

Fourth

*Annual Report*

1996-97

✓	NA	✓	NA	✓	NA	✓	NA			
MD	CS	RO	TRA	AGM	YE	BKC	DPY	DBV	AC	SH



*Kuwer Industries Limited*

**Board of Directors**  
Sh. R. K. Aggarwal, Managing Director  
Sh. J. B. Aggarwal  
Sh. Chirag Aggarwal  
Sh. Vikas Aggarwal

**Bankers**  
Oriental Bank of Commerce,  
Delhi.  
State Bank of Saurashtra,  
Delhi.

**Auditors**  
Messers Vinod Ralhan & Co.  
Chartered Accountants  
New Delhi

**Registered Office & Works**  
A-18, Block-B-1  
Mohan Co-op Ind. Estate,  
Mathura Road, Badarpur,  
New Delhi - 110 044

**Share Transfer Agents**  
Fintech Compu Systems Ltd.  
WZ-1390/4, Nangal Raya,  
Pankha Road, Near Janakpuri,  
D-Block, New Delhi - 110 046

SENI  
31/5/95

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**NOTICE**

NOTICE is hereby given that the fourth Annual General Meeting of the Members of Kuwer Industries Limited will be held on Thursday the 18th December, 1997 at A-18, Block-B-1, Mohan Co-operative Industrial Estate, Mathura Road, Badarpur, New Delhi-110044 at 9.00 A.M. to transact the following business :-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 1997 and the Report of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Vikas Aggarwal who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

Registered Office :  
A-18, Block B-1,  
Mohan Co-operative  
Industrial Estate  
Mathura Road, Badarpur,  
New Delhi - 110 044

By the order of the Board  
For Kuwer Industries Limited

(R. K. AGGARWAL)  
MANAGING DIRECTOR

Dated : 11.11.1997

**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself. A proxy need not be a member of the Company.
2. Proxies must be lodged at the Registered Office of the Company not less than 48 hours before the time of holding the meeting. Proxy form is enclosed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 16th December, 1997 to 18th December 1997.
4. Change in Member's address, if any, may please be intimated to the Company.
5. Members are requested to bring copies of Annual Report at the meeting.
6. For the convenience of Members and proper conduct of the meeting, members are requested to produce at the entrance the attached attendance slip duly completed and signed for admission to the meeting hall.
7. Members desiring any information as regards accounts and operations are requested to write to the Company at its Registered Office one week before the date of the meeting so that the information is made available at the meeting.
8. Members are requested to quote the folio number in all correspondence.

DIRECTOR'S REPORT

To The Members

Your Directors have pleasure in presenting the fourth Annual Report and Audited Accounts for the year endd 31st March, 1997.

*Financial Data & Operations :*

	(Rs. in Lacs)	
	Year Ended 1996-97	Year Ended 1995-96
Sales and other Income	1503.96	1570.19
Profit before Interest, Income Tax and Depreciation	97.48	149.81
Depreciation	33.70	30.43
Interest	35.48	34.16
Income Tax	05.86	--
Net Profit After Interest, Income Tax and Depreciation	22.44	85.22

Barring unforeseen circumstances, good profits are expected in current year.

**Deposits**

The Company has not invited or accepted deposits from the public. There were no overdue deposits payable.

**Directors**

Out of the present Directors Mr. Vikas Aggarwal retire by rotation and, being eligible, offer himself for reappointment.

**Auditors :**

The Auditors, M/s. Vinod Ralhan & Co., Chartered Accountants New Delhi retire at the conclusion of the ensuing Annual General Meeting. They have furnished a certificate u/s 224 (1) of the Companies Act, 1956 that their appointment shall be within the provisions specified in Sec. 224 (1-B) of the Companies Act, 1956 and are eligible for reappointment.

**Statutory Information :**

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 as per Form A and B are not applicable and are therefore not given. There is no employee drawing remuneration in excess of the limits specified in Section 217(2A) of the Companies Act, 1956.

**Dividend**

Your Directors have decided not to declare Dividend for the year.

**Industrial Relations**

The industrial relations continue to be very cordial. Your directors wish to place on record their deep appreciation for the dedication and hard work put in by the employees at all levels.

**Conservation of Energy**

The Company has added equipments for lesser consumption of energy. The Company will always strive to install energy saving equipments and better maintenance in future also. Since the consumption of energy is a very negligible part of the total cost of the production, it is difficult to indentify the impact of energy saving.

**Technology Absorption**

The company always tries for development of better materials at optimum cost. The company has not made use of an imported technology on its products. It has always placed emphasis on development of indigenous technology.

