

**KUMAR WIRE CLOTH  
MANUFACTURING  
COMPANY LIMITED**

**26<sup>TH</sup> ANNUAL REPORT  
2007-2008**

# KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

## 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.

# KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

## NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED, will be held at on Tuesday, September 30, 2008 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 31<sup>st</sup> March 2008 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 Mr. Subhash Mayekar who retire as Director & being eligible offers himself for reappointment.
3. To Appoint a Director in place of Mr. Omprakash Yadav 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 : 01/09/2008

JITEN CHOKSEY  
CHAIRMAN

### Registered Office:

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

## KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

### 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 Wednesday, September 24, 2008 to Tuesday, September 30, 2008 (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 then one folio are requested to write to the Company to consolidate their holdings in one Folio.
- 7 Members are requested to bring their copies of the reports to Annual General Meeting.

# KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

## DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 26<sup>th</sup> Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2008.

### SUMMARISED FINANCIAL RESULTS:

31-03-2008	Year ended 31.03.2007 Rs. in Lacs	Year ended Rs. in Lacs
Profit before Interest & Depreciation	(1.76)	(36.72)
Less: Interest	-----	38.80
Profit before Depreciation	(1.76)	(75.52)
Less: Depreciation	(16.75)	(19.74)
Profit/(Loss) before Tax	(18.51)	(95.26)
Less: Interest – Income Tax/ Sales Tax	(184.04)	(27.69)
Net Profit /(Loss) after Tax	(202.55)	(122.96)
Profit /(Loss) b/f from Previous year	(999.69)	(875.73)
Profit/(Loss) carried to Balance Sheet	(101.99)	(999.69)

### 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. Subhash Mayekar and Mr. Omprakash Yadav retire by rotation and are being eligible offer themselves for re-appointment.

## **KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED**

### **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 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.

## KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

### 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;

(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.

# KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

## 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 : 01/09/2008

JITEN CHOKSEY  
CHAIRMAN



# KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

## 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 |

**KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED**

**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 : 01/09/2008

JITEN CHOKSEY  
CHAIRMAN

# KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

## 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 2008 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 31<sup>st</sup> March 2008 from being appointed as a director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956

## KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

(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 2008.
- 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.  
PROPRIETOR  
Mumbai, dated 1<sup>ST</sup> September, 2008.**

# KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

## 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 taken loans from Companies, firms or other parties, listed in the register maintained under section 301 of the Companies Act, 1956 on the terms and conditions which are not prejudicial to the interests of the company.
- (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.

## KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

- (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.
- (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.157.47 lacs and Income Taxes Rs.128.67 lacs.  
 (b) According to information given to us there are sales taxes dues disputed by the company as at 31<sup>st</sup> March 2008 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 company has paid Rs.60 Lacs to Karnataka Bank Ltd., bankers of the Company, in full & final settlement of its dues. Rs. 247.52 Lacs being the amount, no more payable, has been transferred to Capital Reserve.
- (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.

**KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED**

- (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
- (xviii) 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.
- (xix) 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.
- (xx) 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.
- (xxi) The company has not raised money from the public during the year and therefore question of reporting end use does not arise.
- (xxii) 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  
PROPRIETOR  
Mumbai dated 1<sup>ST</sup> September 2008.**

**KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED**  
**CORPORATE GOVERNANCE REPORT:**

**MANDATORY REQUIREMENTS:**

**1. 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.

**2. 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 , 2007	April-June 2007
2.	July 31 , 2007	July -Sept. 2007
3.	October 31 , 2007	Oct.-Dec 2007
4..	January 31 , 2008	Jan.- Mar 2008



## KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

### 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
Mr. Jiten S. Choksey	Promoter & Executive	5	1	1	Yes
Mr. Sushil D Choksey	Promoter & Executive	5	2	1	Yes
Mr. Subhash Mayekar	Independent Non-Executive Director	5	3	3	Yes
Mr.Om Prakash Yadav	Independent Non-Executive Director	5	3	0	Yes
Mr.Kamlesh Dubey	Independent Non-Executive Director	5	1	0	Yes

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

### 3. 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

# KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

## 2. MEETINGS ATTENDANCE DURING THE YEAR

The Committee met 05 times during the financial year under review. The Committee also met to consider Annual Accounts for the year.

