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17th
ANNUAL REPORT
1998-99

KUMAR WIRECLOTH MANUFACTURING COMPANY LIMITED

**Board of Directors**

Mr. Sushil D. Choksey	Chairman
Mr. Dhiren K. Javeri	Managing Director
Mr. Jiten S. Choksey	Executive Vice Chairman
Mr. Bhogilal D. Shah	Director
Mr. Lalit P. Mehta	Director
Mrs. Sonal J. Choksey	Director
Mr. Randhir K. Javeri	Director

**General Manager (Finance)
& Company Secretary**

Mr. Atul P. Falgunia

Auditors

M/s. M. A. Shah & Co.
Chartered Accountants
Mumbai.

Bankers

Karnataka Bank Ltd., Mumbai.

Registered Office

29A, French Road,
1st Floor,
Opp. Merchants Club,
Chowpatty,
Mumbai - 400 007.

Factory

D-23, MIDC,
Taluka Panvel,
District : Raigad,
Pin 410 208.

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17th ANNUAL REPORT 1998-99**NOTICE OF ANNUAL GENERAL MEETING.**

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of Kumar Wirecloth Manufacturing Company Limited will be held on Wednesday, the 29th day of December, 1999 at 11.45 a.m. at Shri Birla Kreed Kendra, Chowpatty, Mumbai - 400 007 to transact the following Business:

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 1999, Profit and Loss Account for the year ended as on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Randhir K. Javeri who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Sonal J. Choksey who retires by rotation, and being eligible, offers herself for re-appointment.
4. To reappoint M/s. M.A. Shah & Co., Chartered Accountants as Statutory Auditors to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

AS SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

"RESOLVED that in accordance with the provisions of Sections 198,269 & 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act 1956, the consent of the company be and is hereby accorded for the reappointment of Mr Dhiren K. Javeri as the Managing Director of the company for a period of 5 years with effect from 1st January 1999 on such terms and conditions as are set out in the agreement executed by the said Mr Dhiren K. Javeri, a copy whereof initialled by the Chairman for the purpose of identification is placed before the meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement as may be agreed to between the Board of Directors and Mr Dhiren K. Javeri.

6. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

"RESOLVED that in accordance with the provisions of Sections 198,269 & 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act 1956, the consent of the company be and is hereby accorded for the reappointment of Mr Sushil D. Choksey as the Chairman of the company for a period of 5 years with effect from 16th June 1999 on such terms and conditions as are set out in the agreement executed by the said Mr Sushil D. Choksey, a copy whereof initialled by the Chairman for the purpose of identification is placed before the meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement as may be agreed to between the Board of Directors and Mr Sushil D. Choksey.

7. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution.

KUMAR WIRECLOTH MANUFACTURING COMPANY LIMITED



RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act 1956, the Articles of Association of the Company be and are hereby amended as under

a) To insert new Article 41A after existing Article 41

Nomination of Shares 41A

1. Every holder/joint holder of Shares/Debentures of the company may at any time nominate a person to whom all the rights in the shares/debentures shall vest in the event of the death of the holder/joint holder in accordance with provisions and manner provided by Section 109A of the Companies Act 1956 and amendments thereof from time to time.
2. When shares or debentures are held by more than one person jointly, the joint holders may together nominate a person to whom all the rights in the shares or debentures may vest in the event of the death of all the joint holders in the manner as provided in the act.
3. Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make a nomination to appoint any person to become entitled to shares or debentures of the company in the manner provided in the act in the event of his death during the minority.
4. Any person who becomes a nominee by virtue of the provisions of the act shall upon production of such evidence as may be required by the Board or Committee and subject as hereinafter provided elect either to register himself as holder of the share or debenture as the case may be or make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debenture holder, as the case maybe could have made.
5. If the nominee elects to be registered as a holder of shares or debentures, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the Death certificate of the deceased shareholder or debenture holder, as the case may be.
6. A person, being a nominee, becoming entitled to share or debenture shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of the share or debenture be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company. Provided that the Board may at any time give notice requiring such person to elect either to be registered himself or to transfer the shares or debentures and if the notice is not complied within ninety days, the Board may thereafter withhold payments of all dividends, bonus or other moneys payable in respect of the shares or debentures, until the requirements of the notice have been complied with.
- b) In Article 2 (f) for the defination of the 'Member', the following defination be substituted
'Member' means the duly registered holder of shares of the Company from time to time and includes the subscribers of the Memorandum of Association and beneficial owners of any share in the records of Depository as defined in Article 55A.

c) To insert the following Article 55A and heading after existing Article 55

DEMATERIALISATION OF SECURITIES - 55A

1. Definitions for purpose of this Article

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository.

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'SEBI' means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act 1992;

'Depository' shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.

'Security' means such security as may be specified by SEBI from time to time.

Dematerialisation of Securities

2. Notwithstanding anything contained in these articles, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act 1996.

Options for Investors

3. Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall in the manner and within the time prescribed issue to the beneficial owner of the required certificate of Securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security and on receipt of the information the depository shall enter in its records the name of the allottee as the beneficial owner of the security.

Security in depositories to be in Fungible form:

4. All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 187B, and 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of depositories and beneficial owners:

5. (a) Notwithstanding anything to the contrary contained in the Act or these Articles a depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all liabilities in respect of his Securities which are held by a depository.

Service of Documents:

6. Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a depository the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or disc.

Transfer of Securities:

7. Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

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**Allotment of Securities dealt with in a depository:**

8. Notwithstanding anything contained in the Act or these Articles, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such Securities.

Distinctive number of Securities held in a depository

9. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to securities held with a depository.

