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**KUMAR WIRE CLOTH MANUFACTURING
COMPANY LIMITED**



**28thAnnual Report
2009-2010**

28th ANNUAL REPORT 2009-2010

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.
Dena Bank

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 Eighth** Annual General Meeting of **KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED**, will be held on Thursday 30th September, 2010 at its Registered Office at D-23, MIDC, Taloja, Taluka- Panvel, District: Raigad, Maharashtra – 410218 at 10.00 AM to transact the following business;

ORDINARY BUSINESS:

1. To receive, consider approve and adopt the Audited Balance sheet as at 31st March 2010 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. SUSHIL CHOKSEY who retires by rotation and, being eligible offers himself for reappointment.
3. To Appoint a Director in place of MR. SUBHASH MAYEKAR who retires by rotation and, being eligible offers himself for reappointment

SPECIAL BUSINESS:

1. To consider and, if the thought fit, to pass with or without modification/s, if any, the following business as an Ordinary Resolution:

"RESOLVED THAT Amar Bafna & Associates, Chartered Accountants, Mumbai, be and are hereby appointed as the Statutory Auditors of the Company in place of J. H. Ghumara & CO., Chartered Accountants, Mumbai, the Retiring Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company on such remuneration to be fixed in consultation with the Board of Directors plus re-imbusement of out of pocket expenses, if any."

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

Place : Mumbai
Date : 22nd July 2010

JITEN CHOKSEY
(Chairman)

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

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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 28th September, 2010 to 30th September, 2010.
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 are requested to bring their copies of the reports at the Annual General Meeting.
7. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with share certificates to the Company.
8. In order to exercise strict control over the transfer documents, members are requested to send the transfer documents/ correspondence, if any, directly to the Registered Office of the Company.

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

Place : Mumbai
Date : 22nd July 2010

**JITEN CHOKSEY
(Chairman)**

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

**ANNEXURE TO THE NOTICE**

Explanatory Statement: (pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 1

The existing Auditors of the Company J. H. Ghumara & CO., Chartered Accountants, Mumbai, have expressed their unwillingness to be reappointed as a Statutory Auditors of the Company for the Financial Year 2010-2011.

In view of the same, the Board of Directors of the Company had discussions with Amar Bafna & Associates, Chartered Accountants, Mumbai, to be appointed as Statutory Auditors of the Company for the Financial Year 2010-2011 in place of the retiring Auditors.

Subsequently the Board of Directors at their Meeting held on 22nd July, 2010 has recommended Appointment of Amar Bafna & Associates, Chartered Accountants, Mumbai as Statutory Auditors of the Company for the Financial Year 2010-2011 subject to the approval of the Members at the forth coming Annual General Meeting.

The Board of Directors wish to inform you that as per the Securities and Exchange Board of India Circular CIR/CFD/DIL 2010 Dated 5th April, 2010 Statutory Audit Reports submitted to the concerned Stock Exchanges shall be given only by those Auditors who have subjected themselves to the peer review process of the ICAI and who hold a valid certificate issued by the 'Peer Review Board' of the said Institute.

The said firm of Chartered Accountants has already furnished the required Certificate under Section 224 (1B) of the Companies Act, 1956 alongwith a 'Peer Review Certificate' issued to the said Firm by the 'Peer Review Board' of the ICAI.

None of the Directors of the Company may be deemed to be concerned or interested in the passing of the said resolution.

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

PLACE: MUMBAI

DATE: 22nd July 2010

JITEN CHOKSEY
CHAIRMAN

DIRECTORS' REPORT

Dear Shareholders,

Your Directors hereby present the Twenty Eighth Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2010

FINANCIAL HIGHLIGHTS:

	Year ended 31-03-2010 (Amt in Rs.)	Year ended 31-03-2009 (Amt in Rs.)
Profit before Interest & Depreciation	(207933)	(403626)
Less: Interest	NIL	NIL
Profit before Depreciation	(207933)	(403626)
Less: Depreciation	(1241949)	(1423478)
Profit/(Loss) before Tax	(1449882)	(1827104)
Less: Provision for Tax	(211494)	(2035143)
Net Profit /(Loss) after Tax	(1238388)	(3862247)
Profit /(Loss) b/f from Previous year	(105856793)	(101994546)
Profit/(Loss) carried to Balance Sheet	(107095181)	(105856793)

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. SUSHIL CHOKSEY and MR. SUBHASH MAYEKAR retire by rotation and are being eligible offer themselves for re-appointment.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement following have been made a part of the Annual Report:

- Management discussion and Analysis
- Corporate Governance Report
- Auditors Certificate regarding compliance of conditions of the Corporate Governance
- Declaration on compliance with code of Conduct.

