

**KUMAR WIRE CLOTH MANUFACTURING
COMPANY LIMITED**



**30th Annual Report
2011-2012**

30th ANNUAL REPORT 2011-2012

Board of Directors:

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

Auditors:

Amar Bafna & Associates
Chartered Accountants
Mumbai

Bankers:

Karnataka Bank Ltd.
Dena Bank

Registered Office:

D- 23, MIDC, Taloja
Taluka- Panvel,
District Raigad,
Maharashtra
Pincode- 410218.

Factory:

D- 23, MIDC, Taloja
Taluka- Panvel,
District Raigad,
Maharashtra.
Pincode- 410218.



NOTICE

Notice is hereby given that the **Thirtieth Annual General Meeting of KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED**, will be held on Saturday, 29th September, 2012 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 2012 and the Profit and Loss Account for the Year ended as on that date and the Reports of the Directors' and Auditor's thereon.
2. To Appoint a Director in place of MR. **SUSHIL DIPCHAND CHOKSEY** who retires by rotation and, being eligible offers himself for reappointment.
3. To Appoint a Director in place of MR. **KAMLESHKUMAR DUBEY** who retires by rotation and, being eligible offers himself for reappointment.
4. To Appoint Auditors and to fix their remuneration

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

PLACE: MUMBAI
DATE : 30/05/2012

JITEN CHOKSEY
CHAIRMAN

Registered Office:
D-23, MIDC, Taloja, Taluka- Panvel, District: Raigad, Maharashtra - 410218.

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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 **September, 26, 2012 to Saturday, September 29, 2012.**
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.

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors hereby present the Thirtieth Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2012.

FINANCIAL HIGHLIGHT

	Year ended 31-03-2012 (Amt in Rs.)	Year ended 31-03-2011 (Amt in Rs.)
Profit before Interest & Depreciation	707,525	(3,351,965)
Less: Interest	-	-
Profit before Depreciation	707,525	(3,351,965)
Provision for Tax	121,904	191,324
Reversal of Interest on Income Tax	-	108,04,448
Reversal of Interest on Income Tax	-	145,87,409
Net Profit/ Loss after Tax	829,429	11,235,444
Profit/(Loss) carried to Balance Sheet	829,429	11,235,444

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 DIPCHAND CHOKSEY and MR. KAMLESHKUMAR DUBEY 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:

M/s. Amar Bafna & Associates Chartered Accountants, Mumbai, Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

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: 30/05/2012

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 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 EARNINGS AND OUTGO

Particulars with regard to Foreign Exchange Earnings and Outgo are as set out in Note 31 & 32 in Notes to the Accounts.

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

PLACE : MUMBAI
DATE : 30/05/2012

JITEN CHOKSEY
CHAIRMAN

AUDITOR'S REPORT

To
The Members
M/s. Kumar Wire Cloth Manufacturing Company Limited

1. We have audited the attached Balance sheet of **M/s. Kumar Wire Cloth Manufacturing Company Limited** as at 31st March, 2012, the Profit & Loss Account & 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.
2. We conducted our audit in accordance with the 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 materials misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosure in the financial statements. 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.
3. As required by the Companies (Auditors Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4 a) of section 227 of the Companies Act, 1956, and on the basis of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper book of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet and the Profit & Loss Account dealt by this report are in agreement with the books of account;
 - (d) **In our opinion, the Balance Sheet and Profit & Loss Account dealt by this report comply 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, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the companies Act, 1956;**

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- (f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and Notes give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i. in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2012
 - ii. In case of the Profit & Loss Account, of the "Profit" for the year ended on that date and
 - iii. In the case of cash flow statement of the cash flow for the year ended on that date

For AMAR BAFNA & ASSOCIATES
Chartered Accountants
FRN: 114854W

(Amar Bafna)
Partner
M No. 048639

Place: Mumbai
Date: May 30, 2012

ANNEXURE REFERRED TO IN THE PARAGRAPH 3 OF THE AUDITOR'S REPORT OF EVEN DATE TO MEMBERS OF M/S. KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012.

I. In respect of Fixed Assets :

- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The management at reasonable intervals has physically verified all the fixed assets but no material discrepancies were noticed.
- (c) No substantial parts of fixed assets have been disposed off during the year. The going concern concept is not affected.

II. In respect of inventory

- (a) According to the information and explanations given to us the inventories have been physically verified by the management at reasonable intervals.
- (b) According to the information and explanations given to us the procedure for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and its nature of business.
- (c) The company is maintaining proper records of inventory and as explained to us there were no material discrepancies. noticed on physical verification of inventory as compared to the book records.