Sr. No.	Date of Meeting	Number of Members	Attendance
1.	14 <sup>th</sup> July 2007	3	3
2.	1 <sup>st</sup> September 2007	3	3
3.	15 <sup>th</sup> December 2007	3	3
4.	15 <sup>th</sup> March 2008.	3	3

The Audit Committee makes recommendations to the Board within the delegated authority. The terms of reference of the Audit Committee are in accordance with compliance of the Provisions of Listing Agreement on Corporate Governance entered into with the relevant Stock Exchanges and the Companies Act, 1956 as amended from time to time and include.

- i. Effective supervision of financial reporting processes.
- ii. Ensuring completeness of coverage, accurate, timely and proper disclosure of financial reporting.
- iii. Reviewing annual, half yearly and quarterly financial results before the Board.
- iv. Reviewing of tax audit, transfer pricing and cost audit reports.
- v. Reviewing of internal audit and control matters, actions arising out of reports.
- vi. Holding discussions with the statutory auditors on the nature and scope of audits.
- vii. Recommending the appointment of statutory auditors and their fees.
- viii. Reviewing of Foreign Exchange exposures.
- ix. Reviewing related party transactions.

## 4. REMUNERATION COMMITTEE:

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

## 5. SHAREHOLDERS' TRANSFER / GRIEVANCE COMMITTEE:

Shareholders/Investors' Grievance Committee:

The Investors' Grievance Committee of the Company was formed to facilitate prompt and effective redressal 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 and Compliance Officer.
Mr. Sushil Choksey	Member
Mr. Om Prakash Yadav	Member

## KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

The number of pending Share transfer as on March 31, 2008 NIL

To ascertain that all the shareholder grievances are immediately addressed as on March 31, 2008, there were zero investor grievance pending.

RECEIVED FROM	TOTAL COMPLAINTS RECD. IN 2007-08	TOTAL COMPLAINTS RESOLVED	PENDING COMPLAINTS AS ON 31/03/2008
Investor			
SEBI	Nil	Nil	Nil
Stock Exchanges	Nil	Nil	Nil
Other Govt./ Statutory Authority	Nil	Nil	Nil

### 6. GENERAL BODY MEETINGS:

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

Financial Year	Date	Location of the Meeting	Time
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.
2006-2007	29/09/2007	D-23, MIDC, Taloja, Taluka- Panvel, District: Raigad, Maharashtra	10.00A.M

ii. Whether any special resolutions passed in the previous 3 AGMs : No.

iii. Whether any special resolution passed last year through postal ballot-details of voting pattern: NIL

iv. Person who conducted the postal ballot exercise: NIL

v. Whether any special resolution is proposed to be conducted through postal ballot: NIL

vi. Procedure for postal ballot: NIL

### 7. DISCLOSURES:

i. Disclosure on materially significant related party transactions that may have potential conflict with the interests of company at large:

ii. Details of non-compliance by the company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets. during the last three years:

iii. Whistle Blower policy and affirmation that no personnel has been denied access to the audit Committee:

iv. Details of compliance with mandatory requirements and adoption of the non mandatory requirements of this clause:

# KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

## 8. 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.

The Company publishes its **quarterly results** in the following newspapers.

- A. Free Press Journal
- B. Navshakti

Any website, where displayed :

Whether it also displays official news releases:

The presentations made to institutional investors or to the analysts.

