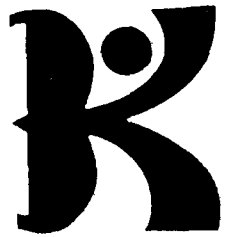


**KUMAR WIRE CLOTH MANUFACTURING  
COMPANY LIMITED**



**27<sup>th</sup> Annual Report  
2008-2009**

**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 Seventh** Annual General Meeting of **KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED**, will be held at on wednesday, **September 30, 2009** at 10.00 AM at its Registered Office at D-23, MIDC, Taloja, Taluka- Panvel, District: Raigad, Maharashtra - 410218 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 2009 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. KAMLESHKUMAR DUBEY who retires as Director & being eligible offers himself for reappointment.
3. To Appoint a Director in place of Mr. JITEN SUSHIL CHOKSEY who retires as Director & being eligible offers himself for reappointment.
4. To appoint Auditors and to authorize the Board to fix their remuneration.

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

Place : Mumbai  
Date : 31/08/2009

JITEN CHOKSEY  
(Chairman)

Registered office:  
D-23, MIDC, Taloja, Taluka-Panvel, District : Raigad, Maharashtra -410 218.

## 27<sup>th</sup> ANNUAL REPORT 2008-2009

### NOTES:

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

1. The proxy form should be lodged with the company at its Registered Office at least 48 hours before the time of the meeting.
2. The Register of members & Share Transfer Books of the Company will remain closed from Saturday, **September 26, 2009** to Wednesday, **September 30, 2009** (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. Members are requested to bring their copies of the reports to Annual General Meeting.

By order of the Board of Director:  
For **Kumar Wire Cloth Manufacturing Co. Ltd.**

Place : Mumbai  
Date : 31/08/2009.

**JITEN CHOKSEY**  
(Chairman)

Registered Office:  
D-23, MIDC, Talaja, Taluka- Panvel, District: Raigad, Maharashtra - 410 218.



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 27<sup>th</sup> Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2009.

### SUMMARISED FINANACIAL RESULTS:

(Rs. in Lacs)

	Year ended 31-03-2009	Year ended 31.03.2008
Profit before Interest & Depreciation	(4.03)	(1.76)
Less: Interest	Nil	Nil
Profit before Depreciation	(4.03)	(1.76)
Less: Depreciation	(14.23)	(16.75)
Profit/(Loss) before Tax	(18.27)	(18.51)
Less: Provision for Tax	(20.35)	(1.74)
Net Profit /(Loss) after Tax	(38.62)	(20.25)
Profit /(Loss) b/f from Previous year	(1019.94)	(999.69)
Profit/(Loss) carried to Balance Sheet	(1058.56)	(1019.94)

### DIVIDEND:

The Board do not recommend any dividend for the year under review, in view of losses incurred by the company.

### DIRECTORS

In accordance with the provision of the Companies Act, 1956 and Articles of Association of the company, Mr.Kamleshkumar Dubey and Mr.Jiten Sushil Choksey retire by rotation and are being eligible offer themselves 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 Bombay Stock Exchange Limited and Ahmedabad 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.

### **AUDITORS:**

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

### **AUDITOR'S REPORT**

Auditors Report are self explanatory and do not call for any further clarification.

### **SECRETARIAL COMPLIANCE REPORT:**

Secretarial Compliance Report pursuant to Section 383A of the Companies Act, 1956 as issued by Company Secretary in Whole time in Practice is enclosed herewith.

### **PARTICULARS OF EMPLOYEES:**

The Company has no employees of the specified categories under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended upto date.

### **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.

**ACKNOWLEDGEMENT:**

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

For and on behalf of the Board of Director

Place : Mumbai  
Date : 31/08/2009.

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

**FOREIGN EXCHANGE EARNING AND OUTGO**

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

For and on behalf of the Board of Director

Place : Mumbai  
Date : 31/08/2009.