III. In respect of Loans:

- (a) The company has not granted any loan to the company or any other person, covered in the register maintained under section 301 of the Act, 1956
- (b) Since no Loan is given, hence the question of interest, repayment and other terms does not arise.
- (c) The Company has not taken any loan whether secured or unsecured during the year from companies, firm or other parties covered in the register maintained 301 of the Companies Act, 1956. Hence this clause is not applicable.
- (d) Since no Loan is given, hence the question of interest, repayment and other terms does not arise.

IV. The Company has an adequate internal control procedure commensurate with the size and nature of business of the company with regard to purchase of materials, fixed assets and for the sale of goods and services.

- V. (a) According to information and explanations given to us, we are of the opinion that contracts and arrangements need to be entered into register in pursuance of section 301 of the Act, have been so entered;
- (b) In our opinion and according to the information and explanation given to us, the transaction made in pursuance of contracts or arrangements of any in the registered maintained under section 301 of the Companies Act, 1956 and exceeding the value of five lakhs rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

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- VI. The company has not accepted deposits contemplated under Sec.58A of the Companies Act, 1956 from the public.
- VII. The company does not have any formal internal audit system, however the control procedure instituted by the management ensure reasonable internal checking of its financial transactions.
- VIII. We have been informed that the maintenance of cost records has not been prescribed by the Central Govt. under Clause (d) of the Sub-sec. 209 of the Companies Act, 1956.

IX. In respect of statutory dues :

(a) According to information and explanations given to us the Company is generally regular in depositing undisputed statutory dues as per the scheme defined by BIFR including Provident Fund, Investor education and Protection Fund Employees State Insurance Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom Duty, Excise duty, Cess with the appropriate authorities. However as per the Draft Rehabilitation scheme sanctioned by BIFR vide its order dated February 25, 2010, following are the undisputed statutory dues :

(b) Particulars	Amount (Rs.)
Sales Tax	3564335/-
Interest on Sales Tax	5906618/-
CST	120480/-
 Income Tax	 1586988/-
Interest on Income Tax	5619173/-

- (c) According to the information and explanations given to us, there are no disputed dues in respect of Custom Duty, Sales Tax, Excise duty, Wealth Tax. The details of dues in relation to Income Tax, which have not been deposited as on 31st March 2012 on account of dispute is given below:

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved
Income Tax	Assessment dues	Commissioner of	Income Tax (Appeal) A.Y. 2009-10	39,782/-

- X. The Company has not incurred cash loss in the financial year but incurred cash loss in the previous financial year.
- XI. According to the information and explanations given to us, during the year the company has not defaulted in repayment of dues to the banks or financial institutions.
- XII. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- XIII. In our opinion the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- XIV. The company is not dealing trading in shares, securities, debentures and other investments. Therefore the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- 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. The Company has given the guarantee of ' 30 Lakhs for loan taken by Vishal Chairs Limited.
- XVII. According to information and explanations given to us and on an overall examination of the balance sheet of the Company the funds raised on short term basis, prima facie have not been used for long term investments.
- XVIII. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Act. However the company has received Rs. 150 Lacs as share application as per the direction of BIRF. The allotment in respect of said share application money is pending.
- XIX. The Company has not issued any debentures.
- XX. The Company has not raised any money through by way of public issue during the year.
- XXI. As informed to us the fraud on or by the Company has not been noticed or reported during the year.

For AMAR BAFNA & ASSOCIATES
Chartered Accountants
FRN:- 114854W

(Amar Bafna)
Partner
M No. 048639

Place: Mumbai
Date: May 30, 2012

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CORPORATE GOVERNANCE REPORT:

MANDATORY REQUIREMENTS:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Kumar Wire Cloth Manufacturing Company Limited believes that good corporate governance is essential to achieve long-term corporate goals and enhance stakeholder value. It is during tough times that a Company's Strengths and resources are put to test and its qualities come up for greater scrutiny. It is then that a Company needs to set itself apart and demonstrate its uniqueness. In its pursuit for excellence, the Company has also adopted good corporate governance as an opening yardstick. The Company has complied with the provisions of Clause 49 of the Listing Agreement of the Stock Exchange, which deals with the compliance of the code of Corporate Governance. In keeping with the spirit of the code, your Board has constituted Committees such as Audit Committee, Share Transfer committee and shareholders'/Investors Committee.

