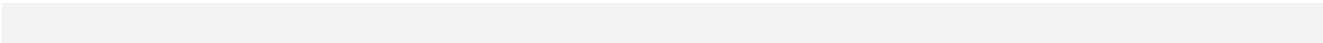


KUWER INDUSTRIES LIMITED

19TH Annual Report

2011-12



CONTENTS

- 1) Corporate Information.
- 2) Notice of the Annual General Meeting
- 3) Director's Report.
- 4) Management Discussion and Analysis Report.
- 5) Corporate Governance Report
- 6) CEO/CFO Certification
- 7) Auditor's Report on Financial Statement
- 8) Financials
- 9) Notes to the Accounts
- 10) Balance Sheet Abstract And Company's General Business Profile.
- 11) Attendance Sheet & Proxy Form.

19 th Annual General Meeting	
Date	29 th September, 2012
Day	Saturday
Time	10.00 A.M.
Place	339, Kishan Garh, Vasant Kunj, New Delhi 110070

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
Tel No. +91-11-26842682

ADVISORS

RSJ CapitalVentures Private Limited,
2/11 B, Basement, Jangpura Block – A,
New Delhi 110014
Tel. No.+91-11-24377292

LISTED AT

BSE Limited
Delhi Stock Exchange Limited

BANKERS OF THE COMPANY

State Bank of Bikaner & Jaipur
HDFC Bank

Mr. Tarun Aggarwal

EMAIL AND WEBSITE

For Company & Investor grievances -investor.kuwer@gmail.com
For Compliance Officer- info@kuwer.com, tarun@kuwer.com
Website- www.kuwer.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 19th Annual General Meeting of the members of the Company will be held on Saturday, the 29th September, 2012 at 10.00 A.M. at the 339, Kishan Garh, Vasant Kunj, New Delhi 110070 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 31st March, 2012.
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. Yashpal Sharma as director who retires by rotation and being eligible offers himself for Re-appointment.
4. To re-appoint Mr. Tarun Aggarwal 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 Tuesday, 25th September, 2012 to Saturday, 29th September, 2012 (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. 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. All documents referred to in the accompanying Notice 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.
7. 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. Members holding Shares in Electronic form should send the above information to the respective Depository Participants only.
8. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their Bank details, nominations, power of attorney, change of address/name etc. to their depository participants only and not to the company or its Registrar and Transfer Agent and Company. The said changes will automatically be reflected in Company's records.

9. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio No. in the attendance slip for attending the meeting.
10. The Company is desirous of sending various documents in electronic form to the email addresses provided by the members and made available by the depositories. All the members of the company are requested to register their email addresses and changes therein, from time to time, with the concerned depositories.

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

Name of Director	Mr. Yashpal Sharma	Mr. Tarun Aggarwal
Date of Birth	01.01.1966	20.09.1974
Age	46 Years	37 Years
Date of Appointment	01.10.2003	16.07.2001
Qualification	M. Sc.	B.A. (Hons)
Expertise in specific functional areas	Financial Management	He has rich experience in Holographic Industry
Directorship held in Other Companies as on date	Nil	V C T Lease Invest P. Limited, Ellora Mechanical Products P. Ltd, JTV Labels P. Limited, Ellora Entertainment P. Limited, VTJ Entertainment P. Limited, Ellora Packaging P. Limited
Committee Positions* in other Public Companies	Nil	Nil
Number of Shares held	Nil	571690

* 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: 25.08.2012
Place: New Delhi

DIRECTOR'S REPORT

Dear Stakeholders,

Your Directors present herewith the 19th Annual Report of the company for the year ended 31st March, 2012.

FINANCIAL RESULTS

(Rupees in Lacs)

Particulars	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
Sales	2035.33	3563.24
Other Income	80.36	50.16
Total Expenditure	1912.92	3720.65
Profit/(Loss) before Interest & Depreciation	221.84	229.49
Finance Cost	122.52	136.07
Depreciation	85.31	82.61
Net Profit & (Loss)	4.82	(2.91)
Paid Up Share Capital	509.50	509.50

REVIEW OF OPERATIONS

Your Company performed satisfactorily during the year, despite challenging economic conditions, 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. 203,532,861 and Net Profit is Rs. 4,82,041. 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

The Board of Directors of your company is of the opinion that during the year Company has not generated much profit and keeping in view the future fund requirements of the company, your directors do not recommended any dividend for the financial year ended March 31, 2012. The Board assures you to present a much strong financial statements in coming years.