**Foreign Exchange Earning and Outgo**

Foreign Exchange Earning : Nil, Foreign Exchange Outgo Rs. 1537661

**Acknowledgements**

Your Directors wish to place on record their sincere thanks for the excellent co-operation and assistance given by IDBI and our Bankers Oriental Bank of Commerce and State Bank of Swarashtra and other Govt. Agencies. Last but not the least, your director wish to place on record the appreciation for the dedicated services rendered by all the officers and staff.

**Registered Office :**

A-18, Block B-1,  
Mohan Co-operative  
Industrial Estate  
Mathura Road, Badarpur  
New Delhi - 110 044

By the order of the Board  
For Kuwer Industries Limited

(R. K. AGGARWAL)  
MANAGING DIRECTOR

Dated : 11.11.1997

**AUDITOR'S REPORT**

To The Members of KUWER INDUSTRIES LIMITED.

We have audited the attached Balance Sheet of KUWER INDUSTRIES LIMITED as at 31st March, 1997 and also Profit and Loss Account of the Company for the year ended on that date.

We report as follows :

1. As required by the manufacturing and other companies (Auditor's Report) Order, 1988 issued by the Company law Board in terms of Section 227 (4A) of the Companies Act, 1956 we annex hereto a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph (1) above :
  - (i) We have obtained all the informations and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appear from our examinations of such books.
  - (iii) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with books of account.
  - (iv) In our opinion and to the best of our information and according to the explanations given to us, the Accounts read with Accounting policies and notes thereon, 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, 1997, and
    - (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.

for VINOD RALHAN & CO.  
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI  
DATED : 11th Nov., 1997

(VINOD RALHAN)  
PROPRIETOR

**ANNEXURE TO THE REPORT OF KUWER INDUSTRIES LIMITED  
FOR THE YEAR ENDED 31ST MARCH, 1997.**

(Referred to in paragraph (1) of our report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies have been noticed between the book record and the physical verification.
2. None of the fixed assets have been revalued during the year.
3. The Stock of finished goods, stores, spare parts and the raw materials have been physically verified at reasonable intervals during the year by the management which have been substantially confirmed by them.
4. In our opinion and according to the information and explanations given to us, the procedure of physical verification of stock followed by the management were found reasonable and adequate in relations to the size of the company, and nature of its business.
5. The discrepancies noticed on physical verification of stocks as compared to the books of records were not significant and were properly dealt within the books of accounts.

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**KUWER INDUSTRIES LIMITED**

6. In our opinion, the valuation of stocks is fair and proper, in accordance with the normally accepted accounting principles and there is no change in the basis of valuation of stocks as in the previous year.
7. The Company has not taken any loans from Companies, firms or other parties required to be listed in the register maintained under section 301 of the Companies Act, 1956 or from the companies under the same management as defined under section 370 (1B) of the Companies Act, 1956.
8. The Company has not granted any loans to Companies, firms or other parties required to be listed in the register maintained under Section 301 of the Companies Act, 1956 or to the Companies under the same management, defined under Section 370 (1B) of the Companies Act, 1956.
9. Interest free loans have been made to employees which are generally repaid as stipulated.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to the purchases of stores, raw material including components, plant and machinery, equipment, other assets and for the sale of goods.
11. According to the information and explanations given to us, the transactions of purchases of capital assets and sale of finished goods, made in pursuance of contracts or arrangement required to be entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year Rs. 50,000/- or more in respect of each party have been made at the prices which are reasonable having regard to the prevailing market prices or prices at which transaction for similarly capital assets and finished goods have been with other parties.
12. As explained to us, there were no unserviceable or damaged stores, raw materials or finished goods at the year end.
13. The Company has not accepted deposits from public under Section 58-A of the Companies Act, 1956.
14. As explained to us, the Company has no by-product.
15. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
16. As far as we are aware, the Central Government has not prescribed the maintainance of cost records by the company under section 209 (1) (d) of the Companies Act, 1956.
17. As per the explanation and record of the company, the provisions of the Provident Fund Act are not applicable. The company generally deposit its Employees State Insurance dues in time with the appropriate authority.
18. According to information and explanations given to us, there was no undisputed amount payable in respect of Income Tax, Wealth Tax, Customs Duty and Excise Duty which was outstanding as at the last day of the year and for the period of more than six month from the date they become payable.
19. According to the information and explanations given to us and as per records of the company examined by us, no personal expenses have been charged to revenue account.
20. The Company is not a Sick Industrial Company within the meaning of Section 3 (1) (0) of the Sick Industrial Companies (Special Provisions) Act, 1985.

for VINOD RALHAN & CO.  
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI  
DATED : 11th NOV.,1997

(VINOD RALHAN)  
PROPRIETOR

**KUWER INDUSTRIES LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 1997**

(AMOUNT IN RS.)