**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.

AUDITORS:

Your Company has received a letter from J. H. Ghumara & CO., Chartered Accountants, Mumbai the retiring Auditors of the Company expressing their unwillingness to seek re-election for the Financial Year 2010-2011 at the forthcoming Annual General Meeting.

In view of the same the Board of Directors of your Company had a discussion with Amar Bafna & Associates, Chartered Accountants, Mumbai to be appointed as Statutory Auditors of the Company for the Financial Year 2010-2011 subject to approval of Shareholders in the forthcoming Annual General Meeting and they have already furnished their eligibility Certificate under Section 224 (1B) of the Companies Act, 1956 alongwith a 'Peer Review Certificate' issued to the said Firm by the 'Peer Review Board' of the ICAI.

AUDITOR'S REPORT

The comments and remarks from Auditors 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.

PARTICULARS REGARDING 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.

APPRECIATION: The Board of Directors wishes to place on record its sincere appreciation for due co-operation received from the Company's Bankers and others for their continued support and co-operation.

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

Place : Mumbai
Date : 22nd July 2010

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 NIL
 - b. Recurring NIL
 - c. Total NIL
 - d. Total R&D expenditure (as a percentage of total turnover)NIL

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 Not Applicable
e.g. product improvement, cost reduction product developments, import substitution etc.
- 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 EARNINGS AND OUTGO

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

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

PLACE : MUMBAI
DATE : 22nd July 2010

JITEN CHOKSEY
CHAIRMAN

FORM
[SEE RULE 3]

Compliance Certificate

Registration No.: L74999MH1981PLC024249

Nominal Capital: Rs 4,00,00,000/-

To,
The Members,
KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED
D-23 MID CTALOJA
PANVEL, RAIGAD
Maharashtra 410218

I have examined the registers, records, books and papers of **KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED** as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this Certificate, as per the provisions of the Companies Act, 1956 (herein after referred to as the Act) and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this Certificate, with the Registrar of Companies, Maharashtra, as prescribed under the Act and the rules made there under for the financial year under review.
3. The Company being Public Limited Company has the minimum prescribed paid-up capital and comments regarding number of its members and subscription of shares and acceptance of deposits from persons other its members and directors are not required.
4. The Board of Directors duly met **05 times** on 29/04/2009, 31/07/2009, 31/08/2009, 31/10/2009, 30/01/2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

M/s. Milind Nirkhe & Associates
Company Secretaries



5. The Register of Members pursuant to Section 154 of the Act were closed from **Saturday 26th September, 2009** to **Wednesday 30th September 2009**. (both days inclusive).
6. The Annual General Meeting for the financial year ended on **March 31, 2009** was held on **Wednesday, 30th September 2009**, after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the Financial year.
8. The Company has not advanced loans to Directors of the Company or Firms or Companies referred to in Section 295 of the Act and hence there is nothing to report in this matter.
9. The Company has not entered into contracts falling within the purview of Section 297 of the Act for the year under review.
10. As the Company has not entered into contract in which any Director(s) of the Company is/are interested pursuant to Section 301 of the Act for the year under review and hence no entries are made in this regard.
11. None of the Directors of the Company holds office or place of profit pursuant to the provisions of Section 314 of the Companies Act, 1956.
12. The Company did not issue any Duplicate Share Certificates for the financial year under review; hence there is nothing to report in this matter.
13. i) The Company has not allotted any Equity shares during the financial year under review. During the year under the review the Company has transferred 2700 Equity shares.
ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year under review.
iii) The Company was not required to pay/post warrants for dividends to all its members within the period of 30 (Thirty) days as no dividend was declared during the financial year under review and the Company was not required to transfer any Unclaimed/Unpaid dividend to any Unpaid Dividend Account of the Company during the financial year under review.
iv) The Company was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits and the interest accrued thereon which have remained unclaimed or unpaid or a period of seven years to Investor Education and Protection Fund during the financial year under review.
v) The Company has duly complied with Section 217 of the Companies Act, 1956.
14. The Board of Directors of the Company is duly constituted.
15. The Company has not appointed Managing Director/ Whole-time Director/ Manager as per the provisions of Section 269 read with Schedule XIII of the Act during the year under review.