FUTURE OUTLOOK

Your company is focusing on delivering quality products and further strengthening its Infrastructure to get the growth of the Company. Your company is going on board a new voyage.

DEPOSITORY SYSTEM

Your Company's equity shares are available for dematerialisation through National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2012, 37.43% of the equity shares of your Company were held in demat form. The Company was admitted its securities with only National Services Depository Limited (NSDL), Now Your Company has admitted its securities also with Central Depository Services (India) Limited (CDSL) to enable our shareowners to hold their shares in dematerialised form at both depositories. International Security Identification Number of your Company is INE430F01010

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

DIRECTORATE

In accordance with the requirements of the Companies Act, 1956 and the company's Articles of Association, Mr. Yashpal Sharma and Mr. Tarun Aggarwal, directors of the Company retire by rotation and being eligible offer 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:

- i. In the preparation of annual accounts for the financial year ended March 31, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. 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 31st 2012 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

Committed to good corporate governance practices, your company fully conforms to the standards set out by the Securities and Exchange Board of India and other regulatory authorities and has implemented and complied with all of its major stipulations. The requisite Certificate issued by M/s PVSP & Co., Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to this report.

LISTING

The securities of the Company are listed at BSE Limited and Delhi Stock Exchange Limited but the trading of the securities of the Company was suspended from BSE Limited. As the Company has complied with all the compliances required to revoke the suspension of the trading of the Company, the suspension has been successfully revoked and trading of Shares have been commenced at BSE trading platform w.e.f 13th July 2012.

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(IB) 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 14.08.2012 on the financials statements of the company for the financial year 2011-2012 does not have any reservation, qualification or adverse remarks. However Auditors have emphasis on few matters which are as follows:

- i. Note No. 18 (iii) regarding non provision towards diminution in the value of investments or its realizable/recoverable value.
- ii. Note No. 18 (iv) regarding confirmation of loans given to companies which are awaited and have placed reliance on balance shown in the books of Company.
- iii. Note No. 18 (x) regarding verification of related parties disclosures as required under accounting Standard 18 has been based on the information made available from the Company.

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. We would also like to inform you that as on date there is no unclaimed share with the Company.

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 21st 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: 25.08.2012
Place: New Delhi

ANNEXURE 'A' TO THE DIRECTORS REPORT

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The Board presents before you the Company's 19th Annual Report for the year 2011-12 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.

1. INDUSTRY STRUCTURE AND DEVELOPMENT

The hologram market in India is projected to grow for coming years as there is a huge demand of holographic features in sectors such as Identity Documents, Tobacco and Brand Protection. This holography industry comprises the key market sectors of brand protection, packaging, security print, retail and promotion and illustration, as well as equipment sales and installations related to these.

The Hologram Industry is a visual medium providing a high potential image in 3D making it instantly recognizable to the naked eye and uniquely resistant to counterfeiting. Hologram (invented in 1948) is a visual medium providing a high potential image in three dimensions (3D) making it instantly recognizable to the naked eye and uniquely resistant to counterfeiting. Holograms, with their high-quality, high-definition optical image, are very effective in combating fraud.

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. Holograms can help in prevention of the same and assure secure and genuine products to the consumers. Majorly hologram market is contributed by liquor excise, followed by Pharmaceuticals, FMCG and Auto components. This presents an excellent business opportunity for hologram manufacturers.

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. FINANCIAL PERFORMANCE

During the year the company has earned Profit of Rs. 1,401,485 before tax and Net Profit after tax is Rs. 4,82,041. 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.

4. 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

5. OUTLOOK

The 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.

6. RISKS AND CONCERNS

The Company is concern for security of its customers and evolving a Risk Management Programme covering in its scope an Adequate Risk Identification process and Risk Mitigation methodology. We are also taking the steps to reduce Raw Material Wastage, Increase Yields, and generally improving production efficiency is being taken regularly.

7. 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

8. 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.

9. 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.