

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 Fifth** Annual General Meeting of **KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED**, will be held at on **Saturday, September 29, 2007** at 10.00 AM 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 2007 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 retire as Director & being eligible offers himself for reappointment.
3. To Appoint a Director in place of Shri Sushil Choksey who retire as Director & being eligible offers himself for reappointment.
4. To appoint Auditors and to authorize the Board to fix their remuneration.

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

PLACE: MUMBAI
DATE : 01/09/2007

JITEN CHOKSEY
CHAIRMAN

Registered Office:

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

NOTES:

1. 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.

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 Tuesday, September 25, 2007 to Saturday, September 29, 2007 (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. 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 : 01/09/2007

JITEN CHOKSEY
CHAIRMAN

Registered Office:

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

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 25th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2007.

SUMMARISED FINANACIAL RESULTS:

	Year ended 31-03-2007 Rs. in Lacs	Year ended 31.03.2006 Rs. in Lacs
Profit before Interest & Depreciation	(36.72)	(68.60)
Less: Interest	38.80	34.44
Profit before Depreciation	(75.52)	(103.04)
Less: Depreciation	(19.74)	(24.98)
Profit/(Loss) before Tax	(95.26)	(128.02)
Less: Interest – Income Tax/ Sales Tax	(27.69)	(40.00)
Net Profit /(Loss) after Tax	(122.96)	(168.02)
Profit /(Loss) b/f from Previous year	(875.73)	(707.71)
Profit/(Loss) carried to Balance Sheet	(999.69)	(875.73)

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.

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 Mumbai Stock Exchange.

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 retires at the ensuing Annual General Meeting and 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 Company's 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;

(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.

EXPLANATION U/S. 217(3) OF THE COMPANIES ACT, 1956:

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.

**PLACE: MUMBAI
DATE : 01/09/2007**

**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 E, F & G in Notes to the Accounts.

For and on behalf of the Board.

**PLACE: MUMBAI
DATE : 01/09/2007**

**JITEN CHOKSEY
CHAIRMAN**

J.H. GHUMARA & CO.

CHARTERED ACCOUNTANTS

J. H GHUMARA

B. Com., F.C.A.

B/14, Jessika, Natakwala Lane,

S. V. Road, Borivali, (West)

Mumbai- 400 001.

Tel No. 2806 8739.

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 2007 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.

J.H. GHUMARA & CO.

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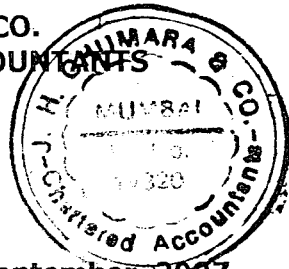
- (e) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as at 31st March 2007 from being appointed as a director under clause (g) of sub-section (1) of section 274 of 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 2007.
 - 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

J. H. Ghumara

**J. H GHUMARA
PROPRIETOR**

Mumbai, dated 1ST September, 2007.



J.H. GHUMARA & CO.
CHARTERED ACCOUNTANTS

J. H GHUMARA
B. Com., F.C.A.

B/14, Jessika, Natakwala Lane,
S. V. Road, Borivali, (West)
Mumbai- 400 001.
Tel No. 2806 8739.

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.

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Tel No. 2806 8739.

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- (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.138.54 lacs and Income Taxes Rs.122.67 lacs.
(b) According to information given to us there are sales taxes dues disputed by the company as at 31st March 2007 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 the amount relates	Forum where the dispute is pending
Central Sales Tax Act and Local Sales Tax Act	Sales tax including interest and penalty as applicable	74.03	1996-1997 1997-1998 1998-1999, 1999-2000, 2001-2002,	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.

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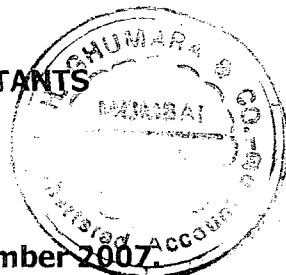
- (xiv) The company has not done any business in trading or dealing in shares and therefore there is no question of reporting on the same.
- (xv) According to the information and explanations given to us the Company has not given during the year any guarantee for loans taken by others from Banks or financial 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.
- (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 questions 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 ACCOUNTANTS**

J. H. Ghumara

**J. H. GHUMARA
PROPRIETOR**

Mumbai dated 1ST September 2007.



