

17TH
ANNUAL REPORT
2012-2013

KEW INDUSTRIES LIMITED

KEW INDUSTRIES LIMITED

Board of Directors	Sh. Mukesh Juneja (Managing Director) Group Cap. M K Labroo Sh. Sushil Kumar Sharma Sh. Harbhajan Singh Sh. Varun Bahri w.e.f. 08.02.2013
Company Secretary and Compliance Officer	Mrs. Megha Gandhi Company Secretary KEW Industries Limited B-3, Focal Point Jalandhar-144001
Registered Office Works	B-3, Industrial Focal Point, Jalandhar- 144001 B-3, Industrial Focal Point, Jalandhar. Ladowali Road, Jalandhar.
Bankers	State Bank of India, Civil Lines, Jalandhar. Allahabad Bank, Civil Lines, Jalandhar.
Auditors	M/s Brij Aggarwal & Associates Chartered Accountants Jalandhar City- 144001
Company's Registrar and Share Transfer Agent	M/s Karvy Computershare Private Limited Karvy House, 46, Avenue-4, Street No.-1, Banjara Hills, Hyderabad-500034

KEW INDUSTRIES LIMITED

DIRECTORS' REPORT TO SHAREHOLDERS

Your Directors have pleasure in presenting the Seventeenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL & OPERATIONAL REVIEW

The year under review passed through the recessionary period and the overall industry could not perform well. Your Company also could not deliver the expected performance in the year under report due to recession prevailed in the economy especially in the auto segment. The OEM's have not off taken their material as per their delivery schedule. The Sales of the company have declined from Rs. 5082.44 Lacs to Rs. 3586.87 Lacs as compared to the previous year which has further affected the profitability as well as financial parameters. Further pleased to mention that the company has been able to procure good orders from Ministry of Defence for the current financial year and your directors are quite confident to give you better performance in the current financial year.

Your directors are concentrating on the other sectors also to explore the business opportunities.

Particulars	(In Rs. Lacs)	
	Year Ended 31.03.2013	Year Ended 31.03.2012
Total Income	3586.87	5082.44
Profit before Depreciation & Interest	738.69	806.33
Depreciation	357.57	346.53
Interest	363.96	423.24
Profit before tax	17.16	36.56
Profit after tax	13.81	25.32

DIVIDEND

As is evident from the financial results, the company needs to conserve its resources for future working. Hence, your directors do not recommend any dividend on equity shares for

the year ended 31st March, 2013.

DIRECTORS

Group Captain M.K.Labroo (Retd.), Director of the Company retires by rotation at the ensuing Annual General Meeting. Meanwhile, he does not offer himself for re-appointment.

The Company has received confirmation from all the Directors that none of the directors is disqualified for being appointed as director, pursuant to the provisions of section 274(1) (g) of the companies Act 1956.

Further, there has been a change in the Board of Directors during the year under review. There is an appointment of additional director named Sh. Varun Bahri on 8th February, 2013 and he holds office as such upto the date of Annual General Meeting. The approval of Members is required for his appointment as a Director of the Company.

Therefore, the Board recommends the appointment of Sh. Varun Bahri as Director of the Company and places this resolution before the members for their approval.

PUBLIC DEPOSITS

The Company has not accepted any deposits during the year under review.

AUDITORS

The auditors of the Company, M/s Brij Aggarwal & Associates, Chartered Accountants, Jalandhar, retire at the conclusion of this Annual General Meeting and are eligible for reappointment. They have furnished a certificate to the effect that the re-appointment if made shall be in accordance with Section 224(1B) of the Companies Act, 1956.

The Audit Committee has recommended their re-appointment.

AUDITOR'S REPORT

As regards Auditor's observation, the relevant notes on the accounts are self-explanatory and therefore do not call for any further comments.

KEW INDUSTRIES LIMITED

LISTING OF SHARES

The Company's shares are presently listed on the Bombay Stock Exchange Limited, Mumbai (BSE).

CORPORATE GOVERNANCE

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, a Corporate Governance Report is made part of this Annual Report. In compliance with Section 292A of the Companies Act, 1956 and with the Listing Agreement, an Audit Committee consisting of three independent directors has been constituted. The Company has also a Shareholder's Grievance Committee consisting of three independent directors.

A Certificate from Statutory Auditors of the Company regarding compliance of the conditions stipulated for Corporate Governance under Clause 49 of the Listing Agreement is attached to this report.

DIRECTORS RESPONSIBILITY STATEMENT

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

- i. That in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii. That the Board of 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 as at 31st March, 2013 and other Statements of Accounts of the Company for the year ended 31st March, 2013.
- iii. That the Board of Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 in safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors have prepared the annual accounts on going concern basis.

Regarding Auditor's qualification in respect of default in repayment of dues to Punjab Financial Corporation, correspondence are being exchanged with the PFC to settle the dues under OTS. We inform that PFC has charged higher rate of interest during the past years. Now as per the OTS policy of the Corporation, the Company expects to get waiver/benefit of higher interest already paid. The Company is following up with PFC in this regard.

CONSERVATION OF ENERGY, TECHNO-LOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Information as per Section 217(1) (e), read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 have been given, as it is applicable to the Company. The foreign exchange earnings and outgo during the year under review is NIL.

PARTICULARS OF EMPLOYEES U/S 217(2A) OF THE COMPANIES ACT, 1956

There was no employee who falls under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) (Amendment) Rules, 2002.

PERSONNEL

The Management-Employees relations remained very cordial throughout the year. Your Directors wish to place on record their appreciation of sincere and devoted services rendered by all the workers and staff at all levels.

ACKNOWLEDGEMENTS

Your Directors acknowledge with gratitude, the continuing co-operation and assistance rendered by Financial Institutions, Banks, Government Agencies, Suppliers and other organization in the working of the Company.

BY ORDER OF THE BOARD

DATED: 27.05.2013
PLACE: JALANDHAR

(MUKESH JUNEJA)
**(Chairman-Cum-
Managing Director)**

MANAGEMENT DISCUSSION & ANALYSIS REPORT

AUTOMOTIVE INDUSTRY STRUCTURE

The automotive industry covers a wide range of companies and organizations involved in the design, development, manufacture, marketing, and selling of motor vehicles, towed vehicles, motorcycles and mopeds. It is one of the world's most important economic sectors by revenue.