**JITEN CHOKSEY**  
(Chairman)



**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 31<sup>st</sup> March 2009 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 2009 from being appointed as a director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956

## 27<sup>th</sup> ANNUAL REPORT 2008-2009

- (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 2009.
  - ii. In the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date.
  - iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

for **J. H GHUMARA & CO.**  
Chartered Accountants

Place : Mumbai,  
Dated: 31<sup>ST</sup> August, 2009

**J. H. GHUMARA**  
Proprietor

**ANNEXURE TO AUDITORS' REPORT****RE: KUMAR WIRECLOTH MANUFACTURING COMPANY LIMITED**

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

- I. (a) The Company has maintained proper fixed assets records to show full Particulars including quantitative details and situation of fixed assets.  
(b) According to the information and explanations given to us, the management, during the year, has conducted physical verification of fixed assets. There were no discrepancies noticed on verification.  
(c) There has been no disposal of substantial part of the fixed assets during the Year, which may affect the going concern status of the Company.
- (ii) (a) According to information given to us physical verification of inventories has been conducted at regular interval by the management.  
(b) The procedure of physical verification followed by the management is Reasonable and adequate in relation to the size of the company and nature of its business.  
(c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has 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.
- (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.

## 27<sup>th</sup> ANNUAL REPORT 2008-2009

- (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 2009 which have not been deposited on account of a dispute as follows:

Name of the statute	Nature of dues	Amount under dispute not yet deposited Rs. In Lakhs	Periods to which amount relates	Forum where the the dispute is pending
Central Sales Tax Act and Local Sales Tax Act	Sales tax including interest and penalty as applicable	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) 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.
- (xii) 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.
- (xiii) The company has not done any business in trading or dealing in shares and therefore there is no question of reporting on the same.
- (xiv) 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.
- (xv) In our opinion and according to the information and explanations given to us, the company has not taken any term loan during the year.
- (xvi) 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.



- (xvii) 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.
- (xviii) According to the information and explanations given to us, the company has not issued any debentures during the year and therefore, no question of creation of securities arise.
- (xix) The company has not raised money from the public during the year and therefore question of reporting end use does not arise.
- (xx) On the basis of our examination of the books of account and other relevant records and information made available to us, prima-facie we have not noticed any fraud on or by the Company, during the year. Further, the management has represented to us that no fraud on or by the Company has been reported during the year.

for **J. H GHUMARA & CO.**  
Chartered Accountant

Mumbai  
dated 31<sup>st</sup> August 2009.

**J. H GHUMARA**  
Proprietor

## CORPORATE GOVERNANCE REPORT

### MANDATORY REQUIREMENTS:

#### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

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

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

#### A. BOARD OF DIRECTORS:

##### Composition and Category

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

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

Sr. No.	Names of Directors	Category of Directorship	No. of Directorship in other Cos.
1	Mr. Jiten S.Choksey	Chairman	Nil
2	Mr. Sushil D.Choksey	Director	Nil
3	Mr. Subhash Mayekar	Director	Nil
4	Mr. Om Prakash Yadav	Director	3
5	Mr. Kamlesh Pandey	Director	3

**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, 2008	1st April- 30th June 2008
2.	July 31, 2008; Sept 1, 2008; Sept 30, 2008	1st July –30th Sept. 2008
3.	October 31, 2008	1st Oct– 31st Dec 2008
4.	January 31, 2009	1st Jan –31st Mar 2009

**ATTENDANCE AT THE VARIOUS MEETINGS :**

Name Of Director	Category	No.of B.M. Attended	Total comm. Member-ship	Total comm. Chairmanship	Attended Last AGM
Mr. Jiten S. Choksey	Promoter & Executive	6	Nil	Nil	Yes
Mr. Sushil D. Choksey	Promoter & Executive	6	1	Nil	Yes
Mr.Subhash Mayekar	Independent Non-Executive Director	6	2	2	Yes
Mr.Om Prakesh Yadav	Independent Non-Executive Director	6	2	Nil	Yes
Mr.Kamlesh Dubey	Independent Non-Executive Director	6	1	Nil	Yes

### 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

#### 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.	30 <sup>th</sup> April, 2008	3	3
2.	31 <sup>st</sup> July, 2008	3	3
3.	1 <sup>st</sup> September, 2008	3	3
4.	31 <sup>st</sup> October, 2008	3	3
5.	31 <sup>st</sup> January, 2009	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

The number of pending Share transfer as on March 31, 2009 NIL.

To ascertain that all the shareholder grievances are immediately addressed as on March 31, 2009, there were zero investor grievance pending.