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:

1. 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. Subhash Mayekar	Director
4	Mr. Om Prakash Yadav	Director
5	Mr. Kamlesh Dubey	Director

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/Matter
1.	April 30, 2006	April-June 2006
2.	July 14, 2006	July –Sept. 2006
3.	July 24, 2006	July –Sept. 2006
4.	July 31, 2006	July –Sept. 2006
5.	September 01, 2006	July –Sept. 2006

6.	October 31, 2006	Oct.-Dec 2006
7.	December 15, 2006	Oct.-Dec 2006
8.	January 31, 2007	Jan.- Mar 2007
9.	Mar 15, 2007	Jan.- Mar 2007

ATTENDANCE AT THE VARIOUS MEETINGS :

Name Of Director	Category	No. of B.M Attended	Total comm. Member-ship	Total comm. Chair-Man ship	Attended Last AGM	Remarks
Mr. Jiten S. Choksey	Promoter NI-NE	9	1	1	Yes	
Mr. Sushil D Choksey	Promoter NI-NE	9	2	1	Yes	
Mr.Kalu Trilochan Pal	Independent Executive Director	2	3	1	No	Resigned on 24/07/06
Mr.Panna Bansu Pal	Independent Non-Executive Director	2	3	0	No	Resigned on 24/07/06
Mr.Subhash Mayekar	Independent Non-Executive Director	7	3	3	No	Apptd. on 14/07/06
Mr.Om Prakash Yadav	Independent Non-Executive Director	7	3	0	No	Apptd. on 14/07/06
Mr.Kamlesh Dubey	Independent Non-Executive Director	7	1	0	No	Apptd. on 14/07/06

NI-NE means Non-Independent Non-Executive,
IND-NE means Independent Non-Executive,

3. COMMITTEES OF THE BOARD:

SHAREHOLDERS' COMMITTEE:

Shareholders/Investors' Grievance Committee:

The Investors' Grievance Committee of the Company was formed on to facilitate prompt and effective re-dressal of shareholders' complaints and reporting of the same to the Board periodically.

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

COMPOSITION

The constitution of the Committee of Directors is as under:

Mr. Subhash Mayekar	Chairman
Mr. Sushil Choksey	Member
Mr. Om Prakash Yadav	Member & Compliance Officer

The number of pending Share transfer is NIL.

SHAREHOLDERS' GRIEVANCE COMMITTEE:

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

COMPOSITION

The constitution of the Committee of Directors is as under:

Mr. Subhash Mayekar	Chairman
Mr. Sushil Choksey	Member
Mr. Om Prakash Yadav	Member & Compliance Officer

Role of Committee:

To ascertain that all the shareholder grievances are immediately addressed. As at March 31, 2007, there were zero investor grievance pending.

RECEIVED FROM	TOTAL COMPLAINTS RECD. IN 2006-07	TOTAL COMPLAINTS RESOLVED	PENDING COMPLAINTS AS ON 31/03/2007
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. Subhash Mayekar	- Chairman
Mr. Om Prakash yadav	- Member
Mr. Kamlesh Dubey	- 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. Subhash Mayekar has been designated as the Compliance Officer as Mr. Kalu Pal resigned w.e.f. 24/07/2006.

4. GENERAL SHAREHOLDERS INFORMATION:

1. Means of Communication:

The Company publishes its quarterly results in the following newspapers.

- A. Free Press Journal
- B. Navshakti

2. 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
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.
2005-2006	30/09/2006	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: 29/09/2007 AT 10.00 A.M. AT ITS REGD.OFF. AT D-23, MIDC, TALOJA, TALUKA-PANVEL, DISTRICT: RAIGAD, MAHARASHTRA.
- B. FINANCIAL YEAR 2006-07.
- C. DATE OF BOOK CLOSURE SEPT.25, 2007 TO SEPT.29, 2007.
- D. STOCK EXCHANGE LISTING BOMBAY STOCK EXCHANGE 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	5499	98.81	1225200	38.90
5001 to 10000	25	0.448	180300	5.73
10001 to 20000	16	0.287	228500	7.25
20001 to 30000	10	0.179	144400	4.58
30001 to 40000	3	0.054	50600	1.60
40001 to 50000	0	0	0	
50001 to 100000	8	0.143	643300	20.43
Over 100000	4	0.072	677700	21.51
Total:	5565	100	3150000	100.00

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
Individuals/Hindu Undivided Family		4600	0.15
Foreign Promoters		0	0.00
Persons Acting in Concert		902900	28.66
	Sub - Total	907500	28.81
Non - Promoters Holding			
Institutional Investors			
Mutual Funds and UTI		0	0.00
Banking, Financial Institutions/Insurance Companies (Central / State Govt. Inst. Non - Govt. Inst.)		564500	17.92
FII's		0	0.00
	Sub - Total	564500	17.92
Others		0	0.00
Private Corporate Bodies (As per List 2)		38800	1.23
Indian Public		1402100	44.51
NRIs/OCBs		237100	7.53
Any Other		0	0.00
	Sub - Total	1678000	53.27
	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)

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.

