

Ap
Twenty Eighth
Annual Report
And Accounts
2011

KUSAM ELECTRICAL INDUSTRIES LIMITED

Directors :

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

Auditors :

SURANA SINGH RATHI AND CO.
Chartered Accountants

Branch Auditors :

CHHAJED & DOSHI
Chartered Accountants
Mumbai

Bankers :

ICICI Bank, Kolkatta
Canara Bank , Mumbai

Registered Office :**(a) (Upto 29th June 2011)**

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

(b) with effect from 30th June 2011

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

Mumbai Office :

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

NOTICE

NOTICE is hereby given that the 28TH Annual General Meeting of M/s. KUSAM ELECTRICAL INDUSTRIES LTD. will be held at its Registered Office at G-17, Bharat Ind. Estate, T.J.Road, Sewree, Mumbai – 400015 on Wednesday, the 29th September, 2011 at 11.00 A.M. for transacting the following business:

1. To receive, consider and adopt the Directors Report and the Audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date.
2. To appoint a Director in place of Shri. Vijaymal Lodha, who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in Place of Shri.Navratanmal Goliya, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors for the year ending 31 st March, 2012 and to fix their remuneration.

SPECIAL BUSINESS

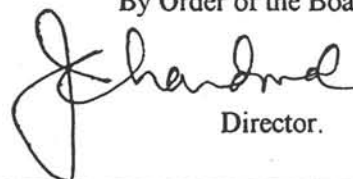
5. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

Resolved that Pursuant to the Provision of Sections 198, 269, 309, 314 read with schedule XIII and other applicable Provisions , if any of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the terms of reappointment of Shri Chand Mal Goliya as whole time Director for a further period of 5 years from 01-11-2011 on the terms and conditions as stated in the explanatory statement annexed hereto.

Resolved further that the Board of Director be and they are hereby severally authorised to alter amend, vary, enhance or modify the scope and quantum of remuneration of Shri Chand Mal Goliya as they may deem proper from time to time.

G-17,Bharat Ind. Estate
T.J.Road, Sewree,
Mumbai – 400 015
Date : 31/08/2011

By Order of the Board



Director.

NOTES : 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.

2. The Register of Member of the Company in respect of Equity Shares will remain closed form 22nd September 2011 to 29th September 2011 both the days inclusive

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE
COMPANIES ACT, 1956**

Item No. 5

The term of Shri Chand Mal Goliva as whole time Director expires on 31/10/2011. He has been associated with the company since last few years and is working as a whole time Director since last 5 years. He is Charters Engineer and having experience of over 45 years in the Line of business which the Company is carrying on. In view of increase in volume of business of the Company and inflationary trend his remuneration need to be revised. He is therefore appointed on a salary of Rs. 1,20,000/- per month and in the scale of Rs. 1,20,000/- 10,000/- ---- 1,70,000 with all other perquisites / benefits as are applicable to other Senior Members of the Staff and shall be valued as per applicable Income Tax Act and Rules.

The Board recommends the Resolution at Item No.5 for your approval.

None of the Director of the Company is in any way concerned or interested in the said resolution except Shri Chand Mal Goliya.

KUSAM ELECTRICAL INDUSTRIES LIMIED

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting to you the 28th Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2011.

PERFORMANCE OF THE COMPANY

This year's working shows an improvement in Sales, including Exports, as compared to previous year. The Global Competition in the Company Products affects the Profitability of the Company. The Global Economic Environment has affected the expansion plans in many sectors of the Indian Economy resulting in a tough year ahead for the company.

However continued efforts are being made to improve the sales by introducing new products in the same segment.

	Year Ended 31.3.2011	Year Ended 31.3.2010
FINANCIAL RESULTS	Rs.	Rs.
Profit/Loss before Tax	34,56,004	23,60,889
Less Provision for Taxation & FBT	(11,00,000)	(8,00,000)
Less : Deferred Tax Liability	(787)	40,238
(Excess)/Short provision for Earlier years	(80,690)	(4,626)
Add: Balance Brought forward from Previous Year	87,38,722	71,42,221
Balance Carried to next year	11,174,629	87,38,722

DIVIDEND

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

DIRECTORS

Shri. N.M.Goliya and Shri. V.M.Lodha retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS' OBSERVATIONS

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

DIRECTOR'S RESPONSIBILITY STATEMENT

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

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

COMPLIANCE CERTIFICATE

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

OTHER STATUTORY INFORMATION

The Company has no activities relating to conservation of energy and absorption of Technology. There was Foreign Exchange earning on account of Export Sale of Rs 2,90,188/- (Rs. 6, 98,673/-) and the outgo during the year was Rs. 12,702,254/- (Rs. 1,03,24,487/-) by way of imports and Rs.4,50,425/- (Rs. .2,39,225/-) by way of Traveling .