RECEIVED FROM	TOTAL COMPLAINTS RECD. IN 2008-09	TOTAL COMPLAINTS RESOLVED	PENDING ON COMPLAINTS AS 31/03/2009
Investor	Nil	Nil	Nil
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
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	10.00 A.M
2007-2008	30/09/2008	D-23, MIDC, Taloja, Taluka- Panvel, District: Raigad, Maharashtra	10.00 A.M

ii. Whether any special resolutions passed in the previous 3 AGMs : NIL

- 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:

There were no materially significant Related Party Transactions during the Financial Year 2008-09 that may have potential conflict with the interest of the Company at large. Related Party Transactions for the Financial Year 2008-09 forming part of Notes to Accounts in note no K are reported to be NIL.

- 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:

There were no instances of Non- Compliances by the Company on any matter related to Capital Markets. The Company has complied with the requirements of Listing Agreement as well as the Regulations and guidelines prescribed by the SEBI. There were no penalties imposed nor strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authority on any matter related to Capital Markets, during Last Three Years.

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

The Company does not have a formal Whistle Blower Policy, however all Employees of the Company are free to express their feedback/ suggestions/ complaints, if any.

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

The Company has complied with all the Mandatory Requirements as mandated under Clause 49 of the Listing Agreement. A Certificate from the Statutory Auditors of the Company to this effect has been included in this Report. The Company has also adopted various non mandatory requirements of this Clause.

## 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** : 30/09/2009 AT 10.00 A.M. AT ITS REGD.OFF. AT D-23, MIDC, TALOJA, TALUKA-PANVEL, DISTRICT: RAIGAD, MAHARASHTRA.
- ii. **Financial yea** : 2008-09.
- iii. **Date Of Book Closure** : September 26, 2009 to September 30, 2009
- iv. **Dividend Payment Date** : Nil, Since Company has not declared any dividend.
- v. **Stock Exchange Listing** : BOMBAY STOCK EXCHANGE LTD, AHMEDABAD STOCK EXCHANGE LTD
- vi. **Stock Code** : 513703
- 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 as no trading had taken place during the Financial Year Ending 31st March, 2009.
- viii. **Performance in comparison to broad based indices such as BSE SENSEX** : Performance in comparison to broad based indices such as BSE SENSEX is not available as no trading had taken place during the Financial Year Ending 31st March, 2009.
- xi. **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 continue doing this work through its in house facilities.
- x. **Distribution of shareholding as on March 31, 2009**

Range in Rs.	Total Holders		Amount	
	Total	% of Total	In Rs.	% of Total
Upto 5000	5468	99.130	1256100	39.87
5001 to 10000	20	0.363	135800	4.31
10001 to 20000	12	0.218	162500	5.16
20001 to 30000	04	0.073	99400	3.16
30001 to 40000	02	0.036	64500	2.05
40001 to 50000				
50001 to 100000	6	0.109	479200	15.21
Over 100000	4	0.073	952500	30.24
<b>Total:</b>	<b>5516</b>	<b>100</b>	<b>31500000</b>	<b>100.00</b>

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### 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
<b>Indian Promoters:</b>		
Mr. Jiten S. Choksey		
Mr. Sushil D. Choksey	4600	0.15
Foreign Promoters	0	0
Persons Acting in Concert	9,02,900	28.66
<b>Sub - Total</b>	<b>9,07,500</b>	<b>28.81%</b>
<b>Non - Promoters Holding</b>		
Institutional Investors	Nil	Nil
Mutual Funds and UTI	Nil	Nil
Banking, Financial Institutions/Insurance Companies (Central / State Govt. Inst. Non - Govt. Inst.)	5,64,500	17.92%
FII's	Nil	Nil
<b>Sub - Total</b>	<b>5,64,500</b>	<b>17.92%</b>
<b>Others</b>		
Private Corporate Bodies	38,800	1.23%
Indian Public	14,02,100	44.51%
NRI's/OCBs	2,37,100	7.53%
Any Other	Nil	Nil
<b>Sub - Total</b>	<b>16,78,000</b>	<b>53.26%</b>
<b>Grand Total</b>	<b>31,50,000</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

### **New Approach of Management:**

The Company has introduced a three tier reporting structure wherein the reporting by any individual employee in the organisation is a single reporting and not dual reporting. Clear job and reporting responsibilities have been laid down for every employee, thus ensuring absolute clarity of job requirements from the employee. Management is confident that this approach will lead to a higher productivity per employee, thereby benefiting the company in the long run.

