

# KUWER INDUSTRIES LIMITED

18<sup>TH</sup> Annual Report

2010-11

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Jai Bhagwan Aggarwal

Mr. Tarun Aggarwal

Mr. Shailesh Gupta

Mr. Yashpal Sharma

Mr. Pankaj Gupta

Mr. Dinesh Kumar Dwivedi

Managing Director

Whole Time Director

Non Executive Director

Independent Director

Independent Director

Independent Director

### REGISTERED OFFICE

D-1004, First Floor,  
New Friends Colony,  
New Delhi 110065.  
Tel. 011 2684 8636

### CORRESPONDENCE OFFICE

A-71/72, Sector- 58, Noida,  
Uttar Pradesh 201301  
Tel :91-120-2580088, 2580937  
Fax: 91-120-2580514

### AUDITORS

PVSP & Co.  
(Formerly known as Bhatia Praveen & Co.)  
Chartered Accountants  
5 Pusa Road  
New Delhi 110005  
Tel. No.+91-11-47177000

### REGISTRAR AND SHARE TRANSFER AGENTS

M/s Skyline Financial Services Private Limited  
1st Floor, D-153A,  
Okhla Industrial Area, Phase I,  
New Delhi 110 020, INDIA

### LISTED AT

BSE Limited  
Delhi Stock Exchange Limited

### COMPLIANCE OFFICER

Mr. Tarun Aggarwal

### BANKERS OF THE COMPANY

State Bank of Bikaner & Jaipur

### EMAIL AND WEBSITE

For Investor Grievances - [investor.kuwer@gmail.com](mailto:investor.kuwer@gmail.com)  
For Compliance Officer- [info@kuwer.com](mailto:info@kuwer.com)  
Website- [www.kuwer.com](http://www.kuwer.com)

18 <sup>th</sup> Annual General Meeting	
Date	30 <sup>th</sup> September, 2011
Day	Friday
Time	11.00 A.M.
Place	D-1004, First Floor, New Friends Colony, New Delhi 110065

## NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 18<sup>th</sup> Annual General Meeting of the members of the Company will be held on Friday, the 30<sup>th</sup> September, 2011 at 11.00 A.M. at the Registered Office of the Company at D-1004, First Floor, New Friends Colony, New Delhi 110065 to transact the following business:

### ORDINARY BUSINESS:-

1. To receive, consider and adopt the accounts, balance sheet of the company and the reports of the Directors and Auditors thereon for the year ended 31<sup>st</sup> March 2011.
2. To appoint M/s PVSP & Co. (Formerly known as Bhatia Praveen & Co.), Chartered Accountant as Statutory Auditors of the Company having Registration No. 08940N to hold office from the conclusion of this Annual General Meeting until the conclusion of Next Annual General Meeting and to authorise the Board to fix their remuneration.
3. To re-appoint Mr. Pankaj Gupta as director who retires by rotation and being eligible offers himself for Re-appointment.
4. To re-appoint Mr. Dinesh Kumar Dwivedi as director who retires by rotation and being eligible offers himself for Re-appointment.

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANY OTHER PERSON AS HIS / HER PROXY TO ATTEND AND VOTE (IN CASE OF POLL) INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS APPENDED WITH ADMISSION SLIP.
2. Corporate members are requested to send the Company a duly certified copy of the Board Resolution, pursuant to section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
3. The Register of Members and share Transfer Books of the Company will remain closed from Friday, 23<sup>rd</sup> September 2011 to Friday, 30 September, 2011 (both days inclusive).
4. As a measure of economy and a step toward green initiative, Members are requested to bring their copy of Annual Report to the meeting. Members/ Proxies should bring the attendance slip duly filled in and signed for attending the meeting.
5. Members are requested to notify any change in their addresses immediately. In any event not later than 22<sup>nd</sup> September 2011 at Company's address to dispatch any requisite document.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members are requested to write their folio number in the attendance slip for attending the meeting.
8. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to and inclusive of the date of the Annual General Meeting.
9. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Registrars and Transfer Agents the details as required in Form 2B.

Details of Directors seeking Re-appointment at the Annual General Meeting  
(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. Pankaj Gupta	Mr. Dinesh Kumar Dwivedi
Date of Birth	04.11.1961	05.07.1957
Age	49 Years	54 Years
Date of Appointment	01.10.2003	15.10.2003
Qualification	Graduate	Graduate
Expertise in specific functional areas	Financial Management	Policy making and Planning
Directorship held in Other Companies as on date	Ellora Packaging Pvt. Ltd.	Nil
Committee Positions* in other Public Companies	Nil	Nil
Number of Shares held	Nil	Nil

\* Committee positions of only Audit and Shareholders'/Investors' Grievance Committee included.