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

EMPLOYEES

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

LISTING

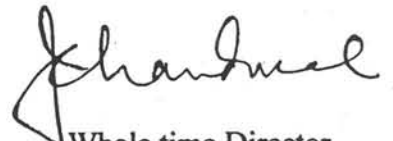
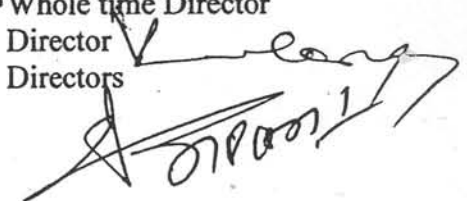
Your Company's Shares are listed with The Calcutta Stock Exchange Association Ltd. and Bombay Stock Exchange Ltd. The Company is regular in paying the listing fees.

AUDITORS

M/s SURANA SINGH RATHI AND CO, Chartered Accountants, Kolkata, the Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

G-17, Bharat Ind. Estate
T.J.Road, Sewree
Mumbai - 400015
Date: 31-08-2011

CHANDMAL GOLIYA
V.M. LODHA
J L SIPANI


Whole time Director
Director
Directors


AUDITORS' REPORT

To
The Members,
KUSAM ELECTRICAL INDUSTRIES LIMITED

We have audited the attached Balance Sheet of **M/S KUSAM ELECTRICAL INDUSTRIES LIMITED**, as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

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

Further to our comments in the Annexure referred to in paragraph 3 above, we report that :

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit ;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of such books of our Company;
- (iii) The Balance Sheet and Profit & Loss account dealt with by this report are in agreement with the books of account ;



- (iv) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) The report on account of the Mumbai Branch, audited by other Auditors has been forwarded to us and the same has been duly considered by us in preparing our report.
- (vi) According to the information and explanations given to us, in relation to affairs of the Company, none of the directors are disqualified from being appointed as director under Section 274(1)(g) of the Companies Act, 1956.
- (vii) In our opinion and to the best of our information and according to explanations given to us the annexed accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :-
 - (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and
 - (b) In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date.
 - (c) In the Case of Cash Flow Statement, of the Cash Flows for the year Ended on that date.

15/A, Laxminarayan Mukherjee Road,
Kolkata – 700 006
Date : 31/08/2011



For SURANA SINGH RATHI AND CO.
CHARTERED ACCOUNTANTS
Firm Registration No : 317119E

(S.K. SURANA)
Partner
(Membership No. 053271)

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

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



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




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

15/A, Laxminarayan Mukherjee Road,
Kolkata – 700 006
Date : 31/08/2011

For SURANA SINGH RATHI AND CO.
CHARTERED ACCOUNTANTS
Firm Registration No : 317119E




(S.K. SURANA)
Partner
(Membership No. 053271)

BALANCE SHEET AS AT 31st MARCH 2011

<u>SOURCE OF FUNDS</u>	<u>SCHEDULES</u>	<u>AS AT</u> <u>31-03-2011</u>	<u>AS AT</u> <u>31-03-2010</u>
Shareholders' Funds		AMT. (RS.)	AMT. (RS.)
Share Capital	1	2,400,000	2,400,000
Reserves and Surplus	2	11,174,629	8,738,722
LOAN FUNDS:			
SECURED LOANS	3	51,071	1,110,179
		TOTAL Rs.	13,625,700
			12,248,901
APPLICATION OF FUNDS :			
(A) FIXED ASSETS	4		
GROSS BLOCK:		7,738,900	6,549,347
LESS: DEPRECIATION		2,688,901	2,192,659
NET BLOCK :		5,049,999	4,356,688
(B) INVESTMENTS	5	256	256
(C) DEFERRED TAX ASSET		296,306	297,093
(D) CURRENT ASSETS , LOANS & ADVANCES:			
(1) INVENTORIES :	6	7,230,527	7,311,143
(2) SUNDRY DEBTORS :	6	1,108,673	1,164,019
(3) CASH & BANK BALANCES :	6	967,096	413,710
(4) OTHER CURRENT ASSETS :	6	3,053	1,042
(5) LOANS & ADVANCES :	7	4,018,828	4,195,257
		13,328,177	13,085,172
LESS : CURRENT LIABILITIES & PROVISIONS			
(1) CURRENT LIABILITIES	8	2,524,371	2,438,965
(2) PROVISIONS	8	2,524,667	3,051,342
		5,049,038	5,490,307
NET CURRENT ASSETS		8,279,138	7,594,864
		TOTAL Rs.	13,625,700
			12,248,901