### **Opportunities and threats:**

Your company's products enjoy good acceptance among the various industrial applications. Yet, in the changing duty-tax structure regime it is necessary that optimum margins be maintained to ensure that the company moves into profits in the near future.

Rest assured that the management of your Company is capable of utilising every opportunity for the Company's benefit, while also addressing possible threats, which could have a negative effect on profitability and turnover.

### **Outlook:**

Barring unforeseen circumstances, the company expects to better its growth rate and try to improve profitability. The company will also continue to provide high quality products to its esteemed customers.

### **Risks and Concerns:**

High costs of power and the continued high state duties being levied on certain products 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. The operational performance of the company has improved in the current year.

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 and on behalf of the Board of Director

Place : Mumbai  
Date : 31/08/2009.

**JITEN CHOKSEY**  
(Chairman)

**CERTIFICATE:**

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

**We have examined the compliance of conditions of corporate governance by KUMAR WIRE CLOTH MFG. CO. LTD., for the year ended March 31, 2009, 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 J. H GHUMARA & CO.**  
Chartered Accountant

**J. H GHUMARA**  
Proprietor

Mumbai  
dated 31<sup>st</sup> August 2009.



<b>Balance Sheet As at 31 st March 2009</b>			
Schedule No.	As at 31-03-2009 Rupees		As at 31-03-2008 Rupees
<b>SOURCES OF FUNDS :</b>			
Shareholders' Funds :			
<b>Capital</b>	1	31,500,000	31,500,000
<b>Reserves &amp; Surplus</b>	2	<u>28,761,611</u>	<u>28,761,611</u>
		<b>60,261,611</b>	60,261,611
Loan Funds :			
<b>Secured Loans</b>		-	-
<b>Unsecured Loans</b>	3	<u>14,885,693</u>	<u>14,535,893</u>
		<b>14,885,693</b>	14,535,893
<b>Total</b>		<u><b>75,147,304</b></u>	<u><b>74,797,504</b></u>
<b>APPLICATION OF FUNDS :</b>			
<b>Fixed Assets</b>	4		
<b>Gross Block</b>		49,347,145	49,347,145
<b>Less: Depreciation</b>		<u>40,738,763</u>	<u>39,315,285</u>
<b>Net Block</b>		<b>8,608,383</b>	10,031,861
<b>Investments</b>	5	16,500	16,500
<b>Current Assets, Loans &amp; Advances</b>	6	2,337,187	2,872,786
<b>Less: Current Liabilities &amp; Provisions</b>	7	<u>41,671,559</u>	<u>40,118,189</u>
		(39,334,372)	(37,245,403)
<b>Miscellaneous Expenditure</b> (to the extent not Written off or adjusted)		-	-
<b>Profit &amp; Loss A/c</b>		<b>105,856,793</b>	101,994,546
<b>Total</b>		<u><b>75,147,304</b></u>	<u><b>74,797,504</b></u>
Notes forming part of Accounts	11		
As per our attached Report of even date For <b>J H Ghumara &amp; Co.</b> Chartered Accountants		For and on behalf of the Board <b>[Jiten S. Choksey]</b> Chairman	
<b>J H Ghumara</b> Proprietor Mumbai, 31 <sup>st</sup> August 2009		<b>[Mr. Subhash Mayekar]</b> Director Mumbai, 31 <sup>st</sup> August 2009	<b>[Omprakash Yadav]</b> Director

