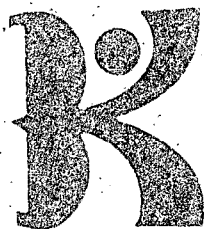


**KUMAR WIRE CLOTH MANUFACTURING
COMPANY LIMITED**



**24th Annual Report
2005-2006**

24th ANNUAL REPORT 2005-2006

Board of Directors:

Mr. Jiten S. Choksey
Mr. Sushil D. Choksey
Mr. Subhash Mayekar.
Mr. Omprakash Yadav.
Mr. Kamlesh Dubey.

Auditors:

M/s. J. H. GHUMARA & Co.
Chartered Accountants
Mumbai.

Bankers:

Karnataka Bank Ltd.

Registered Office :

D- 23, MIDC , Taloja
Taluka- Panvel,
District Raigad,
Maharashtra
Pincode- 410 218.

Factory:

D- 23, MIDC , Taloja
Taluka- Panvel,
District Raigad,
Maharashtra.
Pincode- 410 218.



NOTICE

Notice is hereby given that the **Twenty Fourth** Annual General Meeting of **KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED**, will be held on **Saturday, September 30, 2006** at 10.00 a.m. at its Registered Office at D-23, MIDC, Taloja, Taluka- Panvel, District: Raigad, Maharashtra to transact the following business;

ORDINARY BUSINESS:

1. To receive, consider approve and adopt the Audited Balance sheet as at 31st March 2006 and the Profit and Loss Account for the Year ended as on that date and the Reports of the Director's and Auditor's thereon.
2. To appoint a Director in place of Shri Jiten Choksey who retires as Director & being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Sushil Choksey who retires as Director & being eligible offers himself for reappointment.
4. To appoint Auditors and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution:**
"RESOLVED THAT Mr. Subhash Mayekar, be and is hereby appointed as the Director of the Company, and his office is liable to determination by retirement of Directors by rotation."
6. To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution:**
"RESOLVED THAT Mr. Omprakash Yadav, be and is hereby appointed as the Director of the Company, and his office is liable to determination by retirement of Directors by rotation."
7. To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution:**
"RESOLVED THAT Mr. Kamlesh Dubey, be and is hereby appointed as the Director of the Company, and his office is liable to determination by retirement of Directors by rotation."

By order of the Board of Directors
For Kumar Wire Cloth Manufacturing Co. Ltd.

Place : Mumbai
Date : 01/09/2006

JITEN CHOKSEY
(Chairman)

Registered office:
D-23, MIDC, Taloja, Taluka-Panvel, District : Raigad, Maharashtra

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NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

1. The proxy form should be lodged with the company at its Registered Office at least 48 hours before the time of the meeting.
2. The Register of members & Share Transfer Books of the Company will remain closed from Wednesday, September 27, 2006 to Saturday, September 30, 2006 (both days inclusive).
3. Members are requested to promptly notify any changes in their address to the company at its Registered Office.
4. All documents referred to in the notice are open for inspection at the registered office of the company during office hours of all days except Friday and Public Holidays between 11.00 a.m. to 1.00 p.m. upto the date of Annual General Meeting.
5. For convenience of members, an attendance slip is annexed to the proxy form. Members are requested to affix their signature at the space provided and hand over the attendance slips at the place of meeting. The proxy of a member should mark on the attendance slip as "proxy".
6. Members who are holding shares in identical order of names in more than one folio are requested to write to the Company to consolidate their holdings in one Folio.
7. The Members desirous of getting any information about the accounts and operation of the company are requested to address their queries to the company in writing at its registered office at least 10 days before the meeting, so that the same can be replied at the time of Annual General meeting to the members satisfaction.
8. Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item Nos. 5, 6 & 7 of the notice set out are annexed hereto.
9. Members are requested to bring their copies of the reports to Annual General Meeting.

By order of the Board of Directors
For Kumar Wire Cloth Manufacturing Co. Ltd.

Place : Mumbai
Date : 01/09/2006.

JITEN CHOKSEY
(Chairman)

Registered Office:
D-23, MIDC, Talaja, Taluka- Panvel, District: Raigad, Maharashtra.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No.5

The members are to be informed that Mr.Subhash Mayekar was appointed as Director of the Company by the Board of Directors w.e.f. 14/07/2006, and his tenure of office is liable to determination by retirement of directors by rotation.

Mr.Subhash Mayekar is a Science Graduate and has a vast experience in commercial operations.

None of the Directors of the Company, except Mr.Subhash Mayekar, is in anyway concerned or interested in passing of said resolution.

Item No.6

The members are to be informed that Mr.Omprakash Yadav was appointed as Director of the Company by the Board of Directors w.e.f. 14/07/2006, and his tenure of office is liable to determination by retirement of Directors by rotation.

Mr.Omprakash Yadav is an Arts Graduate is associated with an Industry to which your Company belongs since long.

None of the Directors of the Company, except Mr.Omprakash Yadav, is in anyway concerned or interested in passing of said resolution.

Item No.7

The members are to be informed that Mr.Kamlesh Dubey was appointed as Director of the Company by the Board of Directors w.e.f. 14/07/2006, and his tenure of office is liable to determination by retirement of Directors by rotation.

Mr. Kamlesh Dubey after completing his schooling has joined an industry and has vast experience in the related field

None of the directors of the Company, except Mr. Mr.Kamlesh Dubey, is in anyway concerned or interested in passing of said resolution.

By order of the Board of Directors
For Kumar Wire Cloth Manufacturing Co. Ltd.

Place : Mumbai
Date : 01/09/2006.

JITEN CHOKSEY
(Chairman)

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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 24th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2006.

SUMMARISED FINANACIAL RESULTS:

(Rs. in Lacs)

	Year ended 31-03-2006	Year ended 31.03.2005
Profit before Interest & Depreciation	(68.60)	(00.69)
Less: Interest	34.44	31.04
Profit before Depreciation	(103.04)	(31.73)
Less: Depreciation	(24.98)	30.38
Profit/(Loss) before Tax	(128.02)	(62.11)
Less: Interest – Income Tax/ Sales Tax	(40.00)	(24.46)
Net Profit /(Loss) after Tax	(168.02)	(86.57)
Profit /(Loss) b/f from Previous year	(707.71)	(621.15)
Profit/(Loss) carried to Balance Sheet	(875.73)	(707.71)

Note:

The Company has been declared as a sick company under the provisions of sick industrial companies (Special Provisions) Act, 1985. Due to paucity of funds and present competitive market conditions, the company has suspended its manufacturing at its Taloja factory.

DIVIDEND:

Due to loss incurred by the company, the Board does not recommend any dividend for the year under review.

DIRECTORS

In accordance with the provision of the Companies Act, 1956 and Articles of Association of the company, Mr. Jiten Choksey and Mr. Sushil Choksey retire by rotation and are eligible for re-appointment.