	SCH.NO.	AS AT 31.03.1997	AS AT 31.03.1996
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDERS FUND</b>			
Share Capital	1	50950000.00	50950000.00
Reserves & Surplus	2	10780505.99	8536994.00
	Total (A)	61730505.99	59486994.00
<b>LOAN FUNDS</b>			
Secured Loan	3	34038383.00	36239506.00
	Total (B)	34038383.00	36239506.00
	Total (A+B)	95768888.99	95726500.00
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
(a) Gross Block	4	67180398.06	59512018.00
(b) Less: Depreciation		6441833.06	3072281.00
(c) Net Block		60738565.00	56439737.00
(d) Capital Work in Progress		0.00	1235932.00
		60738565.00	57675669.00
<b>INVESTMENTS</b>	5	5585000.00	585000.00
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	6		
(a) Inventories		4975825.73	10287271.00
(b) Sundry Debtors		16917620.02	16430276.00
(c) Cash & Bank Balance		10345686.73	11680611.00
(d) Loan & Advances		7870214.77	4804721.00
	Total (C)	4109347.25	43202879.00
<b>Less: CURRENT LIABILITIES &amp; PROVISIONS</b>	7		
(a) Current Liabilities		10324837.26	5559108.00
(b) Provision		586093.00	456352.00
	Total (D)	10910930.26	6015460.00
Net Current Assets (C-D)		29198416.99	37187419.00
<b>MISCELLANEOUS EXPENDITURE</b> (To the extent not written off)	7A	246907.00	278412.00
		95768888.99	95726500.00



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**KUWER INDUSTRIES LIMITED**

(AMOUNT IN RS.)

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	SCH.NO.	AS AT 31.03.1997	AS AT 31.03.1996
Significant Accounting Policies	16		
Notes forming part of the Accounts	17		

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Notes:- The Schedule referred to above form an integral part of the Balance Sheet.

FOR AND ON BEHALF OF THE BOARD

*As per our report of even date Attached.*

Sd/-  
R. K. AGGARWAL  
MANAGING DIRECTOR

Sd/-  
J. B. AGGARWAL  
DIRECTOR

for VINOD RALHAN & CO.,  
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI  
DATED : 11TH NOV.,1997

Sd/-  
(VINOD RALHAN)  
PROPRIETOR

**KUWER INDUSTRIES LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1997**

(AMOUNT IN RS.)

		FOR THE YEAR 31.03.1997	FOR THE YEAR 31.03.1996
<b>INCOME</b>			
Turnover		145107119.96	154228906.00
Other Income	8	5289393.45	2789985.00
Increase (Decrease) In Stock	9	(1545352.97)	3523429.00
	Total (A)	148851160.44	160542320.00
<b>EXPENDITURE</b>			
Raw Material Consumed	10	93796122.33	102318934.00
Manufacturing Expenses	11	40233065.39	38915187.00
Benefits to Employees	12	1811659.09	1502140.00
Selling Expenses	13	70177.00	33140.00
Administration Expenses	14	2905872.99	2792110.00
Financial Expenses	15	3747820.74	3416022.00
Depreciation	4	3369552.06	3043268.00
	Total (B)	145934269.50	152020801.00
Net Profit (A-B)		2916890.84	8521519.00
Prior Period Expenses		87285.85	0.00
Depreciation written Back		0.00	19.00
Tax Provisions		586093.00	0.00
Profit after tax		2243511.99	8521538.00
<b>APPROPRIATION</b>			
Balance Transferred to Profit & Loss A/c.		2243511.99	8521538.00

Notes :- The Schedule referred to above form an integral part of the Profit & Loss A/c.

FOR AND ON BEHALF OF THE BOARD

*As per our report of even date Attached.*

Sd/-  
R. K. AGGARWAL  
MANAGING DIRECTOR

Sd/-  
J. B. AGGARWAL  
DIRECTOR

for VINOD RALHAN & CO.  
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI  
DATED : 11TH NOV., 1997

Sd/-  
(VINOD RALHAN)  
PROPRIETOR

**KUWER INDUSTRIES LIMITED**

(AMOUNT IN RS.)