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<b>Profit &amp; Loss Account for the Year Ended 31 st March 2009</b>			
	Schedule No.	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
<b>INCOME</b>			
Other Income	8	205,945	613,686
		<u>205,945</u>	<u>613,686</u>
<b>EXPENDITURE :</b>			
Payments to and Provisions for Employees	9	-	181,280
Manufacturing & Other Expenses	10	609,571	608,378
Depreciation		1,423,478	1,675,501
	Total	<u>2,033,049</u>	<u>2,465,159</u>
<b>PROFIT ( LOSS) BEFORE TAX</b>		(1,827,104)	(1,851,473)
Less :			
Fringe Benefit Tax		-	(5,000)
Deferred Tax Liability		430,023	2,746,855
Interest on unpaid Income Tax		(599,983)	(599,983)
Interest on unpaid Sales Tax		(1,893,880)	(2,315,896)
Tax Adjustment Earlier Year		(5,220)	-
Prior Period Adjustment		33,917	-
<b>PROFIT ( LOSS) AFTER TAX</b>		(3,862,247)	(2,025,497)
Add : Balance brought forward		(101,994,546)	(99,969,049)
		(105,856,793)	(101,994,546)
Balance in Profit & Loss Account C/f to Balance Sheet		(105,856,793)	(101,994,546)
Basic & Diluted Earning Per Share		(1.23)	(0.64)
<b>Notes forming part of Accounts 11</b>			
As per our attached Report of even date		For and on behalf of the Board	
For <b>J H Ghumara &amp; Co.</b> Chartered Accountants		<b>[Jiten S. Choksey]</b> Chairman	
<b>J H Ghumara</b> Proprietor Mumbai, 31 <sup>st</sup> August 2009		<b>[Mr. Subhash Mayekar]</b> Director Mumbai, 31 <sup>st</sup> August 2009	<b>[Omprakash Yadav]</b> Director




**Schedules attached to and forming part of the Balance Sheet As At 31 st March 2009 And Profit & Loss Account for the year ended 31 st March 2009**

Schedule No.	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
<b>SCHEDULE 1</b>		
<b>CAPITAL</b>		
Authorised:		
4000000 Equity Shares of Rs. 10/- each (Previous Year 4000000 Equity Shares of Rs 10/- each.	<b>40,000,000</b>	40,000,000
	<u><b>40,000,000</b></u>	<u>40,000,000</u>
Issued & Subscribed:		
3150000 (Previous Year 3150000) Equity Shares of Rs. 10/- (Previous Year Rs 10/-) each fully paid up.	<b>31,500,000</b>	31,500,000
	<u><b>31,500,000</b></u>	<u>31,500,000</u>
<b>SCHEDULE 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
General Reserve	<b>4,009,411</b>	4,009,411
Capital Reserve	<b>24,752,200</b>	24,752,200
	<u><b>28,761,611</b></u>	<u>28,761,611</u>
<b>SCHEDULE 3</b>		
<b>UNSECURED LOANS</b>		
(a) From Inter Corporate Bodies & Others	<b>14,885,693</b>	14,535,893
	<u><b>14,885,693</b></u>	<u>14,535,893</u>

## Schedules forming part of the Balance Sheet As At 31 st March 2009

**SCHEDULE 5 :**  
**Fixed Assets**

(Rupees)

Particulars	%	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 31.03.08	Additions during the year	Sales/Ded during the year	As at 31.03.09	As at 01.04.08	Adjusted During the Year	For the Year	As at 31.03.09	As at 31.03.09	As at 31.03.08
Land	0%	300,565	-	-	300,565	-	-	-	-	300,565	300,565
Building	10%	5,985,010	-	-	5,985,010	4,678,161	-	130,685	4,808,846	1,176,164	1,306,849
Plant & Machinery	15.33%	37,363,888	-	-	37,363,888	29,550,844	-	1,197,740	30,748,584	6,615,304	7,813,044
Vehicles	25.89%	1,013,779	-	-	1,013,779	975,208	-	9,986	985,194	28,585	38,571
Air Conditioner	13.91%	116,552	-	-	116,552	94,284	-	3,097	97,381	19,171	22,268
Furniture	18.10%	264,111	-	-	264,111	228,999	-	6,355	235,354	28,757	35,112
Electrical Fitting	13.91%	1,662,167	-	-	1,662,167	1,356,330	-	42,542	1,398,872	263,295	305,837
Computer	40%	1,528,078	-	-	1,528,078	1,513,070	-	6,003	1,519,073	9,005	15,008
Office Equipment	13.91%	1,112,996	-	-	1,112,996	918,389	-	27,070	945,459	167,537	194,607
Total:		49,347,145	-	-	49,347,145	39,315,285	-	1,423,478	40,738,763	8,608,383	10,031,861
Previous Year:		49,347,145	-	-	49,347,145	37,639,783	-	1,675,501	39,315,285	10,031,861	11,707,362



**Schedules attached to and forming part of the Balance Sheet As At 31 st March 2009 And Profit & Loss Account for the year ended 31 st March 2009**

