

## DIRECTORS' REPORT

To  
The Members of  
Kusum Industrial Gases Ltd

Your Directors have pleasure in presenting the 35<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the year ended 31<sup>st</sup> March, 2017.

### FINANCIAL RESULTS

(Amt. in `)

	Year ended March 31, 2017	Year ended March 31, 2016
Profit before Tax	25,438,485	132,384,275
Less: Tax Expenses:		
a) Current Tax	224,710	231,632
b) MAT Credit	(9,100)	(231,632)
c) Deferred Tax	(10,955)	(255,371)
Profit / (Loss) for the period	25,233,830	132,639,646
Balance brought forward from previous year	244,791,884	138,777,003
	<b>270,025,714</b>	<b>271,416,649</b>
<b>Appropriations:</b>		
Income tax pertaining to previous year	12,980	74,765
Transfer to Statutory Reserve	5,100,000	26,550,000
Balance Carried to Balance Sheet	264,912,734	244,791,884
	<b>270,025,714</b>	<b>271,416,649</b>

### OPERATIONAL REVIEW

Your Company has recorded a profit after tax of `252.34 Lacs as against `1326.40 Lacs recorded in the previous year.

### FUTURE OUTLOOK

Your Directors are hopeful of a better performance during the current financial year too.

### DIVIDEND

Considering the need for ploughing back the available resources into the business, your Directors do not recommend any dividend for the year ended 31<sup>st</sup> March, 2017.

### RESERVES

Your Directors have proposed to transfer `51.00 lacs to General Reserve for the year under review.

## Meetings of Directors

### Board Meeting

During the year 2016-17, the directors were met five times *inter-alia* to review the operation of the company and to discuss the financial results as well as the future business plans / strategy of the company. The board meetings were held on May 30, 2016; June 24, 2016; August 11, 2016; November 14, 2016 and February 13, 2017.

### DIRECTORS

Presently, the Board has Two Independent (Non-Executive) Directors, One Non-Independent (Non-Executive) Director.

### STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

A statement on Declaration by Independent Directors under sub-section (6) of section 149 of the Companies Act, 2013 is attached with the report as a separate annexure.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

During the year under review the company has related party transaction as disclosed in the Annual Accounts.

### DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO CLAUSE (C) OF SUB SECTION (3) OF SECTION 134 OF THE COMPANIES ACT, 2013

The Directors hereby confirm:

- (i) that in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures ;
- (ii) that the Directors had selected such accounting policies and applied them 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 and of the profit of the Company for that period ;
- (iii) that the Directors had taken proper and sufficient care 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 irregularities ;
- (iv) That the directors had prepared the annual accounts for the period ended March 31, 2017 on a going concern basis.
- (v) That proper internal financial control have been laid down and followed by the company and that such internal financial controls are adequate and are operating effectively.
- (vi) That proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### AUDITORS

As per the provisions of the Companies Act, 2013 the Auditors can hold office till the conclusion of the 37<sup>th</sup> Annual General Meeting subject to ratification at every General Meeting. The Auditors, M/s. B. Chhawchharia & Co., Chartered Accountants, hold office till the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness for re-appointment.

## **AUDITORS' REPORT**

The comments by the Auditors in their report are self explanatory and in the opinion of the Board do not require any further clarification.

## **SECRETARIAL AUDIT REPORT**

The Secretarial Auditor, K. C. Khowala, Company Secretary have carried out the Secretarial Audit for the year ended March 31, 2017 as required under the Companies Act, 2013 and the audit report is attached to this Directors Report. There is no qualification, reservation, adverse remark or disclaimer by the Secretarial Auditor in its report that requires explanation or comments by the Board.

## **DEPOSITS**

The Company has not accepted any deposits from public or others during the year under review.

## **PARTICULARS OF EMPLOYEES**

During the year under review, no employee was in receipt of remuneration of/or in excess of the prescribed under the Companies Act, 2013.

## **CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

The Company is not carrying on any manufacturing activities, hence information regarding conservation of energy and technology absorption is not furnished.

## **DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES**

The Company does not have any Subsidiary, Joint venture however there are Associate Companies as per details given in the Annual Accounts.