## 9. GENERAL SHAREHOLDERS INFORMATION:

- i. AGM : Date, time and venue : 30/09/2008 AT 10.00 A.M. AT ITS  
REGD.OFF. AT D-23, MIDC, TALOJA,  
TALUKA-PANVEL, DISTRICT:  
RAIGAD, MAHARASHTRA.
- ii. Financial year 2007-08.
- iii. Date Of Book Closure September 24, 2008 to September 30, 2008
- iv. Dividend Payment Date
- v.. Stock Exchange Listing BOMBAY STOCK EXCHANGE LTD,  
AHMEDABAD STOCK EXCHANGE LTD
- vi. Stock Code
- vii Market Price Data : High, Low during each month in last financial year : Relevant Data of the high/low prices of the Company's scrip on the Bombay Stock Exchange, Limited, is not available.
- viii. Performance in comparison to broad based indices such as BSE sensex, CRISIL : Not available

## KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

### viii 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.

### xi Distribution of shareholding as on March 31, 2008

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	0
50001 to 100000	8	0.143	643300	20.43
Over 100000	4	0.072	677700	21.51
<b>Total:</b>	<b>5565</b>	<b>100</b>	<b>31500000</b>	<b>100.00</b>

# KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

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	
<b>Promoter's Holding</b>	<b>No. Of shares</b>	<b>Percentage of shareholding</b>
<b>Indian Promoters:</b>		
Mr. Jiten S. Choksey		
Mr. Sushil D. Choksey	4600	0.15
Foreign Promoters	0	0
Persons Acting in Concert	902900	28.66
<b>Sub - Total</b>	<b>907500</b>	<b>28.81</b>
<b>Non - Promoters Holding</b>	<b>0</b>	<b>0</b>
Institutional Investors	0	0
Mutual Funds and UTI	0	0
Banking, Financial Institutions/Insurance Companies (Central / State Govt. Inst. Non - Govt. Inst.)	564500	17.92
FII's	0	0
<b>Sub - Total</b>	<b>564500</b>	<b>17.92</b>
<b>Others</b>		
Private Corporate Bodies	38800	1.23
Indian Public	1402100	44.51
NRIs/OCBs	237100	7.53
Any Other	0	0
<b>Sub - Total</b>	<b>1678000</b>	<b>53.27</b>
<b>Grand Total</b>	<b>3150000</b>	<b>100.00</b>

xiii. **OUTSTANDING GDRS / ADRS / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, LIKELY TO IMPACT ON EQUITY:**

NIL

XIV **PLANT LOCATION:**

D-23, MIDC, Taloja, Taluka  
Panvel, Pin – 410 218

XV **ADDRESS OF CORRESPONDENCE:**

Same as Plant Location

10. **MANAGEMENT DISCUSSIONS AND ANALYSIS**

## KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

### 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, 01-09-2008.

# KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

## 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, 2008, 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. CHUMARA  
Chartered Accountants

Proprietor

Date: 01/09/2008

Place: Mumbai.



# KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

## Balance Sheet As at 31 st March 2008

	Sch No.	As at 31-03-2008 (Rs.)	As at 31-03-2007 (Rs.)
<b><u>SOURCES OF FUNDS :</u></b>			
<b><u>Shareholders Funds :</u></b>			
Capital	1	31,500,000	31,500,000
Reserves & Surplus	2	28,761,611	4,009,411
		60,261,611	35,509,411
<b><u>Loan Funds :</u></b>			
Secured Loans	3	-	30,742,528
Unsecured Loans	4	14,535,893	8,070,893
		14,535,893	38,813,421
<b>Total</b>		<b>74,797,504</b>	<b>74,322,832</b>
<b><u>APPLICATION OF FUNDS :</u></b>			
<b>Fixed Assets</b>	5		
Gross Block		49,347,145	49,347,145
Less: Depreciation		39,315,285	37,639,783
Net Block		10,031,861	11,707,362
Investments	6	16,500	16,500
Current Assets, Loans & Advances	7	2,872,786	2,773,409
Less: Current Liabilities & Provisions	8	40,118,189	40,143,488
		(37,245,403)	(37,370,079)
Miscellaneous Expenditure (to the extent not Written off or adjusted )		-	-
Profit & Loss A/c		101,994,546	99,969,049
<b>Total</b>		<b>74,797,504</b>	<b>74,322,832</b>
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 : September 1 , 2008  
Place : Mumbai