	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
<b>SCHEDULE 5</b>		
<b>INVESTMENTS</b>		
Unquoted 900 Shares of Rs. 10/ each of Bhopal Paper & Board Ltd.	9,000	9,000
Fully paid up (Previous Year 900 shares)		
NSC-VIII ISSUE	<u>7,500</u>	<u>7,500</u>
	<u>16,500</u>	<u>16,500</u>
<b>SCHEDULE 6</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>(a) Inventories (as valued and certified by the Management)</b>		
1. Raw Material	226,013	226,013
2. Finished Goods (included Trdg.)	<u>1,581,638</u>	<u>1,581,638</u>
	<u>1,807,651</u>	<u>1,807,651</u>
<b>(b) Sundry Debtors</b>		
(Unsecured considered good unless otherwise stated)		
Outstanding for a period exceeding six months	-	5,000
Others	<u>60,000</u>	<u>503,219</u>
	<u>60,000</u>	<u>508,219</u>
<b>(c) Cash &amp; Bank Balances</b>		
	33,475	121,505
<b>(d) Loans &amp; Advances</b>		
Advances recoverable in cash or kind	10,302	10,302
Tax Deducted at Source - Receivable	135,030	135,030
Deposit	<u>290,729</u>	<u>290,079</u>
	<u>436,061</u>	<u>435,411</u>
Total ( a to d )	<u>2,337,187</u>	<u>2,872,786</u>
<b>SCHEDULE 7</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
Sundry Creditors	376,863	1,036,289
Provision for Taxation	13,467,423	12,867,440
Provision for Deferred Tax Liability	1,464,024	1,894,047
Other Liabilities	<u>26,363,249</u>	<u>24,320,413</u>
	<u>41,671,559</u>	<u>40,118,189</u>

**Schedules attached to and forming part of the Balance Sheet As At 31 st March 2009 And Profit & Loss Account for the year ended 31 st March 2009**

	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
<b>SCHEDULE 8</b>		
<b>OTHER INCOME</b>		
Rent Received	120,000	80,000
Commission received	-	533,686
Balance Written off	85,945	-
	<u>205,945</u>	<u>613,686</u>
<b>SCHEDULE 9</b>		
<b>PAYMENT TO AND PROVISIONS FOR EMPLOYEES</b>		
Wages	-	69,420
Salaries	-	100,880
Staff Welfare	-	101
Provident Fund	-	9,226
Maharashtra Labour Welfare Fund	-	1,653
	<u>-</u>	<u>181,280</u>



**Schedules attached to and forming part of the Balance Sheet As At 31 st March 2009 And Profit & Loss Account for the year ended 31 st March 2009**

	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
<b>SCHEDULE 10</b>		
<b>MANUFACTURING &amp; OTHER EXPENSES</b>		
Power & Electricity	24,350	59,215
Water Charges	40,458	6,185
Insurance	-	15,830
Security Expenses	-	33,000
<b>Repairs and Maintenance :</b>		
Building	-	-
Plant & Machinery	-	-
Others	18,586	32,553
<b>Remuneration to Auditors:</b>		
For Statutory Audit	10,000	10,000
Advertising Expenses	106,490	2,279
Bank Charges & Commission	881	1,058
Balance Written off	-	77,539
Vehicles Expenses	-	27,636
Conveyance	700	2,414
Legal & Professional Charges	38,600	281,759
Listing Fees	11,084	10,100
Fees & Taxes	1,817	17,656
Postage & Telephone	39,706	30,242
Printing & Stationery	19,040	742
Sundry Expenses	-	170
Freight Charges	153,000	-
Rates & Taxes	144,859	-
	<b>609,571</b>	<b>608,378</b>

## **SCHEDULE 11**

### **1. SIGNIFICANT ACCOUNTING POLICIES**

#### **A. GENERAL:**

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

#### **B. SALES:**

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

#### **C. FIXED ASSETS :**

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

#### **D. DEPRECIATION :**

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

#### **E. VALUATION OF INVENTORIES :**

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

#### **F. PURCHASES :**

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

**G. FOREIGN CURRENCIES :**

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

**H. PRELIMINARY & PUBLIC ISSUE EXPENSES :**

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

**I. INVESTMENTS:**

Investments are valued at cost.

**J. DEFERRED TAXATION :**

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

**2. NOTES TO ACCOUNTS:****A. RETIREMENT BENEFITS TO EMPLOYEES:**

At present company does not have any employees, hence no provision is made in the accounts towards retirement benefits.