AS AT  
31.03.1997AS AT  
31.03.1996**SCHEDULE -1****SHARE CAPITAL**

AUTHORISED 6000000 Equity Shares of Rs. 10/- each	60000000.00	60000000.00
ISSUED		
5095000 Equity Shares of Rs. 10/- each	50950000.00	50950000.00
SUBSCRIBED AND PAID UP 5095000 Equity Shares of Rs.10/- each fully paid in cash	50950000.00	50950000.00
	50950000.00	50950000.00

**SCHEDULE -2****RESERVES & SURPLUS**

Opening Balance	8536994.00	15456
Add:- Transfer from profit & loss A/c. during the year	2243511.99	10780505.99
		8521538
		8536994.00
		10780505.99
		8536994.00

**SCHEDULE -3****SECURED LOAN**

1. IDBI (FOREIGN CURRENCY LOAN)	31038383.00	31239506.00
2. IDBI (RUPEE TERM LOAN)	3000000.00	5000000.00
TOTAL	34038383.00	36239506.00

**NOTES :-**

- The Secured Loans from IDBI are secured by the mortgage and first charge on all the movable and fixed assets, present and future of the company in such form as may be required by IDBI ( Subject to the prior Charge on all the specified movable Assets created / to be created in favour of the Bankers by way of security for borrowings for working Capital)
- The secured loans from IDBI are additionally secured by way of unconditional and irrevocable personal guarantees of the directors.

FIXED ASSETS

SCHEDULE-4

	GROSS BLOCK		DEPRECIATION						NET BLOCK	
	Value As On 1.4.96	Addition	Sale / Adjustment	Value As On 31.3.97	Dep. Up To 31.3.96	During the Year	Adjustment	Up To 31.3.97	As On 31.3.97	As On 31.3.96
Land	1210654.00	—	—	1210654.00	—	—	—	—	1210654.00	1210654.00
Building	3951202.00	1494710.70	—	5445912.70	133416.00	131970.70	—	265386.70	5180526.00	3817786.00
Plant & Mach.	53657218.00	4338480.36	—	57995698.36	2895831.00	3074051.36	—	5968882.36	52025816.00	50761387.00
Furniture & Fixture	130458.00	20374.00	—	150832.00	6957.00	9192.00	—	16149.00	134683.00	123501.00
Office Equipments	520432.00	138725.00	—	659157.00	34622.00	65132.00	—	99754.00	559403.00	485810.00
Vehicle	42054.00	1676090.00	—	1718144.00	1455.00	89206.00	—	90661.00	1627483.00	40599.00
Total	59512018.00	7668380.06	—	67180398.06	3072281.00	3369552.06	—	6441833.06	60738565.00	56439737.00
Previous Year Figure	57981200.00	1575565.00	44747.00	59512018.00	29033.00	3043268.00	19.00	3072281.00	56439737.00	

NOTE:-  
Additions include Rs. 4259860.95 on Account of Foreign Exchange Difference.

**KUWER INDUSTRIES LIMITED**

(AMOUNT IN RS.)

	AS AT 31.03.1997	AS AT 31.03.1996
<b>SCHEDULE -5</b>		
<b>INVESTMENT</b> (Quated)		
In 4500 Equity Shares of Industrial Development Bank of India (Market Value Rs.(379125)	585000.00	585000.00
In 5000 Flexi Bonds of Industrial Development Bank of India of Rs. 1000 each	5000000.00	0.00
	<u>5585000.00</u>	<u>585000.00</u>

**SCHEDULE -6****Current Assets, Loan & Advances****a. Inventories**

(As taken, valued and certified by the management)

**Raw Material**

- Goods in Transit	0.00	1558870.00
- Raw Material	2769467.70	4957536.00
- Stores & Spares & Packing Material	81908.00	101062.00
- Finished Goods	2046648.78	3633690.00
- Scrap	77801.25	36113.00
	<u>4975825.73</u>	<u>10287271.00</u>

**b. Sundry Debtors**

(Unsecured considered good)

- Debts outstanding for more than six months	4431156.91	1772643.00
- Other Debts	12486463.11	14657633.00
	<u>16917620.02</u>	<u>16430276.00</u>

**c. Cash & Bank Balance**

- Cash in Hand	1319580.81	379958.00
- Cash with Income Tax Deptt.	445000.00	445000.00

**Balance with Schedule Bank**

- In Share Application Money refund Account	52600.00	57600.00
- In Current Account	109625.92	10424053.00

**KUWER INDUSTRIES LIMITED**

(AMOUNT IN RS.)