Further, during the year under review, Mr. Kalu T Pal and Mr. Panna B Pal resigned from Directorship of the Company w.e.f 24/07/2006 due to their pre-occupation.

Further, Mr. Subhash Mayekar, Mr. Omprakash Yadav and Mr. Kamlesh Dubey were appointed as Directors w.e.f 14/07/2006, subject to his appointment being approved by the members of the Company at their forthcoming Annual General Meeting.



CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement, a separate report on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance are annexed to the Directors' Report.

DISCLOSURE UNDER THE STOCK EXCHANGE LISTING AGREEMENT:

In accordance with the amended Listing Agreement with respective Stock Exchanges, it is hereby confirmed that the Company's Shares are listed at the Bombay Stock Exchange Limited.

FIXED DEPOSITS:

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975.

INSURANCE:

The Assets of the Company are fully and adequately insured for all risks.

AUDITOR'S REPORT

Comments of Auditors in their report are self explanatory and do not call for any further clarification.

AUDITORS:

M/s. J. H. Ghumara & Co. Chartered Accountants, Mumbai, Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment.

PARTICULARS OF EMPLOYEES:

The information required under section 217 (2A) of the Companies Act, 1956 and the rules framed there under is not furnished as none of the employees are in receipt of the remuneration as per the limits prescribed in these rules.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

Particulars of conservation of energy, Technology Absorption and foreign Exchange earnings and out go pursuant to section 217(1) (e) of the Companies Act, 1956, read with the rules there under is given in the Annexure – A to this report.

DIRECTORS RESPONSIBILITY STATEMENTS (Pursuant to Section 217 (2AA) of Companies Act, 1956):

(i) that in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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(ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.

(iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) that the directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT:

The Board of Directors wishes to place on record its sincere appreciation for due co-operation received from the Company's Bankers. The Directors are also thankful to the employees at all levels for their continued support.

For and on behalf of the Board of Director

Place : Mumbai

Date : 01/09/2006.

JITEN CHOKSEY
(Chairman)



ANNEXURE TO THE DIRECTORS' REPORT (Annexure – A)

FORM B:

Disclosure of Particulars with respect to Technology Absorption
(to the extent applicable)

Research and Development (R& D)

- | | |
|---|----------------|
| 1. Specific areas in which R&D carried out by the Company | None |
| 2. Benefits derived as a result of the above R&D | Not Applicable |
| 3. Future Plan of Action | Not at present |
| 4. Expenditure on R&D: | |
| a. Capital |) |
| b. Recurring |) NIL |
| c. Total |) |
| d. Total R&D expenditure (as a percentage of total turnover |) |

Technology Absorption, Adaption & Innovation

- | | |
|--|----------------|
| 1. Efforts in brief, made towards technology absorption, adaptation and innovation. | Not Applicable |
| 2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction product developments, import substitution etc. | Not Applicable |
| 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished. | |
| a. Technology imported and year of import | Not Applicable |
| b. Has Technology been fully absorbed? | Not Applicable |
| c. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action | Not Applicable |

FOREIGN EXCHANGE EARNING AND OUTGO

Particulars with regard to Foreign Exchange Earnings and Outgo are as set out in note F, G & H in Notes to the Accounts.

AUDITOR'S REPORT

THE MEMBERS OF

KUMAR WIRECLOTH MANUFACTURING COMPANY LIMITED

- I. We have audited the attached Balance Sheet of Kumar Wire Cloth Manufacturing Company Limited as at 31st March 2006 and the Profit and Loss Account and Cash Flow Statement for the Year ended on that date annexed thereto. These financial statements are the Responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- II. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- III. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of the said order such checks of the books of account and records of the company as we considered appropriate, we enclose in the Annexure a statement on the matters specified in the paragraph 4 and 5 of the said Order.

Further to our comments in Annexure referred to in paragraph 3 above:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.
- (b) In our opinion proper books of accounts as required by law have been kept by the company so far as it appears from the examination of these books.
- (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
- (d) In our opinion the Balance Sheet and the Profit and Loss Account comply, in all material respects with the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956.
- (e) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as at 31st March 2006 from being appointed as a director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



- (f) In our opinion and to the best of our information and explanations given to us the said accounts read with other notes thereon, gives the information required by the Companies Act, 1956 in the manner so required and gives a true and fair view:
- i. In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2006.
 - ii. In the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date.
 - iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

for J. H GHUMARA & CO.
Chartered Accountants

Place : Mumbai,
Dated: 1st September, 2006

J. H. GHUMARA
Proprietor

ANNEXURE TO AUDITORS' REPORT

RE: KUMAR WIRECLOTH MANUFACTURING COMPANY LIMITED

Referred to in Paragraph 3 of our report of even date.

- I. (a) The Company has maintained proper fixed assets records to show full Particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the management, during the year, has conducted physical verification of fixed assets. There were no discrepancies noticed on verification.
- (c) There has been no disposal of substantial part of the fixed assets during the Year, which may affect the going concern status of the Company.
- (ii) (a) According to information given to us physical verification of inventories has been conducted at regular interval by the management.
- (b) The procedure of physical verification followed by the management is Reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has not taken any loans from Companies, firms or other parties, listed in the register maintained under section 301 of the Companies Act, 1956 and from the Companies under the same management.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase and sale of inventories. During the course of our audit no major weaknesses have been noticed in the internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that there were no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. five Lacs and hence comment on these does not arise.
- (vi) The Company has not accepted any deposit from Public and hence the question of applicability of directives issued by the Reserve Bank of India and the provisions of Section 58A and Section 58AA of the Companies Act 1956 and the Rules framed there under, does not arise. the provisions of clause 4(xiii) of Companies (auditors Report) Order, 2003 are not applicable to the Company.
- (vii) In our opinion, based on the information and explanations given to us, the company has an Internal Audit System commensurate with its size and the nature of its business operations.
- (viii) Based on the information and explanations given to us, as explained to us, the Central Government has not prescribed maintenance of cost records.

(ix) (a) The company is regular in depositing the statutory dues to the extent applicable and there are no dues outstanding over six months which is pending except Sales Taxes dues Rs. 114.56 lacs and Income Taxes Rs. 116.43 lacs.

(b) According to information given to us there are sales taxes dues disputed by the company as at 31st March 2006 which have not been deposited on account of a dispute as follows:

Name of the statute	Nature of dues	Amount under dispute not yet deposited Rs. In Lakhs	Periods to which amount relates	Forum where the the dispute is pending
Central Sales Tax Act and Local Sales Tax Act	Sales tax including interest and penalty as applicable	71.61	1998-1999, 1999-2000,	Appellate Authority up to Commissioner's level, Tribunal

(x) The company has incurred cash losses in the financial year as well as in the previous financial year.

(xi) In our opinion and according to the information and explanations given to us. The concerned bankers had sanctioned a scheme of rescheduling of repayment of principal and interest and the company has defaulted in repayment of principal & payment of interest.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of Shares, Debentures and other Securities.