2. BOARD OF DIRECTORS:

1. Composition and category: Your Board monitors the performance of the Company, closely watches the performance of the management approves and reviews strategies, and, through its various committees evaluates management performance. Your Board ensures legal and ethical conduct and accurate financial report. It holds itself accountable not only to the shareholders for the long-term health of the company. The composition of the Board of Directors and also the number of other Board of Directors of which he is a Member/Chairman are as under:

Sr. No.	Names of Directors Other Companies	Category	No. of Directorship in
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	2
5	Mr. Kamlesh Dubey	Director	2

2. Board Procedure:

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

Sr.No	Dates of Meeting	For the Quarter
1.	13/05/2011	1 st April, 2011 – 30 th June, 2011
2.	25/07/2011 12/08/2011	1 st July, 2011 – 30 th September, 2011
3.	15/09/2011	1 st October, 2011 – 31 st December, 2011
4..	03/02/2012	1 st January, 2012 – 31 st March, 2012

ATTENDANCE AT THE VARIOUS MEETINGS:

Name Of Director	Category	No. of B.M Attended	Total Committee Committee	Member-ship Chairmanship	Total 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	Independent Non-Executive Director	5	2	2	Yes
Mr. Om Prakash Yadav	Independent Non-Executive Director	5	2	NIL	Yes
Mr.Kamlesh Dubey	Independent Non-Executive Director	5	1	NIL	Yes

CODE OF CONDUCT

The Company has laid down the Code of Conduct for all Board Members and Senior Management of the company.

All the Board members and Senior Management of the Company have affirmed compliance with their Code of Conduct for the financial year ended March 31, 2012. The Chairman and Managing Director has also confirmed and certified the same. The certification is annexed at the end of this Report.

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

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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.	3/05/2011	3	3
2.	12/08/2011	3	3
3.	15/09/2011	3	3
4.	03/02/2012	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:

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 Shareholder's 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:

KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED



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

COMPLIANCE OFFICER

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

The number of pending Share transfer as on March 31, 2012 NIL.

To ascertain that all the shareholder grievances are immediately addressed as on March 31, 2012, there were zero investor grievance pending.

RECEIVED FROM	TOTAL COMPLAINTS COMPLAINTS	TOTAL COMPLAINTS RECD. IN 2011-2012	PENDING RESOLVED AS ON 31/03/2012
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
2008-2009	30/09/2009	D-23, MIDC, Taloja, Taluka- Panvel, District: Raigad, Maharashtra	10.00 A.M.
2009-2010	30/09/2010	D-23, MIDC, Taloja, Taluka- Panvel, District: Raigad, Maharashtra	10.00 A.M.
2010-2011	30/09/2011	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 2011-2012 that

may have potential conflict with the interest of the Company at large. Related Party Transactions for the Financial Year 2011-2012 forming part of Notes to Accounts in note in point NO. 33 are reported to be NIL.

- ii. **Details of non-compliance by the company, penalties, structures 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 23rd April, 2012 has informed BSE that Board For Industrial And Financial Reconstruction (BIFR) at their hearing held on 21st February, 2012 has approved as revision in sanctioned Rehabilitation Scheme (SRS) bearing Ref No: 45/03 & 48/05 for implementing reduction of paid-up share capital of the Company by 60% i.e. Rs. 3,15,00,000/- divided in to 31,50,000 equity shares of Rs.10/- each to Rs. 1,26,00,000/- divided in to 12,60,000 equity shares of Rs. 10/- each vide BIFR Order dated 7th March, 2012. The Board also approved the means of financing Sanctioned Rehabilitation Scheme (SRS) by further issue of equity shares on preferential basis to the tune of Rs. 80 Lakhs to the Promoters & their Associates and Rs. 70lakhs to the Strategic Investor aggregating Rs. 150 Lakhs.**

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 45 days 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: At present the company's results are not displayed on any website.

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

any website The presentations made to institutional investors or to the analysts:

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

9. GENERAL SHAREHOLDERS INFORMATION:

- i. **AGM : Date, time and venue** : 29/09/2012 AT 10.00 A.M. AT ITS REGD.OFF. AT D-23, MIDC, TALOJA, TALUKA-PANVEL, DISTRICT: RAIGAD, MAHARASHTRA.
- ii. **Financial year** 2011-2012.
- iii. **Date of Book Closure** 26/09/2011 to 29/09/2011 (Both days inclusive)
- iv. **Dividend Payment Date** Nil. Since Company has not declared any Dividend.
- v. **Stock Exchange Listing** BSE 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, 2012.

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, 2012.

viii. **Registrar and Share Transfer Agents:**

Since the Company's shares are in a process of getting admitted in demat mode by CDSL or NSDL, the Company has appointed SHAREX DYNAMIC (INDIA) PVT. LTD. having its registered office at UNIT NO.1, LUTHRA IND, PREMISES, ANDHERI KURLA ROAD, SAFED POOL, ANDHERI (E), MUMBAI 400 072. to carry out the work of Registrar and transfer agents.

xi **Distribution of shareholding as on March 31, 2012**

Range in Rs.	Total Holders		Amount	
	Total	% of Total	In Rs.	% of Total
Upto 5000	5468	99.30	1248600	39.64
5001 to 10000	20	0.36	136800	4.34
10001 to 20000	12	0.22	162500	5.16
20001 to 30000	3	0.054	75400	2.39
30001 to 40000	3	0.054	95000	3.02
40001 to 50000	0	0	0	0
50001 to 100000	6	0.108	479200	15.21
Over 100000	4	0.072	952500	31.24
Total:	5516		3150000	

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Shareholding Pattern as on Balance Sheet Date:31/03/2012.