The aerospace and defence industry is of tragic importance to any nation. In India, a large number of SME's serve as suppliers to defence PSU's and have a role to play in the Indian Defence Market but their contribution has somewhere gone unnoticed. Hence, in order to achieve self reliance in defence production and subsequently emerge as a significant defence player, India needs to improve the competitiveness of its SMEs and enhance their role in the Indian Defence Industry.

ECONOMIC ENVIRONMENT

According to the data released by Society of Indian Automobile Manufacturers (SIAM), passenger car sales in the last fiscal stood at 18,95,471 units, compared to 20,31,306 units in the previous fiscal. This is the first annual decline since 2002-03, when car sales had dropped 2.09 per cent.

Car sales in India fell for the first time in a decade - down 6.69 per cent in 2012-13, as the automobile industry struggled to cope with demand slump due to a sluggish economy.

The overall economic growth has not been so encouraging in the last fiscal. Higher cost of ownership impacted car sales. Also negative sentiments,

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particularly among lower-end customers, have resulted in fall of sales.

INDIA OUTLOOK FY 2013-14

It's been a dismal year for India's automobile industry, but their woes are likely to continue well into next year. Low demand coupled with a capacity overhang (particularly in passenger vehicles) and intensifying competition is likely to reduce industry operating margins.

It is likely that a 10-11% year-on-year volume growth in commercial vehicles (CVs) in 2013 would be driven by sales of light commercial vehicles (LCVs) which are likely to post volume growth of 13-15% year-on-year.

As LCV sales depend on intra-city movement of mostly consumer non-discretionary items and rural taxis, they would be impacted only to a limited extent due to economic downturn.

However, the segmental volume growth in 2013 is likely to be significantly lower than the growth of around 19% observed in 2012 due to expected higher diesel prices and negative economic sentiments persisting in the year.

Medium and heavy CV (MHCV) sales which have a strong correlation with industrial activity, corporate capex and the government spending in infrastructure projects are likely to exhibit a negative growth of 6-9% in the absence of fiscal and monetary policy action by the government.

Alternatively, increased government spending on infrastructure and other supportive fiscal measures may lead to year-on-year MHCV volume growth of 3-4% in 2013 as per India Ratings' base case.

OPPORTUNITIES

To remain competitive, the automakers will need to design vehicles that will cater to consumers in both mature and emerging markets while manufacturing them at low-cost using the most advanced technology. Further, the automakers are concentrating on offering more optional features (which will save money on gas), even on the small and less gas-guzzler vehicles in order to attract buyers. The sale of optional features is helping them offset lower profit margins for small cars relative to large trucks.

The role of governments is highly significant. Their energy and environmental policies will be strongly responsible in molding the auto industry in the coming years.

The accomplishments and the contribution of the private sector to India's growth and development is being increasingly recognized by the Ministry of Defence. The recent amendment to the defence procurement procedures by incorporating a new

category "Buy and Make (India)" is an ample example to this effect. Now, its time for the private sector to stand up to this challenge by leveraging its expertise, knowledge and networks from other industry sectors such as the automotive and the information technology sectors. SMEs would form a critical component of this exercise of building up a robust supply chain for the aerospace and defence industry.

WEAKNESSES

Although automakers continue to focus on shifting their production facilities to new regions driven by cost and demand factors, developing the supplier networks remains one of their greatest challenges. Existing suppliers to automakers often lack the financial strength to expand capacity in new markets. On the other hand, auto parts suppliers are sensitive to technology transfers to local third parties, which can give rise to low-cost competitors.

High dependence on automakers makes the auto market suppliers vulnerable to several maladies, primarily pricing pressure and production cuts. Pricing pressure from automakers constricts parts suppliers' margins. On the other hand, production cuts by automakers driven by frequent market adjustments negatively affect their operations.

RISK AND CONCERN

The Company is exposed to external and internal risks associated with the business. The operations of the Company are dependent on the Automobile manufacturer's (OEMs) growth and business plans. General economic conditions impact the automotive industry, and in turn, the operations as well. To counter these risks, your company continues to broaden the product portfolio, increase customer base and geographic reach. The Company is exposed to strong competitive pressures from both domestic and overseas. Your company's established reputation, close customer relationships, ability to provide higher level of engineering, design support and relentless drive for improvement gives it a competitive edge.

The Company is also exposed to financial risk from changes in interest rates, foreign exchange rates and commodity prices. In order to address these risks the company has been implementing adequate risk management approach.

CAUTIONARY STATEMENT

The above mentioned statements are only "forward looking statements" based on certain assumptions/expectations. The Company's actual performance could differ materially from those expressed/projected depending upon changes in various factors. The Company does not assume any responsibility to any change(s) in "forward looking statements", on the basis of subsequent development, information or events etc.

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CORPORATE GOVERNANCE REPORT

The Company's Philosophy on Corporate Governance

The company continues to be driven by the intent of transparency, disclosures, controls and accountability as Corporate Governance practices to enhance Shareholders' Value.

Board of Directors

The Board provides strategic direction to the company. It is the apex body constituted for overseeing overall functioning of the company. The Board provides and evaluates the strategic direction of the company, management policies and their effectiveness and ensures that the long term interests of the shareholders are being served.

The company's Board of Directors presently consists of five (5) directors, out of which one is Managing Director and four are Non Executive Independent Directors. The Composition of the Board is as follows:

Sh. Mukesh Juneja	Managing Director
Group Cap M.K. Labroo	
Sh. Sushil Kumar Sharma	
Sh. Amit Khanna	
Sh. Harbhajan Singh	
Sh. Varun Bahri	

The Board of Directors meet as and when required to address the specific needs of the company. The meetings of the Board of Directors are generally held at Jalandhar. Following information is regularly placed before the Board as per the requirement of Clause-49 of the listing agreement:

- Quarterly and annually results for the company.
- Minutes of meetings of audit committee and other committees of the board.
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Any other information affecting the business of the company etc.

Further to expedite the resolution of routine matters and to assist the board of Directors, the following committees with specific terms of reference/scope have been constituted:

1. Audit Committee
2. Remuneration Committee
3. Shareholders' Grievance Committee

The committees also conform to the requirements of the Companies Act, 1956, listing agreement. Committee meetings are usually held before Board Meetings or whenever the need arises to discuss any matter.