(xiii) In our opinion, the Company is not a Chit fund or Nidhi / Mutual benefit fund/Society. Therefore the provisions of clause 4(xiii) of Companies (auditors Report) Order, 2003 are not applicable to the Company.

(xiv) The company has not done any business in trading or dealing in shares and therefore there is no question of reporting on the same.

(xv) According to the information and explanations given to us the Company has not given during the year any guarantee for loans taken by others from Banks or financial institutions. As a result, the question of our commenting whether the terms and conditions are prejudicial to the interest of the company does not arise.

(xvi) In our opinion and according to the information and explanations given to us, the company has not taken any term loan during the year.

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- (xvii) According to the information and explanation given to us, and an overall examination of the Balance Sheet and Fund Flow Statement of the Company, we report that the company has not used funds raised on short-term basis for long-term investments. Further no long-term funds have been used for short term assets.
- (xviii) According to the information and explanations given to us, the Company has not made, during the year, any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, the company has not issued any debentures during the year and therefore, no question of creation of securities arise.
- (xx) The company has not raised money from the public during the year and therefore question of reporting end use does not arise.
- (xxi) On the basis of our examination of the books of account and other relevant records and information made available to us, prima-facie we have not noticed any fraud on or by the Company, during the year. Further, the management has represented to us that no fraud on or by the Company has been reported during the year.

for J. H GHUMARA & CO.
Chartered Accountant

Mumbai
dated 1ST September 2006.

J. H GHUMARA
Proprietor

CORPORATE GOVERNANCE REPORT

MANDATORY REQUIREMENTS:

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Kumar Wire Cloth Manufacturing Company Limited believes that good corporate governance is essential to achieve long-term corporate goals and enhance stakeholder value. It is during tough times that a Company's Strengths and resources are put to test and its qualities come up for greater scrutiny. It is then that a Company needs to set itself apart and demonstrate its uniqueness. In its pursuit for excellence, the Company has also adopted good corporate governance as an opening yardstick

The Company has complied with the provisions of Clause 49 of the Listing Agreement of the Stock Exchange, which deals with the compliance of the code of Corporate Governance.

In keeping with the spirit of the code, your Board has constituted Committees such as Audit Committee, Share Transfer committee and shareholders'/Investors Committee.

A. BOARD OF DIRECTORS:

Composition and Category

Your Board monitors the performance of the Company, closely watches the performance of the management, approves and reviews strategies, and, through its various committees evaluates management performance. Your Board ensures legal and ethical conduct and accurate financial report. It holds itself accountable not only to the shareholders for the long-term health of the company.

The composition of the Board of Directors and also the number of other Board of Directors of which he is a Member/Chairman are as under:

Sr. No.	Names of Directors	Category of Directorship
1	Mr. Jiten S.Choksey	Chairman
2	Mr. Sushil D Choksey	Director
3	Mr. Kalu Trilochan Pal	Director
4	Mr. Panna Bansu Pal	Director

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2. BOARD PROCEDURE:

ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING:

Sr.No	Date of Meeting	For the Quarter.
1.	April 30, 2005	April-June 2005
2.	July 31, 2005	July -Sept. 2005
3.	September 02, 2005	Accounts Adoption, etc.
4.	October 31, 2005	Oct-Dec 2005
5.	January 31, 2006	Jan-Mar 2006

ATTENDANCE AT THE VARIOUS MEETINGS :

Name Of Director	Category	No.of B.M. Attended	Total comm. Member-ship	Total comm. Chairmanship	Attended Last AGM	Remarks
Mr. Jiten S. Choksey	PromoterNI-NE	5	1	1	Yes	
Mr. Sushil D Choksey	PromoterNI-NE	5	2	1	Yes	
Mr. Kalu Trilochan Pal	Independent Executive Director	5	3	1	Yes	
Mr. Panna Bansu Pal	Independent	5	3	0	Yes	
	Non-Executive Director,					

NI-NE means Non-Independent Non-Executive,

IND-NE means Independent Non-Executive,

All the four Directors of the Company were present at the above mentioned dates of the Board Meetings.

Last Annual General Meeting held on 30/09/2004 was attended by all Directors.



3. COMMITTEES OF THE BOARD:

SHAREHOLDERS' COMMITTEE:

Shareholders/Investors' Committee :

Role of Committee:

To ascertain that all the shareholder grievances are immediately addressed. As at March 31, 2006, there were zero investor grievance pending.

RECEIVED FROM	TOTAL COMPLAINTS RECD. IN 2005-06	TOTAL COMPLAINTS RESOLVED	PENDING COMPLAINTS AS ON 31/03/2006
Investor			
SEBI	Nil	Nil	Nil
Stock Exchanges	Nil	Nil	Nil
Other Govt./Statutory Authority	Nil	Nil	Nil

AUDIT COMMITTEE:

Role of Committee:

The Audit Committee invites the Chairman and the Internal Auditor for the proceedings. It reviews the internal controls, the internal Audit Reports, investigates in any matter, meets the internal/statutory auditors and discusses their findings, suggestions and other issues relating to the Company Operations.

1. The Current Composition and role of the Committee is as under:

The constitution of the Committee of Directors is as under:

Mr. Kalu Pal - Chairman
 Mr. Panna Pal - Member
 Mr. Sushil D. Choksey - Member

REMUNERATION COMMITTEE:

Since none of the Managerial Personnel are drawing any remuneration the company has not constituted any Remuneration committee.

COMPLIANCE OFFICER

During the year Mr. Kalu Pal has been designated as the Compliance Officer.

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4. GENERAL SHAREHOLDERS INFORMATION:

1. MEANS OF COMMUNICATION:

The Company publishes its quarterly results in the following newspapers.

A. Free Press Journal

B. Navshakti2.

General Body meetings:

Location and time, where last three Annual General Meetings were held is given below:

Financial Year	Date	Location of the Meeting	Time
2002-2003	30/09/2003	D-23, MIDC, Taloja, Taluka- Panvel, District: Raigad, Maharashtra	09.00 A.M.
2003-2004	30/09/2004	D-23, MIDC, Taloja, Taluka- Panvel, District: Raigad, Maharashtra	10.00 A.M.
2004-2005	30/09/2005	D-23, MIDC, Taloja, Taluka- Panvel, District: Raigad, Maharashtra	10.00 A.M.

3. FORTHCOMING ANNUAL GENERAL MEETING DETAILS:

A. DATE, TIME & VENUE OF AGM: 30/09/2006 AT 10.00 A.M. AT ITS REGD.OFF. AT D-23, MIDC, TALOJA, TALUKA-PANVEL, DISTRICT: RAIGAD, MAHARASHTRA.

B. FINANCIAL YEAR 2005 - 06.

C. DATE OF BOOK CLOSURE SEPT.27, 2006 To SEPT.30, 2006.

D. STOCK EXCHANGE LISTING BOMBAY STOCK EXCNGE.LTD

4. MEANS OF COMMUNICATION:

The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the proforma prescribed by Clause 41 of the Listing Agreement within one month of the close of the respective period.