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 Persons Acting in Concert	902900	28.66
Sub - Total Non - Promoters Holding	907500	28.81%
Institutional Investors	NIL	NIL
Mutual Funds and UTI	NIL	NIL
Banking, Financial Institutions/Insurance Companies (Central / State Govt. Inst. Non - Govt. Inst.)	564500	17.92%
FII's	NIL	NIL
Sub - Total	564500	17.92%
Others		
Private Corporate Bodies	38,800	1.23%
Indian Public	1402100	44.51%
NRIs/OCBs	237100	7.53%
Any Other	NIL	NIL
Sub - Total	1678000	53.26%
Grand Total	3150000	100%

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 organization 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.

PLACE: MUMBAI
DATE: 30/05/2012

FOR & ON BEHALF OF THE BOARD

JITEN S. CHOKSEY
CHAIRMAN

DECLARATION

I, **JITEN S. CHOKSEY**, Director hereby declare that all the members of the Board of Directors and have affirmed compliance with the code of conduct for the year ended 31st March, 2012, in terms of Clause 49 of the Listing Agreement made with the Stock Exchange.

For & on behalf of the Board
Kumar Wire Cloth Manufacturing Company Limited

JITEN S. CHOKSEY.
CHAIRMAN

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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, 2012, 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. AMAR BAFNA & ASSOCIATES
Chartered Accountants
M. No. 048639

Amar Bafna
PARTNER.

Date: 30/05/2012.
Place: Mumbai.

Date: 30th May, 2012.

CERTIFICATION

I, JITEN S. CHOKSEY Director of the Company hereby certify that:

We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2012 and we hereby certify to the best of our knowledge and belief.

1. These statements do not contain any materially untrue or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2012 which are fraudulent, illegal or violate the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have take the required steps to rectify these deficiencies.

further certify that:

- (a) There have been no significant changes in internal control during the year.
- (b) There have been no significant changes in accounting policies during the year.
- (c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's control system.

For KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED

JITEN S. CHOKSEY
CHAIRMAN

Date: 30th May, 2012.

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Balance Sheet as at March 31, 2012			
(Currency : Indian rupees)			
	<i>Notes</i>	As at March 31, 2012	As at March 31, 2011
Equity and liabilities			
Shareholders' funds			
Share capital	2	3,15,00,000	3,15,00,000
Reserves and surplus	3	<u>(5,77,72,173)</u>	<u>(5,86,01,601)</u>
		<u>(2,62,72,173)</u>	<u>(2,71,01,601)</u>
Share Application Money(Pending allotment)	4	1,50,00,000	1,50,00,000
Non-current liabilities			
Long term borrowings	5	1,01,940	2,03,880
Deferred tax liability	6	<u>9,39,302</u>	<u>10,61,206</u>
		<u>10,41,242</u>	<u>12,65,086</u>
Current liabilities			
Short term borrowings	7	77,16,269	45,69,329
Trade payables	8	37,71,590	2,57,446
Other current liabilities	9	1,02,08,356	1,18,88,257
Short term provisions	10	<u>72,06,161</u>	<u>80,89,286</u>
		<u>2,89,02,376</u>	<u>2,48,04,318</u>
		<u>1,86,71,445</u>	<u>1,39,67,803</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	<u>87,19,199</u>	<u>70,26,328</u>
		<u>87,19,199</u>	<u>70,26,328</u>
Non-current investments	12	16,500	16,500
Current assets			
Inventories	13	16,64,452	8,76,112
Trade receivables	14	27,31,613	2,30,581
Cash and bank balances	15	47,740	15,11,415
Short-term loans and advances	16	<u>54,91,941</u>	<u>43,06,867</u>
		<u>99,35,746</u>	<u>69,24,975</u>
		<u>1,86,71,445</u>	<u>1,39,67,803</u>
Summary of significant accounting policies			
For Amar Bafna & Associates		For & on behalf of Board	
Chartered Accountants		Kumar Wire Cloth Mfg Co. Ltd.	
FRN No. 114854W			
Amar Bafna	Mr. Jiten S. Choksey	Mr. Subhash Mayekar	Mr. Omprakash Yadav
Partner (Membership No. 48639)			
Place: Mumbai		Place: Mumbai	
Date: May 30, 2012		Date: May 30, 2012	



**Statement of profit and loss
for the year ended 31 March 2012**

(Currency : Indian rupees)