During the year under review four meetings of the Board of Directors were held on 12.05.2012, 11.08.2012, 10.11.2012 and 08.02.2013. Details of attendance of the directors at Board Meetings, last Annual General Meeting and number of their directorships during the year ended 31st March, 2013 are as follows:

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Name of Director	Attendance		Particulars of other directorships
	Board Meetings	Last AGM (Yes/No)	
Sh. Mukesh Juneja	4	Yes	NIL
Group Cap M.K. Labroo	NIL	No	1 (Private Company)
Sh. Harbhajan Singh	2	No	NIL
Sh. Sushil Kumar Sharma	4	No	NIL
Sh. Amit Khanna	3	Yes	NIL

Audit Committee

The Audit Committee consists exclusively of independent directors. Total strength of the Committee is 3 members. Chairman of the Committee is Sh. Varun Bahri. The scope of the Committee includes roles and powers enumerated in Clause 49(II) of the Listing Agreement. The Composition of the Committee during the year ended 31st March, 2013 is as follows:

Independent Non Executive Directors: Sh. Varun Bahri
Sh. Sushil Kumar Sharma
Sh. Harbhajan Singh

The main objective of the committee is to monitor and provide effective supervision of the management's financial reporting process to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting. The committee oversees the work carried out in the financial reporting process by the management. Measures are taken by the committee to ensure the objectivity and independence of the independent auditor.

During the year under review, four Audit Committee meetings were held on 12.05.2012, 11.08.2012, 10.11.2012 and 08.02.2013. The Details of attendance of members at Audit Committee meetings are as follow:

Member	Sh. Amit Khanna	Sh. Sushil Kumar Sharma	Sh. Amarjeet Singh Gogna	Sh. Harbhajan Singh
Attendance	3	4	NIL	2

Remuneration Committee

The Remuneration Committee consists exclusively of independent directors. Total strength of the committee is 3 members. Sh. Sushil Kumar Sharma is Chairman of the Committee. Composition of the Committee during the year ended 31st March, 2013 is as follow:

Independent Directors: Sh. Sushil Kumar Sharma
Sh. Harbhajan Singh
Sh. Varun Bahri

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The committee meets to make recommendation to the Board on remuneration of Executive Directors and other senior executives as designated by the Board. All the executive directors are appointed for a fixed term. Executive director is paid monthly remuneration as per terms of his appointment. No sitting fee has been paid to directors for attending Board Meetings. .

No Remuneration committee meeting was held during the year ended 31st March, 2013.

Details of Remuneration paid to executive director:

Sh. Mukesh Juneja	Rs. 843500/-
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Shareholders' Grievance Committee

The company has a Shareholders Grievance Committee to oversee Investors grievances and redressal mechanism and recommends measures to improve the level of Investors' services and to look into and decide matters pertaining to shares, transfers, duplicate share certificates, receipt /non receipt of Annual Reports and related matters. The committee comprises 3 members all being independent directors. The composition of the committee during the year ended 31st March, 2013 is as follows:

Non Executive Independent Directors: Sh. Harbhajan Singh
Sh. Sushil Kumar Sharma
Sh. Varun Bahri

No Shareholders' Grievance Committee meeting was held during the year ended 31st March, 2013.

Certifications

Members of the Board and Senior Management Personnel have affirmed compliance with the code of conduct for business ethics and code of conduct for insider trading.

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49(1D) OF THE LISTING AGREEMENT

I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Directors and Senior Management, as approved by the Board for the Financial Year Ended 31st March, 2013.

PLACE: JALANDHAR
DATED: 27TH MAY, 2013

MUKESH JUNEJA
(MANAGING DIRECTOR)

Pursuant to Clause 49V of the Listing Agreement, Sh. Mukesh Juneja, Managing Director of the company has certified to the Board regarding Financial Statements for the year ended 31st March, 2013.

MANAGING DIRECTOR'S CERTIFICATION UNDER CLAUSE 49(V)
OF THE LISTING AGREEMENT

To,
The Board of Directors,
Kew Industries Limited,
B-3, Focal Point, Jalandhar

I hereby confirm

1. That I have reviewed the financial statements and the cash flow statements for the year and to the best of my knowledge and belief:
 - a) These statements do not contain any materially untrue statement and figures and do not omit any material fact which may make the statements or figures contained therein misleading.
 - b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, laws and regulations.
2. That to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. There are proper and effective internal control systems pertaining to financial reporting.
4. That all the significant changes in internal controls and accounting policies (if any) during the year were discussed with the auditors and the audit committee.

PLACE: JALANDHAR
DATED: 27TH MAY, 2013

MUKESH JUNEJA
(MANAGING DIRECTOR)

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Annual General Meetings

The last three Annual General Meetings of the company were held at the Registered office of the company at B-3, Focal Point, Jalandhar. Following are the details of date, time and special resolutions passed at the AGM's:

Year	2010	2011	2012
Date	29.09.2010	24.09.2011	15.09.2012
Time	10.00 A.M.	12.00 Noon	10.00 AM
Special Resolution	1. Re-appointment of Sh. Mukesh Juneja as Managing Director of the Company. 2. Increasing Authorized Capital of the Company. 3 Resolution under Section 81 (1A) of the Companies Act, 1956.	NIL	Appointment of Mr. Harbhajan Singh as Director.
Resolution proposed or passed by Postal Ballot	NIL	NIL	NIL

Disclosures

No related party transactions were entered into by the company during the year.

During the last three years, there have been no strictures or penalties imposed by either SEBI or Stock Exchange or any other statutory authority for non compliance on any matter related to the capital markets. The company did not enter into such transactions with the promoters or management of the company which may have conflict of interest with the company.

The company is complying with mandatory requirements of Clause 49 of the Listing Agreement. Towards the non mandatory requirements of Clause 49, the company has established a Remuneration Committee, details of which are set above.

Means of Communication

Financial results and other statutory notices are published in newspapers.

A separate section on Management Discussion and Analysis for the year ended 31st March, 2013 also forms part of this report.

Share Transfer System

All work related to Share Registry is processed and returned to the shareholders within the stipulated time. M/s Karvy Computershare Private Limited is the Share Registrar and Transfer Agent of the company.

General Shareholder information

Date, Time and Venue of the Seventeenth Annual General Meeting

Saturday, 3rd August, 2013 at 10.00 A.M. at the Registered Office of the company at B-3, Focal Point, Jalandhar-Punjab.