Significant Accounting Policies and
Notes & Information

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As per our Report of even date annexed

for and on behalf of the Board of Directors

Place: KOLKATA

DATED: 31-08-2011

For Surana Singh Rath and Co
CHARTERED ACCOUNTANTS
Firm Reg. No.317119E
S.K. Surana
S.K. SURANA
Partner
M.No.053271

KUSAM ELECTRICAL INDUSTRIES LIMITED


DIRECTORS



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

SCHEDULESFOR THE YEAR
ENDED 31-03-2011FOR THE YEAR
ENDED 31-03-2010INCOME :

AMT. (RS.)

AMT. (RS.)

INLAND SALES	31,810,987	24,967,578
EXPORT SALES	290,188	698,673
	32,101,175	25,666,251
OTHER INCOME	9	699,895
	32,801,071	26,093,336

EXPENDITURE :

COST OF SALES	10	19,298,117	15,774,840
PAYMENTS TO & PROVISIONS FOR EMPLOYEES	11	2,299,677	1,917,386
SELLING & ADMINISTRATIVE EXPENSES	12	6,934,731	5,426,510
FINANCE COST	13	190,062	191,972
DEPRECIATION	4	622,480	421,739
		29,345,067	23,732,447

Profit Before Taxation 3,456,004 2,360,889

Provision for:

Income Tax 1,100,000 800,000

Deferred Tax (Assets) 787 (40,238)

(Excess)/Short provision for Earlier years (80,690) 4,626

1,020,097 764,388

Profit after Taxation 2,435,907 1,596,501

Add: Profit brought forward 8,738,722 7,142,221

Balance carried forward 11,174,629 8,738,722

Earning Per Share

Basic & Diluted 10.15 6.65

Number of Shares 240,000 240,000

Earning for Equity Shareholders 2,435,907 1,596,501

Significant Accounting Policies and

Notes & Information

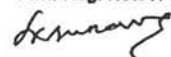
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As per our Report of even date annexed

for and on behalf of the Board of Directors

For Surana Singh Rath and Co.
CHARTERED ACCOUNTANTS

Firm Reg. No.317119E



S.K.SURANA
Partner
M.No.053271



KUSAM ELECTRICAL INDUSTRIES LIMITED



DIRECTORS

Place: Kolkata

DATED: 31-08-2011



Schedules annexed to and forming part of the
Accounts for the year ended 31-03-2011.

SCHEDULE 1.**SHARE CAPITAL****Authorised**

2,50,000 Equity Shares of Rs. 10/- each

AS AT 31-03-2011 AMT. (RS.)	AS AT 31-03-2010 AMT. (RS.)
25,00,000	25,00,000

ISSUED SUBSCRIBED & PAID UP

2,40,000 Equity Shares of Rs. 10/- each

fully paid up in cash

2,400,000	2,400,000
2,400,000	2,400,000

SCHEDULE 2.**RESERVE & SURPLUS**

Profit & Loss Account

11,174,629 8,738,722

SCHEDULE 3**SECURED LOANS:**

Canara Bank Cash Credit

51,071 1,110,179

(secured against Hypothecation of Inventory and

Book Debts and personally Guaranteed by three

Directors of the Company)

Total Rs. 51,071 1,110,179

SCHEDULE 5**INVESTMENTS - Long Term (At Cost)****Non-Trade: Unquoted****In Shares:**

50 Shares of Rs. 25/- each fully paid up of

The Vaibhav CO-op Bank Ltd.

1,250

1,250

Less: Provision for Diminution in Value of Shares

1,249

1,249

1

1

5 Shares of Rs. 51/- each fully paid up of

The Mahakant Owners Association Ahmedabad)

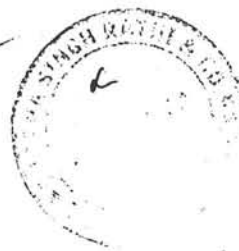
255

255

Total Rs.