For and on behalf of the Board

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

Date : September 1 , 2008  
Place : Mumbai

Chairman  
Director  
Director  
Director

# KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

## Profit & Loss Account for the Year Ended 31 st March 2008

	<i>Schedule No.</i>		<i>As at 31-03-2008 (Rs.)</i>		<i>As at 31-03-2007 (Rs.)</i>
<b><u>INCOME</u></b>					
Sales & Operating Income	9		-		2,466,638
Other Income	10		613,586		33,179
			<b>613,686</b>		<b>2,499,817</b>
<b><u>EXPENDITURE :</u></b>					
Raw Materials consumed	11		-		210,947
Cost of Sales - Traded Items			-		297,100
Payments to and Provisions for Employees	12		181,280		1,747,452
Manufacturing & Other Expenses	13		146,783		910,804
Depreciation			1,675,501		1,974,493
Financial Expenses	14		-		3,879,865
Administration Expenses	15		461,595		885,082
Selling & Distribution Expenses	16		-		394,014
			<b>2,465,159</b>		<b>10,299,757</b>
Accretion/Decretion to Stock	17	(+)	-	(+)	1,725,680
	<b>Total</b>		<b>2,465,159</b>		<b>12,025,437</b>
<b>PROFIT ( LOSS) BEFORE TAX</b>			<b>(1,851,473)</b>		<b>(9,525,620)</b>
Less :					
Fringe Benefit Tax			(5,000)		(28,746)
Deferred Tax Liability			2,746,855		-
Interest on unpaid Income Tax			(599,983)		(624,020)
Interest on unpaid Sales Tax			(2,315,896)		(2,117,423)
<b>PROFIT ( LOSS) AFTER TAX</b>			<b>(2,025,497)</b>		<b>(12,295,810)</b>
Add : Balance brought forward			(99,969,049)		(87,573,086)
Add : Sale Tax Adjustment earlier year			-		(100,153)
			<b>(101,994,546)</b>		<b>(99,969,049)</b>
Balance in Profit & Loss Account C/f to Balance Sheet			<b>(101,994,546)</b>		<b>(99,969,049)</b>
Basic & Diluted Earning Per Share			<b>(0.64)</b>		<b>(3.90)</b>
Notes forming part of Accounts	18				
<i>As per our attached Report of even date</i>			<i>For and on behalf of the Board</i>		
<i>For J. H. Ghumara &amp; Co.</i>			Mr. Jiten S. Choksey	Chairman	
Chartered Accountants			Mr. Sushil D. Choksey	Director	
<i>J H Ghumara</i>			Mr. Subhash Mayekar	Director	
<i>(Proprietor)</i>			Mr. Omprakash Yadav	Director	
Date : September 1 , 2008			Date : September 1 , 2008		
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 2008

	As at 31-03-2008 (Rs.)	As at 31-03-2007 (Rs.)
<b>SCHEDULE 1</b>		
<b><u>CAPITAL</u></b>		
<b><u>Authorised:</u></b>		
4000000 Equity Shares of Rs. 10/- each (Previous Year 4000000 Equity Shares of Rs 10/- each.	40,000,000	40,000,000
	40,000,000	40,000,000
<b><u>Issued &amp; Subscribed:</u></b>		
3150000 (Previous Year 3150000) Equity Shares of Rs.10/-(Previous Year Rs 10/-) each fully paid up.	31,500,000	31,500,000
	31,500,000	31,500,000
<b>SCHEDULE 2</b>		
<b><u>RESERVES &amp; SURPLUS</u></b>		
General Reserve	4,009,411	4,009,411
Capital Reserve	24,752,200	-
	28,761,611	4,009,411
<b>SCHEDULE 3</b>		
<b><u>SECURED LOANS</u></b>		
<b><u>(A) Cash Credit</u></b>	-	11,903,026
<i>(Secured against hypothecation of stock of raw materials, work-in-progress and finished goods)</i>		
<b><u>(B) Letter of Credit</u></b>	-	1,398,360
<i>(Secured against hypothecation of stock of raw materials, work-in-progress and finished goods)</i>		
<b><u>(C) Term Loan - New</u></b>		
Working Capital Term Loan - 217	-	13,852,232
Funded Interest Term Loan - 218	-	3,588,910
<i>(Secured against Plant &amp; Machinery)</i>		
		30,742,528
<b>SCHEDULE 4</b>		
<b><u>UNSECURED LOANS</u></b>		
(a) From Inter Corporate Bodies & Others	14,535,893	8,070,893
	14,535,893	8,070,893