Financial Calendar (tentative and subject to change)

Financial Year – 1st April, 2013 to 31st March, 2014

- Un-audited results for quarter ending June, 2013 : upto 14th August, 2013
- Un-audited results for quarter ending September, 2013 : Upto 14th November, 2013
- Un-audited results for quarter ending December, 2013 : Upto 14th February, 2014
- Un-audited results for Quarter ending 31st March, 2014: Upto 15th May, 2014.

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Book Closure

Friday, 2nd August, 2013 to 3rd August, 2013 (both days inclusive).

Listing on Stock Exchanges

Bombay Stock Exchange Limited.

Dematerialization of Shares

15011072 (99.85%) shares of the company were in dematerialized form as on 31st March, 2013.

Distribution Schedule as on 31st March, 2013.

No of Share held	No. of Share Holders	%age of Shareholders	Aggregate No. of shares held	%age of Share holding
1-5000	5884	69.77	1272033	8.46
5001-10000	1273	15.09	1072672	7.14
10001-20000	620	7.35	947133	6.30
20001-30000	194	2.30	507282	3.37
30001-40000	85	1.01	309933	2.06
40001-50000	85	1.01	408219	2.72
50001-100000	160	1.90	1208226	8.04
100001 & above	133	1.58	9308133	61.92
Total	8434	100.00	15033631	100

The shareholding pattern as on 31st March, 2013 is given hereunder:

Category	As on 31 st March 2013		As on 31 st March 2012	
	No. of Shares	%	No. of Shares	%
Public	92,91,254	61.80	96,79,124	64.38
Promoters & Group of Companies	40,89,757	27.20	37,63,031	25.03
Foreign Institutional Investors	NIL	NIL	NIL	NIL
Body Corporate	12,72,176	8.46	11,78,213	7.84
Non Resident Indians	3,80,444	2.54	4,13,263	2.75
Total	15033631	100	15033631	100

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ISIN No. (Equity Shares): INE700H01012

Stock Code : 532758

Market Price Data :

Month	High Price	Low Price	No. of Shares
April 2012	4.48	3.07	56,702
May 2012	3.85	3.18	1,32,132
June 2012	3.75	2.66	97,597
July 2012	4.33	2.83	1,13,926
August 2012	3.60	2.91	1,01,884
September 2012	3.28	2.86	52,918
October 2012	3.30	2.82	75,663
November 2012	3.18	2.61	75,960
December 2012	3.15	2.67	90,926
January 2013	3.85	2.75	96,955
February 2013	3.23	2.40	2,25,992
March 2013	2.81	1.80	68,342

Registrar and Transfer Agent

M/s Karvy Computershare Pvt. Ltd.

Karvy House, 46, Avenue-4, Street No. 1,
Banjara Hills, Hyderabad - 500034

Plant Location

Unit-1 : Ladowali Road, Jalandhar

Unit-2 : B-3, Focal Point, Jalandhar

Address for Correspondence

KEW Industries Limited

Regd. Office: B-3, Focal Point, Jalandhar City-144001

Phone : 0181-2455171, 2456082, 2225715

Fax : 0181-2225715

E-mail : info@kewltd.com

FOR AND ON BEHALF OF THE BOARD

PLACE: JALANDHAR

DATED: 27TH MAY, 2013

**MUKESH JUNEJA
(MANAGING DIRECTOR)**

KEW INDUSTRIES LIMITED

Auditor's Certificate on Compliance of Provisions of Corporate Governance under Clause 49 of the Listing Agreement

TO
THE MEMBERS
KEW INDUSTRIES LIMITED

CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of the requirements of Corporate Governance by Kew Industries Ltd. for the year ended on 31st March 2013, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The compliance of the requirements is the responsibility of the management. Our examination has been limited to the procedures and implementation thereof, adopted by the company, for ensuring such compliance. This examination is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the requirements of Corporate Governance as stipulated in the above mentioned Listing Agreement.

The above compliance, however, is not an assurance of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **Brij Aggarwal & Associates**
Chartered Accountants

Place : Jalandhar
Dated : 27th May, 2013

(BRIJ AGGARWAL)
Partner, M.No. 16974

AUDITOR'S REPORT TO THE MEMBERS OF THE COMPANY

We have audited the accompanying financial statements of KEW Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in

conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

.For Brij Aggarwal & Associates.

Chartered Accountants

FRN: 009435N

BRIJ AGGARWAL

(Partner)

M. No. : 016974

Date: 27/05/2013

Place: Jalandhar

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The Annexure referred to in paragraph 1 of the Our Report of even date.

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, no substantial portion of fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the company has not entered into any contracts or arrangements referred to in section 301 of the Act. Thus sub clause (b) is not applicable on the company.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, cost records has been maintained by the company as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. In respect of statutory dues:
 - (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax to the extent applicable and any other statutory dues have not been regularly deposited with the appropriate authorities. According to the information and explanations given to us there are outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable, detail of which is given in notes to accounts.
 - (b) According to the information and explanations given to us, there is no amount payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has defaulted in repayment of dues to Punjab Financial Corporation.
12. According to the information and explanations given to us, the Company has not granted loans and

KEW INDUSTRIES LIMITED

- advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
 14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments.
 15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
 16. Based on our audit procedures and on the information given by the management, we report that the company has raised new term loan during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
 17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that funds raised on short-term basis have been used for long-term investment by the Company.
 18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
 19. The Company has not issued any debentures during the period under audit.
 20. The Company has not raised any money by public issue during the year.
 21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For Brij Aggarwal & Associates.

Chartered Accountants

FRN: 009435N

Brij Aggarwal

(Partner)

M. No. : 016974

Date: 27/05/2013

Place: Jalandhar

KEW INDUSTRIES LIMITED

Balance Sheet as at March 31, 2013

PARTICULARS	NOTE NO.	AS AT March 31, 2013 Rs.	AS AT March 31, 2012 Rs.
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	150336310.00	150336310.00
(b) Reserves and surplus	2	462242586.00	463861965.00
2 Share application money pending allotment	3	2200000.00	2200000.00
3 Non-current liabilities			
(a) Long-term borrowings	4	125335839.00	130690747.00
(b) Other long-term liabilities	5	0.00	0.00
(c) Long-term provisions	6	0.00	0.00
4 Current liabilities			
(a) Short term borrowings	7	170296563.00	171064037.00
(b) Trade payables	8	88057989.00	78756643.00
(c) Other current liabilities	9	22139589.00	17637318.00
(d) Short-term provisions	10	0.00	0.00
Total		1020608876.00	1014547020.00
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	238332020.00	252918837.00
(ii) Capital Work in Progress		0.00	0.00
(b) Non-current investments	12	0.00	0.00
(c) Long-term loans and advances	13	0.00	0.00
(d) Other non-current assets	14	0.00	0.00
2 Current assets			
(a) Current investments	15	280500.00	280500.00
(b) Inventories	16	384457705.00	356448533.00
(c) Trade receivables	17	210808456.00	260784770.00
(d) Cash and cash equivalents	18	9593610.00	7321536.00
(e) Short-term loans and advances	19	177136585.00	136792844.00
(f) Other current assets	20	0.00	0.00
Total		1020608876.00	1014547020.00