Risks and Concerns:

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 systems 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.

Human Resource Development and Industrial Relations:

The company continues to maintain excellent industrial relations, while also ensuring human resource development. Training and educational programs are conducted as per the requirements, to improve efficiency and in turn, increase productivity of every employee. The company believes that its employees are the real strength of the organization.

For & on behalf of the Board

Jiten S. Choksey
Chairman

Mumbai, 01/09/2007.

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, 2007, 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.

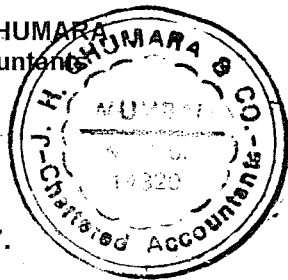
In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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: 01/09/2007.
Place: Mumbai.

Kumar Wire Cloth Manufacturing Company Limited

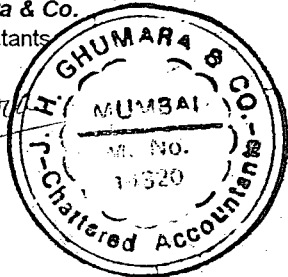
Balance Sheet As at 31 st March 2007

	Schedule No.	As at 31-03-2007 (Rs.)	As at 31-03-2006 (Rs.)
<u>SOURCES OF FUNDS :</u>			
<u>Shareholders Funds :</u>			
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
<u>Loan Funds :</u>			
Secured Loans	3	30,742,528	27,165,997
Unsecured Loans	4	<u>8,070,893</u>	<u>8,070,893</u>
		38,813,421	35,236,890
Total		<u><u>74,322,832</u></u>	<u><u>70,746,301</u></u>
<u>APPLICATION OF FUNDS :</u>			
<u>Fixed Assets</u>			
Gross Block	5	49,347,145	49,501,405
Less: Depreciation		<u>37,639,783</u>	<u>35,800,779</u>
Net Block		11,707,362	13,700,626
Investments	6	16,500	16,500
Current Assets, Loans & Advances	7	2,773,409	11,139,097
Less: Current Liabilities & Provisions	8	<u>40,143,488</u>	<u>41,683,008</u>
		(37,370,079)	(30,543,912)
Miscellaneous Expenditure (to the extent not Written off or adjusted)			
Profit & Loss A/c		99,969,049	87,573,086
Total		<u><u>74,322,832</u></u>	<u><u>70,746,301</u></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)



Date : 1 st September. 2007
Place : Mumbai

For and on behalf of the Board

Mr. Jiten S. Choksey

Mr. Sushil D. Choksey

Mr. Subhash Mayekar

Mr. Omprakash Yadav

Jiten S. Choksey

Sushil D. Choksey

Subhash Mayekar

Omprakash Yadav

Chairman

Director

Director

Director

Date : 1 st September. 2007
Place : Mumbai

Kumar Wire Cloth Manufacturing Company Limited

Profit & Loss Account for the Year Ended 31 st March 2007

	Schedule No.	As at 31-03-2007 (Rs.)	As at 31-03-2006 (Rs.)
<u>INCOME</u>			
Sales & Operating Income	9	2,466,638	22,009,871
Other Income	10	33,179	691,632
		<u>2,499,817</u>	<u>22,701,503</u>
<u>EXPENDITURE :</u>			
Raw Materials consumed	11	210,947	9,844,673
Cost of Sales - Traded Items		297,100	3,554,556
Payments to and Provisions for Employees	12	1,747,452	3,710,902
Manufacturing & Other Expenses	13	910,804	3,862,685
Depreciation		1,974,493	2,497,794
Financial Expenses	14	3,879,865	3,443,672
Administration Expenses	15	885,082	3,147,298
Selling & Distribution Expenses	16	394,014	2,620,029
		<u>10,299,757</u>	<u>32,681,608</u>
Accretion/Decretion to Stock	17	(+) 1,725,680	(+) 2,821,244
	Total	<u>12,025,437</u>	<u>35,502,852</u>
PROFIT (LOSS) BEFORE TAX		(9,525,621)	(12,801,349)
Less :			
Fringe Benefit Tax		(28,746)	(67,311)
Interest on unpaid Income Tax		(624,020)	(624,020)
Interest on unpaid Sales Tax		(2,117,423)	(1,655,797)
PROFIT (LOSS) AFTER TAX		(12,295,810)	(15,148,477)
Add : Balance brought forward		(87,573,086)	(70,771,724)
Add : Income Tax Adjustment earlier year		-	734,936
Sale Tax Adjustment earlier year		(100,153)	(2,387,821)
		<u>(99,969,049)</u>	<u>(87,573,086)</u>
Balance in Profit & Loss Account C/f to Balance Sheet		(99,969,049)	(87,573,086)
Basic & Diluted Earning Per Share		(3.90)	(4.81)
Notes forming part of Accounts	18		