M/s. Milind Nirkhe & Associates
Company Secretaries

16. The Company has not appointed any sole-selling agents during the financial year under review in compliance of the provisions of the Act.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies or such other authorities as may be prescribed under the various provisions of the Act during the financial year under review.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under for the financial year under review.
19. The Company has not issued any Shares during the financial year under review.
20. The Company has not bought back any shares during the financial year under review.
21. The Company has not redeemed any preference shares/debentures during the financial year under review.
22. There were no transactions requiring the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act during the financial year under review.
23. The Company has not invited/accepted any deposits within the meaning Section 58A of the Act read with Companies (Acceptance of Deposits) Rules, 1975 during the financial under review. However, the Company has repaid the Unsecured Loans enjoyed by it from its Directors and in the Form of Inter Corporate Deposits during the financial year under review.
24. The Company has not made any borrowings during the financial year ended 31st March, 2010.
25. The Company has not made any loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and consequently no entries have been made in the register kept for the purpose during the financial year under review.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the company during the year under scrutiny.

M/s. Milind Nirkhe & Associates
Company Secretaries



29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year under scrutiny.
31. There was no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and also no fines and penalties or any other punishment was imposed on the Company during the financial year under review.
32. The Company has not received any money as security from its employees during the year under certification to be deposited as per provisions of Section 417(1) of the Act during the financial year under review.
33. There is nothing to report regarding employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to the provisions of Section 418 of the Act for the financial year under review.

M/s. Milind Nirkhe & Associates
Company Secretaries

Place: Mumbai

**C.S. MILIND
NIRKHE**

Date: 22nd July 2010

Annexure A

The Company has maintained the following Registers:

1. Register of Members and Shareholders u/s 150 of the Companies Act, 1956.
2. Register of Directors, Managing Directors, etc. u/s 303 of the Companies Act, 1956.
3. Register of Directors' Shareholdings u/s 307 of the Companies Act, 1956.
4. Returns u/s.163 of the Companies Act, 1956.
5. Minutes Book of the Meetings of - 1) Board Meetings. 2) General Meetings.

Annexure B

The Company has filed the following Forms>Returns with The Registrar of Companies, Maharashtra at Mumbai:

Forms and Returns as filed by the Company with the Registrar of Companies, during the period ending on 31st March, 2010.

Sr. No.	Form No. Return/ Particulars	Filed under Section	For	Date of Filing and Receipt No.	Whether filed within prescribed time	If Delay in filing whether requisite additional fees paid.
1.	Form 23ACA/ACA (Balance sheet)	220	For the year ended 31/03/2009	Dated 01/01/2010 No. P44407245	No	Yes
2.	Form 20B(Annual Return)	159	for the year ended 31/03/2009	Dated 01/01/2010 No. P44416105	No	Yes
3.	Form 66 (Secretarial Compliance Report)	383A	for the year ended 31/03/2009	Dated 31/12/2009 No. P44257749	No	Yes
4.	Form 23ACA/ACA (Balance sheet)	220	for the year ended 31/03/2008	Dated 18/05/2009 No. P32438277	No	Yes
5.	Form 20B (Annual Return)	159	for the year ended 31/03/2008	Dated 17/07/2009 No. P33291287	No	Yes

M/s. Milind Nirkhe & Associates
Company Secretaries

**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 2010 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.

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- (d) In our opinion, the Balance Sheet and the Profit and Loss Account comply, in all material respects with the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956.
- (e) On the basis of written representations received from the Directors, and taken on record by the Board of Directors, we report that *none of the directors of the Company is disqualified as at 31st March 2010 from being appointed as a Director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956*
- (f) In our opinion and to the best of our information and explanations given to us the said accounts read with other notes thereon, gives the information required by the Companies Act, 1956 in the manner so required and gives a true and fair view:
- i. In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2010.
 - 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: 22nd July, 2010

J. H. GHUMARA
Proprietor
Membership No.14320

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.
- (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.142.40

lacs and Income Taxes Rs.98.76 lacs.