256

256



KUSAM ELECTRICAL INDUSTRIES LIMITED

F Y 2010-11

SCHEDULE 4

FIXED ASSETS :

PARTICULARS	RATE %	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 01/04/2010 RS.	ADDITIONS DURING THE YEAR RS.	DEDUCTION DURING THE YEAR RS.	AS AT 31/03/2011 RS.	AS AT 01/04/2010 RS.	FOR THE YEAR RS.	ADJUST MENTS RS.	TOTAL 31/03/2011 RS.	AS AT 31/03/2011 RS.	AS AT 31/03/2010 RS.
AIR CONDITIONERS	13.91		113,045		113,045		10,691		10,691	102,354	-
OFFICE PREMISES	5	3,046,908	-	-	3,046,908	200,291	142,331	-	342,622	2,704,286	2,846,617
FURNITURE AND FIXTURES	18.10	1,076,208	132,148	-	1,208,356	636,994	93,815	-	730,809	477,547	439,214
ELECTRICAL FITTINGS	18.10	5,141	17,375		22,516	3	3,791		3,794	18,722	5,138
OFFICE EQUIPMENT	13.91	542,776	98,847		641,623	199,982	59,227	-	258,209	383,414	343,794
COMPUTERS	40	394,493	122,424	(135,785)	381,132	276,816	62,320	(126,238)	212,898	168,234	117,677
TESTING EQUIPMENT	15.62	170,257	841,500	-	1,011,757	56,838	123,230	-	180,068	831,689	113,419
MOTOR CAR	25.89	1,313,563	-	-	1,313,563	822,735	127,075	-	949,810	363,753	490,828
		6,549,347	1,325,339	(135,785)	7,738,900	2,192,659	622,480	(126,238)	2,688,901	5,049,999	4,356,688
PREVIOUS YEAR		3,340,212	3,209,135	-	6,549,347	1,770,920	421,739	-	2,192,659	4,356,688	1,569,292

KOLKATTA

Date : 31-8-2011



For SURANA SINGH RATHI AND CO.
CHARTERED ACCOUNTANTS
Firm Reg. No. 317119E
S.K.SURANA
Partner
M.No. 053271

[Signature]
C M GOLITA
Whole Time Director

[Signature]
J L SIPANI
Directors

[Signature]
V M LODHA
Directors

		AS AT 31-03-2011 AMT. (RS.)	AS AT 31-03-2010 AMT. (RS.)
SCHEDULE 6			
CURRENT ASSETS			
A. Inventories:			
Stock-in-Trade- Trading Goods	6,763,974		6,950,935
Packing Materials & Consumables (At Cost)	<u>466,553</u>		<u>360,208</u>
(At cost or market value which ever is lower, unless otherwise stated, as per inventories taken, valued and certified by a Director)		7,230,527	7,311,143
B. Sundry Debtors:			
(Unsecured; considered good)			
Exceeding 6 Months	7,855		7,405
Others	<u>1,100,818</u>		<u>1,156,614</u>
		1,108,673	1,164,019
C. Cash on hand			
		480,100	241,091
D. Balances with Scheduled Banks			
In Current /OCC Accounts	70,917		27,542
In Fixed Deposit Accounts	<u>416,079</u>	486,996	145,077
E. Other Current Assets			
Interest Accrued on Fixed Deposit		3,053	1,042
Total Rs.		<u>9,309,349</u>	<u>8,889,914</u>

SCHEDULE 7**LOANS & ADVANCES:**

(Unsecured; considered good)

A. Advances Recoverable in cash or in kind or for value to be received			
		2,053,239	1,779,815
B. Deposits			
		21,840	10,300
C. INCOME TAX ,FBT & TDS			
		1,943,749	2,405,142
Total Rs.		<u>4,018,828</u>	<u>4,195,257</u>




AS AT
31-03-2011
31-03-2011

AS AT
31-03-2010
AMT. (RS.)