	Notes	Year ended 31 March 2012	Year ended 31 March 2011
Income			
Revenue from operations	17	31,65,047	1,41,16,746
Other income	18	19,50,000	-
Total revenue		<u>51,15,047</u>	<u>1,41,16,746</u>
Expenses			
Cost of Raw Material consumed	19	23,78,529	-
Cost of traded goods	20	-	1,37,04,523
(Increase)/ Decrease in Inventories	21	4,83,860	9,31,539
Employee benefits expense	22	1,17,366	84
Finance cost	23	1,313	1,668
Depreciation and amortization expense	24	9,77,129	11,43,735
Other expenses	25	<u>4,49,325</u>	<u>16,87,162</u>
Total expenses		<u>44,07,522</u>	<u>1,74,68,711</u>
Profit (Loss) before tax		7,07,525	(33,51,965)
Tax expense			
Deferred tax		<u>(1,21,904)</u>	<u>1,91,324</u>
Reversal of Interest on Income Tax		-	35,91,637
Reversal of Interest on Sales Tax		-	1,08,04,448
Total tax expense		<u>(1,21,904)</u>	<u>1,45,87,409</u>
Profit (Loss) after tax from continuing operations		<u>8,29,429</u>	<u>1,12,35,444</u>
Earnings per equity share			26
Basic & Diluted		0.26	3.57
Summary of significant accounting policies	1		

For Amar Bafna & Associates
Chartered Accountants
FRN No. 114854W

For & on behalf of board
Kumar Wire Cloth Mfg Co. Ltd.

Amar Bafna
Partner (Membership No. 48639)
Place: Mumbai
Date: May 30, 2012

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

Place: Mumbai
Date: May 30, 2012

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Notes to the financial statements

for the year ended March 31, 2012

(Currency : Indian rupees)

	March 31, 2012	March 31, 2011
2.Share capital		
Authorized		
40,00,000 (2011- 40,00,000) equity shares of par value of Rs. 10 each	<u>4,00,00,000</u>	<u>4,00,00,000</u>
	4,00,00,000	4,00,00,000
Issued, subscribed and paid-up		
31,50,000 (2011- 31,50,000) equity shares of par value of Rs. 10 each, fully paid-up	<u>3,15,00,000</u>	<u>3,15,00,000</u>
	3,15,00,000	3,15,00,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

At the beginning of the year, nos. 31,50,000 (2011- 31,50,000)	3,15,00,000	3,15,00,000
Issued during the period- Nil (2011- Nil)	-	-
Outstanding at the end of the period, nos. 31,50,000 (2011- 31,50,000)	3,15,00,000	3,15,00,000

b) Terms /rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the company

		March 31, 2012	March 31, 2011
Equity shares of Rs. 10 each fully paid up			
Gujarat State Financial Corporation	No. of shares	5,64,500	5,64,500
	%	17.92%	17.92%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

d) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date.

	March 31, 2012	March 31, 2011
Equity shares allotted as fully paid bonus shares by capitalization of reserves	-	-

Notes to the financial statements

for the year ended March 31, 2012

(Currency : Indian rupees)

	March 31, 2012	March 31, 2011
3. Reserves and surplus		
General Reserves		
Balance as per the last financial statements	40,09,411	40,09,411
Closing balance	40,09,411	40,09,411
Capital Reserves		
Balance as per the last financial statements	<u>2,47,52,200</u>	<u>2,47,52,200</u>
Closing Balance	2,47,52,200	2,47,52,200
Debt Reconstruction Reserve		
Balance as per the last financial statements	<u>84,96,524</u>	<u>84,96,524</u>
Closing Balance	84,96,524	84,96,524
	3,72,58,135	
Surplus/(deficit) in the statement of profit and loss		
Balance as per the last financial statements	(9,58,59,737)	(10,70,95,181)
Profit (loss) for the year	8,29,429	1,12,35,444
Net surplus in the statement of profit and loss	<u>(9,50,30,308)</u>	<u>(9,58,59,737)</u>
Total reserves and surplus	<u>(5,77,72,173)</u>	<u>(5,86,01,601)</u>
4 Share application money pending allotment		
From promoters\co-promoters\strategic investors	<u>1,50,00,000</u>	<u>1,50,00,000</u>
<p>The share application money has been received from promoters, co-promoters, starategic investor to whom shares shall be issued on preferential basis in terms of Rehabilitation Scheme sanctioned by the Board for Industrial & Financial Reconstruction(BIFR) vide its order dated February 25, 2010 and its modification to the scheme sanctioned by BIFR vide its order dated March 7, 2012 with a lock-in period as per SEBI (ICDR) Guidelines, 2009.</p>		
5 Long term borrowings		
Loans from Inter Corporate Bodies (unsecured)	1,01,940	2,03,880
	<u>1,01,940</u>	<u>2,03,880</u>