The approved financial results are forthwith sent to the Listed Stock Exchanges and are published in the newspapers as per the requirements of Clause 41.

Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

OTHER GENERAL SHAREHOLDER'S INFORMATION:

Detailed information in this regard provided in the shareholder information section forms part of this Annual Report.

SHAREHOLDERS INFORMATION:

Registered Office: D-23, MIDC, Taloja, Taluka- Panvel, District: Raigad, Maharashtra Listing on Stock Exchanges: BOMBAY STOCK EXCHANGE LIMITED Relevant Data of the high/low prices of the Company's scrip on the Bombay Stock Exchange, Limited, is not available.

REGISTRAR AND SHARE TRANSFER AGENTS: Since the Company's share were not admitted in demat mode by CDSL or NSDL, the Company has not appointed any outside agency to carry out the work of Registrar and transfer agents. The company will go continue doing this work through its in house facilities.

5. Distribution Schedule

Range in Rs.	Total Holders		Amount	
	Total	% of Total	In Rs.	% of Total
Upto 5000	5510	98.85	13736000	43.61
5001 to 10000	29	0.52	2025000	6.43
10001 to 20000	14	0.25	1943000	6.17
20001 to 30000	6	0.11	1489000	4.73
30001 to 40000	3	0.05	950000	3.02
40001 to 50000	0	0	0	0.00
50001 to 100000	8	0.14	6396000	20.30
Over 100000	4	0.07	4961000	15.75
Total:	5574	100	31500000	100.006

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6. Shareholding Pattern as on Balance Sheet Date

Authorized Share Capital- 40 lacs shares of 10 each
 Issued/Subscribed & paid up Capital –share capital 31.5 lacs shares of 10 each.

Promoter's Holding	No. Of shares	Percentage of shareholding
Indian Promoters:		
Mr. Jiten S. Choksey,	10500	0.33
Mr. Sushil D. Choksey	22000	0.70
Foreign Promoters	0	0.00
Persons Acting in Concert		
As per List 1	1122100	35.62
Sub - Total	1154600	36.65

Non - Promoters Holding

Institutional Investors		
Mutual Funds and UTI	0	0.00
Banking, Financial Institutions/Insurance Companies (Central / State Govt. Inst. Non - Govt. Inst.)	169500	5.38
FII's	0	0.00
Sub - Total	169500	5.38

Others	0	0.00
Private Corporate Bodies	38800	1.23
(As per List 2)		
Indian Public	1550000	49.21
NRIs/OCBs	237100	7.53
Any Other	0	0.00
Sub - Total	1825900	57.95
Grand Total	3150000	100.00

7. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Likely to impact on Equity:

NIL

8. **PLANT LOCATION:** D-23, MIDC, Taloja, Taluka Panvel, Pin – 410 218

9. **ADDRESS OF CORRESPONDENCE:** Same as Plant Location

10. MANAGEMENT DISCUSSIONS AND ANALYSIS

New Approach of Management, Human Resource Development and Industrial Relation's :

Since your company is declared as Sick Industrial Undertaking by BIFR, your Company has witnessed a lot of Employee Turnover during the past period. However, all effort are being made by the board to retain



good talent within the Company. The board is also working on a comprehensive basis to review Companies HR policies so that proper talent can be invited at an appropriate time.

Opportunities and threats :

The Company has suspended commercial production. Since proper care being taken to put the company's assets in good working conditions. Effort are being made by the board to work out a proper rehabilitation package through Company's Operating Agencies (O.A.)

presently threats are being faced by the company from the company's competitors. The board is keeping a close watch on changing competitive scenario and are confident of facing the same in its entirety.

Outlook

Presently your company is passing through a very bad phase of financial crunch. Cost cutting exercise is being undertaken by the board at each level of company's operation. Your board is confident of sustaining through the present phase.

Risk and Concern :

High costs of power and the continued high state duties levied on company's product result in a negative impact on the turnover of the company.

Financial Performance and Operational Performance :

The financial performance of the company has been less than satisfactory.

Review of internal control system and their adequacy.

The company has an internal control system which, in the opinion of the management, is commensurate with the size and the activities of the company

For and on behalf of the Board of Director

Place : Mumbai,

Date : September 01, 2006

Jiten S. Choksey

Chairman

CERTIFICATE:

To the members of KUMAR WIRE CLOTH MFG. CO. LTD.

We have examined the compliance of conditions of corporate governance by KUMAR WIRE CLOTH MFG. CO. LTD., for the year ended March 31, 2006, as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It 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 conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Shareholders/ Investor Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For M/S. J. H. GHUMARA
Chartered Accountants

J. H. GHUMARA
Proprietor

Date: September 01, 2006.
Place: Mumbai.



Balance Sheet As at 31 st March 2006

		As at 31-03-2006 Rupees	As at 31-03-2005 Rupees
SOURCES OF FUNDS :			
Shareholders' Funds :			
Capital	1	31,500,000	31,500,000
Reserves & Surplus	2	<u>4,009,411</u>	<u>4,009,411</u>
		35,509,411	35,509,411
Loan Funds :			
Secured Loans	3	27,165,997	25,911,998
Unsecured Loans	4	<u>8,070,893</u>	<u>8,320,893</u>
		35,236,890	34,232,891
Total		<u>70,746,301</u>	<u>69,742,302</u>
APPLICATION OF FUNDS :			
Fixed Assets			
Gross Block	5	49,501,405	56,644,743
Less: Depreciation		<u>35,800,779</u>	<u>39,228,476</u>
Net Block		13,700,626	17,416,267
INVESTMENTS			
Current Assets, Loans & Advances	7	11,139,097	21,006,418
Less: Current Liabilities & Provisions	8	<u>41,683,008</u>	<u>39,468,607</u>
		(30,543,912)	(18,462,189)
Miscellaneous Expenditure (to the extent not Written off or adjusted)		—	—
Profit & Loss A/c		<u>87,573,086</u>	<u>70,771,724</u>
Total		<u>70,746,301</u>	<u>69,742,302</u>

Notes forming part of Accounts 18

As per our attached Report of even date
For J H Ghumara & Co.
Chartered Accountants
J H Ghumara
Proprietor
Mumbai, September 1, 2006

For and on behalf of the Board
[Jiten S. Choksey]
Chairman
[Mr. Subhash Mayekar]
Director
[Sushil D. Choksey]
Director
[Omprakash Yadav]
Director