	As At 31-03-2009	As At 31-03-2008
	( 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.	3,000,000	3,000,000
<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	10,000	10,000
b. For other Services - Tax Audit	-	-
<b>E. Import Calculated on C.I.F. basis</b>	Nil	Nil
<b>F. Expenditure in foreign currency</b>	Nil	Nil

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**G. Earnings in Foreign Currency on F.O.B basis** Nil Nil

**H. Production of Finished Goods** Nil Nil

	As At 31-03-2009		As At 31-03-2008	
	Qty.	Value (Rs.)	Qty.	Value (Rs.)
<b>I. Sales &amp; Services</b>				
Wire Mesh	-	-	60,964.81	2,677,551

	Qty.	Value (Rs.)	Qty.	Value (Rs.)
<b>J. Opening and Closing Stock :</b>				
<b>Raw Materials</b>				
Wires - Opening Stock ( Kgs )	872.25	226013	872.25	226013
- Closing Stock ( Kgs )	872.25	226013	872.25	226013

**Finished Goods**

Wire Mesh

**- Opening Stock**

- Manufacturing ( Sq.ft )	18810.07	705526	18810.07	705526
- Trading ( Sq.ft )	64505.09	876112	64505.09	876112

**- Closing Stock**

- Manufacturing ( Sq.ft )	18810.07	705526	18810.07	705526
- Trading ( Sq.ft )	64505.09	876112	64505.09	876112

**K Related Party Disclosures :**

(a) List of Related Parties and Relationships

Party	Relation
Nil	Nil

(b) Related Party Transactions

Rs. In Lacs

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





<b>L. Earnings Per Share (EPS) :</b>	Rs. In Lacs
(i) Profit after tax .....	(3,862,247)
Less: Preference Dividend including tax thereon .....	Nil
Profit attributable to ordinary shareholders .....	(3,862,247)
(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)...	(1.23)

- M. 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 2009 are as under :

Deferred Tax Liability	Rs. As At 31-03-2009	Rs. As At 31-03-2008
Depreciation	1,464,024	1,894,047
Deferred Tax Asset (***)	-	-
	<u>1,464,024</u>	<u>1,894,047</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.

- N.** In accordance with past practise, Excise Duty on goods lying in the factory as on 31.03.2009 will be accounted on clearance of such goods. The excise duty liability of Rs.58,135/- if provided would have no effect on the loss for the year.
- O** 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.
- P.** The balances of certain Sundry Debtors / Sundry Creditors / Loans and Advances and Unsecured loan are subject to confirmation .
- Q.** Provision for interest of Rs. 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.
- R.** The company made a reference to BIFR and BIFR declared the company as sick u/s 3 (1) (O) of the Sick Industrial Companies Act at the hearing held on 21-02-2006. The Company submitted a DRS (Draft Rehabilitation Scheme) to Karnataka Bank, the Operating Agency on 17-06-2008 which was forwarded to BIFR. BIFR directed on 16-06-2009 to circulate the DRS. The scheme is under active consideration of BIFR.
- S.** Previous year figures have been regrouped / rearranged wherever necessary / possible.