SCHEDULE 8

CURRENT LIABILITIES & PROVISIONS :-

A. Current Liabilities:

1. Due to Directors		96,019	85,149
2. Sundry Creditors			
(A) Micro, Small & Medium Enterprises	NIL		NIL
(B) Others	758,252	758,252	838,001
3. Advances Against Orders		196,265	369,057
4. Other Liabilities		1,473,835	1,146,759
		<u>2,524,371</u>	<u>2,438,965</u>

B. Provisions:

1. Provision for Gratuity		611,254	523,854
2. Provision for Leave Salary		13,413	7,488
2. Provision for Taxation		1,900,000	2,450,000
2. Provision for F.B.T.		-	70,000
		<u>2,524,667</u>	<u>3,051,342</u>

Total Rs.

SCHEDULE 9

OTHER INCOME

Repairing & Calibration Charges (TDS Rs.3497/-)	516,986	420,456
Sundry Credit bal W/back (net)	182,909	NIL
Exchange Rate Different	-	6,629
	<u>699,895</u>	<u>427,085</u>

Total Rs.

SCHEDULE 10

Cost of Sales

Opening Stock of:

Trading Goods	6,950,935	7,428,354
Packing Material & Consumables	360,208	314,899
		<u>7,743,253</u>

Add: Purchases:

Trading Goods	16,577,397	13,210,841
Packing Material	1,952,686	1,491,573
Consumables	476,122	442,014
Coolie & Cartage	150,544	141,558
Cess on Purchases	60,751	56,744
	<u>19,217,500</u>	<u>15,342,730</u>

Less: Closing Stock of:

Trading Goods	6,763,974	6,950,935
Packing Material & Consumables	466,553	360,208
		<u>7,230,527</u>

Total Rs.

49,298,117

15,774,840



SCHEDULE 11

Payments to & Provisions for Employees

	CURRENT YEAR AMT. (RS.)	PREVIOUS YEAR AMT. (RS.)
Directors' Remuneration & Bonus	1,174,250	1,026,750
Perquisites (Medical Exp.) Director	27,730	17,440
Salary, Wages & Bonus	765,649	504,198
Staff Welfare Expenses	244,649	228,661
Gratuity	87,400	140,337
Total Rs.	2,299,677	1,917,386

SCHEDULE 12

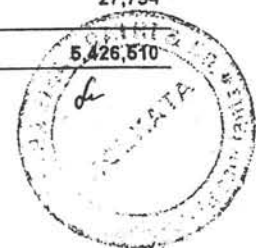
Selling & Administrative Expenses:

Rates & Taxes	46,978	50,078
Rent	-	106,972
Communication Expenses	698,688	571,895
Printing & Stationery	1,306,728	1,021,438
Advertisement	894,643	266,264
Motor Car Expenses	300,146	229,446
Conveyance	160,131	124,742
Travelling Expenses	712,799	461,215
Exhibition Expenses	661,012	1,315,388
Electricity Charges	169,801	170,235
Commission on Sales	200,281	14,374
Membership Fees	9,016	3,100
Rebate & Discount	397,935	118,763
Licence & other fees	39,346	46,848
Legal & Professional Fees	143,578	41,643
Filing Fees	2,500	1,500
Listing Fees	22,260	23,696
Insurance	32,900	36,486
Sundry Debit Balance w/off	-	26,837
Exchange Translation	7,037	NIL
Freight & Forwarding	272,498	182,570
Repairs & Maintenance -Machinery	37,767	9,241
Repairs & Maintenance -Others	139,927	152,490
Repairs & Maintenance -Building	140,371	44,033
Auditors' Remuneration :-		
Audit fees - Kolkatta Regd Office	7,500	7,500
Audit fees - Mumbai Branch	75,000	50,000
Tax Audit & Certification	30,000	25,000
Sales Tax/Income Tax	113,280	78,800
Service Tax	22,490	16,302
Sales Promotion Expenses	86,614	32,610
Profession Tax	2,000	9,500
Property Tax	28,990	NIL
Miscellaneous Expenses	59,213	40,916
Samples Expenses	1,578	2,257
Testing Charges	21,178	116,578
Profit/Loss on Assets Condemned	9,547	NIL
Donation	81,000	27,794

Total Rs.

6,934,731

5,426,510



SCHEDULE 13

Finance Cost

Term Loans			2,949
Others	65,230		72,245
Bank Charges	<u>142,433</u>	207,663	<u>130,958</u>

Less : Interest received

Bank	12,732		11,464
Interest on others	4,869	17,601	2,716

Total Rs.