SCHEDULE 5 :  
Fixed Assets

Particulars	%	Gross Block				Depreciation				Net Block	
		As at 31.03.07	Additions during the year	Sales/Ded during the year	As at 31.03.08	As at 01.04.07	Adjusted During the Year	For the Year	As at 31.03.08	As at 31.03.08	As at 31.03.07
Land	0%	300,565	-	-	300,565	-	-	-	-	300,565	300,565
Building	10%	5,985,010	-	-	5,985,010	4,532,955	-	145,206	4,678,161	1,306,849	1,452,055
Plant & Machinery	15.33%	37,363,888	-	-	37,363,888	28,136,247	-	1,414,597	29,550,844	7,813,044	9,227,641
Vehicles	25.89%	1,013,779	-	-	1,013,779	961,733	-	13,475	975,208	38,571	52,046
Air Conditioner	13.91%	116,552	-	-	116,552	90,686	-	3,598	94,284	22,268	25,866
Furniture	18.10%	264,111	-	-	264,111	221,239	-	7,760	228,999	35,112	42,872
Electrical Fitting	13.91%	1,662,167	-	-	1,662,167	1,306,914	-	49,416	1,356,330	305,837	355,253
Computer	40%	1,528,078	-	-	1,528,078	1,503,065	-	10,005	1,513,070	15,008	25,013
Office Equipment	13.91%	1,112,996	-	-	1,112,996	886,945	-	31,444	918,389	194,607	226,051
<b>Total:</b>		<b>49,347,145</b>	<b>-</b>	<b>-</b>	<b>49,347,145</b>	<b>37,639,783</b>	<b>-</b>	<b>1,675,501</b>	<b>39,315,285</b>	<b>10,031,861</b>	<b>11,707,362</b>
<b>Previous Year:</b>		<b>49,501,405</b>	<b>-</b>	<b>154,260</b>	<b>49,347,145</b>	<b>35,800,779</b>	<b>135,488</b>	<b>1,974,493</b>	<b>37,639,783</b>	<b>11,707,362</b>	<b>13,700,626</b>

## KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

Schedules attached to and forming part of the Balance Sheet As At 31 st March 2008

	As at 31-03-2008 (Rs.)	As at 31-03-2007 (Rs.)
<b>SCHEDULE 6</b>		
<b><u>INVESTMENTS</u></b>		
<i>Unquoted 900 Shares of Rs. 10/ each of Bhopal Paper &amp; Board Ltd.</i>		
	9,000	9,000
<i>Fully paid up (Previous Year 900 shares)</i>		
<i>NSC-VIII ISSUE</i>	7,500	7,500
	16,500	16,500
<b>SCHEDULE 7</b>		
<b><u>CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>		
<b><u>(a) Inventories (as valued and certified by the Management)</u></b>		
1. Raw Material	226,013	226,013
2. Finished Goods (included Trdg.)	1,581,638	1,581,638
3. Spares & Consumables	-	-
	1,807,651	1,807,651
<b><u>(b) Sundry Debtors</u></b>		
<i>(Unsecured considered good unless otherwise stated)</i>		
Outstanding for a period exceeding six months	5,000	280,426
Others	503,219	-
	508,219	280,426
<b><u>(c) Cash &amp; Bank Balances</u></b>	121,505	155,455
<b><u>(d) Loans &amp; Advances</u></b>		
Advances recoverable in cash or kind	10,302	70,135
Tax Deducted at Source - Receivable	135,030	74,563
Deposit	290,079	385,179
	435,411	529,877
<b>Total ( a to d )</b>	<b>2,872,786</b>	<b>2,773,409</b>
<b>SCHEDULE 8</b>		
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
Sundry Creditors	1,036,289	1,074,470
Provision for Taxation	12,867,440	12,267,457
Provision for Deferred Tax Liability	1,894,047	4,640,902
Other Liabilities	24,320,413	22,160,659
	40,118,189	40,143,488

# KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

Schedules attached to and forming part of the Balance Sheet As At 31 st March 2008

	As at 31-03-2008 (Rs.)	As at 31-03-2007 (Rs.)
<b><u>SCHEDULE 9</u></b>		
<b><u>SALES &amp; OPERATING INCOME</u></b>		
Gross Sales	-	2,677,551
Less : Excise Duty	-	210,913
	-	2,466,638

**SCHEDULE 10**  
**OTHER INCOME**

Interest Received	-	401
Exchange Difference	-	4,391
Balance Written Off	-	28,387
Rent Received	80,000	-
Commission received	533,686	-
	613,686	33,179

**SCHEDULE 11**  
**RAW MATERIALS CONSUMED**

Opening Stock	226,013	436,960
Add : Purchases	-	-
	226,013	436,960
Less : Closing stock	226,013	226,013
	-	210,947

**SCHEDULE 12**  
**PAYMENT TO AND PROVISIONS FOR EMPLOYEES**

Wages	69,420	328,011
Salaries	100,880	803,668
Bonus & Leave Salary	-	43,691
Staff Welfare	101	28,363
Provident Fund	9,226	68,335
Gratuity	-	475,000
Maharashtra Labour Welfare Fund	1,653	384
	181,280	1,747,452

# KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

Schedules attached to and forming part of the Balance Sheet As At 31 st March 2008

	As at 31-03-2008 (Rs.)	As at 31-03-2007 (Rs.)
<b>SCHEDULE 13</b>		
<b><u>MANUFACTURING &amp; OTHER EXPENSES</u></b>		
Spares & Consumables	-	225,000
Power & Electricity	59,215	317,824
Water Charges	6,185	80,664
Insurance	15,830	56,210
Labour Charges	-	143,847
Security Expenses	33,000	79,200
Excise Expenses	-	252
<b><u>Repairs and Maintenance :</u></b>		
Building	-	-
Plant & Machinery	-	-
Others	32,553	7,807
	<b>146,783</b>	<b>910,804</b>
<b>SCHEDULE 14</b>		
<b><u>FINANCIAL EXPENSES</u></b>		
Bank Interest	-	3,879,865
	-	<b>3,879,865</b>
<b>SCHEDULE 15</b>		
<b><u>ADMINISTRATIVE EXPENSES</u></b>		
<b><u>Remuneration to Auditors:</u></b>		
For Statutory Audit	10,000	30,000
Advertising Expenses	2,279	64,978
Bank Charges & Commission	1,058	18,104
Balance Written off	77,539	-
Vehicles Expenses	27,636	68,286
Conveyance	2,414	46,405
Legal & Professional Charges	281,759	304,214
Listing Fees	10,100	10,100
Fees & Taxes	17,656	-
Postage & Telephone	30,242	169,819
Printing & Stationery	742	16,257
Sundry Expenses	170	8,853
Membership & Subscription	-	21,000
Loss on Sale / Discarding of Asset	-	18,771
Rates & Taxes	-	13,900
Travelling Expenses	-	94,395
	<b>461,595</b>	<b>885,082</b>

# KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

Schedules attached to and forming part of the Balance Sheet As At 31 st March 2008

	<i>As at</i> <i>31-03-2008</i> <i>(Rs.)</i>	<i>As at</i> <i>31-03-2007</i> <i>(Rs.)</i>
<b>SCHEDULE 16</b>		
<b>SELLING &amp; DISTRIBUTION EXPENSES</b>		
Sales Tax \ VAT	-	162,683
Packing & Forwarding	-	27,419
Discount	-	1,168
Sales Promotion Expenses	-	140,323
Freight & Octroi	-	32,088
Export Clearing Charges	-	30,333
	-	<u>394,014</u>

## **SCHEDULE 17** **ACCRETION(-)/DECRETION(+) TO STOCK**

Opening Stock of Finished Goods	705,526	2,431,206
Closing Stock of Finished Goods	705,526	705,526
Accretion(-)/Decretion(+) to Stock	-	<u>1,725,680</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 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.