- (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 questions 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 accounts 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

Place : Mumbai
Date: 22nd July 2010.

J. H GHUMARA
Proprietor
Member ship No. 14320.

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.

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	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 Dubey	Director	3

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2. BOARD PROCEDURE:

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

Sr.No	Date of Meeting	For the Quarter / Matter
1.	29/04/2009	1 st April, 2009 – 30 th June, 2009
2.	31/07/2009, 31/08/2009	1 st July, 2009 –30 th September, 2009
3.	31/10/2009	1 st October, 2009 –31 st December, 2009
4..	30/01/2010	1 st January, 2010 – 31 st March, 2010

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	5	NIL	NIL	Yes
Mr. Sushil D Choksey	Promoter& Executive	5	1	NIL	Yes
Mr.Subhash Mayekar	IndependentNon ExecutiveDirector	5	2	2	Yes
Mr.Om Prakash Yadav	IndependentNon ExecutiveDirector	5	2	NIL	Yes
Mr.Kamlesh Dubey	IndependentNon ExecutiveDirector	5	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 04 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.	29 TH April, 2009	3	3
2.	31 ST July, 2009	3	3
3.	31 ST October, 2009	3	3
4.	30 TH January, 2010	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 internal audit and control matters, actions arising out of reports.
- v. Holding discussions with the statutory auditors on the nature and scope of audits.
- vi. Recommending the appointment of statutory auditors and their fees.
- vii. Reviewing of Foreign Exchange exposures.
- vii. Reviewing related party transactions

4. REMUNERATION COMMITTEE:

1. Brief description of terms of reference	Since none of the Managerial Personnel are drawing any remuneration, the company has not constituted any Remuneration committee.
2. Composition, name of members and Chairperson.	
3. Attendance during the year.	
4. Remuneration policy.	
5. Details of remuneration to all the Directors, as per format in main report.	

5. SHAREHOLDERS' TRANSFER / GRIEVANCE COMMITTEE:

Shareholders/Investors' Grievance Committee:

The Investor's 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 Board has designated Mr. Subhash Mayekar as the Compliance Officer of the Company.

The number of pending Share transfer as on March 31, 2010 NIL.

To ascertain that all the shareholder grievances are immediately addressed as on March 31, 2010, there were zero investor grievance pending.

RECEIVED FROM	TOTAL COMPLAINTS RECD. IN 2009-2010	TOTAL COMPLAINTS RESOLVED	PENDING COMPLAINTS AS ON 31/03/2010
Investor	Nil	Nil	Nil
SEBI	Nil	Nil	Nil
Stock Exchanges	Nil	Nil	Nil
Other Govt./Statutory Authority	Nil	Nil	Nil



6. GENERAL BODY MEETINGS:

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

Financial Year	Date	Location of the Meeting	Time
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.
2008-2009	30/09/2009	D-23, MIDC, Taloja, Taluka- Panvel, District: Raigad, Maharashtra	10.00A.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 2009-2010 that may have potential conflict with the interest of the Company at large. Related Party Transactions for the Financial Year 2009-2010 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.

v. The Company vide its letter dated 25th March, 2010 has informed BSE that Board For Industrial And Financial Reconstruction (BIFR) at their hearing held on 25th February, 2010 has approved a Draft Rehabilitation Scheme (DRS) for revival of the Company prepared by Karnataka Bank Limited the Operating Agency and BIFR has sanctioned the Scheme pursuant to Section 18(4) read with Section 19(3) of the Sick Industrial Companies (Special Provisions) Act, 1985.

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. Navshakt

Any website, where displayed: At present the company's results are not displayed at any website.

Whether it also displays official news releases: At present the Company's official news are not displayed at any website

The presentations made to institutional investors or to the analysts: Company has not made any presentations made to institutional investors or to the analysts during financial year under review.