	AS AT 31.03.1997	AS AT 31.03.1996
- In Fixed Deposits (including interest accrued with Income Tax Deptt. Rs. 418880)	8418880.00	374000.00
	10345686.73	11680611.00
<b>(d) Loans &amp; Advances</b>		
- Advances recoverable in cash or in kind or for value to be received	5647219.01	2029704.00
- Security Deposits	1210200.00	627200.00
- Balance with Excise Deptt.	668423.76	2073814.00
- Tax Deducted at Source	344372.00	74003.00
	7870214.77	4804721.00

**SCHEDULE -7**

**Current Liabilities & Provisions**

**a. CURRENT LIABILITIES**

Sundry Creditors Trade	3092305.80	2779638.00
Others	182222.79	1617548.00
Advances from Customers	1097764.17	699832.00
Other Liabilities	5952544.50	462090.00
	10324837.26	5559108.00

**b. PROVISIONS**

Interest accrued but not due on Term Loan	0.00	456352.00
Provision for Tax	586093.00	0.00
	586093.00	456352.00

**SCHEDULE -7A**

**MISCELLANEOUS EXPENDITURE**  
(To the extent not written off or adjusted)

a. - Miscellaneous Expenditure	41088.00	46224.00
- Less Written off during the year	5136.00	5136.00
(A)	35952.00	41088.00
b. - Public Issue Expenses	237324.00	263693.00
- Less W/o during the year	26369.00	26369.00

**KUWER INDUSTRIES LIMITED**

(AMOUNT IN RS.)

	AS AT 31.03.1997	AS AT 31.03.1996
(B)	210955.00	237324.00
(A+B)	246907.00	278412.00

**SCHEDULE -8****OTHER INCOME**

- Job Work Charges	3100949.06	2578325.00
- Interest Income	1490167.00	160821.00
- Credit Balance written off(Net)	318042.39	50839.00
- Dividend Received	6235.00	0.00
- Misc. Income	374000.00	0.00
	5289393.45	2789985.00

**SCHEDULE -9****INCREASE (DECREASE) IN STOCK**

Opening Stock		
- Finished Goods	3633690.00	123760.00
- Scrap	36113.00	22614.00
	3669803.00	146374.00
Closing Stock		
- Finished Goods	2046648.78	3633690.00
- Scrap	77801.25	36113.00
	2124450.03	3669803.00
(Decrease)/Increase in Stock	(1545352.97)	3523429.00

**SCHEDULE -10****RAW MATERIAL CONSUMED**

- Opening Stock	4957536.00	634888.00
Add: - Purchase	91608054.03	106641582.00
Less: - Closing Stock	2769467.70	4957536.00
	93796122.33	102318934.00

**KUWER INDUSTRIES LIMITED**

(AMOUNT IN RS.)

	AS AT 31.03.1997	AS AT 31.03.1996
<b>SCHEDULE- 11</b>		
<b>MANUFACTURING EXPENSES</b>		
- Consumable Stores & Packing Material	4357821.71	2397714.00
- Power & Fuel Expenses	3214149.41	3446856.00
- Repair & Maintenance (Mech.)	1169739.13	403598.00
- Excise duty Consumed	29404063.99	31614787.00
- Testing Fees/ Material	14754.00	3305.00
- Freight & Cartage Inward	13257.00	24277.00
- D.G. Set Expenses	2059280.15	1024650.00
	<u>40233065.39</u>	<u>38915187.00</u>

**SCHEDULE -12**

**BENEFITS TO EMPLOYEES**

Salary & Wages	1348135.15	949402.00
Staff Welfare	107942.38	85786.00
Employer Contribution (E.S.I)	33230.85	15179.00
Leave Encashment	9429.00	13725.00
Bonus	85597.00	25669.00
Production Bonus	65347.75	157037.00
Staff Recruitment & Training	20210.00	3300.00
House Rent Allowance	65362.00	30000.00
Stipend	61771.90	215542.00
Medical Expenses	14633.06	6500.00
	<u>1811659.09</u>	<u>1502140.00</u>

**SCHEDULE -13**

**SELLING EXPENSES**

- Freight & Cartage	66198.00	16590.00
- Advertisement	3979.00	16550.00
	<u>70177.00</u>	<u>33140.00</u>