As per our attached Report of even date

For and on behalf of the Board

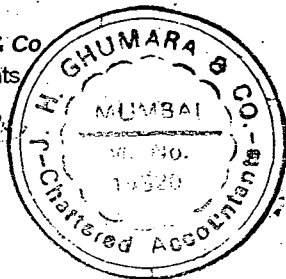
For J H Ghumara & Co
Chartered Accountants

Mr. Jiten S. Choksey

J. Choksey

Chairman

J H Ghumara
J H Ghumara
(Proprietor)



Mr. Sushil D. Choksey

Sushil D. Choksey

Director

Mr. Subhash Mayekar

Subhash Mayekar

Director

Mr. Omprakash Yadav

Omprakash Yadav

Director

Date : 1 st September. 2007

Date : 1 st September. 2007

Place : Mumbai

Place : Mumbai.

Kumar Wire Cloth Manufacturing Company Limited

**Schedules attached to and forming part of the Balance Sheet As At 31 st March 2007
And Profit & Loss Account for the year ended 31 st March 2007**

	As at 31-03-2007 (Rs.)	As at 31-03-2006 (Rs.)
SCHEDULE 1		
<u>CAPITAL</u>		
<u>Authorised:</u>		
4000000 Equity Shares of Rs. 10/- each (Previous Year 4000000 Equity Shares of Rs 10/- each.	40,000,000	40,000,000
	<u>40,000,000</u>	<u>40,000,000</u>
<u>Issued & Subscribed:</u>		
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		
<u>RESERVES & SURPLUS</u>		
General Reserve	4,009,411	4,009,411
	<u>4,009,411</u>	<u>4,009,411</u>
SCHEDULE 3		
<u>SECURED LOANS</u>		
<u>(A) Cash Credit</u> (Secured against hypothecation of stock of raw materials, work-in-progress and finished goods)	11,903,026	10,581,398
<u>(B) Letter of Credit</u> (Secured against hypothecation of stock of raw materials, work-in-progress and finished goods)	1,398,360	1,175,335
<u>(C) Term Loan - New</u> Working Capital Term Loan - 217 Funded Interest Term Loan - 218 (Secured against Plant & Machinery)	13,852,232 3,588,910	12,188,283 3,220,981
	<u>30,742,528</u>	<u>27,165,997</u>
SCHEDULE 4		
<u>UNSECURED LOANS</u>		
(a) From Inter Corporate Bodies & Others	8,070,893	8,070,893
	<u>8,070,893</u>	<u>8,070,893</u>

Kumar Wire Cloth Manufacturing Company Limited

SCHEDULE 5 :
Fixed Assets

Particulars	%	Gross Block				Depreciation				Net Block	
		As at 31.03.06	Additions during the year	Sales/Ded during the year	As at 31.03.07	As at 01.04.06	Adjusted During the Year	For the Year	As at 31.03.07	As at 31.03.07	As at 31.03.06
Land	0%	300,565	-	-	300,565	-	-	-	-	300,565	300,565
Building	10%	5,985,010	-	-	5,985,010	4,371,616	-	161,339	4,532,955	1,452,055	1,613,394
Plant & Machinery	15.33%	37,363,888	-	-	37,363,888	26,465,529	-	1,670,718	28,136,247	9,227,641	10,898,359
Vehicles	25.89%	1,013,779	-	-	1,013,779	943,551	-	18,182	961,733	52,046	70,228
Scale	13.91%	50,647	-	50,647	-	45,447	45,447	-	-	-	5,200
Air Conditioner	13.91%	116,552	-	-	116,552	86,507	-	4,179	90,686	25,866	30,045
Furniture	18.10%	264,111	-	-	264,111	211,764	-	9,475	221,239	42,872	52,347
Air Compressor	13.91%	40,457	-	40,457	-	40,457	40,457	-	-	-	-
Typewriter	13.91%	26,622	-	26,622	-	21,385	21,385	-	-	-	5,237
Franking Machine	13.91%	9,421	-	9,421	-	7,320	7,320	-	-	-	2,101
Electrical Fitting	13.91%	1,662,167	-	-	1,662,167	1,249,514	-	57,400	1,306,914	355,253	412,653
Computer	40%	1,528,078	-	-	1,528,078	1,486,389	-	16,676	1,503,065	25,013	41,689
Office Equipment	13.91%	1,112,996	-	-	1,112,996	850,421	-	36,524	886,945	226,051	262,575
Time Recorder	13.91%	27,113	-	27,113	-	20,879	20,879	-	-	-	6,234
Total:		49,501,405	-	154,260	49,347,145	35,800,779	135,488	1,974,493	37,639,783	11,707,362	13,700,626
Previous Year:		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