9. GENERAL SHAREHOLDERS INFORMATION:i.

i. **AGM : Date, time and venue** : 30/09/2010 AT 10.00 A.M. AT ITS
REGD.OFF. AT D-23, MIDC, TALOJA,
TALUKA-PANVEL, DISTRICT:
RAIGAD, MAHARASHTRA.

ii. **Financial year** 2009-2010.

iii. **Date of Book Closure** September 28 2010 to September 30 2010

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, 2010.
- 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, 2010.
- ix. **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.
- xi **Distribution of shareholding as on March 31, 2010**

Range in Rs.	Total Holders		Amount In Rs.	% of Total
	Total	% 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
Total:	5516	100	3150000	100.00

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Shareholding Pattern as on Balance Sheet Date:

Shareholding Pattern as on Balance Sheet Date:

Authorized Share Capital- 40 lacs shares of 10 each

Issued/Subscribed & paid up

Capital –share capital 31.5 lacs shares of 10 each

Promoter's Holding	No. of shares	Percentage of shareholding
Indian Promoters:		
Mr. Jiten S. Choksey		
Mr. Sushil D. Choksey	4600	0.15
Foreign Promoters	0	0
Persons Acting in Concert	9,02,900	28.66
Sub - Total	9,07,500	28.81%
Non - Promoters Holding		
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
Sub - Total	5,64,500	17.92%
Others		
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
Sub - Total	16,78,000	53.26%
Grand Total	31,50,000	100.00%

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, 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.

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.

Board For Industrial And Financial Reconstruction (BIFR) at their hearing held on 25th February, 2010 has approved a Draft Rehabilitation Scheme (DRS) for revival of the Company prepared by Karnataka Bank Limited the Operating Agency and BIFR has sanctioned the Scheme pursuant to Section 18(4) read with Section 19(3) of the Sick Industrial Companies (Special Provisions) Act, 1985.

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 and on behalf of the Board of Director

Place : Mumbai

Date : 22nd July 2010

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, 2010, as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

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

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

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

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

Proprietor
Date: 22nd July 2010
Place: Mumbai. Membership No. 14320.



Balance Sheet As at 31 st March 2010			
Schedule No.	As at 31-03-2010 Rupees		As at 31-03-2009 Rupees
SOURCES OF FUNDS :			
Shareholders' Funds :			
Capital	1	31,500,000	31,500,000
Reserves & Surplus	2	37,258,135	28,761,611
Share Application Money		<u>7,115,000</u>	-
		75,873,135	60,261,611
Loan Funds :			
Secured Loans		-	-
Unsecured Loans	3	<u>1,747,089</u>	<u>14,840,893</u>
		1,747,089	14,840,893
Deferred Tax Liability		<u>1,252,530</u>	<u>1,464,024</u>
	Total	<u>78,872,754</u>	<u>76,566,528</u>
APPLICATION OF FUNDS :			
Fixed Assets			
Gross Block	4	50,115,074	49,347,145
Less: Depreciation		<u>41,980,712</u>	<u>40,738,763</u>
Net Block		8,134,362	8,608,383
Investments	5	16,500	16,500
Current Assets, Loans & Advances	6	2,716,645	2,337,187
Less: Current Liabilities & Provisions	7	39,089,934	40,252,335
		<u>(36,373,289)</u>	<u>(37,915,148)</u>
Miscellaneous Expenditure (to the extent not Written off or adjusted)		-	-
Profit & Loss A/c		<u>107,095,181</u>	<u>105,856,793</u>
	Total	<u>78,872,754</u>	<u>76,566,528</u>
Notes forming part of Accounts	10		
As per our attached Report of even date For J H Ghumara & Co. Chartered Accountants		For and on behalf of the Board [Jiten S. Choksey] Chairman	
J H Ghumara Proprietor Mumbai, 22nd July 2010		[Mr. Subhash Mayekar] Director Mumbai, 22nd July 2010	[Omprakash Yadav] Director

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Profit & Loss Account for the Year Ended 31 st March 2010			
	Schedule No.	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
INCOME			
Other Income	8	320,456	205,945
		<u>320,456</u>	<u>205,945</u>
EXPENDITURE :			
Manufacturing & Other Expenses	9	528,389	609,571
Depreciation		1,241,949	1,423,478
Total		<u>1,770,338</u>	<u>2,033,049</u>
PROFIT (LOSS) BEFORE TAX		(1,449,882)	(1,827,104)
Less :			
Deferred Tax Liability		211,494	430,023
Interest on unpaid Income Tax		-	(599,983)
Interest on unpaid Sales Tax		-	(1,893,880)
Tax Adjustment Earlier Year		-	(5,220)
Prior Period Adjustment		-	33,917
PROFIT (LOSS) AFTER TAX		(1,238,388)	(3,862,247)
Add : Balance brought forward		(105,856,793)	(101,994,546)
Balance in Profit & Loss Account C/f to Balance Sheet		(107,095,181)	(105,856,793)
Basic & Diluted Earning Per Share		(0.39)	(1.23)
Notes forming part of Accounts	10		
As per our attached Report of even date		For and on behalf of the Board	
For J H Ghumara & Co. Chartered Accountants		[Jiten S. Choksey] Chairman	
J H Ghumara Proprietor Mumbai, 22nd July 2010		[Mr. Subhash Mayekar] Director Mumbai, 22nd July 2010	[Omprakash Yadav] Director