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Profit & Loss Account for the Year Ended 31 st March 2006			
		As at 31-03-2006 Rupees	As at 31-03-2005 Rupees
INCOME:			
Sales & Operating Income	9	22,009,871	29,890,162
Other Income	10	691,632	427,348
		<u>22,701,503</u>	<u>30,317,510</u>
EXPENDITURE :			
Raw Materials consumed	11	9,844,673	12,835,930
Cost of Sales - Traded Items		3,554,556	2,442,875
Payments to and Provisions for Employees	12	3,710,902	4,557,923
Manufacturing & Other Expenses	13	3,862,685	3,344,433
Depreciation		2,497,794	3,037,949
Financial Expenses	14	3,443,672	3,104,488
Administration Expenses	15	3,147,298	3,190,750
Selling & Distribution Expenses	16	2,620,029	3,705,857
		<u>32,681,608</u>	<u>36,220,206</u>
Accretion/Decretion to Stock	17	(+) 2,821,244	(+) 308,435
Total		<u>35,502,852</u>	<u>36,528,641</u>
Profit (Loss) before Tax		(12,801,349)	(6,211,131)
Less : Fringe Benefit Tax		(67,311)	—
Interest on unpaid Income Tax		(624,020)	(1,264,860)
Interest on unpaid Sales Tax		(1,655,797)	(1,180,618)
Profit (Loss) After Tax		(15,148,477)	(8,656,609)
Add : Balance brought forward		(70771724)	(62115114)
Add : Income Tax Adjustment earlier year		734,936	—
Sale Tax Adjustment earlier year		(2,387,821)	—
Balance in Profit & Loss Account C/f to Balance Sheet		(87,573,086)	(70,771,724)
Basic & Diluted Earning Per Share:		(4.81)	(2.75)
Notes forming part of Accounts	18		
As per our attached Report of even date		For and on behalf of the Board	
For J H Chumara & Co.		[Jiten S. Choksey]	[Sushil D. Choksey]
Chartered Accountants		Chairman	Director
J H Chumara		[Mr. Subhash Mayekar]	[Omprakash Yadav]
Proprietor		Director	Director

Mumbai, September 1, 2006



Schedules forming part of the Balance Sheet As At 31 st March 2006 .

	As at 31-03-2006 Rupees	As at 31-03-2005 Rupees
SCHEDULE 1		
CAPITAL		
Authorised:		
4000000 Equity Shares of Rs. 10/- each	40,000,000	40,000,000
(Previous Year 4000000 Equity Shares of Rs 10/- each.	<u>40,000,000</u>	<u>40,000,000</u>
Issued & Subscribed:		
3150000 (Previous Year 3150000) Equity Shares of Rs. 10/- (Previous Year Rs 10/-) each fully paid up.	31,500,000	31,500,000
	<u>31,500,000</u>	<u>31,500,000</u>
SCHEDULE 2		
RESERVES & SURPLUS		
General Reserve	4,009,411	4,009,411
	<u>4,009,411</u>	<u>4,009,411</u>
SCHEDULE 3		
SECURED LOANS		
(A) Cash Credit	10,581,398	9,788,307
(Secured against hypothecation of stock of raw materials, work-in-progress and finished goods)		
(B) Letter of Credit	1,175,335	—
(Secured against hypothecation of stock of raw materials, work-in-progress and finished goods)		
(C) Term Loan - New		
Working Capital Term Loan - 217	12,188,283	12,689,287
Funded Interest Term Loan - 218	3,220,981	3,434,404
(Secured against Plant & Machinery)	<u>27,165,997</u>	<u>25,911,998</u>
SCHEDULE 4		
UNSECURED LOANS		
(a) From Inter Corporate Bodies & Others	8,070,893	8,320,893
	<u>8,070,893</u>	<u>8,320,893</u>

Schedules forming part of the Balance Sheet As At 31 st March 2006

SCHEDULE 5 :

Fixed Assets

(Rupees)

	%	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 31.03.05	Additions during the year	Sales/Ded- during the year	As at 31.03.06	As at 01.04.05	Adjusted During the Year	For the Year	As at 31.03.06	As at 31.03.06	As at 31.03.05
Land	0%	300,565	-	-	300,565	-	-	-	-	300,565	300,565
Building	10%	5,985,010	-	-	5,985,010	4,192,350	-	179,266	4,371,616	1,613,394	1,792,660
Plant & Machinery	15.33%	44,156,915	-	6,833,027	37,363,888	29,958,482	(5,627,483)	2,134,529	26,465,529	10,888,359	14,238,433
Vehicles	25.89%	1,324,090	-	310,311	1,013,779	1,213,907	(298,008)	27,651	943,551	70,228	110,183
Scale	13.91%	50,647	-	-	50,647	44,607	-	840	45,447	5,200	6,040
Air Conditioner	13.91%	116,552	-	-	116,552	81,653	-	4,854	86,507	30,045	34,899
Furniture	18.10%	264,111	-	-	264,111	200,195	-	11,569	211,764	52,347	63,916
Air Compressor	13.91%	40,457	-	-	40,457	40,457	-	-	40,457	-	-
Typewriter	13.91%	26,622	-	-	26,622	20,539	-	846	21,385	5,236	6,083
Franking Machine	13.91%	9,421	-	-	9,421	6,981	-	339	7,320	2,101	2,440
Electrical Fitting	13.91%	1,662,167	-	-	1,662,167	1,182,840	-	66,674	1,249,514	412,653	479,327
Computer	40%	1,528,078	-	-	1,528,078	1,458,595	-	27,793	1,486,389	41,689	69,483
Office Equipment	13.91%	1,112,996	-	-	1,112,996	807,996	-	42,426	850,421	262,576	305,000
Time Recorder	13.91%	27,113	-	-	27,113	19,873	-	1,007	20,879	6,234	7,240
Total:		56,644,743	-	7,143,338	49,501,405	39,228,476	(5,925,491)	2,497,794	35,800,779	13,700,626	17,416,266
Previous Year:		64,274,813	15,250	-	64,290,063	40,087,342	-	3,571,285	43,658,626	20,631,436	24,187,471



Schedules forming part of the Balance Sheet As At 31 st March 2006 and Profit & loss Account for the year ended 31st march 2006

	As at 31-03-2006 Rupees	As at 31-03-2005 Rupees
SCHEDULE 6		
INVESTMENTS		
Unquoted 900 Shares of Rs. 10/ each of Bhopal Paper & Board Ltd.	9,000	9,000
Fully paid up (Previous Year 900 shares)		
<i>NSC-VIII ISSUE</i>	<u>7,500</u>	<u>7,500</u>
	<u>16,500</u>	<u>16,500</u>
SCHEDULE 7		
CURRENT ASSETS, LOANS & ADVANCES		
(a) Inventories (as valued and certified by the Management)		
1. Raw Material	436,960	1,827,596
2. Finished Goods (included Trdg.)	3,192,558	8,912,082
3. Spares & Consumables	<u>225,000</u>	<u>525,000</u>
	<u>3,854,518</u>	<u>11,264,678</u>
(b) Sundry Debtors		
(Unsecured considered good unless otherwise stated)		
Outstanding for a period exceeding six months	1,747,353	777,619
Others	<u>4,108,371</u>	<u>4,785,744</u>
	<u>5,855,724</u>	<u>5,563,363</u>
(c) Cash & Bank Balances		
	408,171	1,117,424
(d) Loans & Advances		
Interest Accrued on Deposits	—	171,255
Advances recoverable in cash or kind	532,852	1,806,880
Tax Deducted at Source - Receivable	74,563	113,849
Deposits	<u>413,269</u>	<u>968,969</u>
Total (a to d)	<u>11,139,097</u>	<u>21,006,418</u>
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	4,864,026	6,079,360
Provision for Taxation	11,643,437	11,805,359
Provision for Deferred Tax Liability	4,640,902	4,640,902
Other Liabilities	20,197,214	16,326,737
Advance from Debtors	<u>337,429</u>	<u>616,249</u>
	<u>41,683,008</u>	<u>39,468,607</u>