See accompanying notes forming part of the financial statements

As per our report of even date attached

For **Brij Aggarwal & Associates**

Chartered Accountants

Brij Aggarwal

(Partner)

Place : Jalandhar

Date : 27.05.2013

On behalf of the Board of Directors

Mukesh Juneja

(Managing Director)

Varun Bahri

(Director)

KEW INDUSTRIES LIMITED

Statement of Profit and Loss for the year ended March 31, 2013

PARTICULARS	NOTE NO.	AS AT	AS AT
		March 31, 2013 Rs.	March 31, 2012 Rs.
I Revenue from operations	21	355583249.00	507565938.00
II Other income	22	3103840.00	678822.00
Total revenue		358687089.00	508244760.00
III Expenses			
(a) Cost of materials consumed	23	285940234.00	382972118.00
(b) Purchase of stock-in-trade		0.00	0.00
(c) Changes in inventories of finished goods, work-in-progress and stock in trade	24	-45041408.00	-60095350.00
(d) Employee benefits expense	25	8000874.00	25590613.00
(e) Finance costs	26	36396685.00	42324879.00
(f) Depreciation and amortisation expense	27	35757100.00	34653010.00
(g) Other expenses	28	35917268.00	79143426.00
Total expenses		356970753.00	504588696.00
IV Profit / (Loss) before tax		1716336.00	3656064.00
V Tax expense :			
(a) Current tax expense for current year		327049.00	1123720.00
(b) (Less) : MAT credit (where applicable)		0.00	0.00
(c) Current tax expense relating to prior years		8666.00	0.00
(d) Interest Paid on Income Tax		0.00	365657.00
(e) Deferred tax		0.00	0.00
VI Profit / (Loss) of the year		1380621.00	2166687.00
VII Earning per Equity Share	29	0.09	0.14

As per our report of even date attached

For **Brij Aggarwal & Associates**

Chartered Accountants

Brij Aggarwal
(Partner)

Place : Jalandhar
Date : 27.05.2013

On behalf of the Board of Directors

Mukesh Juneja
(Managing Director)

Varun Bahri
(Director)

KEW INDUSTRIES LIMITED

Notes for the year ended March 31, 2013

PARTICULARS	ASAT	ASAT
	March 31, 2013	March 31, 2012
	Rs.	Rs.
1 SHARE CAPITAL	Amount	Amount
AUTHORISED		
30000000 EQUITY SHARES OF Rs 10 EACH	<u>300000000.00</u>	<u>300000000.00</u>
SUBSCRIBED & PAID UP		
15033631 Equity Shares Rs 10 each	150336310.00	150336310.00
(Pr Year 15033631 Eq Share)		
1.1 Details of shares held by each shareholder more than 5% shares :		
Name of the Shareholder	%age	%age
Mukesh Juneja	17.13	17.13
2 Reserves And Surplus		
Share Premium A/c	207500000.00	207500000.00
Warrant Money forfeited	46500000.00	46500000.00
Director of Industries (subsidy)	3000000.00	3000000.00
Surplus As per last Balance Sheet	206861965.00	204695278.00
Add : Transferred from Profit & Loss A/c	1380621.00	2166687.00
Less : Tax Paid of Previous Years	<u>3000000.00</u>	<u>0.00</u>
	<u>205242586.00</u>	<u>206861965.00</u>
Total	<u>462242586.00</u>	<u>463861965.00</u>
3 Share Application Money Pending Allotment	2200000.00	2200000.00
4 Long Term Borrowings		
A) Secured		
IFCI Factoring (secured by way of residual charged on fixed assets & pledge of promoters holding)	84221138.00	83077570.00
Punjab Financial Corporation A/C I, II & III (secured by mortgage of properties, personal guarantee of directors & hypothication of plant & machinery)	20184488.00	20184488.00
Allahabad Bank T/L (secured by hypothication of Vehicles & machinery)	14361552.00	10550334.00
C.U.COP Bank T/L	568661.00	0.00
B) Unsecured		
L & T Finance Ltd (T/L)	6000000.00	16878355.00
	<u>125335839.00</u>	<u>130690747.00</u>
5 Other Long Term Liabilities		
Deferred Payment Liability (cst unit II)	<u>0.00</u>	<u>0.00</u>
6 Long Term Provisions		
Others	<u>0.00</u>	<u>0.00</u>

KEW INDUSTRIES LIMITED

7	Short Term Borrowings		
	A) Secured		
	State Bank of India c/c (secured against stock)	58676717.00	57258416.00
	State Bank of India (secured by book debts)	55780746.00	55826639.00
	Allahabad Bank c/c (secured against stock)	55839100.00	57978982.00
	B) Unsecured		
	Loans and advances from related parties	0.00	0.00
		<u>170296563.00</u>	<u>171064037.00</u>
8	Trade Payables		
	Sundry Creditors against goods	60390544.00	49690173.00
	Sundry Creditors against expenses	5394905.00	6576676.00
	Sundry Creditors against capital goods	2111290.00	540275.00
	TDS Payable	195254.00	712623.00
	PF Payable	464656.00	615024.00
	ESI Payable	193979.00	178883.00
	Service Tax Payable	0.00	1360.00
	Excise Duty Payable	0.00	2942570.00
	VAT Payable	1090646.00	1090646.00
	Labour Welfare Fund	4950.00	3192.00
	CST Payable	18211765.00	16405221.00
	Total	<u>88057989.00</u>	<u>78756643.00</u>
9	Other Current Liabilities		
	Misc Liability	788202.00	1028225.00
	Advance from customers	6273227.00	1050417.00
	TCS	0.00	66873.00
	IFCI Margin Money	1433967.00	818576.00
	Advance Agt sale of plot	2900000.00	2900000.00
	Income Tax Payable	10431893.00	10553598.00
	Provision For Tax	262300.00	1069629.00
	Sushil modi	50000.00	150000.00
		<u>22139589.00</u>	<u>17637318.00</u>
10	Short Term Provisions		
	Provisions for employees benefits	0.00	0.00
	Others	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
12	Non-Current Investments		
	Investment in Equity Shares	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
13	Long-term Loans and Advances		
	Security Deposits	0.00	0.00
	Capital Advances	0.00	0.00
	Others	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
14	Other Non-current Assets		
	Long Term Trade Receivables	0.00	0.00
	Others	0.00	0.00
		<u>0.00</u>	<u>0.00</u>