	AS AT 31.03.1997	AS AT 31.03.1996
<b>SCHEDULE -14</b>		
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Printing & Stationery	180459.53	100671.00
Postage & Stamps	12823.25	33269.00
Legal & Professional Charges	63620.00	63494.00
Insurance Expenses	174510.00	307471.00
Telephone Expenses	418228.48	368232.00
Auditors Remuneration		
- Audit Fee	45000.00	50000.00
Vehicle Running & Maintenance	306420.00	226962.00
Preliminary Expenses written off	5136.00	5136.00
Public Issue Expenses W/o	26369.00	26369.00
Charity & Donation	1000.00	6302.00
Balance Written off (Net)	0.00	180.00
Office Rent	300000.00	300000.00
Repairs to Buildings & Others	154726.70	142814.00
Book & Periodicals	6810.60	4372.00
Miscellaneous Expenses	43256.40	21630.00
Filing Fee	240.00	2990.00
Rates & Taxes	0.00	27000.00
Membership Fees	15266.00	29259.00
Business Promotion	164528.21	37861.00
Directors Remuneration	510000.00	480000.00
Electricity & Water Expenses	89578.69	57517.00
Diwali Expenses	34125.10	69637.00
Listing Fee	24250.00	24250.00
Registration Fees	6325.00	4275.00
Secretarial Expenses	12000.00	10675.00
Watch & Ward Expenses	101873.00	85403.00
A.G.M. & Board Meeting Expenses	43200.00	38977.00
Diffrence in Trail Balance	0.00	3538.00
Conveyance	54992.25	39142.00
Travelling Expenses (Director)	31143.98	57831.00
Travelling Expenses (Staff)	66128.80	66493.00
Foreign Travelling Exps. (Directors)	0.00	100360.00
Lease Rent (Land)	13862.00	0.00
	2905872.99	2792110.00

	AS AT 31.03.1997	AS AT 31.03.1996
<b>SCHEDULE -15</b>		
<b>FINANCIAL EXPENSES</b>		
Interest Paid		
- on foreign currency term loan	2807310.00	2160229.00
- on rupee term loan	741717.00	855926.00
- Bank and Others	0.00	92878.00
- Bank Charges	38793.74	66989.00
- Lease Rent -(Car)	160000.00	240000.00
	3747820.74	3416022.00

**SCHEDULE -16**

**a) Significant Accounting Policies :**

The accounts of the company are prepared under the historical cost convention and in accordance with applicable Accounting standard and relevant disclosure requirements of the Companies Act, 1956, as adopted consistently by the Company.

**b) Foreign Currency transactions.**

- (i) Transactions in foreign Currency are recorded at the rates prevailing at the time of the transactions.
- (ii) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit or loss account except in cases where they relate to the acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

**c) Inventory Valuation**

Stock of raw materials are stated at cost or realisable value whichever ever is lower. Finished goods and scrap are valued at realisable value.

**d) Fixed Assets and Depreciations**

- (i) Fixed Assets are stated at cost, net of Modvat. Less accumulated depreciation. All costs, including financing costs till commencement of commercial Production. Net charges on foreign exchange contracts and adjustments arising from exchange rate variations relating to borrowings attributable to the fixed assets are capitalised.
- (ii) Depreciation has been calculated on straight line method at the rates given in Schedule XIV of the Companies Act 1956, except on additions arising on account of translation of foreign currency liabilities for acquisition of Fixed Assets, on which depreciation has been provided as aforesaid over the residual life of respective Plant & Machinery.

**e) Insurance/Claims**

The company covers all the normal risks on the basis of cost for the fixed assets and inventories. The premium pertaining to the year is charged against the revenue of the year. The Insurance claims lodged by the company will be adjusted as and when the final amount will be received by the company from the insurance companies.

**f) Investments**

Investments are stated at cost.

- g) **Sales**  
Sales are stated net of returns and sale tax but inclusive of excise duty.
- h) **Revenue Recognition**  
Dividend income is accounted on cash basis.

**SCHEDULE -17**

**NOTES FORMING PART OF THE ACCOUNTS :**

1. CONTINGENT LIABILITIES	As at 31.3.97	As at 31.3.96
a) Claims against the company not acknowledged as debt		
(i) For Income Tax (Refer to Note -4)	Rs.8290308	Nil
(ii) For Excise Duty (Refer to Note -5)	Rs. 987933	Nil
(iii) Others	Rs. 325000	Nil
Total:	9603241	Nil