For & on behalf of the Board of directors of  
KUWER INDUSTRIES LIMITED

Sd/-  
Jai Bhagwan Aggarwal  
Director

Sd/-  
Tarun Aggarwal  
Director

Date: 01.09.2011  
Place: New Delhi

## DIRECTOR'S REPORT

Dear Stakeholders,

Your Directors present herewith the 18<sup>th</sup> Annual Report of the company for the year ended 31st March, 2011.

### FINANCIAL RESULTS

(Rupees in Lacs)

Particulars	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
Sales	3563.24	3,209.91
Other Income	50.16	31.19
Total Expenditure	3720.65	3,356.69
Profit/(Loss) before Interest & Depreciation	229.49	228.83
Interest	136.07	128.35
Depreciation	82.61	79.39
Profit & Loss after Tax	5.88	10.14
Balance Profit/(Loss) Transferred to General Reserve	(2.91)	10.14

### REVIEW OF OPERATIONS

Members would be pleased to know that though your company has not achieved growth for the year under review, however Your Directors are of the opinion that the company has the immense potential and adequate resources to achieve the rapid rate of growth in the coming years. During the year, the Company has achieved the turnover of Rs. 356,323,504.00 and Net Profit after tax is Rs. 587,616.00. Your Company hopes to increase its presence in the business in whole market in the coming years, which will significantly increase the top line and also its profitability.

### DIVIDEND

In view of inadequate profits, your Directors do not recommend any dividend for the year under review.

### MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis, forming part of this report, as required under Clause 49(IV) (F) of the Listing Agreement with the stock exchanges is attached separately to this Annual Report. Annexure A

### DIRECTORS

In accordance with the requirements of the Companies Act, 1956 and the company's Articles of Association, Mr. Pankaj Gupta and Mr. Dinesh Kumar Dwivedi, directors of the Company retires by rotation and being eligible offers themselves for Re appointment.

Brief resume of Directors proposed to be re-appointed, nature of their experience in their specific functional areas, name of the companies in which they hold directorship and membership / chairmanship of the Board Committees, shareholding and relationship between Directors inter-se as stipulated under Clause 49 of the Listing agreement with the stock exchanges forms part of the Notice.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of sub section (2AA) of section 217 of the Companies Act, 1956, the Directors confirm that:

- In the preparation of annual accounts for the financial year ended March 31, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- The Directors have 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 ended March 31<sup>st</sup> 2011 and of the profit or loss of the Company for that period.

- iii. 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 other irregularities.
- iv. The Directors have prepared the annual accounts on a going concern basis.

#### CORPORATE GOVERNANCE

As per schedule of implementation of Corporate Governance Code mentioned in Clause 49 of the Listing Agreement, the Company has implemented the mandatory requirements of the code. A certificate from M/s PVSP & Co., Chartered Accountants, regarding the status of compliances of conditions under clause 49 of the Listing Agreement is annexed to this Report.

#### PARTICULARS OF EMPLOYEES

During the period under review, the company does not have any employee who is covered under Section 217(2A) of the Companies Act 1956.

#### PUBLIC DEPOSIT

During the year under review, your company has not invited any deposits from the Public U/s 58 A of the Companies Act, 1956.

#### AUDITORS

The Auditors, PVSP & Co., (Formerly Bhatia Praveen & Co.) Chartered Accountants, having registration No. 08940N, hold office until the conclusion of the forthcoming Annual General Meeting and offer themselves for re-appointment.

Auditors have confirmed that, their re-appointment, if made would be in the limits prescribed under section 224(1B) of the Companies Act, 1956 and also they are not disqualified in terms of section 226 of the Companies Act, 1956.

#### AUDITOR'S REPORT

The Auditor's Report dated 01.09.2011 on the financials statements of the company for the financial year 2010-2011 does not have any reservation, qualification or adverse remarks.

#### CLAUSE 5A OF THE LISTING AGREEMENT

In view of newly inserted clause 5A to the Listing Agreement vide circular no. CIR/CFD/DIL/10/2010 dated 16th December, 2010 issued by the Securities and Exchange Board of India (SEBI) introducing uniform procedure for dealing with the unclaimed shares, the Company will be sending reminder letters to shareholders whose share certificates are still lying with the Company as undelivered/ unclaimed.

We would also like to inform that as on date there is no unclaimed share however your Company will send reminder to Members who are yet to claim their share certificates in physical mode that they may claim their share certificates from the R&T Agent of the company viz. M/s Skyline Financial Services Private Limited. Further, in any case, if your company will not receive any response to the reminder, the shares lying with the Company as undelivered/ unexchanged shall be transferred to "Unclaimed Suspense Account" and thereafter dematerialised to a specific Demat Account to be opened by the Company for this specific purpose, as stipulated in the above circular of SEBI.