KEW INDUSTRIES LIMITED

15	Current Investments		
	C.U. Co-op. Bank LTD. (11220 EQUITY Shares of Rs. 25 each) (Previous Year 11220 Equity Shares of Rs. 25 each)	280500.00	280500.00
		<u>280500.00</u>	<u>280500.00</u>
16	Inventory		
	Stores & Spares (at cost or realisable value which ever is lower)	473375.00	1141636.00
	Raw Material (At cost)	13162575.00	29526550.00
	Work in progress (At estimated cost)	233530684.00	204587723.00
	Finished Goods (at estimated cost or realisable value which ever is lower)	137291071.00	121192624.00
	Total	<u>384457705.00</u>	<u>356448533.00</u>
17	Trade Receivables		
	Less than six months	145678389.00	172100478.00
	Over six months old	65130067.00	88684292.00
		<u>210808456.00</u>	<u>260784770.00</u>
18	Cash & Cash Equivalents		
	Bank of India C/A	13518.00	11851.00
	HDFC Bank Ltd C/A (Jal)	2534.00	3738.00
	PNB C/A 10190	6893.00	7093.00
	IDBI Bank C/A 00213	25000.00	25000.00
	HDFC Bank Ltd C/A (Delhi)	0.00	31159.00
	C U Co-op Bank Ltd C/A 1847	1605.00	24.00
	INF Vysya Bank C/A	0.00	5838.00
	C U Co-op Bank Ltd C/A 2014	0.00	3611.00
	Axis Bank C/A	3301.00	0.00
	PNB C/A 00016	85331.00	53610.00
	Intt Accured On FDR	817455.00	631709.00
	SBI FDRs	4152491.00	3841864.00
	Allahabad Bank FDR	3100000.00	1500000.00
	Cash	1385482.00	1206039.00
		<u>9593610.00</u>	<u>7321536.00</u>
19	Short-Term Loans & Advances		
	Advances recoverable in cash	174888151.00	111828897.00
	Excise Duty in Advance	1358137.00	397001.00
	Security Refundable	890297.00	24566946.00
	Advance Tax	0.00	0.00
		<u>177136585.00</u>	<u>136792844.00</u>
20	Other Current Assets		
	Others	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
21	Revenue From Operations		
	Sale of Goods	355583249.00	507232183.00
	Job Work / Other Income	0.00	333755.00
		<u>355583249.00</u>	<u>507565938.00</u>
22	Other Income		
	Interest	647343.00	480539.00
	Difference In Exchange	0.00	1335.00
	Profit on Sale of Machinery	2421999.00	36475.00
	Rebate & Discount	3643.00	0.00
	Misc Receipt	30855.00	160473.00
		<u>3103840.00</u>	<u>678822.00</u>

KEW INDUSTRIES LIMITED

23 Cost of Material Consumed

Opening Stock	29526550.00	71739650.00
Add : Purchases	269576259.00	340759018.00
	<u>299102809.00</u>	<u>412498668.00</u>
Less : Closing Stock	13162575.00	29526550.00
	<u>285940234.00</u>	<u>382972118.00</u>

24 Changes in Inventory

Opening Stock :			
	Finished Goods	121192624.00	85004468.00
	Work in Progress	204587723.00	180680529.00
		<u>325780347.00</u>	<u>265684997.00</u>
Closing Stock :			
	Finished Goods	137291071.00	121192624.00
	Work in Progress	233530684.00	204587723.00
		<u>-45041408.00</u>	<u>-60095350.00</u>

25 Employee Benefit Expenses

Salaries	3183684.00	7343800.00
Wages	3207057.00	16208833.00
Bonus	85067.00	309955.00
HRA	202800.00	406000.00
CA	47200.00	201600.00
E.S.I.	65116.00	174120.00
E.P.F.	155380.00	396417.00
Labour Welfare Fund	1172.00	3038.00
Staff Welfare	738238.00	546850.00
Labour Charges	315160.00	0.00
	<u>8000874.00</u>	<u>25590613.00</u>

26 Finance Cost

Bank Interest	30233048.00	29955758.00
Financial Institution & Others	6163637.00	12369121.00
	<u>36396685.00</u>	<u>42324879.00</u>

27 & 11 Depreciation and amortisation expense

SCHEDULE OF FIXED ASSETS FORMING PART OF BALANCE SHEET AS ON 31.03.13

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on a 1.4.2012 Rs.	Additions during the year Rs.	Deletion during the year Rs.	As at 31.0.2013 Rs.	As at 1.4.2012 Rs.	During the year Rs.	Adjustments	At at 31.03.2013 Rs.	At at 31.03.2013 Rs.	At at 31.03.2012
Land	155000	0	0	155000	0	0	0	0	155000	155000
Land Unit-II	212060	665000	0	877060	0	0	0	0	877060	212060
Building	23510623	0	0	23510623	9259218	785255	0	10044473	13466150	14251405
Plant & Machinery	454671057	36646588	17078001	474239644	218368156	34502227	0	252870383	221369261	236302901
Furniture	623928	0	0	623928	383978	39495	0	423473	200455	239950
Office Equipments	1774075	45000	0	1819075	717689	85067	0	802756	1016319	1056386
Vehicles	4020741	886196	0	4906937	4020741	49110	0	4069851	837086	0
Computer	1821576	5500	0	1827076	1120441	295946	0	1416387	410689	701135
	<u>486789060</u>	<u>38248284</u>	<u>17078001</u>	<u>507959343</u>	<u>233870223</u>	<u>35757100</u>	<u>0</u>	<u>269627323</u>	<u>238332020</u>	<u>252918837</u>
PREVIOUS YEAR	466153183	22934402	2298525	486789060	199217213	34653010		233870223	252918837	266935970