2. In the opinion of the Board and to the best of their Knowledge, the current assets, loans and advances shown in the Balance Sheet have a value on realisation in the ordinary course of business at least equal to the amount stated therein. The provision for all known liabilities have been made and are adequate.
3. The previous period figures have been regrouped or rearranged wherever considered necessary.
4. Pursuant to search operation on 20th March, 1996, the Block Assessment of the company was completed U/s 158 BC of the Income Tax Act, 1961 by the Income Tax Department on 30th June, 1997 and the Block Period Income was assessed of Rs 1,23,88,939/- on which demand of Rs. 85,48,368/- was raised. An Appeal against the above order has been filed by the company to Appellate Tribunal on 23rd July, 1997, which is pending till the date of signing of audit report, praying that the income of Rs. 1,20,14,939/- shall be deleted.  
Balance amount of Income of Rs. 3,74,000/- has been booked in Income during the year 1996-97 and the tax liability on the same has been provided in the books during the same year.
5. Excise duty demand of Rs. 987933/- was raised by the Excise Department vide their orders dated 27-8-1997. As per the explanation given by the management, the same demands are under dispute therefore an appeal against the same will be filed by the company.
6. The company lodged insurance claim of US\$ 1,48,892 for damaged of machinery with ASSITALIA, ITALY. The company had already given the discharge receipt duly signed on 26.10.1995, but till date amount has not been received by the company. The same will be adjusted in the books as per company accounting policy no.(e) in Schedule no.16.
7. Additional information pursuant to the provisions of Paragraph 3, 4C and 4D of Part - II of Schedule VI of the Companies Act, 1956.
- A. Information in respect of capacity and class goods
- i. Class of goods : Metallized Polyester & BOPP Films
- \*ii. Installed Capacity : 2400 MT on 3 Shift basis
- \* Certified by the Management but not certified by the Auditors being a technical matter.

**KUWER INDUSTRIES LIMITED****B) Information in respect of production, sales & stock.**

	Production / Qty (KG)	Sales/ Qty (KG)	Opening Qty (KG)	Stock Value Rs.	Closing Qty (KG)	Stock Value Rs.
Metalized Plastic	1035573.105	1036236.86	20387.45	3633690	19723.695	2046648.78
Film	(705679.40)	(685910.75)	(618.8)	(123760)	(20387.45)	(3633690)
Scrap	27008.375	22839.55	3611.30	36113	7780.125	77801.25
	(18206.357)	(15801.75)	(1206.70)	(22614)	(3611.30)	(36113)

JOB WORK : Quantity : 134911.500 Kgs.

**C) Information in respect of raw material consumed**

	FOR THE YEAR ENDED 31.03.97		FOR THE YEAR ENDED 31.3.96	
	QTY (Kg.)	VALUE Rs.	QTY (Kg)	VALUE Rs.
Plastic Films & Aluminum Wire	10,85,509.99	9,37,96,122.33	7,23,885.757	10,23,18,934

**D) Information in respect of consumption of imported and indigenous material and percentage thereof.**

	For the Year Ended		For the Previous Year Ended	
	Value	%	Value	%
Imported	Nil	—	Nil	—
Indigenous	93796122.33	100%	102318934	100%
	93796122.33	100%	102318934	100%

**E. Other Particulars**

DESCRIPTION	FOR THE PERIOD ENDED 31.03.97	FOR THE YEAR ENDED 31.03.96
CIF Value of imports		
Capital Goods	—	—
Other Goods	1537661	1910915
Travelling Exp.	—	100360
Remittance to NRIn		
Account Dividend :	—	—

Note | Signatories are Schedule 1 to 17.

FOR AND ON BEHALF OF THE BOARD

Sd/-  
R. K. AGGARWAL  
MANAGING DIRECTOR

Sd/-  
J. B. AGGARWAL  
DIRECTOR

As per our report of even date Attached.

for VINOD RALHAN & CO.,  
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI  
DATED : 11TH NOV., 1997

Sd/-  
(VINOD RALHAN)  
PROPRIETOR

**F. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE PART IV**

**I. REGISTRATION DETAILS**

Registration No.	56627	State Code	55
Balance Sheet		Date	31 03 1997
Date		Month	Year

**II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RUPEES)**

Public Issue	Right Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RUPEES)**

Total Liabilities	Total Assets
95768888.99	95768888.99
Source of Funds	Reserves & Surplus
Paid up Capital	10780505.99
50950000	Unsecured Loans
Secured Loans	NIL
34038383	

**APPLICATION OF FUNDS**

Net Fixed Assets	Investments
60738565	5585000
Net Current Assets	Miscellaneous Expenditure
29198416.99	246907
Accumulated Losses	
NIL	

**IV. PERFORMANCE OF COMPANY (AMOUNT IN RUPEES)**

Turn Over	Total Expenditure
150396513.41	147566908.42
Profit Before Tax	Profit After Tax
2829604.99	2243511.99
Earning Per Share	Dividend rate %
Rs.0.44	Nil

**V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)**

Item Code No.	—
Product Description	Manufacturing of Metallized Polyester and BOPP films.