## **PARTICULARS OF LOANS AND GUARANTEES**

The Company has not given any loans or guarantee for loans taken by others under Section 186 of the Companies Act, 2013 and also not made any investments beyond the limits prescribed under the aforesaid section during the year.

## **FOREIGN EXCHANGE EARNINGS & OUTGO**

Foreign Exchange earnings	Nil
Foreign Exchange outgo	Nil

## **NOMINATION AND REMUNERATION POLICY**

The Nomination and Remuneration Committee of the Board comprising three directors out of which not less than one - half are independent as per the requirement of the act and has formulated the policy for appointment of Directors and Key Managerial Personnel and determination of remuneration including the criteria for determining qualification, positive attributes independence of a director and other matters as provided under sub-section (3) of section 178 of the Companies Act, 2013. In terms of the Policy, the non-executive directors and the independent directors shall not receive any remuneration, as well as they have wave their sitting fees for attending meetings of the Board and its Committees.

## AUDIT COMMITTEE

The Company has duly constituted Audit Committee in place with three directors as its members. The Audit Committee had met four times during the year under review. The details of the committee including its role and responsibilities are given in the Corporate Governance Report. The Audit Committee had met four times during the year i.e. May 30, 2016; August 11, 2016; November 14, 2016 and February 13, 2017.

## EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, (as amended) an extract of the annual return in the prescribed format is attached to this report.

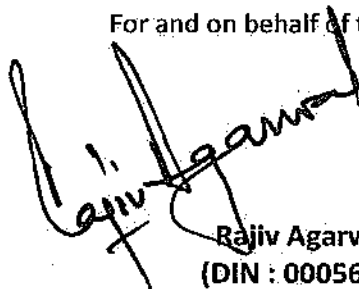
## APPRECIATION

Your Directors wish to express their gratitude to the Shareholders, Bankers, Employees and all other well-wishers for their continued support and patronage.

Place : Kolkata

Dated : the 30<sup>th</sup> day of May, 2017

For and on behalf of the Board



**Rajiv Agarwal**  
**(DIN : 00056650)**  
**Chairman**

**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31/03/2017 of **Kusum Industrial Gases Ltd.***[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]***I. REGISTRATION AND OTHER DETAILS:**

- i) CIN:- L23201WB1983PLC035668  
 ii) Registration Date: 11/01/1983  
 iii) Name of the Company Kusum Industrial Gases Ltd.  
 iv) Category/Sub-Category of the Company: - Public Limited Company  
 v) Address of the Registered office and contact detail: P-46A, Radha Bazar Lane, 4th Floor, Kolkata - 700001  
 Ph: (033) 4051 3000 ; Fax: (033) 4051 3326  
 vi) Whether listed company (Yes/No) Yes - CSE Limited  
 Niche Technologies Pvt. Ltd. D-511, Bagree  
 Name, Address and Contact details of Registrar Market, 5th Floor, 71, B.R.B. Basu Road, Kolkata-  
 and Transfer Agent 700001, Ph.-2235-7270

**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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Other Financial Activity	K8	100.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
<b>As per the Balance Sheet</b>					

**KUSUM INDUSTRIAL GASES LTD.**

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of				No. of Shares held at the end of the				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
(1) Indian									
a) Individual / HUF	52200	248800	301000	25.347	52200	248800	301000	25.347	0.000
b) Centran Government									
c) State Government									
d) Bodies Corporate	34500	346280	380780	32.065	34500	346280	380780	32.065	0.000
e) Banks / Financial Institutions									
f) Any Other									
Sub-total (A)(1)	86700	595080	681780	57.412	86700	595080	681780	57.412	0.000
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corporate									
d) Banks / Financial Institutions									
e) Any Other									
Sub-total (A)(2)	0	0	0	0.000	0	0	0	0.000	0.000
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	86700	595080	681780	57.412	86700	595080	681780	57.412	0.000
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds									
b) Banks / Financial Institutions									
c) Central Governments									
d) State Governments									
e) Venture Capital Funds									
f) Insurance Companies									
g) Foreign Institutional Investors (FI)									
h) Foreign Venture Capital Funds									
i) Others (Specify)									
Sub-total (B)(1)	0	0	0	0.000	0	0	0	0.000	0.000
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	29300	382380	411680	34.667	29300	382380	411680	34.667	0.000
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	150	93910	94060	7.921	6150	87910	94060	7.921	0.000
ii) Individual shareholders holding nominal share capital in excess of Rs 1 l									
c) Others Specify									
1. NRI									
2. Overseas Corporate Bodies									
3. Foreign Nationals									
4. Clearing Members									
5. Trusts									
6. Foreign Bodies - D.R.									
Sub-total (B)(2)	29450	476290	505740	42.588	35450	470290	505740	42.588	0.000
Total Public Shareholding (B) = (B)(1)+(B)(2)	29450	476290	505740	42.588	35450	470290	505740	42.588	0.000
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>GRAND TOTAL (A+B+C)</b>	<b>116150</b>	<b>1071370</b>	<b>1187520</b>	<b>100.000</b>	<b>122150</b>	<b>1065370</b>	<b>1187520</b>	<b>100.000</b>	<b>0.000</b>