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Notes to the financial statements
for the year ended March 31, 2012

(Currency : Indian rupees)

	March 31, 2012	March 31, 2011
6 Deferred tax liability (net)		
The components of deferred tax balance are as follows:		
<i>Deferred tax liability</i>		
Difference between book depreciation and depreciation under the Income tax Act, 1961	9,39,302	10,61,206
	<u>9,39,302</u>	<u>10,61,206</u>
7 Short term borrowings		
Loans from directors (unsecured)	-	2,90,000
Loans from Inter Corporate Bodies (unsecured)	77,16,269	42,79,329
	<u>77,16,269</u>	<u>45,69,329</u>
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	77,16,269	45,69,329
8 Trade payables		
For goods	35,45,016	57,491
For expenses	2,26,574	1,99,955
	<u>37,71,590</u>	<u>2,57,446</u>
9 Other current liabilities		
Other liabilities	1,02,08,356	1,18,88,257
	<u>1,02,08,356</u>	<u>1,18,88,257</u>
10 Short term provisions		
Income Tax	72,06,161	80,89,286
	<u>72,06,161</u>	<u>80,89,286</u>



Notes to the financial statements for the year ended 31 March 2012
11. Tangible Assets

ASSETS	Rate of Depreciation	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As At 01.04.2011	Additions	Deductions	As At 31.03.12	Additions	Deductions	As At 31.03.2012	W.D.V. As At 31.03.2011
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	0.00%	3,00,565	-	-	3,00,565	-	-	3,00,565	3,00,565
Building	10.00%	61,80,730	-	-	61,80,730	1,12,879	-	10,15,914	11,28,793
Plant and Machinery	15.33%	37,363,888	25,50,000	-	3,99,13,888	7,29,170	-	65,63,347	47,42,517
Vehicles	25.89%	10,13,779	-	-	10,13,779	4,064	-	11,635	15,699
Air Conditioner	13.91%	1,16,552	-	-	1,16,552	1,976	-	12,232	14,208
Furniture	18.10%	6,51,161	-	-	6,51,161	58,317	-	3,87,282	3,22,196
Electrical Fittings	13.91%	18,83,025	-	-	18,83,025	52,154	-	15,60,241	3,74,938
Computer	40.00%	15,28,078	-	-	15,24,836	1,297	-	1,945	3,242
Office Equipment	13.91%	11,12,996	-	-	11,12,996	17,272	-	10,06,098	1,24,170
Capital Work in Process	0.00%	-	1,20,000	-	1,20,000	-	-	1,20,000	-
SUB TOTAL									
TOTAL		50,150,774	26,70,000	-	52,820,774	9,77,129	-	4,41,01,575	70,26,327
PREVIOUS YEAR		50,115,074	35,700	-	50,150,774	11,43,735	-	4,31,24,447	81,34,362

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Notes to the financial statements

for the year ended March 31, 2012

(Currency : Indian rupees)

	March 31, 2012	March 31, 2011
12 Non-current Investments (Trade - at cost)		
<i>Investment in equity instruments (Unquoted)</i>	9,000	9,000
900 (31 March 2011: 900) equity shares of Rs. 10 each fully paid-up of Bhopal Paper and Board Limited		
 <i>Government and Trust Securities (Unquoted)</i>	 7,500	 7,500
Investment in NSC-VIII issue	<u>16,500</u>	<u>16,500</u>
 13 Inventories (valued at lower of cost and net realizable value)		
Raw Materials	12,72,200	-
Finished Goods	3,92,252	-
Traded Goods	-	8,76,112
	<u>16,64,452</u>	<u>8,76,112</u>
 14 Trade receivables		
<i>(considered good unless otherwise stated)</i>		
Outstanding for more than six months	-	30,000
Others	27,31,613	2,00,581
	<u>27,31,613</u>	<u>2,30,581</u>
 15 Cash and bank balances		
Cash on hand	22,575	1,394
Balances with scheduled banks - in current accounts	25,165	15,10,021
	<u>47,740</u>	<u>15,11,415</u>
 16 Loans and advances		
<i>(unsecured, considered good)</i>		
Advances recoverable in cash or in kind	47,76,999	38,29,152
Tax deducted at source	2,51,037	1,55,076
Deposits	4,63,905	3,22,639
	<u>54,91,941</u>	<u>43,06,867</u>



Notes to the financial statements

for the year ended March 31, 2012

(Currency : Indian rupees)

