (Rs. '000)	
	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
Accounting Profit Before Tax	6,999	2,176
Tax at Effective Income Tax Rate of 26% (PY-25.75%)	1,820	560
Tax Effect of Expenses that are not Deductible in Determining Taxable Profit	512	230
Effect of Incomes that are Exempt from Taxation	-	-
Effect of Additional Expenses Deductible in Determining Taxable Profit	(391)	(24)
Effect of Deductions allowed in Determining Taxable Profit	69	39
Effect of Losses allowed to set off in Determining Taxable Profit	-	(191)
Adjustment in respect of Income tax of Previous years	-	30
<b>Tax at Effective Income Tax Rate of 28.72% (PY-39.94%)</b>	<b>2,010</b>	<b>644</b>





Note 36: Deferred Tax

Particulars	As at 31st March, 2018	Expense/(Income) Recognized in P&L	Expense/(Income) Recognized in OCI	As at 31st March, 2019
DEFERRED TAX LIABILITY				
Depreciation	98.00	(151.28)	-	(53.28)
TOTAL	98.00	(151.28)	-	(53.28)
DEFERRED TAX ASSET				
Provision for doubtful debts/claims/advances	10.05	10.03	3.58	23.66
Expenditure allowable on payment basis	586.95	256.31	-	843.26
Carry Forward Losses	-	-	-	-
TOTAL	597.00	266.34	3.58	866.92
NET DEFERRED TAX ASSET	499.00	417.61	3.58	813.64

Particulars	As at 31st March, 2017	Expense/(Income) Recognized in P&L	Expense/(Income) Recognized in OCI	As at 31st March, 2018
DEFERRED TAX LIABILITY				
Depreciation	135.57	(37.57)	-	98.00
TOTAL	135.57	(37.57)	-	98.00
DEFERRED TAX ASSET				
Provision for doubtful debts/claims/advances	10.21	(0.16)	-	10.05
Expenditure allowable on payment basis	746.00	(140.03)	(19.02)	586.95
Carry Forward Losses	149.34	(149.34)	-	-
TOTAL	905.55	(289.53)	(19.02)	597.00
NET DEFERRED TAX ASSET	769.99	(251.97)	(19.02)	499.00

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.

Amount (Rs. '000)					
Foreign Currency Exposures	Balance As at 31st March, 2019	Exchange rate as on 31.3.2019	Change	Change per USD	Impact on Profit and Loss Account (+Profit / -Loss)
	USD	Rs. / USD	%	Rs. / USD	Rs.
Trade Payables	155	69.6225	+5%	3.48	-539.57
			-5%	(3.48)	539.57
Previous Year	-	65.0441	+5%	3.25	-
			-5%	(3.25)	-



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**(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, 2019				Total
	Demand	0-12 Months	1-5 years	>5 Years	
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>
As at 31st March, 2018					
Borrowings	4,313.88	-	208.25	-	4,522.13
Trade Payables	-	195.52	-	-	195.52
Other Financial Liabilities	-	2,031.21	-	-	2,031.21
<b>TOTAL</b>	<b>4,313.88</b>	<b>2,226.73</b>	<b>208.25</b>	<b>-</b>	<b>6,748.86</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 an optimal capital structure so as to maximize the shareholder value.

As at 31st March, 2019, 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**

**IND AS 116 Leases:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard IND AS 17 Leases, and related Interpretations. The standards set out the principles for the recognition, measurement, presentation and disclosure of lease for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The standard comes into force from accounting period commencing on or after 1st April, 2019, within those fiscal years. The Company is in the process of analyzing the existing agreements to ascertain whether they are service agreements or there is an arrangement of lease in the same, based on which the impact of said Ind AS can be estimated.

**IND AS 12 Appendix C, Uncertainty over Income Tax Treatments:** On March 30, 2019 Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IndAS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax credits and tax rates. The effective date for adoption of Ind AS 12 Appendix C is annual period beginning 01st April, 2019. The Company is in the process of analyzing the impact of the same if any.

**Amendment to Ind AS 12- Income taxes:** On March 30, 2019 Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transaction or events. Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company is currently evaluating the effects of this amendment on the consolidated financial statements.

**Amendment to Ind AS 19- plan amendment, curtailment or settlement:** To use updated assumptions to determine current service cost and net interest for the remainder of the periods after plan amendment, curtailment or settlement and To recognize in profit or loss as part of past service cost, or gain or loss on settlement any reduction in surplus even if that surplus was not previously recognized because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company is currently evaluating the effects of this amendment on the consolidated financial statements and expects no impact on account of this amendment.



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**Note 41 : Related Party Transactions**

Particulars	
<b>Details of Related Parties:</b>	<b>Names of Related Parties</b>
<b>Description of Relationship</b>	Goliya Instruments Private Limited
<b>Associates</b>	Goliya Electricals Private Limited
	Kusam Electrical Instruments LLP
	Kusam - Mecro 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,2019:** Amount (Rs. '000)

Nature of Transaction	Associates	KMP / Relative of KMP	Total
Purchase of goods	1,321 (765)	- -	1,321 (765)
Sale of goods	407 (1,778)	- -	407 (1,778)
Reimbursement of Expenses	12 (6)	- -	12 (6)
Payment of professional charges	- -	208 (150)	208 (150)
Payment of -			
(i) Remuneration, Bonus &	- -	2,664 (2,716)	2,664 (2,716)
(ii) Short-term Employees Benefits	- -	755 (449)	755 (449)
Rental Income	380 (361)	- -	380 (361)
Rent Deposit	75 (75)	- -	75 (75)
Sale of office premises	- -	- -	- -
<b>Balances outstanding at the end of the year</b>	<b>Associates</b>	<b>KMP/ Relative of KMP</b>	<b>Total</b>
Trade receivables	- (1,651)	- -	- (1,651)
Trade payables	- -	- -	- -
Rent receivable	2.62 (34)	- -	3 (34)
Other current liabilities (director Remuneration, Bonus & Perquisites)	- -	77 (84)	77 (84)