Schedules attached to and forming part of the Balance Sheet As At 31 st March 2010 And Profit & Loss Account for the year ended 31 st March 2010

	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
SCHEDULE 1		
SHARE CAPITAL		
Authorised:		
40,00,000 Equity Shares of Rs. 10/- each (Previous Year 40,00,000 Equity Shares of Rs 10/- each.	40,000,000	40,000,000
	<u>40,000,000</u>	<u>40,000,000</u>
Issued & Subscribed:		
31,50,000 (Previous Year 31,50,000) Equity Shares of Rs. 10/-(Previous Year Rs 10/-) each fully paid up.	31,500,000	31,500,000
	<u>31,500,000</u>	<u>31,500,000</u>
SCHEDULE 2		
RESERVES & SURPLUS		
General Reserve	4,009,411	4,009,411
Capital Reserve	24,752,200	24,752,200
Debt Reconstruction Reserve	8,496,524	-
	<u>37,258,135</u>	<u>28,761,611</u>
SCHEDULE 3		
UNSECURED LOANS		
(a) From Directors	715,000	1,370,000
(b) From Inter Corporate Bodies	1,032,089	13,470,893
	<u>1,747,089</u>	<u>14,840,893</u>

Schedules forming part of the Balance Sheet As At 31 st March 2010

SCHEDULE 4 :

Fixed Assets

(Rupees)

Particulars	%	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 31.03.09	Additions during	Sales/Ded during the year	As at 31.03.10	As at 01.04.09	Adjusted During	For the Year the Year	As at 31.03.10	As at 31.03.10	As at 31.03.10
Land	0%	300,565	-	-	300,565	-	-	-	-	300,565	300,565
Building	10%	5,985,010	195,720	-	6,180,730	4,808,846	-	117,670	4,926,516	1,254,214	1,176,164
Plant & Machinery	15.33%	37,363,888	-	-	37,363,888	30,748,584	-	1,014,126	31,762,710	5,601,178	6,615,304
Vehicles	25.89%	1,013,779	-	-	1,013,779	985,194	-	7,401	992,595	21,184	28,585
Air Conditioner	13.91%	116,552	-	-	116,552	97,381	-	2,667	100,048	16,504	19,171
Furniture	18.10%	264,111	351,350	-	615,461	235,354	-	24,545	259,899	355,562	28,757
Electrical Fitting	13.91%	1,662,167	220,858	-	1,883,025	1,398,872	-	48,634	1,447,506	435,519	263,295
Computer	40%	1,528,078	-	-	1,528,078	1,519,073	-	3,602	1,522,675	5,403	9,005
Office Equipment	13.91%	1,112,996	-	-	1,112,996	945,459	-	23,304	968,763	144,233	167,537
Total:		49,347,146	767,928	-	50,115,074	40,738,763	-	1,241,949	41,980,712	8,134,362	8,608,383
Previous Year:		49,347,145	-	-	49,347,145	39,315,285	-	1,423,478	40,738,763	8,608,383	10,031,861



Schedules attached to and forming part of the Balance Sheet As At 31 st March 2010 And Profit & Loss Account for the year ended 31 st March 2010