Kumar Wire Cloth Manufacturing Company Limited

**Schedules attached to and forming part of the Balance Sheet As At 31 st March 2007
And Profit & Loss Account for the year ended 31 st March 2007**

	As at 31-03-2007 (Rs.)	As at 31-03-2006 (Rs.)
SCHEDULE 6		
<u>INVESTMENTS</u>		
Unquoted 900 Shares of Rs. 10/ each of Bhopal Paper & Board Ltd.	9,000	9,000
Fully paid up (Previous Year 900 shares)	7,500	7,500
NSC-VIII ISSUE	<u>16,500</u>	<u>16,500</u>
 SCHEDULE 7		
<u>CURRENT ASSETS, LOANS & ADVANCES</u>		
<u>(a) Inventories (as valued and certified by the Management)</u>		
1. Raw Material	226,013	436,960
2. Finished Goods (included Trdg.)	1,581,638	3,192,558
3. Spares & Consumables		225,000
	<u>1,807,651</u>	<u>3,854,518</u>
<u>(b) Sundry Debtors</u>		
(Unsecured considered good unless otherwise stated)		
Outstanding for a period exceeding six months	280,426	1,747,353
Others	-	4,108,371
	<u>280,426</u>	<u>5,855,724</u>
<u>(c) Cash & Bank Balances</u>		
	155,455	408,171
<u>(d) Loans & Advances</u>		
Advances recoverable in cash or kind	70,135	532,852
Tax Deducted at Source - Receivable	74,563	74,563
Deposits	385,179	413,269
	<u>529,877</u>	<u>1,020,684</u>
Total (a to d)	<u>2,773,409</u>	<u>11,139,097</u>
 SCHEDULE 8		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
Sundry Creditors	1,074,470	4,864,026
Provision for Taxation	12,267,457	11,643,437
Provision for Deferred Tax Liability	4,640,902	4,640,902
Other Liabilities	22,160,659	20,197,214
Advance from Debtors	-	337,429
	<u>40,143,488</u>	<u>41,683,008</u>

Kumar Wire Cloth Manufacturing Company Limited

**Schedules attached to and forming part of the Balance Sheet As At 31 st March 2007
And Profit & Loss Account for the year ended 31 st March 2007**

	As at 31-03-2007 (Rs.)	As at 31-03-2006 (Rs.)
<u>SCHEDULE 9</u>		
<u>SALES & OPERATING INCOME</u>		
Gross Sales	2,677,551	24,366,112
Less : Excise Duty	210,913	2,356,241
	<u>2,466,638</u>	<u>22,009,871</u>
<u>SCHEDULE 10</u>		
<u>OTHER INCOME</u>		
Interest Received	401	47,462
Exchange Difference	4,391	-
Balance Written Off	28,387	23,527
Bad debts Recovered	-	217,789
Discount / Rebate	-	461
Interest on Income Tax	-	2,430
Insurance Claim	-	362,266
Profit on Sale of Tempo	-	37,697
	<u>33,179</u>	<u>691,632</u>
<u>SCHEDULE 11</u>		
<u>RAW MATERIALS CONSUMED</u>		
Opening Stock	436,960	1,827,596
Add : Purchases	-	8,454,037
	<u>436,960</u>	<u>10,281,633</u>
Less : Closing stock	226,013	436,960
	<u>210,947</u>	<u>9,844,673</u>
<u>SCHEDULE 12</u>		
<u>PAYMENT TO AND PROVISIONS FOR EMPLOYEES</u>		
Wages	328,011	1,953,884
Salaries	803,668	980,675
Bonus & Leave Salary	43,691	211,423
Staff Welfare	28,363	112,403
Provident Fund	68,335	213,379
Gratuity	475,000	235,154
Maharashtra Labour Welfare Fund	384	3,984
	<u>1,747,452</u>	<u>3,710,902</u>

Kumar Wire Cloth Manufacturing Company Limited

**Schedules attached to and forming part of the Balance Sheet As At 31 st March 2007
And Profit & Loss Account for the year ended 31 st March 2007**