PLACE:- JALANDHAR
DATE:- 27.05.13

MUKESH JUNEJA
(MANAGING DIRECTOR)

VARUN BAHRI
(DIRECTOR)

FOR BRIJ AGGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

BRIJ AGGARWAL
PARTNER

KEW INDUSTRIES LIMITED

28	Other Expenses		
	FEES & TAXES	413058.00	440600.00
	INSURANCE CHARGES	64919.00	234001.00
	PRINTING & STATIONARY	78916.00	179021.00
	POSTAGE EXPENSES	23315.00	130030.00
	TELEPHONE EXPENSES	292226.00	603689.00
	ELECTRICITY EXPENSES	2711280.00	4060689.00
	AUDIT FEE	0.00	80000.00
	PROFESSIONAL CHARGES	205593.00	227617.00
	RENT	252094.00	448767.00
	REPAIR & MAINTENANCE	322568.00	810536.00
	MACHINERY REPAIR	1188587.00	2269686.00
	PACKING	1156041.00	2325186.00
	EXCISE DUTY	16743424.00	37063080.00
	VEHICLE EXPENSES	368482.00	697543.00
	BANK CHARGES	1968739.00	3003037.00
	NON REFUNDABLE VAT A/C	4954.00	23448.00
	TRAVELLING EXP	885393.00	1079688.00
	DONATION	31500.00	59700.00
	FREIGHT	3335021.00	5570707.00
	BUSINESS PROMOTION	751961.00	963606.00
	REBATE & DISCOUNT	0.00	4219646.00
	COMMISSION	1048539.00	0.00
	ADVERTISEMENT EXPENSES	56180.00	74400.00
	NEWSPAPER	8802.00	716.00
	WORKSHOP EXPENSES	3081464.00	8053399.00
	FUEL	817010.00	2348814.00
	OFFICE EXPENSES	8110.00	118776.00
	PUBLIC ISSUE EXPENSES W/OFF	0.00	3957595.00
	ADDITIONAL DEMAND OF TAXES	8000.00	57050.00
	MISC	91092.00	42399.00
		<u>35917268.00</u>	<u>79143426.00</u>
29	Earning Per Share		
	Total Earnings	1380621.00	2166687.00
	No. of shares	15033631	15033631
	Result	<u>0.09</u>	<u>0.14</u>
30	Earning in Foreign Exchange	<u>0.00</u>	<u>0.00</u>
31	Contingent Liabilities & Commitments	<u>0.00</u>	<u>0.00</u>

KEW INDUSTRIES LIMITED

NOTES TO THE ACCOUNT

1. Significant Accounting Policies

a) Basis of Accounting

The company prepares its financial statements under the historical cost convention in accordance with generally accepted accounting principles and in accordance with the provisions of Companies Act, 1956.

b) Fixed Assets

The fixed assets are stated at historical cost inclusive of installation expenses & interest upto the date of commissioning of the assets.

c) Depreciation

Depreciation has been provided on fixed assets under straight-line method at the rates Specified in schedule XIV of the Companies act, 1956.

d) Investments

Investments are valued at cost.

e) Inventories

i) Raw material is valued at cost

ii) Work in process has been valued at cost plus expenses as per stage of completion.

iii) Finished goods have been valued at estimated cost or net realizable value which ever is lower.

iv) Stores and spares have been valued at cost or realizable value which ever is lower

f) Sales

Sales include excise duty.

g) Revenue Recognition

All expenses and revenue are accounted for on accrual basis.

h) Gratuity and leave encashment

Gratuity and leave encashment is accounted for on cash basis.

1. Research & Development

Revenue expenditure on research and development on going research project is charged in the year in which it is incurred. Expenditure which results in developing the new product or process where the management is of the opinion that products will be/are commercially viable are deferred and charged to the future accounting periods over a period of five years commencing from the following year to the initial year in which these are incurred.

2. The contingent liabilities not provided in the books of accounts

	<u>31-03-2013</u>	<u>31-03-2012</u>	
Bank guarantee	331.62 Lacs	338.80	Lacs

3. Payment to Directors

Managerial Remuneration	8.43 Lacs	8.43	Lacs
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4. Auditors Remuneration

Audit Fee (including Service Tax)	0.56 Lacs	0.80	Lacs
Taxation matters	-	NIL	
Other Services	-	-	
Expenses			

5. <u>CIF value of Imports of capital goods</u>	NIL	NIL	
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KEW INDUSTRIES LIMITED

6.	Expenditure in foreign currency on a/c of		
	Traveling exps.	NIL	NIL
	Business promotion	NIL	NIL
7.	Earning in foreign currency FOB value of exports	NIL	NIL
8.	Capital work in progress inclusive of capital Advances.	NIL	25 Lacs
9.	Unpaid lease rent installment	NIL	NIL
10.	Detail of balances with non scheduled banks in Current accounts (in Rs.)		(in Rs.)
	Citizen Urban Co.Op. Bank - 1847	1604.75	23.75
	Citizen Urban Co.Op. Bank - 2014	NIL	3611

11. RELATED PARTIES DISCLOSURES:-

Name of person or Company	Relationship	Transaction		Closing Balance
		Amount	Nature	
Sh. Mukesh Juneja	Key Management Personal	843500	Salary to Director	NIL
Krishna Wanti mother of Mukesh Juneja Prop. M/S KEW Engg. Works	Relative of Key Management personal	15711850	Purchases	NIL
Krishna Wanti mother of Mukesh Juneja Prop. M/S KEW Engg. Works	Relative of Key Management personal	12948491	Sale	NIL
Monika Juneja W/O Mukesh Juneja Prop. M/S Mukesh Industries	Relative of Key Management personal	123601849	Purchases	21025480.99 Dr
Monika Juneja W/O Mukesh Juneja Prop. M/S Mukesh Industries	Relative of Key Management personal	117315884	Sale	21025480.99 Dr

12. Information pursuant to part II of schedule VI to the Companies Act, 1956. As per Annexure.
 13. Previous years figures have been re-grouped/rearranged wherever considered necessary.
 14. Parties balances are subject to confirmation and reconciliation, if any
 15. Earning per share (E.P.S.)

	<u>Year ended on</u>	
	<u>31-03-2013</u>	<u>31-03-2012</u>
Profit after tax	1454036	2166687
No. of shares	15033631	15033631
Earning per share	0.10	0.14

16. Segment Information

The company is engaged only in the business of engineering components and there are no separate reportable segments as per AS -17 on segment reporting .