	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
SCHEDULE 5		
INVESTMENTS		
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>
SCHEDULE 6		
CURRENT ASSETS, LOANS & ADVANCES		
(a) Inventories (as valued and certified by the Management)		
1. Raw Material	226,013	226,013
2. Finished Goods (Including Trading)	<u>1,581,638</u>	<u>1,581,638</u>
	<u>1,807,651</u>	<u>1,807,651</u>
(b) Sundry Debtors		
(Unsecured , considered good unless otherwise stated)		
Outstanding for a period exceeding six months	-	-
Others	<u>30,000</u>	<u>60,000</u>
	<u>30,000</u>	<u>60,000</u>
(c) Cash in hand	3,456	5,699
(d) Balance in Current Accounts with Scheduled Banks	99,271	27,776
(e) Loans & Advances		
Advances recoverable in cash or kind	273,552	10,302
Tax Deducted at Source - Receivable	155,076	135,030
Deposits	<u>347,639</u>	<u>290,729</u>
	<u>776,267</u>	<u>436,061</u>
Total (a to e)	<u>2,716,645</u>	<u>2,337,187</u>
SCHEDULE 7		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	296,374	421,663
Provision for Taxation	13,467,423	13,467,423
Other Liabilities	<u>25,326,137</u>	<u>26,363,249</u>
	<u>39,089,934</u>	<u>40,252,335</u>

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Schedules attached to and forming part of the Balance Sheet As At 31 st March 2010 And Profit & Loss Account for the year ended 31 st March 2010

	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
SCHEDULE 8		
Rent	120,000	120,000
Commission	200,456	-
Balance Written off	-	85,945
	<u>320,456</u>	<u>205,945</u>
SCHEDULE 9		
MANUFACTURING & OTHER EXPENSES		
Power & Electricity	65,530	24,350
Water Charges	28,292	40,458
Insurance	-	-
Spares & Consumable	2,677	-
Repairs and Maintenance :		
Building	-	-
Plant & Machinery	-	-
Others	14,044	18,586
Remuneration to Auditors:		
For Statutory Audit	10,000	10,000
Advertising Expenses	30,797	106,490
Bank Charges & Commission	702	881
Conveyance	2,113	700
Legal & Professional Charges	226,420	38,600
Listing Fees	11,030	11,084
Fees & Taxes	11,630	1,817
Postage & Telephone	41,312	39,706
Printing & Stationery	21,965	19,040
Sundry Expenses	1,160	-
Freight Charges	-	153,000
Rates & Taxes	-	144,859
P F Adminstrative Charges	84	-
Rent Agreement charges	7,900	-
Room Rent	17,500	-
Travelling	14,000	-
Web mail expenses	21,233	-
	<u>528,389</u>	<u>609,571</u>

SCHEDULE 10**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 Charge 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. INVESTMENTS:

Investments are valued at cost.

I. 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.

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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 31-03-2010 (Rs.)	As At 31-03-2009 (Rs.)
B. Contingent Liabilities not provided for in respect of		
a) Corporate Guarantees given to financial Institutions against credit facilities extended to other bodies corporate.	3,000,000	3,000,000
C. Expenditure incurred on employees during the year who were in receipt of Rs.24,00,000 p.a. or Rs. 2,00,000 p.m. if employed for part of the year.		
a) Employed throughout the year.	Nil	Nil
b) Employed for part of the year.	Nil	Nil
D. Auditors Remuneration :		
a. Audit Fees	10,000	10,000
b. For other Services - Tax Audit	-	-
E. Import Calculated on C.I.F. basis	Nil	Nil
F. Expenditure in foreign currency	Nil	Nil
G. Earnings in Foreign Currency on F.O.B basis	Nil	Nil
H. Production of Finished Goods	Nil	Nil
I. Sales & Services		

	As At 31-03-2010		As At 31-03-2009	
J. Opening and Closing Stock :	Qty.	Value (Rs.)	Qty.	Value (Rs.)
Raw Materials				
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

	2009-10 (Rs. in Lacs)	2008-09 (Rs. in Lacs)
L. Earnings Per Share (EPS) :		
(i) Profit after tax	(1,238,388)	(3,862,247)
Less: Preference Dividend including tax thereon	Nil	Nil
Profit attributable to ordinary shareholders	(1,238,388)	(3,862,247)
(ii) Nos of Ordinary Shares for EPS	3,150,000	3,150,000
(iii) Nominal Value of ordinary Shares	Rs. 10	Rs. 10
(iv) Earnings per Ordinary Share (Basic & Diluted)...	(0.39)	(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 2010 are as under :

Deferred Tax Liability	Rs. As at 31-03-2010	Rs. As at 31-03-2009
Depreciation	1,252,530	1,464,024
Deferred Tax Asset (***)	-	-
	<u>1,252,530</u>	<u>1,464,024</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 practice, Excise Duty on goods lying in the factory as on 31.03.2010 will be accounted on clearance of such goods. The excise duty liability of Rs. 72,669/- if provided would have no effect on the loss for the year.