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Schedules forming part of the Balance Sheet As At 31 st March 2006		
	As at 31-03-2006 Rupees	As at 31-03-2005 Rupees
SCHEDULE 9		
SALES & OPERATING INCOME		
Gross Sales	24,366,112	33,195,363
Less : Excise Duty	<u>2,356,241</u>	<u>3,305,201</u>
	<u>22,009,871</u>	<u>29,890,162</u>
SCHEDULE 10		
OTHER INCOME		
Interest Received	47,462	46,039
Bad debts Recovered	217,789	220,402
Misc. Income	-	600
Balance Written Off	23,527	11,007
Profit on Sale of Machine	-	126,780
Discount / Rebate	461	22,520
Interest on Income Tax	2,430	-
Insurance Claim	362,266	-
Profit on Sale of Tempo	<u>37,697</u>	<u>-</u>
	<u>691,632</u>	<u>427,348</u>
SCHEDULE 11		
RAW MATERIALS CONSUMED		
Opening Stock	1,827,596	2,946,905
Add : Purchases	<u>8,454,037</u>	<u>11,716,621</u>
	10,281,633	14,663,526
Less : Closing stock	<u>436,960</u>	<u>1,827,596</u>
	<u>9,844,673</u>	<u>12,835,930</u>
SCHEDULE 12		
PAYMENT TO AND PROVISIONS FOR EMPLOYEES		
Wages	1,953,884	2,785,351
Salaries	980,675	833,455
Bonus & Leave Salary	211,423	283,159
Staff Welfare	112,403	267,183
Provident Fund	213,379	284,523
Gratuity	235,154	83,000
Maharashtra Labour Welfare Fund	3,984	4,252
Medical Expenses	-	17,000
	<u>3,710,902</u>	<u>4,557,923</u>



Schedules forming part of the Balance Sheet As At 31 st March 2006

	As at 31-03-2006 Rupees	As at 31-03-2005 Rupees
SCHEDULE 13		
MANUFACTURING AND OTHER EXPANCES		
Spares & Consumables	1,962,631	424,407
Power & Electricity	604,301	835,681
Water Charges	78,955	101,186
Insurance	81,542	101,015
Labour Charges	777,878	382,191
Security Expenses	59,510	68,047
Factory Expenses	-	135,500
Advance Licence Expenses	33,355	111,022
Material procurement Charges	12,065	9,563
Excise Expenses	9,123	-
Repairs and Maintenance :		
Building	48,843	623,539
Plant & Machinery	75,861	245,517
Others	118,621	306,765
	<u>3,862,685</u>	<u>3,344,433</u>
SCHEDULE 14		
FINANCIAL EXPENSES		
Bank Interest-Cash Credit	1,385,759	1,642,344
Bank Interest Term Loan	1,795,121	1,298,813
Interest to creditors	261,235	-
Interest to Others	1,557	163,331
	<u>3,443,672</u>	<u>3,104,488</u>

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	As at 31-03-2006 Rupees	As at 31-03-2005 Rupees
SCHEDULE 15		
ADMINISTRATIVE EXPENSES		
Remuneration to Auditors:		
For Statutory Audit	30,000	30,000
For Tax Audit	5,000	5,000
For other services	-	1,653
Advertising Expenses	75,424	-
Bank Charges & Commission	139,677	235,019
Bad Debts	-	63,084
Balance W/off	132,715	-
Vehicles Expenses	141,412	188,790
Conveyance	93,719	126,441
Exchange difference	164,820	95,502
Legal & Professional Charges	972,261	880,975
Listing Fees	10,000	10,000
Membership & Subscription	10,500	8,590
Loss on Sale of Machines	422,544	-
Expenses on Sale of Machines	45,000	-
Office Maintenance Expenses	1,837	27,625
Other General Expenses	2,500	2,500
Postage & Telephone	206,593	360,918
Printing & Stationery	240,176	104,414
Rates & Taxes	23,800	313,482
Sundry Expenses	17,704	240,162
Travelling Expenses	411,616	496,596
	3,147,298	3,190,750



Schedules forming part of the Balance Sheet As At 31 st March 2006.

	As at 31-03-2006 Rupees	As at 31-03-2005 Rupees
SCHEDULE 16		
Commission & Brokerage	124,596	164,948
Sales Tax \ VAT	1,856,625	2,354,520
Packing & Forwarding	127,761	509,992
Discount	64,776	74,923
Advertising	71,335	36,503
Sales Promotion Expenses	72,268	100,713
Freight & Octroi	214,813	333,457
Export Clearing Charges	87,855	130,801
	<u>2,620,029</u>	<u>3,705,857</u>
SCHEDULE 17		
ACCRETION(-)/DECRETION(+) TO STOCK		
Opening Stock of Finished Goods	5,252,450	5,560,885
Closing Stock of Finished Goods	2,431,206	5,252,450
Accretion(-)/Decretion(+) to Stock (+)	<u>2,821,244</u>	(+) <u>308,435</u>

SCHEDULE 18

1. SIGNIFICANT ACCOUNTING POLICIES

A. GENERAL:

- i) The accounts have been prepared under the historical cost convention and on the basis of going concern.
- ii) Accounting policies not specifically referred to are consistent and in consonance with generally accepted accounting principles.
- iii) Expenses and income to the extent considered payable and receivable respectively are accounted for on accrual basis except liability in respect of excise duty on finished goods lying in factory premises and Export incentives on Export sales.

B. SALES:

- i) Sales comprises sale of goods.
- ii) Sales includes Excise Duty.

C. Fixed Assets :

- i) Fixed Assets are recorded at historical cost of acquisition or construction.
- ii) Cost of Plant & Machinery fabricated comprises of cost directly relatable to the specific Assets such as freight, interest, salaries and installation charges for bringing the asset to its working condition for use.

D. Depreciation :

Depreciation has been provided on Written Down Value Method at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on Land has not been provided.

E. Valuation of Inventories :

- i) Raw Materials are valued at cost.
- ii) Components, Stores, Spares, Consumables, etc. are valued at cost.
- iii) Stock in Process is valued at cost of Raw Materials.
- iv) Finished Goods are valued at lower of cost price of production or net realisable value.