190,062191,972

[Handwritten signatures and a circular stamp]

The circular stamp contains the text:
KUSAM SINGH RATTI
KOLKATA
INDIA

SCHEDULE: 14

A. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

1. Basis of Preparation of Financial Statements

The Financial statements are prepared under the historical cost convention on the accrual basis.

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets, liabilities & disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Differences between actual results and estimates are recognized in the period in which the results are known.

2. FIXED ASSETS AND DEPRECIATION:

Fixed Assets are capitalized at cost.

The Company provides depreciation as per written down value method at the rates prescribed in Schedule XIV to The Companies Act, 1956. On additions / deletions to the fixed assets made during the year, depreciation is provided on pro-rata basis. Depreciation @ 100% is provided on assets costing less than Rs. 5,000/-.

3. INVESTMENTS:

Long-term investments are valued at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of such investment, such reduction being determined and made for each investment individually.

4. FOREIGN CURRENCY TRANSACTIONS:

Foreign currency transactions are accounted at the rates prevailing on the date the transaction takes place. Foreign currency assets and liabilities at the year-end are restated at the prevailing exchange rates and any difference is recognized in the Profit and Loss Account except in cases where they relate to the acquisition of qualifying fixed assets in which case they are adjusted to the carrying cost of such assets.

5. INVENTORIES:

In respect of inventories, Stock of Trading Goods is valued at lower of cost or market value and Packing Material is valued at cost.



6. EMPLOYEE BENEFITS:

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

Defined Contribution Plan**Provident Fund:**

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

Defined Benefit Plan**Gratuity and Leave Salary:**

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

7. BORROWING COSTS:

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

8. USE OF ESTIMATES:

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

9. IMPAIRMENT:

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

10. Provisions, Contingent Liabilities and Contingent Assets:

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

B. NOTES TO ACCOUNTS:**1. Contingent Liability :**

- i. Bank Guarantee of Rs.3938/- (P.Y. Rs. 3938/-) against the FDR of Rs.1,079/- (P Y Rs. 1,023/-).
 - ii. Letter of Credit of Rs.16,49,850/- (P.Y. Rs. 5,70,908/-) against the FDR of Rs.4,15,000/- (P Y Rs. 1,44,000/-).
2. The disclosures required under Accounting Standard 15 Employee Benefits are as under
- Defined Benefit Plan:**
- i. Gratuity and Leave Encashment benefits which are in the nature of defined benefit scheme are provided for based on valuations, as at the balance sheet dates made by an independent actuary. Both liabilities for gratuity and leave encashment benefits are unfunded as 31st March, 2011
 - ii. Defined benefit plans as per actuarial valuation as on 31st March, 2011, and recognized in the financial statements:



I. Defined Benefit Plan-

	Gratuity	Leave Encashment
Period ending	31-3-2011	31-3-2011
Discount Rate at the start of The Year	8%	8%
Rate of increase in Compensation level	5%	5%
Current Service Cost (Rs.)	69,957	4,955
Benefit Paid	-----	-----
Present value of Obligation on the valuation date (Rs.)	6,11,254	13,413

II. Change in the Present value of the Benefit Obligations

	Gratuity	Leave Encashment
	31-3-2011 Amount (Rs.)	31-3-2011 Amount (Rs.)
Projected benefit obligations at beginning	5,23,854	7,488
Service Cost	69,957	4,955
Interest cost	41,908	599
Past service Cost	-----	-----
Actuarial (gain) loss On obligation	(24,465)	371
Benefit Paid	-----	-----
Projected Benefit obligation, end of the Period	6,11,254	13,413

III. Amounts Recognized in Balance Sheet

	Gratuity	Leave Encashment
	31-3-2011 Amount (Rs.)	31-3-2011 Amount (Rs.)
Present Value of obligation 31 st March	6,11,254	13,413
Present Value of Assets	-----	-----
Liability recognized in Balance Sheet	6,11,254	13,413

IV. Expenses recognized in Statement of Profit & Loss

	Gratuity	Leave Encashment
	31-3-2011 Amount (Rs.)	31-3-2011 Amount (Rs.)
Current service Cost	69,957	4,955
Interest Cost	41,908	599
Expected Return on Plan Assets	-----	-----
Net Actuarial gain	(24,465)	371
Net Periodic Cost	87,400	5,925



V. Amount recognized in Balance Sheet

	Gratuity	Leave Encashment
	31-3-2011	31-3-2011
	Amount (Rs.)	Amount (Rs.)
Opening net liability	5,23,854	7,488
Expenses as above	87,400	5,925
Contributions Paid	-----	-----
Closing net liability	6,11,254	13,413