**KUSUM INDUSTRIAL GASES LTD.**

**(ii) Shareholding of Promoters**

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	
1	ANKIT CREDITS PVT. LTD.	117380	9.884	0.000	117380	9.884	0.000	0.000
2	ANKIT GUPTA	54200	4.564	0.000	54200	4.564	0.000	0.000
3	AVANTIKA GUPTA	59000	4.968	0.000	59000	4.968	0.000	0.000
4	DAYAWATI GUPTA	10800	0.909	0.000	10800	0.909	0.000	0.000
5	ENERTECH ENGINEERS (INDIA) PVT. LTD.	57200	4.817	0.000	57200	4.817	0.000	0.000
6	P P GUPTA (KARTA OF HUF)	59000	4.968	0.000	59000	4.968	0.000	0.000
7	PADAM PRAKASH GUPTA	59000	4.968	0.000	59000	4.968	0.000	0.000
8	RAJ PRABHA GUPTA	59000	4.968	0.000	59000	4.968	0.000	0.000
9	RAJ PROJECTS PVT. LTD.	114980	9.682	0.000	114980	9.682	0.000	0.000
10	TECHNO LEASING & FINANCE CO. PVT. LTD.	91220	7.682	0.000	91220	7.682	0.000	0.000
	<b>T O T A L</b>	<b>681780</b>	<b>57.412</b>	<b>0.000</b>	<b>681780</b>	<b>57.412</b>	<b>0.000</b>	<b>0.000</b>

**KUSUM INDUSTRIAL GASES LTD.**

**(iii) Change in Promoter's Shareholding**

Sl No.	Name	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	ANKIT CREDITS PVT. LTD.				
	a) At the Beginning of the Year	117380	9.884		
	b) Changes during the year			[NO CHANGES DURING THE YEAR]	
	c) At the End of the Year			117380	9.884
2	ANKIT GUPTA				
	a) At the Beginning of the Year	54200	4.564		
	b) Changes during the year			[NO CHANGES DURING THE YEAR]	
	c) At the End of the Year			54200	4.564
3	AVANTIKA GUPTA				
	a) At the Beginning of the Year	59000	4.968		
	b) Changes during the year			[NO CHANGES DURING THE YEAR]	
	c) At the End of the Year			59000	4.968
4	DAYAWATI GUPTA				
	a) At the Beginning of the Year	10800	0.909		
	b) Changes during the year			[NO CHANGES DURING THE YEAR]	
	c) At the End of the Year			10800	0.909
5	ENERTECH ENGINEERS (INDIA) PVT. LTD.				
	a) At the Beginning of the Year	57200	4.817		
	b) Changes during the year			[NO CHANGES DURING THE YEAR]	
	c) At the End of the Year			57200	4.817
6	P P GUPTA (KARTA OF HUF)				
	a) At the Beginning of the Year	59000	4.968		
	b) Changes during the year			[NO CHANGES DURING THE YEAR]	
	c) At the End of the Year			59000	4.968
7	PADAM PRAKASH GUPTA				
	a) At the Beginning of the Year	59000	4.968		
	b) Changes during the year			[NO CHANGES DURING THE YEAR]	
	c) At the End of the Year			59000	4.968
8	RAJ PRABHA GUPTA				
	a) At the Beginning of the Year	59000	4.968		
	b) Changes during the year			[NO CHANGES DURING THE YEAR]	
	c) At the End of the Year			59000	4.968
9	RAJ PROJECTS PVT. LTD.				
	a) At the Beginning of the Year	114980	9.682		
	b) Changes during the year			[NO CHANGES DURING THE YEAR]	
	c) At the End of the Year			114980	9.682
10	TECHNO LEASING & FINANCE CO. PVT. LTD.				
	a) At the Beginning of the Year	91220	7.682		
	b) Changes during the year			[NO CHANGES DURING THE YEAR]	
	c) At the End of the Year			91220	7.682
	<b>TOTAL</b>	<b>681780</b>	<b>57.412</b>	<b>681780</b>	<b>57.412</b>