	March 31, 2012	March 31, 2011
17 Revenue from operations		
Sale of products		
Finished goods	30,00,693	2,77,581
Traded goods	5,91,641	1,44,26,793
Revenue from operations (gross)	<u>35,92,334</u>	<u>1,47,04,374</u>
Less: Excise Duty	2,88,630	22,079
Less: VAT/ CST	1,38,657	5,65,549
Revenue from operations (net)	<u>31,65,047</u>	<u>1,41,16,746</u>
Details of products sold		
Finished goods		
Wiremesh	30,00,693	2,77,581
	<u>30,00,693</u>	<u>2,77,581</u>
Traded goods		
Wiremesh	5,91,641	-
CTD Bars, Angles, Channel, M S Plate	-	1,44,26,793
	<u>5,91,641</u>	<u>1,44,26,793</u>
18 Other Income		
Rent	19,50,000	-
	<u>19,50,000</u>	<u>-</u>
19 Cost of Raw Material Consumed		
Inventory at the beginning of the year	-	-
Add: Purchases	36,50,729	-
	<u>36,50,729</u>	<u>-</u>
Less: Inventory at the end of the year	12,72,200	-
Cost of raw material consumed	<u>23,78,529</u>	<u>-</u>
Details of Raw Material Consumed		
S. S. Wire	23,78,529	-
	<u>23,78,529</u>	<u>-</u>
20 Purchases of Traded Goods		
Purchases of traded goods	1,37,04,52	-
	<u>1,37,04,523</u>	<u>-</u>
Details of Purchases of Traded Goods		
CTD Bars, Angles, Channel, M S Plate	-	1,37,04,523
	<u>-</u>	<u>1,37,04,523</u>

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Notes to the financial statements

for the year ended March 31, 2012

(Currency : Indian rupees)

	March 31, 2012	March 31, 2011
21 (Increase)/ Decrease in Inventories		
Traded/ Finished goods at the beginning of the year	8,76,112	18,07,651
Traded/ Finished goods at the end of the year	3,92,252	8,76,112
(Increase)/ Decrease in inventories	<u>4,83,860</u>	<u>9,31,539</u>
22 Employee benefit expenses		
Salaries and Wages	1,08,944	-
Provident Fund Contribution	3,545	-
Staff Welfare	4,475	-
Provident Fund Administrative Charges	402	84
	<u>1,17,366</u>	<u>84</u>
23 Finance Costs		
Bank Charges/ Commission	1,313	1,668
	<u>1,313</u>	<u>1,668</u>
24 Depreciation and amortization expense		
Depreciation of Tangible assets	9,77,129	11,43,735
	<u>9,77,129</u>	<u>11,43,735</u>
25 Other expenses		
Power & Electricity	66,220	89,990
Water Charges	6,290	50,502
Insurance	10,095	12,145
Labour charges	-	36,951
Security Expenses	-	59,582
Repairs and Maintenance	-	4,93,312
Payment to Auditors	28,090	27,575
Advertising Expenses	42,679	32,117
Conveyance	60	1,655
Legal & Professional Charges	1,12,895	3,31,254
Listing Fees	16,545	11,030
Fees & Taxes	3,500	5,180
Postage & Telephone	1,568	6,041
Printing & Stationery	19,000	47,413
Sundry Expenses	5,513	1,212
Profession tax	2,500	-
Room Rent	-	43,500
Travelling expenses	1,22,746	44,996
Web mail expenses	-	2,098
Sales Tax Dues	-	3,53,724
Excise Expense	-	36,885
Cartage & Hamali	2,170	-
Forwarding charges	78	-
Priond period expenses	9,376	-
	<u>4,49,325</u>	<u>16,87,162</u>



Notes to the financial statements

for the year ended March 31, 2012

(Currency : Indian rupees)

	March 31, 2012	March 31, 2011
26 Earnings per Share (EPS)		
Profit computation for both basic & diluted earnings per share of Rs. 10 each.		
Net Profit (loss) for calculation of basic and diluted EPS	8,29,429	1,12,35,444
Weighted average no. of shares for basic and diluted EPS	31,50,000	31,50,000
Earning per share basic / diluted	0.26	3.57

27 Contingent Liabilities

Corporate Guarantees given to financial Institutions against credit facilities extended to other bodies corporate	30,00,000	30,00,000
---	-----------	-----------

28 Auditors Remuneration

Audit Fees	25,000	15,000
Tax Audit Fees	-	10,000
Out of pocket expenses	3,090	2,575
	<u>28,090</u>	<u>27,575</u>

29 Expenditure incurred on employees during the year who were in receipt of Rs. 24,00,000 p.a. or Rs. 2,00,000 per month, if employed for part of the year

- -

30 Imports calculated on CIF basis

- -

31 Expenditure in foreign currency

- -

32 Earnings in Foreign currency on FOB basis

33 Related Party Disclosure

Party	Relationship
Nil	Nil

The following transactions were carried out with related parties in the ordinary course of business

Nature of Transaction	Related Party
Nil	Nil

34 In accordance with past practice, Excise Duty on goods lying in the factory as on 31.03.2012 will be accounted on clearance of such goods.