	As at 31-03-2007 (Rs.)	As at 31-03-2006 (Rs.)
SCHEDULE 13		
MANUFACTURING & OTHER EXPENSES		
Spares & Consumables	225,000	1,962,631
Power & Electricity	317,824	604,301
Water Charges	80,664	78,955
Insurance	56,210	81,542
Labour Charges	143,847	777,878
Security Expenses	79,200	59,510
Excise Expenses	252	9,123
Advance Licence Expenses	-	33,355
Material procurement Chg	-	12,065
Repairs and Maintenance :		
Building	-	48,843
Plant & Machinery	-	75,861
Others	7,807	118,621
	<u>910,804</u>	<u>3,862,685</u>
SCHEDULE 14		
FINANCIAL EXPENSES		
Bank Interest	3,879,865	3,180,880
Interest to creditors	-	261,235
Interest to Others	-	1,557
	<u>3,879,865</u>	<u>3,443,672</u>
SCHEDULE 15		
ADMINISTRATIVE EXPENSES		
Remuneration to Auditors:		
For Statutory Audit	30,000	30,000
For Tax Audit	-	5,000
Advertising Expenses	64,978	75,424
Bank Charges & Commission	18,104	139,677
Balance W/off	-	132,715
Vehicles Expenses	68,286	141,412
Conveyance	46,405	93,719
Exchange difference	-	164,820
Legal & Professional Charges	304,214	972,261
Listing Fees	10,100	10,000
Membership & Subscription	21,000	10,500
Loss on Sale / Discarding of Asset	18,771	422,544
Expenses on Sale of Machines	-	45,000
Office Maintenance Expenses	-	1,837
Postage & Telephone	169,819	206,593
Printing & Stationery	16,257	240,176
Rates & Taxes	13,900	23,800
Sundry Expenses	8,853	20,204
Travelling Expenses	94,395	411,616
	<u>885,082</u>	<u>3,147,298</u>

Kumar Wire Cloth Manufacturing Company Limited

**Schedules attached to and forming part of the Balance Sheet As At 31 st March 2007
And Profit & Loss Account for the year ended 31 st March 2007**

	As at 31-03-2007 (Rs.)	As at 31-03-2006 (Rs.)
SCHEDULE 16		
<u>SELLING & DISTRIBUTION EXPENSES</u>		
Commission & Brokerage	-	124,596
Sales Tax \ VAT	162,683	1,856,625
Packing & Forwarding	27,419	127,761
Discount	1,168	64,776
Advertising	-	71,335
Sales Promotion Expenses	140,323	72,268
Freight & Octroi	32,088	214,813
Export Clearing Charges	30,333	87,855
	<u>394,014</u>	<u>2,620,029</u>
SCHEDULE 17		
<u>ACCRETION(-)/DECRETION(+) TO STOCK</u>		
Opening Stock of Finished Goods	2,431,206	5,252,450
Closing Stock of Finished Goods	705,526	2,431,206
Accretion(-)/Decretion(+) to Stock	(+) <u>1,725,680</u>	(+) <u>2,821,244</u>

Kumar Wire Cloth Manufacturing Company Limited

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 Deffered 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.

Kumar Wire Cloth Manufacturing Company Limited

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. 4.75 lakhs (Previous year 2.35 lakhs),

	As At 31-03-2007 (Rs.)		As At 31-03-2006 (Rs.)	
B. Contingent Liabilities not provided for in respect of				
a) Corporate Guarantees given to financial Institutions against credit facilities extended to other bodies corporate.		3,000,000		3,000,000
b) 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
C. 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
D. Auditors Remuneration :				
a. Audit Fees		30,000		30,000
b. For other Services - Tax Audit		-		5,000
E. Import Calculated on C.I.F. basis				
a. Raw Materials		-		3,755,720
b. Wire Mesh (Trading)		-		77,159
F. Expenditure in foreign currency				
a. Commission		-		124,596
b. Raw Materials		-		3,688,737
c. Foreign Travelling		-		161,869
d. Interest on Import		-		111,857
G. Earnings in Foreign Currency on F.O.B basis				
Stainless Steel Wire Mesh - Export Sales		771,386		2,084,312
Filters- Export Sales		-		373,828
H. Production of Finished Goods		Qty.		Qty.
Wire Mesh (Conversion) (Sq.Ft.)		11,861.94		430,856.86
S.S.Filters & Filter Packs (Nos.)		-		165,476
		Qty.		Value (Rs.)
I. Sales & Services				
Wire Mesh (Including Trading 5875.73 ft)	60,964.81	2,677,551	504,614.85	22,640,056
Others (Individually not exceeding 10 % of Total Value)	-	-	-	1,726,056