Note : Signatories are Schedule 1 to 17

FOR AND ON BEHALF OF THE BOARD

*As per our report of even date Attached.*

Sd/-  
R. K. AGGARWAL  
MANAGING DIRECTOR

Sd/-  
J. B. AGGARWAL  
DIRECTOR

for VINOD RALHAN & CO.,  
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI  
DATED : 11TH NOV., 1997

Sd/-  
(VINOD RALHAN)  
PROPRIETOR

**KUWER INDUSTRIES LIMITED**(Year 1997)  
(Amount in Rupees)

<b>L. Cash Flow From Operating Activities</b>	
Net Profit before tax and extraordinary item	2829604.99
Adjustments for	
Depreciation	3369552.06
Interest Paid	3549027.00
Interest Received	(1490167.00)
Dividend	(6235.00)
Operating Profit Before Working Capital Changes	8251782.05
Adjustments for	
Trade and other Receivables	(3552837.79)
Inventories	5311445.27
Trade Payable	4309377.26
Cash generated from operations	14319766.79
Interest Paid	(3549027.00)
Cash Flow Before Extraordinary Items	10770739.79
Extraordinary items/Misc. Expenditure	31505.00
Net Cash From Operating Activities	10802244.79
<b>B. Cash From Investing Activities</b>	
Purchase of Fixed Assets	(6432448.06)
Purchase of Investments	(5000000.00)
Sale of Investments	0.00
Interest Received	1490167.00
Dividend Received	6235.00
Net Cash Used in Investing Activities	(9936046.06)
<b>C. Cash Flow From Financing Activities</b>	
Proceeds from issue of Share Capital	0.00
Proceeds from long Term borrowings	(2201123.00)
Proceeds from Short Term Borrowings	0.00
Dividends Paid	0.00
Net Cash Used in Financing Activities	(2201123.00)
Net increase in cash and cash equivalents	(1334924.27)
Cash and cash equivalents as at 31.03.1996	11680611.00
Cash and cash equivalents as at 31.03.1997	10345686.73

FOR AND ON BEHALF OF THE BOARD

MANAGING DIRECTOR

**AUDITORS' CERTIFICATE**

We have verified the above Cash Flow statement of Kuwer Industries Limited derived from the audited financial statement for the year ended 31st March, 1997 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreements with the Stock Exchanges.

for VINOD RALHAN & CO.  
CHARTERED ACCOUNTANTSPLACE : NEW DELHI  
DATED : 11th Nov., 1997(VINOD RALHAN)  
PROPRIETOR

**KUWER INDUSTRIES LIMITED**

*Registered Office :*

A-18, Block B-1, Mohan Co-op. Ind. Estate, Mathura Road, Badarpur, New Delhi - 110 044

**ATTENDANCE SLIP**

(This Attendance Slip Duly Filled Into be Handed over at the Enterece of the Meeting Hall)

L.F. No.(s) No. of Shares Held

Name of the attending Member .....  
(in Block Letters)

Name of Proxy(s) (in Block Letters) .....  
(to be filled in if the Proxy attends instead of the member)

I hereby record my presence at the 4th Annual General Meeting of the Company to be held on Thursday 18th December, 1997 at 9.00 a.m. at A-18, Block B-1, Mohan Co-op Ind. Estate, Mathura Road, Badarpur, New Delhi - 110 044.

.....  
Member's/Proxy's Signature  
(To be signed at the time  
of handling over this slip)

**KUWER INDUSTRIES LIMITED**

*Registered Office :*

A-18, Block B-1, Mohan Co-op. Ind. Estate, Mathura Road, Badarpur, New Delhi - 110 044

**PROXY FORM**

L. F. No.(s) No. of Shares Held

I/We.....

of .....

being member(s) of KUWER INDUSTRIES LIMITED, hereby appoint.....

in the district of .....

as my/our Proxy to attend and vote for me/us, on my/our behalf at the 4th Annual General Meeting of the Company to be held on Thursday the 18th December, 1997 at 9.00 a.m. and at any adjournment thereof.

ASWITNESS my/our hand(s) this ..... day of ..... 1997.

affix  
Revenue  
Stamp  
Signature

- Note : i) The Proxy must be sent so as to reach the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
- ii) The proxy need not be a member of the Company.

**BOOK-POST**  
Printed Matter

*If undelivered please return to :*

**FINTECH COMPU SYSTEMS LTD.**

**(UNIT : KUWER INDUSTRIES LIMITED)**

WZ-1390/4, Nangal Raya, Pankha Road,  
Near Janakpuri, D-Block, New Delhi - 110 046