F. Purchases :

- i) Purchases of Raw Materials (Imported) comprises of Basic Invoice price , Clearing Charges, Price Exchange Fluctuation & Customs Duty wherever applicable.
- ii) Purchases of Raw Materials (Indigenous) comprises of Basic Invoice Price , Taxes , wherever applicable, transportation charges and other incidental expenses.
- iii) Purchases of Traded goods comprises of Basic Invoice Price, Taxes & Duties wherever applicable.



G. Foreign Currencies :

Foreign Currency transactions are accounted at exchange rates prevailing on the date the transaction takes place. All exchange differences gains/losses arising in respect of Foreign Currency transactions are dealt with in Profit & Loss Account except those relating to acquisition of Fixed Assets.

H. Preliminary & Public Issue Expenses :

Preliminary and Public Issue Expenses and Deferred Revenue Expenditure are amortised over a Period of 10 Years.

I. Investments:

Investments are valued at cost.

J. Deferred Taxation :

As per accounting standards 22, provision for deferred taxation is made using the liability method, at current rates of taxation, on all timing differences to the extent that it is probable that a liability or asset will crystallize, subject to criteria of prudence.

2. NOTES TO ACCOUNTS:

A. RETIREMENT BENEFITS TO EMPLOYEES:

Provision has been made in these accounts in respect of Gratuity liability funded as per group gratuity scheme of Life Insurance Corporation of India. Amount Rs. 2.35 lakhs (Previous year. 0.83 lakhs),

	As At 31-03-2006	As At 31-03-2005
	(Rs.)	(Rs.)
B.Contingent Liabilities not provided for in respect of		
a) Letter of Credit opened by Bank,	0	1,935,127
b) Corporate Guarantees given to financial Institutions against credit facilities extended to other bodies corporate.	3,000,000	3,000,000
c) In respect of case filled by one of the creditors u/s 138 of the Negotiable Instrument Act 1942 , company may have to pay a maximum penalty of Rs. 8,03,490/-	803,490	803,490
C. Estimated amounts of contracts remaining to be executed on Capital Account not provided for		
D. Expenditure incurred on employees during the year who were in receipt of Rs.24,00,000 p.a. or Rs. 2,00,000 p.m. if employed for part of the year.		
a) Employed throughout the year.	Nil	Nil
b) Employed for part of the year.	Nil	Nil

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E. Auditors Remuneration :				
a. Audit Fees		30,000		30,000
b. For other Services - Tax Audit		5,000		5,000
c. Taxation Matters		-		1,653
F. Import Calculated on C.I.F. basis				
a. Raw Materials		3,755,720		847,723
b. Spares & Consumable		-		125,866
c. Wire Mesh (Trading)		77,159		312,124
G. Expenditure in foreign currency				
a. Commission		124,596		155,817
b. Raw Materials		3,688,737		818,877
c. Foreign Travelling		161,869		55,427
d. Interest on Import		111,857		21,015
H. Earnings in Foreign Currency on F.O.B basis				
Stainless Steel Wire Mesh - Export Sales		2,084,312		4,305,608
Filters- Export Sales		373,828		318,030
I. Production of Finished Goods				
		Qty.		Qty.
		Wire Mesh		(Sq.Ft.)
		430,856.86		618,351.97
S.S.Filters & Filter Packs (Nos.)		165,476		138,000
	Qty.	Value (Rs.)	Qty.	Value (Rs.)
J. Sales & Services				
Wire Mesh (Including Trading 55783.43 ft)	504,614.85	22,640,056	657,599.92	32,286,690
Others (Individually not exceeding 10 % of Total Value)		1,726,056	-	908,673
K. Opening and Closing Stock :				
Raw Materials				
Wires - Opening Stock (Kgs)	7066.45	1825897	7722.14	2945206
- Closing Stock (Kgs)	1211.75	435261	7066.45	1825897
Sintered Sheets - Opening Stock(Nos)	12	1699	12	1699
- Closing Stock (Nos)	12	1699	12	1699



Finished Goods

Wire Mesh - Opening Stock

- Manufacturing (Sq.ft)	81952.50	5252450	75002.55	5560885
- Trading (Sq.ft)	110691.80	3018462	103223.60	2690394
- Trading - Wire (Kg.)	26055.00	641170	26055.00	641170
- Closing Stock				
- Manufacturing (Sq.ft)	62037.21	2431206	81952.50	5252450
- Trading (Sq.ft)	56847.47	761352	110691.80	3018462
- Trading - Wire (Kg.)	0.00	0	26055.00	641170

S. S. FILTERS & FILTERPACKS

- Opening Stock (Nos.)	36725	0	36725	0
- Closing Stock (Nos.)	36751	0	36725	0

L. Value of Imported/Indigenous Materials, Stores & Spares

a) Material Consumption

1. Imported at landed cost	3899002	39.61	2407670	18.76
2. Indigenous	5945671	60.39	10428260	81.24
	<u>9844673</u>	<u>100.00</u>	<u>12835930</u>	<u>100.00</u>

b) Spare Parts Consumption

1. Imported at landed Cost	0	0.00	168711	39.75
2. Indigenous	1962631	100.00	255696	60.25
	<u>1962631</u>	<u>100.00</u>	<u>424407</u>	<u>100.00</u>

M. Related Party Disclosures :

(a) List of Related Parties and Relationships

Party	Relation
Nil	Nil

(b) Related Party Transactions

Rs. In Lacs

Transactions	Associated & Joint Ventures	Key Management Personnel (Including relatives)	Promoter	Total
Nil	Nil	Nil	Nil	Nil

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N. Earnings Per Share (EPS) :	Rs. In Lacs
(i) Profit after tax	(15,148,477)
Less: Preference Dividend including tax thereon	Nil
Profit attributable to ordinary shareholders	(15,148,477)
(ii) Nos of Ordinary Shares for EPS	3,150,000
(iii) Nominal Value of ordinary Shares	Rs. 10
(iv) Earnings per Ordinary Share (Basic & Diluted)...	(4.81)

- O. a). Deferred Tax has been accounted in accordance with the requirement of Accounting standards on "Taxes on Income" (AS 22).
- b). The major components of the Deferred Tax Liabilities, based on the tax effect of the timing differences as at 31st March 2006 are as under :

Deferred Tax Liability	Rs. As At 31-03-2006	Rs. As At 31-03-2005
Depreciation	Nil	Nil
Deferred Tax Asset (***)	Nil	Nil
	<u>Nil</u>	<u>Nil</u>

(***) In view of lack of certainty regarding future profits, deferred tax assets have not been accounted in accordance with the provisions of Accounting Standard 22.