Kumar Wire Cloth Manufacturing Company Limited

J. Opening and Closing Stock :	As At 31-03-2007		As At 31-03-2006	
	Qty.	Value (Rs.)	Qty.	Value (Rs.)
Raw Materials				
Wires - Opening Stock (Kgs)	1211.75	435261	7066.45	1825897
- Closing Stock (Kgs)	872.25	226013	1211.75	435261
Sintered Sheets				
- Opening Stock (Nos)	12	1699	12	1699
- Closing Stock (Nos)	0	0	12	1699
Finished Goods				
Wire Mesh				
- Opening 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
- Closing Stock				
- Manufacturing (Sq.ft)	18810.07	705526	62037.21	2431206
- Trading (Sq.ft)	64505.09	876112	56847.47	761352
- Trading - Wire (Kg.)	0.00	0	0.00	0
K. Value of Imported/Indigenous Materials, Stores & Spares				
	Rs.	%	Rs.	%
a) Material Consumption				
1. Imported at landed cost	120847	57.75	3899002	39.61
2. Indigenous	88401	42.25	5945671	60.39
	<u>209248</u>	<u>100.00</u>	<u>9844673</u>	<u>100.00</u>
b) Spare Parts Consumption				
1. Imported at landed Cost	0	0.00	0	0.00
2. Indigenous	225000	100.00	1962631	100.00
	<u>225000</u>	<u>100.00</u>	<u>1962631</u>	<u>100.00</u>

L. Related Party Disclosures :

(a) List of Related Parties and Relationships

Party	Relation
Nil	Nil

(b) Related Party Transactions

Transactions	Associated & Joint Ventures	Key Management Personnel (Including relatives)	Promoter	Rs. In Lacs
				Total
Nil	Nil	Nil	Nil	Nil

Kumar Wire Cloth Manufacturing Company Limited

M. Earnings Per Share (EPS) :	Rs. In Lacs
(i) Profit after tax	(12,295,810)
Less: Preference Dividend including tax thereon	Nil
Profit attributable to ordinary shareholders	<u>(12,295,810)</u>
(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)...	(3.90)

- N. 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 2007 are as under :

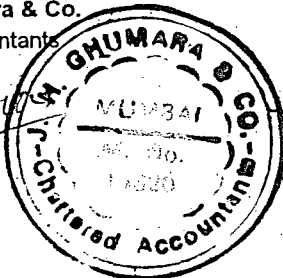
Deferred Tax Liability	Rs. <u>As At 31-03-2007</u>	Rs. <u>As At 31-03-2006</u>
Depreciation	Nil	Nil
Deferred Tax Asset (***)	Nil	Nil
	<u>Nil</u>	<u>Nil</u>

(***) 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.

- O. In accordance with past practise, Excise Duty on goods lying in the factory as on 31.03.2007 will be accounted on clearance of such goods. The excise duty liability of Rs.1,16,270/- if provided would have no effect on the loss for the year.
- P. 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.
- Q. The balances of certain Sundry Debtors/ Sundry Creditors/ Loans and Advances and Unsecured loan are subject to confirmation .
- R. Provision for interest of Rs. 8749395/- (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.
- S. 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 Talaja factory.
- T. 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)



For and on behalf of the Board

Mr. Jiten S Choksey

Chairman

Mr. Sushil D Choksey

Director

Mr. Subhash Mayekar

Director

Mr. Omprakash Yadav

Director

Dated: 1 st September 2007
Mumbai.

Dated: 1 st September 2007
Mumbai.

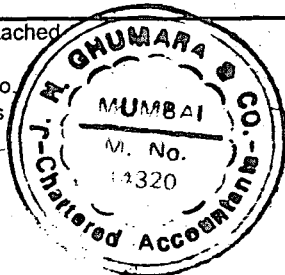
Kumar Wire Cloth Manufacturing Company Limited