#### GREEN INITIATIVE IN THE CORPORATE GOVERNANCE

In view of the 'Green Initiative in Corporate Governance' introduced by the Ministry of Corporate Affairs vide its circular no. 17/2011 dated 21<sup>st</sup> April 2011, all members who are holding shares of the Company in physical mode, are requested to register their e-mail IDs with the Company, so as to enable the company to send all notices/ reports/documents/ intimations and other correspondences etc. through e-mails, in the electronic mode instead of receiving physical copies of the same.

#### PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO.

Information pursuant to section 217(1)(e) of the Companies Act, 1956 read with the Companies (disclosure of particulars in the Report of Board of directors) Rules 1988 are given in the enclosed ANNEXURE –B

#### INDUSTRIAL RELATIONS

The Industrial relations continue to be very cordial. Your Directors wish to place on record their deep appreciation for depreciation and work put in the employees at their levels.

ACKNOWLEDGMENT

Your Directors wish to place on record, their deep gratitude to our Bankers, BSE Limited and other Government Authorities for their continued support and patronage.

Your Directors wish to express their deep gratitude to all stakeholders for their continued support and patronage.

For & on behalf of the Board of directors of  
KUWER INDUSTRIES LIMITED

Sd/-  
Jai Bhagwan Aggarwal  
Director

Sd/-  
Tarun Aggarwal  
Director

Date: 01.09.2011  
Place: New Delhi



## ANNEXURE 'A' TO THE DIRECTORS REPORT

### MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The Board present before you the company's 18<sup>th</sup> Annual Report for the year 2010-11 along with the Compliance Report on Corporate Governance. The Chapter on Management Discussion and Analysis forms a part of the Compliance Report on Corporate Governance.

The management discussion and analysis presents the industry Overview, opportunities and Threats, Initiatives by the Company and overall strategy of Kuwer Industries Limited becoming a manufacturer of various Transformers.

#### 1. Industry Structure and Development

The hologram industry is a growing one. The Indian hologram industry started in 1992. Worldwide hologram products began to enter the marketplace in the mid-1980s. Since then holographic industry has experienced an impressive growth. There are many companies who have experienced growth rates more than 30% a year, in the last few years. According to an estimate, there are about 300 companies worldwide making up this sector of holograph. The market comprises large international, national, and regional companies and even individuals.

#### 2. Opportunities and Threats

##### Opportunities

- (i) With industries and government waking up to piracy and counterfeits, the business of holograms has a promising future.
- (ii) The Indian hologram market is growing at 20 percent per annum as People are looking for a hologram on documents, bank notes, and products

##### Threats

Threats to be faced by our company are same as of the threats which any other company of this industry will face. Variation in standards across the industry imposes systematic risks, which can be a potential threat.

#### 3. Initiatives taken by the Company

The company is giving its best efforts for flourish its business and works. It has a strong perception that the business will grow in upcoming years.

#### 4. Financial Performance

During the year the company has earned Profit of Rs. 1,080,710.00 before tax and Net Profit after tax is Rs. 587,616.00 Company is continuously looking to generate some positive vibes by exploring new projects, contracts from different sectors of industries and committed to generating profits into the company.

#### 5. Segment Wise/Product Wise Reporting

The company is primarily engaged in the business of wide range of holographic products that are very functional for brand promotion and security authentication. Our products are available in different specifications of raw materials and manufacturing technologies.

Moreover, Company imparts a number of security features to the holograms during the designing process for making it- Highly Secure Holographic products.

Our range of products includes:

- Holograms
- Holographic Films
- Lacquered / Coated Films
- Tamper Evident Films
- Windows / Dematallized Films
- Holographic Sequin Films

#### 6. Outlook

Company's performance during the year was just satisfactory but we are of firm view that we will be able to grow more Business in future.

7. Risks and concerns

With the new entrants in Industry, new and developed techniques of manufacturing and other forward steps, other players are taping the Industry segment very steeply.

8. Internal Control Systems and their adequacy

The company has a proper and adequate system of internal controls commensurate with its size to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly. Proper controls and checks are exercised by the company by following the procedures prescribed in the various manuals. The Audit Committee of the Board reviews Internal Control Systems of the company on periodical basis

9. Human Resources

The Company has adequate human resources which is commensurate with the current volume of activity and is reviewed by the management periodically and the company would induct competent personnel on increase/ expansion of the activity.

10. Cautionary Statement

The Management Discussion and Analysis statement of the Annual Report has been included in adherence of the spirit enunciated in the code of Corporate Governance approved by the Securities and Exchange Board of India. Statement in the Management Discussion and Analysis describing the Company's objectives, projects, estimates, expectations may be 'forward – looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference of the Company's operation include economic conditions affecting demand.