Note: Figures in bracket relates to the previous year



*[Signature]*

*[Signature]*

*[Signature]*

**Note 42 : Impairment of Assets**

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

**Note 43 : Earnings Per Share**

	Amount (Rs. '000)	
	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
<b>Basic &amp; Diluted</b>		
Net profit for the year attributable to the equity shareholders	4,598.14	1,561.77
Weighted average number of equity shares	240,000	240,000
Par value per share	10	10
Basic & Diluted EPS	19.16	6.51

**Note 44 :** The financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 20th May 2019.

**Note 45 :** 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 Aruna Dhanesha  
Partner  
Membership No: 107863

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

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

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

*Naval Jha*  
Naval Jha  
Chief Financial officer

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

Place : Mumbai  
Date : 20th May 2019



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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)**

**ATTENDANCE SLIP**

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

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

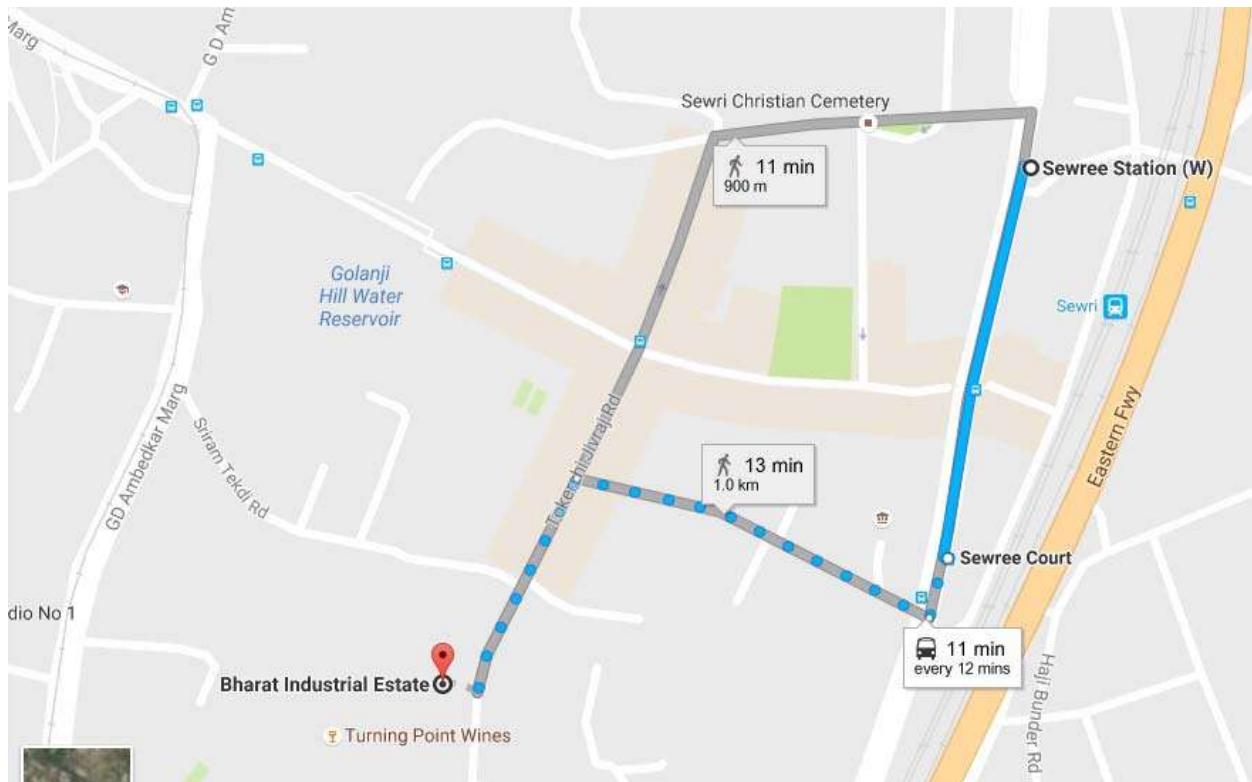
Ledger Folio No./Client ID No. \_\_\_\_\_ No. of shares held: \_\_\_\_\_

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

I/We hereby record my / our presence at the 36<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 Friday of 27<sup>th</sup> September, 2019 at 11.00 a.m.

(Member's /Proxy's Signature)

**ROUTE MAP**





**KUSAM ELECTRICAL INDUSTRIES LTD.**

**CIN L31909MH1983PLC220457**

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

**Tel. No: 022-24181649 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 36<sup>th</sup> Annual General Meeting of the Company, to be held on the Friday of 27<sup>th</sup> September 2019 at 11.00 a.m. at Registered office, G-17, Bharat Industrial Estate, T. J. Road, Sewree (West), Mumbai- 400 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote	
		For	Against
Ordinary Business			
1.	Adoption of Audited Financial Statements		
2.	Appointment of Director or Retirement By Rotation		
Special Business			
3.	To Appoint Mr. Sushilkumar Bhooramal Jhunjhunwala (DIN: 08351009) as an Independent Director		
4.	To Approve The Appointment of Mr. Navin Chandmal Goliya (DIN: 00164681) as a Director		
5.	Re- Appointment of Mr. Navin Chandmal Goliya (DIN: 00164681) as a Director and fixation of his remuneration		

Signed this \_\_\_\_\_ day of September, 2019.

\_\_\_\_\_  
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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