**KUSUM INDUSTRIAL GASES LTD.**

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holder of GDRs and ADRs) :**

Sl. No.	For Each of the Top 10 Shareholders	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	AARKAY INVESTMENTS PVT. LTD.				
	a) At the Beginning of the Year	42700	3.596		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			42700	3.596
2	B L SARAOGI				
	a) At the Beginning of the Year	8425	0.709		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			8425	0.709
3	BRIGHTSUN TRACON PRIVATE LIMITED.				
	a) At the Beginning of the Year	58300	4.909		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			58300	4.909
4	GREEN TEAK AGRO PROCESSORS PVT.LTD.				
	a) At the Beginning of the Year	25060	2.110		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			25060	2.110
5	J P FINANCIAL SERVICES PVT. LTD.				
	a) At the Beginning of the Year	58800	4.951		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			58800	4.951
6	NOBLE COMMUNICATIONS PVT LTD				
	a) At the Beginning of the Year	53000	4.463		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			53000	4.463
7	S N MAHAWAR				
	a) At the Beginning of the Year	9290	0.782		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			9290	0.782
8	T M COMMERCIALS PVT. LTD.				
	a) At the Beginning of the Year	59000	4.968		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			59000	4.968
9	TECHNO INTERNATIONAL LTD.				
	a) At the Beginning of the Year	52020	4.381		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			52020	4.381
10	VARANASI COMMERCIAL LTD.				
	a) At the Beginning of the Year	50000	4.210		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			50000	4.210
	<b>TOTAL</b>	<b>416595</b>	<b>35.081</b>	<b>416595</b>	<b>35.081</b>

**KUSUM INDUSTRIAL GASES LTD.****(v) Shareholding of Directors and Key Managerial Personnel**

Sl. No.	Name	Shareholding at the		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	AVANTIKA GUPTA				
	a) At the Beginning of the Year	59000	4.968		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			59000	4.968
	<b>TOTAL</b>	<b>59000</b>	<b>4.968</b>	<b>59000</b>	<b>4.968</b>

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at</b>				
i) Principal Amount		0	0	0
ii) Interest due but	0	0	0	0
iii) Interest accrued	0	0	0	0
<b>Total (i+ii+iii)</b>		0	0	0
<b>Change in</b>				
* Addition	0	0	0	0
* Reduction	0	0	0	0
<b>Net Change</b>		0	0	
<b>Indebtedness at</b>				
i) Principal Amount	0	0	0	0
ii) Interest due but	0	0	0	0
iii) Interest accrued	0	0	0	0
<b>Total (i+ii+iii)</b>	0	0	0	0

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

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		<b>Avantika Gupta (WTD)</b>			
		----	---		-
1	Gross salary				
	(a) Salary as per provisions	1595000	-	-	1595000
	(b) Value of perquisites u/s	-	-	-	-
	(c) Profits in lieu of salary under	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit	<b>NIL</b>			-
	others specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act	-	-	-	1261692

**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Directors			
1	<b>Independent Directors</b>				
	Fee for attending board				
	Commission				0
	Others, please specify				0
	Total				0
	Total (1)	<b>NIL</b>			<b>0</b>
2	<b>Other Non-Executive</b>				
	Fee for attending board				
	Commission				
	Others, please specify				
	Total				
	Total (2)				<b>0</b>
	Total (B)=(1+2)				<b>0</b>
	Total Managerial Remuneration				<b>0</b>
	Overall Ceiling as per the Act				<b>0</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
					Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	<b>NIL</b>			
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

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