# 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. )	( Rs. )
<b>B. Contingent Liabilities not provided for in respect of</b>		
a) Corporate Guarantees given to financial Institutions against credit facilities extended to other bodies corporate.	3000000	3000000
<b>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.</b>		
a) Employed throughout the year.	Nil	Nil
b) Employed for part of the year.	Nil	Nil
<b>D. Auditors Remuneration :</b>		
a. Audit Fees	30000	30000
b. For other Services - Tax Audit	0	0
<b>E. Import Calculated on C.I.F. basis</b>	Nil	Nil
<b>F. Expenditure in foreign currency</b>	Nil	Nil
<b>G. Earnings in Foreign Currency on F.O.B basis</b>		
Stainless Steel Wire Mesh - Export Sales	0	771386
<b>H. Production of Finished Goods</b>	Qty	Qty.
Wire Mesh ( Conversion ) ( Sq.Ft.)	0	11861.94
	Value (Rs.)	Value (Rs.)
<b>I. Sales &amp; Services</b>		
Wire Mesh	0	2677551

# KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

J. Opening and Closing Stock :	<u>As At 31-03-2008</u>		<u>As At 31-03-2007</u>	
	Qty.	Value (Rs.)	Qty.	Value (Rs.)
<b>Raw Materials</b>				
Wires - Opening Stock ( Kgs )	872.25	226013	1211.75	435261
- Closing Stock ( Kgs )	872.25	226013	872.25	226013
<b>Sintered Sheets</b>				
- Opening Stock ( Nos )	0	0	12	1699
- Closing Stock ( Nos )	0	0	0	0
<b>Finished Goods</b>				
<b>Wire Mesh</b>				
- Opening 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
- Closing Stock				
- Manufacturing ( Sq.ft )	18810.07	705526	18810.07	705526
- Trading ( Sq.ft )	64505.09	876112	64505.09	876112
- 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	0	0.00	120847	57.75
2. Indigenous	0	0.00	88401	42.25
	0	0.00	209248	100.00
b) Spare Parts Consumption				
1. Imported at landed Cost	0	0.00	0	0.00
2. Indigenous	0	0.00	225000	100.00
	0	0.00	225000	100.00
L. 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			Total
Nil	Nil	Nil		

# KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

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

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 31-03-2008</u>	Rs. <u>As At 31-03-2007</u>
Depreciation	1,894,047	4,640,902
Deferred Tax Asset (**)	-	-
	<b>1,894,047</b>	<b>4,640,902</b>

(\*\*) 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 31.03.2008 will be accounted on clearance of such goods.The excise duty liability of Rs.1,01,737/- 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 non 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. 1,00,94,085/- (including interest for the current year 13,44,690/-) 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 Taloja factory.

T. During the year the Company has paid Rs. 60,00,000 /- to Karnataka Bank Ltd in full settlement of its dues and Rs. 2,47,52,200 has been transferred to Capital Reserve Account.

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 )

Dated: September 1, 2008  
Mumbai.

For and on behalf of the Board

Mr. Jiten S Choksey  
Mr. Sushil D Choksey  
Mr. Subhash Mayekar

Mr. Omprakash Yadav

Dated: September 1, 2008  
Mumbai.