35 The company is required to furnish the list of outstanding to Small Scale Industrial undertakings under the

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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.

- 36 The balances of certain Sundry Debtors/ Sundry Creditors/ Loans and Advances and Unsecured loans are subject to confirmation.
- 37 The company made a reference to the Board For Industrial & Financial Reconstruction (BIFR) and BIFR declared the company as sick on 21.02.2006 u/s 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985. The rehabilitation scheme prepared by Karnataka Bank as Operating Agency was sanctioned by BIFR vide its order dated 25.2.2010. Later, BIFR sanctioned certain modifications to the scheme vide its orders dated 3.9.2010 & 7.3.2012. The sanctioned scheme is under implementation.
- 38 Pursuant to scheme mentioned in Note 37 above the company had reversed Interest liability payable towards Income Tax & Sales tax dues of Rs. 35,91,637/- & Rs. 10,804,448/- respectively in 2010-11.
- 39 Previous year figures have been regrouped / rearranged wherever necessary / possible.

For Amar Bafna & Associates
Chartered Accountants
FRN No. 114854W

For & on behalf of board
Kumar Wire Cloth Mfg Co. Ltd.

Amar Bafna
Partner (Membership No. 48639)

Mr. Jiten S. Choksey Mr. Subhash Mavekar Mr. Omprakash Yadav

Place: Mumbai
Date: May 30, 2012

Place: Mumbai
Date: May 30, 2012



Cash Flow Statemet for the Year ended 31 st March 2012

	2011-2012	2010-2011
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax & Extraordinary items	7,07,525	(33,51,965)
Adjustment for Preliminary Expenses Written Off		
Depreciation	9,77,129	11,43,735
Depreciation Written Back	-	-
Interest Received	-	-
Interest (net)	-	-
Loss on sale of Assets	-	-
Profit on sale of Assets	-	-
	<u>9,77,129</u>	<u>11,43,735</u>
Operating Profit before Working Capital Changes	16,84,654	(22,08,230)
Adjustment for :		
Trade & Other Receivable	(36,86,106)	(37,31,181)
Inventories	(7,88,340)	9,31,539
Trade Payable	40,98,057	(44,58,860)
	<u>(3,76,389)</u>	<u>(72,58,502)</u>
Cash Generated from Operations	13,08,265	(94,66,732)
Interest	-	-
Tax Paid	-	-
Prior Period/Tax provision adjustments	-	-
Net Cash From Operating Activities	<u>13,08,265</u>	<u>(94,66,732)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchases of Fixed Assets	(26,70,000)	(35,700)
Investments	-	-
Sale of Assets	-	-
Preliminary Expenses	-	-
interest Received	-	-
	<u>(26,70,000)</u>	<u>(35,700)</u>
Net Cash Used in Investing Activities	(13,61,735)	(95,02,432)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Share Application Money	-	1,15,55,000
Proceeds from Borrowings	(1,01,940)	(6,43,880)
Net Cash Used in Financing Activities	<u>(1,01,940)</u>	<u>1,09,11,120</u>
	<u>(14,63,675)</u>	<u>14,08,688</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		
OPENING CASH AND CASH EQUIVALENTS	15,11,415	1,02,727
Cash & Bank Balances		
CLOSING CASH AND CASH EQUIVALENTS	47,740	15,11,415

As per our report attached
For Amar Bafna & Associates
Chartered Accountants
FRA No. 114854W
Amar Bafna
Partner
Membership No.48639

For and on behalf of the Board
Mr. Jiten S. Choksey
Mr. Subhash Mayekar
Mr. Omprakash Yadav

Chairman
Director
Director

Date : May 30, 2012
Place : Mumbai.

Date : May 30, 2012
Place : Mumbai

AUDITOR'S CERTIFICATE

We have verified the above Cash Flow Statement of KUMAR WIRECLOTH MFG. CO. LTD. compiled from the Annual Financial Statement for the period ended 31st March, 2012 and found the same in accordance therewith and also with the requirement of the listing agreement with stock exchange.

For Amar Bafna & Associates.
Chartered Accountants
FRA No. 114854W

Date : May 30, 2012.
Place : Mumbai.

Amar Bafna.
Partner
Membership No. 48639

K 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 30th Annual General Meeting of the Company on **Saturday, 29th September, 2012** at **10.00 a. m** at **D-23, MIDC, Taloja, Taluka- Panvel, District: Raigad, Maharashtra**

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

K 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 30th Annual General Meeting of the Company, to be held on **Saturday, 29th September, 2012 at 10.00 a.m.** and at any adjournment thereof.

Dated this _____ day of _____ 2012.

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.