- O. The company is required to furnish the list of outstanding 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.
- P. The balances of certain Sundry Debtors/ Sundry Creditors/ Loans and Advances and Unsecured loan are subject to confirmation .
- Q. 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 was , duly circulated to all concerned. BIFR vide its order dated February 25, 2010 sanctioned the scheme for implementation.
- R. Previous year figures have been regrouped / rearranged wherever necessary / possible.

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

[J H Ghumara]
Proprietor

Mumbai, 22nd July 2010

For and on behalf of the Board

[Mr. Jiten S Choksey]
Chairman

[Mr. Subhash Mayekar]
Director

[Mr. Omprakash Yadav]
Director



Cash Flow Statement for the year ended March 31, 2010

	2009-2010	2008-2009
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax & Extraordinary items	(1,449,882)	(1,827,104)
Adjustment for Preliminary Expenses Written Off	-	-
Depreciation	1,241,949	1,423,478
Depreciation Written Back	-	-
Interest Received	-	-
Interest (net)	-	-
Loss on sale of Assets	-	-
Profit on sale of Assets	-	-
	<u>1,241,949</u>	<u>1,423,478</u>
Operating Profit Before Working Capital Changes	(207,933)	(403,626)
Adjustment for :		
Trade & Other Receivable	(310,206)	447,569
Inventories	-	-
Trade Payable	70,319	(510,470)
	<u>(239,887)</u>	<u>(62,901)</u>
Cash Generated from Operations	(447,820)	(466,527)
Interest	-	-
Tax Paid	-	(5,220)
Prior Period/Tax provision adjustments	-	33,917
	<u>-</u>	<u>28,697</u>
Net Cash From Operating Activities	(447,820)	(437,830)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchases of Fixed Assets	(767,928)	-
Investments	-	-
Sale of Assets	-	-
Preliminary Expenses	-	-
Interest Received	-	-
	<u>(767,928)</u>	<u>-</u>
Net Cash Used in Investing Activities	(1,215,748)	(437,830)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Share Application Money	1,115,000	-
Proceeds from Borrowings	170,000	349,800
Net Cash Used in Financing Activities	<u>1,285,000</u>	<u>349,800</u>
	69,252	(88,030)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	33,475	121,505
CASH & Bank Balances		
CLOSING CASH AND CASH EQUIVALENTS	102,727	33,475

As per our Report attached

For J H Ghumara & Co.
Chartered Accountants

[J H Ghumara]
(Proprietor)

Mumbai, 22nd July 2010

For and on behalf of the Board

[Mr. Jiten S Choksey]
Chairman

[Mr. Subhash Mayekar]
Director

[Mr. Omprakash Yadav]
Director

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, 2010 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, 22nd July 2010

[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.****1 Registration Details**

Registration No.	11-24249
State Code	11
Balance Sheet Date	31.03.2010

2 Capital raised during the year

(Rs. In '000)

Public issue	Nil
Rights issue	Nil
Bonus issue	Nil
Private Placement	Nil

3 Position of Mobilisation and Deployment of Funds

(Rs. In '000)

Total Liabilities	78873
Total Assets	78873

Sources of Funds

Paid up Capital	31500
Reserves & Surplus	37258
Secured Loans	0
Unsecured Loans	1747

Application of Funds

Net fixed Assets	8134
Investments	17
Net Current Assets	-36373
Misc. Expenditure	0
Accumulated Losses	107095

4 Performance of Company

(Rs. In '000)

Turnover (Gross Revenue)	320
Total Expenditure	1770
+/- Profit / Loss Before Tax	-1450
+/- Profit / Loss After Tax	-1238
Earning per Share Rs.	- 0.39
Dividend Rate%	Nil

5 Generic Name of Three Principal Products Of Company

(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, 22 July 2010

For and on behalf of the Board

[Mr. Jiten S Choksey]
Chairman

[Mr. Subhash Mayekar]
Director

Mumbai, 22 July 2010

[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 28th Annual General Meeting of the Company on **Thursday, September 30, 2010 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 28th Annual General Meeting of the Company, to be held on **Thursday, September 30, 2010 at 10.00 a.m.** and at any adjournment thereof.

Dated this _____ day of _____ 2010.

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