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

**For and on behalf of the Board**

**[Mr. Jiten S Choksey]**  
Chairman

**[ J H Ghumara ]**  
Proprietor

**[Mr. Subhash Mayekar]**  
Director

**[Mr. Omprakash Yadav]**  
Director

Mumbai, 31<sup>st</sup> August 2009

Mumbai, 31<sup>st</sup> August 2009

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	2008-2009	2007-2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax & Extraordinary items	(1,827,104)	(1,851,473)
Adjustment for Preliminary Expenses Written Off	-	-
Depreciation	1,423,478	1,675,501
Depreciation Written Back	-	-
Interest Received	-	-
Interest ( net)	-	-
Loss on sale of Assets	-	-
Profit on sale of Assets	-	-
	<u>1,423,478</u>	<u>1,675,501</u>
Operating Profit Before Working Capital Changes	<u>(403,626)</u>	<u>(175,972)</u>
Adjustment for :		
Trade & Other Receivable	447,569	(133,327)
Inventories	-	-
Trade Payable	<u>(510,470)</u>	<u>(194,324)</u>
	<u>(62,901)</u>	<u>(327,651)</u>
Cash Generated from Operations	<u>(466,527)</u>	<u>(503,623)</u>
Interest	-	-
Tax Paid	(5,220)	(5,000)
Prior Period/Tax provision adjustments	<u>33,917</u>	-
	<u>28,697</u>	<u>(5,000)</u>
Net Cash From Operating Activities	<u>(437,830)</u>	<u>(508,623)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchases of Fixed Assets	-	-
Investments	-	-
Sale of Assets	-	-
Preliminary Expenses	-	-
Interest Received	-	-
	<u>-</u>	<u>-</u>
Net Cash Used in Investing Activities	<u>(437,830)</u>	<u>(508,623)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Borrowings	349,800	474,672
Net Cash Used in Financing Activities	<u>349,800</u>	<u>474,672</u>
	<u>(88,030)</u>	<u>(33,950)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		
OPENING CASH AND CASH EQUIVALENTS	121,505	155,455
Cash & Bank Balances		
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>33,475</b>	<b>121,505</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. Subhash Mayekar ]  
Director

[ Mr. Omprakash Yadav ]  
Director

Mumbai, 31<sup>st</sup> August 2009

Mumbai, 31<sup>st</sup> August 2009

### 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, 2009 and found the same in accordance therewith and also with the requirement of the listing agreement with stock exchange.

For J H Ghumara & Co.  
Chartered Accountants

Mumbai, September 1, 2009  
Place : Mumbai

[ J H Ghumara ]  
Proprietor



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

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE.**

<b>1 Registration Details</b>	
Registration No.	11-24249
State Code	11
Balance Sheet Date	31.03.2009
<b>2 Capital raised during the year</b>	
	(Rs. In '000 )
Public issue	Nil
Rights issue	Nil
Bonus issue	Nil
Private Placement	Nil
<b>3 Position of Mobilisation and Deployment of Funds</b>	
	(Rs. In '000 )
Total Liabilities	75147
Total Assets	75147
<b>Sources of Funds</b>	
Paid up Capital	31500
Reserves & Surplus	28762
Secured Loans	0
Unsecured Loans	14886
<b>Application of Funds</b>	
Net fixed Assets	8608
Investments	17
Net Current Assets	-39334
Misc. Expenditure	0
Accumulated Losses	105857
<b>4 Performance of Company</b>	
	(Rs. In '000 )
Turnover (Gross Revenue)	206
Total Expenditure	2033
+/- Profit / Loss Before Tax	-1827
+/- Profit / Loss After Tax	-3862
Earning per Share Rs.	-1.23
Dividend Rate%	Nil
<b>5 Generic Name of Three Principal Products Of Company</b>	
(As per monetary terms)	
Item Code No. (ITC Code) Product: Stainless Steel Wirecloth	73141101
Item Code No. (ITC Code) Product: Wirecloth - others	73141901

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

[ J H Ghumara ]  
Proprietor

Mumbai, 31<sup>st</sup> August 2009

**For and on behalf of the Board**

[Mr. Jiten S Choksey]  
Chairman

[Mr. Subhash Mayekar]  
Director

Mumbai, 31<sup>st</sup> August 2009

[Mr. Omprakash Yadav]  
Director



# KUMAR WIRECLOTH MANUFACTURING COMPANY LIMITED

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

## ATTENDANCE SLIP

(Name & Address of Member/Proxy)

Folio No.	
No. of shares	
Sr. No.	

I hereby record my presence at the 27<sup>th</sup> Annual General Meeting of the Company on **Wednesday, September 30, 2009 at 10.00 a. m** at **D-23, MIDC, Taloja, Taluka- Panvel, District: Raigad, Maharashtra**

Signature of the attending  
Member/Proxy

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



# KUMAR WIRECLOTH MANUFACTURING COMPANY LIMITED

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

## PROXY

I / We \_\_\_\_\_ of \_\_\_\_\_ being a Member / Members of the above named Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our Proxy to attend and vote for me/us on my/our behalf at the 27<sup>th</sup> Annual General Meeting of the Company, to be held on **Wednesday, September 30, 2009 at 10.00 a.m.** and at any adjournment thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Signature

Affix  
1 Rupee  
Revenue  
Stamp

Folio No.	
No. of shares	
Sr. No.	

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

BOOK - POST



If undelivered please return to :

KUMAR WIRECLOTH MANUFACTURING CO. LTD.

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