17. Detail of following undisputed liabilities that were in arrears for a period more then 6 Months is as under :

- i) Income Tax Payable Rs. 10431893 for asstt. year 2009-10 to Asstt. Year 2012-13.
- ii) VAT Payable Rs. 1090646.
- iii) C.S.T. Payable Rs. 16762812

KEW INDUSTRIES LIMITED

SALES			
PARTICULARS		2012-2013	2011-2012
		(QTY.)	(QTY.)
SHELLL BODY	(IN PCS)	72468	74369
AUTO COMPONENTS	"	26585	161123
OTHER STEEL ITEMS	(IN M.T.)	4210.830	2289.48

STOCK IN FINISHED GOODS		2012-2013		2011-2012	
		OPENING	CLOSING	OPENING	CLOSING
SHELLL BODY	(IN PCS)	4405	4405	4529	4405
AUTO COMPONENTS	(IN PCS)	252	NIL	384	252
OTHER STEEL ITEMS	(IN M.T.)	2933.574	2776.983	2898.195	2933.574

PRODUCTION / PURCHASE		2012-2013	2011-2012
SHELLL BODY	(IN PCS)	72468	74245
AUTO COMPONENTS	(IN PCS)	26333	160991
OTHER STEEL ITEMS	(IN M.T.)	4054.239	2324.859

RAW MATERIAL CONSUMED			
		2012-2013	2011-2012
CASTING	(IN M.T.)	156.670	763.488
STEEL FORGING UNMACHINED	(IN M.T.)	726.695	1191.740
AUTO COMPONENTS	(IN PCS)	3248	31945
STEEL TUBE	(IN MTRS)	0.00	0.00
ROUND	(IN M.T.)	0.00	0.00
PIG IRON	(IN M.T.)	0.00	0.00
COPPER	(IN M.T.)	808.800	17.277
SHELL BODY	(IN PCS)	4026.000	0.000

SIGNATURE OF SCHEDULE 1 TO 17

FOR AND ON BEHALF OF BOARD OF
DIRECTORS**FOR BRIJ AGGARWAL & ASSOCIATES****Brij Aggarwal**
(Partner)**Mukesh Juneja**
(Managing Director)**Varun Bahri**
(Director)Place : Jalandhar
Date : 27.05.2013

KEW INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

PARTICULARS	AS AT 31.03.2013 (Rs. in lacs)	AS AT 31.03.2012 (Rs. in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit (Loss) before tax and extra ordinary items	17.16	36.56
ADJUSTMENT FOR :		
Difference in Exchange	0.00	0.00
Deperetiation	357.57	346.53
Interest Received	-6.47	-4.80
Profit on sale of Fixed Assets	-24.22	-0.36
Interest	383.65	453.28
Product Development Expenses Written off	0.00	39.57
Dividend Received	-0.31	-0.28
	<u>710.22</u>	<u>833.94</u>
	727.38	870.50
Operating Profit (Loss) before working capital changes		
ADJUSTMENT FOR :		
Trade & Other Receivables	96.21	247.61
Inventories	-280.09	-177.46
Trade payable	147.33	93.73
	<u>-36.55</u>	<u>163.88</u>
Cash generating from operations	690.83	1034.38
Interest Paid	-383.65	-453.28
Tax Paid	-42.54	-66.23
Deffered tax Liability	0.00	-21.15
	<u>-426.19</u>	<u>-540.66</u>
Cash flow before extra ordinary items	264.64	493.72
Extra ordinary items	-----	-----
Difference in exchange	0.00	0.00
Net cash from operating activities (A)	264.64	493.72
B. CACH FLOW FROM INVESTING ACTIVITIES		
Interest Received	6.47	4.80
Purchase of Fixed Assets	-382.48	-194.93
Sale of Fixed Assets	195.00	23.35
Dividend Received	0.31	0.28
Net cash used in investing activities (B)	-180.70	-166.50
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment / Proceeds against Borrowings	-61.22	-402.65
Share Application Money	0.00	-3.00
Net Cash from financing activities (C)	-----	-----
Net Increase/ (Decrease) in cash & cash equivalents (A+B+C)	22.72	-78.43
Cash & Cash equivalents (Opening Balance)	73.21	151.65
Cash & Cash equivalents (Closing Balance)	95.93	73.21

Note : Figures in minus represent outflows.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Brij Aggarwal
(Partner)
Place : Jalandhar
Date : 27.05.2013

Mukesh Juneja
(Managing Director)

Varun Bahri
(Director)

AUDITOR'S CERTIFICATE

To

Board of Directors,
Kew Industries Limited
Jalandhar - 144 001

We have examined the attached cash flow statement of the Kew Industries Ltd. for the year ended 31st March, 2013. The statement has been Prepared by the company in accordance with the requirement of clause 32 of listing agreements with the stock exchanges and is Based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the company covered by our audit reprot of 27th May, 2013 or the members of the company.

For **Brij Aggarwal & Associates**
Chartered Accountants
Brij Aggarwal
Partner

Place : Jalandhar
Date : 27.05.2013

KEW INDUSTRIES LIMITED

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE ADDITIONAL DISCLOSURE UNDER SCHEDULE VI PART IV OF THE COMPANIES ACT, 1956

I. Registration Details

Registration No	18821	State Code	16
Balance Sheet	31/3/2013		

II. Capital Raised During the year

(Amount in Rs. Thousands)

	31/3/2013		31/3/2013
Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of funds

(Amount in Rs. Thousands)

Total Liabilities	1020609	Total Assets	1020609
Source of Funds			
Paid-up Capital	150336	Reserve & Surplus	205243
Secured Loans	289632	Unsecured Loans	6000
		Share Application money	2200
		Share Premium	207500
		Warrents money forfeited	46500
		Director of Industry (subsidiary)	3000
		Trade payable & other liability	110198

Application of Funds

Net Fixed Assets	238332	Investment	280
Current Assets	781997		

IV. Performance of Company

(Amount in Rs. Thousand)

Turnover & Other Income	358687	Total Expenditure	356971
Profit/Loss Before Tax	1716	Profit & Loss After Tax	1381
Earning per share in Rs.	0.09	Dividend	NIL

V. Generic Names of Three Principal/Services of Company

(as per monetary terms)

PRODUCT DESCRIPTION	ITEM CODE No.
1. Automobile Components	ITC Code
2. Railway Components	ITC Code