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

	Deferred Tax Liabilities/ (Assets) as on 1.4.2010	Current Year Charge/ (Credit)	Deferred Tax Liabilities/ (Assets) as on 31.3.2011
Depreciation	(69,400)	40029	(29,371)
Provision of Gratuity	(1,61,187)	(27006)	(188,877)
Provision for Leave Salary	(2,314)	(1831)	(4,145)
Other 43B	(63,508)	(10,405)	(73,913)
Net Deferred Tax Liability/(Asset)			(2,96,306)

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

	UNITS	CURRENT YEAR		PREVIOUS YEAR	
A) SALES		Qty.	Value(Rs.)	Qty.	Value(Rs.)
Meters & Instruments	Pcs	11,780	3,18,03,153	9,509	2,53,93,096
Accessories			2,98,021		2,73,155
Total			3,21,01,174		2,56,66,251
B) OPENING STOCK					
Meters & Instruments	Pcs	4,304	68,29,246	5,166	72,82,802
Accessories			1,21,689		1,45,552
Total			69,50,935		74,28,354
C) CLOSING STOCK					
Meters & Instruments	Pcs	3,428	66,63,480	4,304	68,29,246
Accessories			1,00,493		1,21,689
Total			67,63,973		69,50,935
D) PURCHASES					
Meters & Instruments	Pcs	10,904	1,64,69,567	8,647	1,31,26,694
Accessories			1,07,830		85,664
Total			1,65,77,397		1,32,12,358

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

KUSAM ELECTRICAL INDUSTRIES LIMITED

2010-11

E.) FOB Value of Exports

Meters, Instruments &
AccessoriesCurrent Year
Rs.
2,90,188Previous Year
Rs.
6,98,673

F) CIF VALUE OF IMPORTS:

Meters, Instruments &
Accessories

12,702,254

1,03,24,487

G.) EXPENDITURE IN FOREIGN CURRENCY:

Travelling Expenses
Others4,50,425
7,3762,39,225
NIL



H) Auditor's Remuneration :

	Statutory Auditors		Branch Auditors	
	Current Year	Previous Year	Current Year	Previous Year
Audit Fees	4,000	4,000	75,000	50,000
Tax Audit Fees	3,500	3,500	30,000	25,000
Service Tax	-	-	22,490	16,302
Other Matters	-	-	1,13,280	78,800

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

(A) Associated Companies/Concerns:

Goliya Instruments Private Limited
Goliya Electricals Private Limited
Kusam - Mecro Import Export Private Limited
Mahavir Instrumentation Private Limited
Goliya Industrial Corporation

(B) Key Managerial Personnel:

Shri C.P. Goliya , Director

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

Name Of Related Party	Nature of Transaction	Associated Company/ concerns	Key Managerial Personnel	Closing Balance	
				Debit	Credit
Kusam-Mecro Import Export Pvt Ltd	Purchases	1,05,942		NIL	
		(1,68,459)		NIL	
	Sales	39,488		NIL	
		(9,174)		NIL	
Goliya Industrial Corporation	Rent, Rates and Taxes	29,514 (23,614)		NIL (NIL)	
Shri C.P. Goliya	Remuneration, Bonus & Perquisites		12,01,980 (10,44,190)		96,019 (85,149)

*As identified and certified by the Management.

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



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

9. Earnings Per Share:

	Current Year (Rs.)	Previous Year (Rs.)
Profit After Tax	2,435,907	15,96,501
Earnings for Equity Shareholders No. of shares	2,40,000	2,40,000
Basic & Diluted Earnings per share	10.15	6.65

10. Subsequent to the year ended 31st March 2011, the registered office of the company has been transferred from Kolkata to Mumbai vide order dated 27th June 2011 of the company Law Board, Kolkata Branch.
11. Previous years figures have been regrouped / rearranged and recast wherever necessary.

For Surana Singh Rath and Co.
Chartered Accountants
 Firm Reg. No.317119E

(Signature)

(S.K. Surana)
 Partner
 Membership No. 053271

(Signature)
CHANDMAL GOLIYA
 (Wholetime Director)

(Signature)
V.M. Lodha
 (Director)

(Signature)
J.L.SIPANI
 (Director)

Kolkata
 Date: 31/08/2011