Cash Flow Statement for the Year ended 31 st March 2007

	2006-2007	2005-2006
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax & Extraordinary items	(9,525,621)	(12,801,349)
Adjustment for Preliminary Expenses Written Off	-	-
Depreciation	1,974,493	2,497,794
Depreciation Written Back	-	-
Interest Received	401	47,462
Interest (net)	3,879,865	3,443,672
Loss on sale of Assets	18,771	422,544
Profit on sale of Assets	-	(37,697)
	<u>5,873,530</u>	<u>6,373,774</u>
Operating Profit Before Working Capital Changes	(3,652,091)	(6,427,575)
Adjustment for :		
Trade & Other. Receivable	6,066,105	1,747,907
Inventories	2,046,867	7,410,160
Trade Payable	(1,539,520)	2,214,401
	<u>6,573,452</u>	<u>11,372,468</u>
Cash Generated from Operations	2,921,361	4,944,894
Interest	(3,879,865)	(3,443,672)
Tax Paid	(28,746)	(67,311)
Prior Period/Tax provision adjustments	(2,841,596)	(3,932,701)
	<u>(6,750,207)</u>	<u>(7,443,684)</u>
Net Cash From Operating Activities	(3,828,846)	(2,498,790)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchases of Fixed Assets	-	-
Investments	-	-
Sale of Assets	-	833,000
Preliminary Expenses	-	-
Interest Received	(401)	(47,462)
	<u>(401)</u>	<u>785,538</u>
Net Cash Used in Investing Activities	(3,829,246)	(1,713,252)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Borrowings	3,576,531	1,003,999
Net Cash Used in Financing Activities	<u>3,576,531</u>	<u>1,003,999</u>
	<u>(252,715)</u>	<u>(709,253)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		
OPENING CASH AND CASH EQUIVALENTS	408,171	1,117,424
Cash & Bank Balances		
CLOSING CASH AND CASH EQUIVALENTS	155,455	408,171

As per our report attached

For J H Ghumara & Co.
Chartered Accountants
J H Ghumara
J H Ghumara
(Proprietor)



For and on behalf of the Board

Mr. Jiten S. Choksey *Jiten Choksey* Chairman
Mr. Sushil D. Choksey *Sushil Choksey* Director
Mr. Subhash Mayekar *Subhash Mayekar* Director
Mr. Omprakash Yadav *Omprakash Yadav* Director

Date : 1 st September 2007
Place : Mumbai

Date : 1 st September 2007
Place : Mumbai

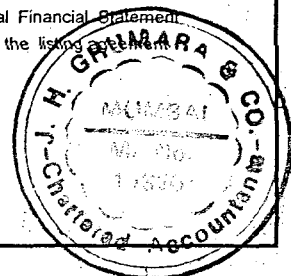
AUDITOR'S CERTIFICATE

We have verified the above Cash Flow Statement of KUMAR WIRECLOTH MFG. CO. LTD. compiled from the Annual Financial Statement for the period ended 31st March, 2007 and found the same in accordance therewith and also with the requirement of the listing with stock exchange.

For J H Ghumara & Co.
Chartered Accountants

DATE : 1 st September 2007
PLACE : Mumbai.

J H Ghumara
J H Ghumara
Proprietor



KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

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	31.03.2007

2 Capital raised during the year

	(Rs. In '000)
Public issue	Nil
Rights issue	Nil
Bonus issue	Nil
Private Placement	Nil

3 Position of Mobilisation and Deployment of Funds

	(Rs. In '000)
Total Liabilities	74323
Total Assets	74323

Sources of Funds

Paid up Capital	31500
Reserves & Surplus	4009
Secured Loans	30743
Unsecured Loans	8071

Application of Funds

Net fixed Assets	11707
Investments	17
Net Current Assets	-37370
Misc. Expenditure	0
Accumulated Losses	99969

4 Performance of Company

	(Rs. In '000;)
Turnover (Gross Revenue)	2500
Total Expenditure	10300
+/- Profit / Loss Before Tax	-9526
+/- Profit / Loss After Tax	-12296
Earning per Share Rs.	-3.90
Dividend Rate%	Nil

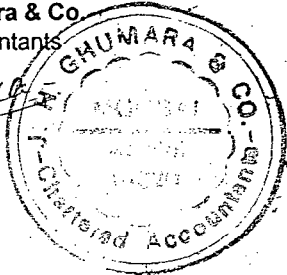
5 Generic Name of Three Principal Products Of Company

(As per monetary terms)	
Item Code No. (ITC Code)	73141101
Product:	
Item Code No. (ITC Code)	73141901
Product:	

AS PER OUR ATTACHED REPORT OF EVEN DATE

For J H Ghumara & Co.
Chartered Accountants

J H Ghumara
J H Ghumara
(Proprietor)



For and on behalf of the Board

Mr. Jiten S. Choksey *Jiten S. Choksey* Chairman

Mr. Sushil D. Choksey *Sushil D. Choksey* Director

Mr. Subhash Mayekar *Subhash Mayekar* Director

Mr. Omprakash Yadav *Omprakash Yadav* Director

Date : 1st September 2007.
Place : Mumbai.

Date : 1 st September 2007.
Place : Mumbai.