- P. In accordance with past practise, Excise Duty on goods lying in the factory as on 31.03.2006 will be accounted on clearance of such goods. The excise duty liability of Rs.3,96,773/- if provided would have no effect on the loss for the year.
- Q. The company is required to furnish the list of outstandings to Small Scale Industrial undertakings under the head Current Liabilities. The Company had requested the vendors to furnish the information with SSI Registration Number. Due to not receipt of feedback from Vendors the company is unable to provide such information in its accounts.
- R. The balances of certain Sundry Debtors/Sundry Creditors/ Loans and Advances and Unsecured loan are subject to confirmation.
- S. Provision for interest of Rs. 7404705/- (including interest for the current year 1344690/-) on loans from certain parties has not been made as the company is negotiating with the parties for revision of terms and conditions.
- T. The Company has been declared as a sick company under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985. Due to paucity of funds and present competitive market conditions, the company has suspended its manufacturing activities at its Taloja factory.
- U. Previous year figures have been regrouped / rearranged wherever necessary / possible.

As per our Report attached
For J H Ghumara & Co.
Chartered Accountants

[J.H.Ghumara]
Proprietor

Mumbai, September 1, 2006.

For and on behalf of the Board

[Mr. Jiten S Choksey]
Chairman

[Mr. Subhash Mayekar]
Director

[Mr. Sushil D Choksey]
Director

[Mr. Omprakash Yadav]
Director

KUMAR WIRECLOTH MANUFACTURING COMPANY LIMITED



	2005-2006	2004-2005
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax & Extraordinary items	(12,801,349)	(6,211,131)
Adjustment for Preliminary Expenses Written Off	-	-
Depreciation	2,497,794	3,037,949
Depreciation Written Back	-	-
Interest Received	47,462	46,039
Interest (net)	3,443,672	3,104,488
Loss on sale of Assets	422,544	-
Profit on sale of Assets	(37,697)	(126,780)
	<u>6,373,774</u>	<u>6,061,696</u>
Operating Profit Before Working Capital Changes	(6,427,575)	(149,435)
Adjustment for :		
Trade & Other Receivable	1,747,907	4,074,862
Inventories	7,410,160	1,120,516
Trade Payable	2,214,401	1,254,715
	<u>11,372,468</u>	<u>6,450,093</u>
Cash Generated from Operations	4,944,894	6,300,658
Interest	(3,443,672)	(3,104,488)
Tax Paid	(67,311)	-
Prior Period/Tax provision adjustments	(3,932,701)	(2,445,478)
	<u>(7,443,684)</u>	<u>(5,549,966)</u>
Net Cash From Operating Activities	(2,498,790)	750,692
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchases of Fixed Assets	-	(56,000)
Investments	-	-
Sale of Assets	833,000	360,000
Preliminary Expenses	-	-
Interest Received	(47,462)	(46,039)
	<u>785,538</u>	<u>257,961</u>
Net Cash Used in Investing Activities	(1,713,252)	1,008,653
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Borrowings	1,003,999	(1,290,671)
Net Cash Used in Financing Activities	<u>1,003,999</u>	<u>(1,290,671)</u>
	(709,253)	(282,018)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		
OPENING CASH AND CASH EQUIVALENTS	1,117,424	1,399,442
Cash & Bank Balances	-	-
CLOSING CASH AND CASH EQUIVALENTS	408,171	1,117,424
As per our Report attached	For and on behalf of the Board	
For J H Ghumara & Co., Chartered Accountants	[Mr. Jiten S Choksey] Chairman	[Mr. Sushil D Choksey] Director
[J H Ghumara] Proprietor)	[Mr. Subhash Mayekar] Director	[Mr. Omprakash Yadav] Director
Mumbai, September 1, 2006		

24th ANNUAL REPORT 2005-2006

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE.

1 Registration Details	
Registration No.	11-24249
State Code	11
Balance Sheet Date	31.03.2006
2 Capital raised during the year	
Public issue	(Rs. In '000)
Rights issue.	Nil
Bonus issue	Nil
Private Placement	Nil
3 Position of Mobilisation and Deployment of Funds	
Total Liabilities	(Rs. In '000)
Total Assets	70746
Sources of Funds	70746
Paid up Capital	31500
Reserves & b Surplus	4009
Secured Loans	27166
Unsecured Loans	8071
Application of Funds	
Net fixed Assets	13701
Investments	17
Net Current Assets	-30544
Misc. Expenditure	0
Accumulated Losses	87573
4 Performance of Company	
Turnover (Gross Revenue)	(Rs. In '000)
Total Expenditure	22702
+/- Profit / Loss Before Tax	32682
+/- Profit / Loss After Tax	-12801
Earning per Share Rs.	-15148
Dividend Rate %	-4.81
5 Generic Name of Three Principal Products Of Company	
(As per monetary terms)	
Item Code No. (ITC Code) Product: Stainless Steel Wirecloth	Nil
Item Code No. (ITC Code) Product: Wirecloth - others	73141101
	73141901

As per our Report attached
For J H Ghumara & Co.
Chartered Accountants

[J H Ghumara]
Proprietor

Mumbai, September 1, 2006

For and on behalf of the Board

[Mr. Jiten S Choksey]
Chairman

[Mr. Subhash Mayekar]
Director

[Mr. Sushil D Choksey]
Director

[Mr. Omprakash Yadav]
Director



KUMAR WIRECLOTH MANUFACTURING COMPANY LIMITED

Regd. Office: D-23, MIDC, Taloja, Taluka- Panvel, District: Raigad, Maharashtra.

ATTENDANCE SLIP

(Name & Address of Member/Proxy)

Folio No.	
No. of shares	
Sr. No.	

I hereby record my presence at the 24th Annual General Meeting of the Company on **Saturday, September 30, 2006 at 10.00 a. m at D-23, MIDC, Taloja, Taluka- Panvel, District: Raigad, Maharashtra.**

Signature of the attending Member/Proxy

- NOTES:
1. A Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.
 2. A Shareholder/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.



KUMAR WIRECLOTH MANUFACTURING COMPANY LIMITED

Regd. Office: D-23, MIDC, Taloja, Taluka - Panvel, District: Raigad, Maharashtra.

PROXY

I / We _____ of _____ being

a Member / Members of the above named Company, hereby appoint _____ of

in the district of _____ or failing him

if _____ in the

district of _____ as my/our Proxy to attend and vote for me/us on my/our behalf at the

24th Annual General Meeting of the Company, to be held on **Saturday, September 30, 2006 at 10.00 a.m.** and at any adjournment thereof.

Dated this _____ day of _____ 2006.

Signature

Affix
1 Rupee
Revenue
Stamp

Folio No.	
No. of shares	
Sr. No.	

- NOTES:
1. The Proxy must be returned so as to reach the Registered Office of the Company, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.
 2. A Proxy need not be a member of the Company.

BOOK - POST



If undelivered please return to :

KUMAR WIRECLOTH MANUFACTURING CO. LTD.

D-23, MIDC, TALOJA, TALUKA- PANVEL, PIN- 410218