Chairman  
Director  
Director  
Director

# KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

Cash Flow Statement for the Year ended 31 st March 2008

	2007-2008	2006-2007
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax & Extraordinary items	-1851472.8	-9525620
Adjustment for Preliminary Expenses Written Off	0	0
Depreciation	1675501	1974493
Depreciation Written Back	0	0
Interest Received	0	401
Interest ( net)	0	3879865
Loss on sale of Assets	0	18771
Profit on sale of Assets	0	0
	1675501	5873529
Operating Profit Before Working Capital Changes	-175971.82	-3652091
Adjustment for :		
Trade & Other Receivable	-133326.75	6066105
Inventories	0	2046867
Trade Payable	-194324	-1539520
	-327650.75	6573452
Cash Generated from Operations	-503622.57	2921361
Interest	0	-3879865
Tax Paid	-5000	-28746
Prior Period/Tax provision adjustments	0	-2841595
	-5000	-6750206
Net Cash From Operating Activities	-508622.57	-3828845
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchases of Fixed Assets	0	0
Investments	0	0
Sale of Assets	0	0
Preliminary Expenses	0	0
Interest Received	0	-401
	0	-401
Net Cash Used in Investing Activities	-508622.57	-3829246
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Borrowings	474672.08	3576531
Net Cash Used in Financing Activities	474672.08	3576531
	-33950.49	-252715
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		
OPENING CASH AND CASH EQUIVALENTS	155455	408171
Cash & Bank Balances		
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>121504.51</b>	<b>155455</b>

As per our report attached

For and on behalf of the Board

For J H Ghumara & Co.  
Chartered Accountants

Mr. Jiten S. Choksey      Chairman

J H Ghumara  
(Proprietor)

Mr. Sushil D. Choksey      Director  
Mr. Subhash Mayekar      Director

Date : September 1 , 2008  
Place : Mumbai

Mr. Omprakash Yadav      Director  
Date : September 1 , 2008  
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, 2008 and found the same in accordance therewith and also with the requirement of the listing agreement with stock exchange.

For J H Ghumara & Cp.  
Chartered Accountants

Date : September 1 , 2008  
Place : Mumbai.

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	<b>Registration Details</b>	
	Registration No.	11-24249
	State Code	11
	Balance Sheet Date	31.03.2008
2	<b>Capital raised during the year</b>	(Rs. In '000 )
	Public issue	Nil
	Rights issue	Nil
	Bonus issue	Nil
	Private Placement	Nil
3	<b>Position of Mobilisation and Deployment of Funds</b>	(Rs. In '000 )
	Total Liabilities	74798
	Total Assets	74798
	<b>Sources of Funds</b>	
	Paid up Capital	31500
	Reserves & Surplus	28762
	Secured Loans	0
	Unsecured Loans	14536
	<b>Application of Funds</b>	
	Net fixed Assets	10032
	Investments	17
	Net Current Assets	-37245
	Misc. Expenditure	0
	Accumulated Losses	101995
4	<b>Performance of Company</b>	(Rs. In '000 )
	Turnover (Gross Revenue)	614
	Total Expenditure	2465
	+/- Profit / Loss Before Tax	-1851
	+/- Profit / Loss After Tax	-2025
	Earning per Share Rs.	-0.64
	Dividend Rate%	Nil
5	<b>Generic Name of Three Principal Products Of Company</b>	
	(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 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

Date : September 1 , 2006  
Place : Mumbai.

Date : September 1 , 2008  
Place : Mumbai.

# KUMAR WIRE CLOTH 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 26<sup>th</sup> Annual General Meeting of the Company on Tuesday, 30<sup>th</sup> September 2008 at 10.00 a.m. at D- 23, M I D C Taloja, Taluka – Panvel, District- Raigad, Maharashtra.

Signature of the Attending Member/ Proxy	
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- 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
3. A shareholder/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

# KUMAR WIRE CLOTH 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 \_\_\_\_\_ of  
\_\_\_\_\_ in the  
district of \_\_\_\_\_ as my /our Proxy to attend and vote for me/us on my/our behalf at  
the 26<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, 30<sup>th</sup> September  
2008 at 10.00 a.m. and at any adjournment thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2008.

Signature	Affix 1 Rupee Revenue Stamp	Folio No. No. of Shares Sr. No.
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- 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. Proxy need not be a member of the Company.