Register and Index of Members

10. The Company shall cause to be kept at its registered office or at such other place as may be decided, Register and Index of Members in accordance with Sections 150 and 151 and other applicable provisions of the Act and the Depositories Act, 1996 with the details of share held in physical and dematerialised form in any media as may be permitted by law including in any form of electronic media. The Register and Index of beneficial owner maintained by a depository under Section II of the Depositories Act, 1996 shall also be deemed to be Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that State or Country.

8. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution.

RESOLVED that subject to all applicable provisions of the Companies Act, 1956 (including any statutory modifications, guidelines or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, permissions and sanctions as may be necessary from Securities and Exchange Board of India (SEBI), Stock Exchange(s), Central Government or such other authorities and subject to such conditions and modifications as may be prescribed or enforced while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company, consent of the Company be and is hereby accorded to the Board of Directors to delist the Equity Share of the Company from Ahmedabad Stock Exchange.

Resolved further that the Board of Directors of the company be and is hereby authorised to do all such acts, deeds, things and matters that may be necessary and desirable or expedient in giving effect to the aforesaid resolution.

By Order of the Board of Directors
for KUMAR WIRECLOTH MANUFACTURING CO. LTD.

Registered Office :
29-A French Road, 1st Floor,
Opp. Merchant's Club,
Chowpatty, Mumbai - 400 007.

ATUL P. FALGUNIA
G. M. (FINANCE) & CO. SECRETARY

Dated : 15th November, 1999.

17th ANNUAL REPORT 1998-99**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IN THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THIS COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books in respect of the Equity Shares of the Company will remain closed from Monday, 20th December, 1999 to Wednesday 29th December, 1999 (both days inclusive).
3. Register of Members and Index of Members are kept at the Registered Office at 29-A, French Road, 1st Floor, Opp. Merchants Club, Chowpatty, Mumbai 400 007. Members are requested to notify change in address, if any, immediately to the Company at their above address, quoting folio number.
4. The relative Explanatory Statement in respect of the items of Special Business is given below.
5. Shareholders desiring any information as regards Accounts are requested to write to the Company's Registered Office at least two days before the date of Meeting so as to enable the Management to keep the information ready.
6. Members are requested to bring their copy of Annual Report with them to the Annual General Meeting.

**By Order of the Board of Directors
for KUMAR WIRECLOTH MANUFACTURING CO. LTD.**

ATUL P. FALGUNIA

G. M. (FINANCE) & CO. SECRETARY.

Registered Office :

29-A, French Road, 1st Floor,
Opp. Merchant's Club,
Chowpatty,
Mumbai - 400 007.

Dated : 15th November, 1999.

ANNEXURE TO THE NOTICE

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

Item No. : 5 & 6

At the meeting of the Board of Directors of the Company held on 4th February 1999 and 17th May 1999, Mr Dhiren K. Javeri and Sushil D. Choksey were reappointed as the Managing Director and Chairman respectively for a further period of 5 years with effect from 1st January 1999 and 16th June 1999 respectively on the terms and conditions given below :

The terms and conditions of the reappointment of Mr. Dhiren K. Javeri and Mr Sushil D. Choksey for each of them are as under :

1. Remuneration

- i. Salary : Rs. 20000 per month including Dearness and other allowances.
- ii. Perquisites : Perquisites will be allowed in addition to salary and restricted to amount equal to annual salary or Rs 90000 whichever is less.

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- (a) Housing: The expenditure by the company on hiring unfurnished accommodation for them will be subject to the following ceilings. i) 60% of the Salary over and above 10% payable by them at Mumbai.
- (b) The expenditure incurred by the company on gas, electricity, water and furnishings shall be evaluated as per the Income-tax Rules, 1962 subject to a ceiling of 10% of the salary.
- (c) Medical reimbursement expenses incurred for them and their family will be subject to a ceiling of one month's salary in a year or 2 months' salary over a period of 2 years.
- (d) Leave Travel Concession: For them and their family once in a year incurred in accordance with the rules of the Company.
- (e) Club Fees: Fees of one Club. This will not include admission and life membership fee.
- (f) Personal Accident Insurance: Of an amount the premium of which shall not exceed Rs. 1000 per annum.

2. Provident Fund and Superannuation Fund

- (a) The Company's contribution towards Provident Fund as per the rules of the Company but not exceeding 12% of the Salary.
- (b) Contribution to Provident Fund will not be included in computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax act 1961.

3. Gratuity.

Gratuity as per rules of the Company but shall not exceed one half months salary for each completed year of service, subject to the maximum ceiling of Rs 2.50 Lakhs.

- 4. Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the company.

Mr Dhiren K. Javeri and Mr Sushil D. Choksey shall not so long as they act as Managing Director and Chairman respectively of the company be entitled to be paid any fee for attending any meeting of the Board or Committee thereof.

The remuneration and the benefits mentioned above shall be paid and allowed as Mr. Dhiren K. Javeri and Mr Sushil D. Choksey's minimum remuneration in the absence or inadequacy of profits of the company.

The remuneration payable to Mr. Dhiren K. Javeri and Mr. Sushil D. Choksey as Managing Director and Chairman respectively requires the approval of the company in general meeting in terms of Part II of Schedule XIII of the Companies Act 1956, including any modification or reenactment thereof as may for the time being be in force.

The terms contained in the Resolution 5 & 6 may be treated as an abstract of the agreement as required under Section 302 of the Companies Act 1956.

The Directors recommend the passing of the above resolutions.

None of the directors except Mr Dhiren K. Javeri and Sushil D. Choksey are concerned or interested in the passing of the above resolutions.

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Item No 7 :

The Directors recommend the amendment to the Articles of Association for the following reasons :-

1. The facility of nomination was introduced by the Companies (Amendment) Act 1999 for the benefit of Share and Debenture Holders. In order to give the benefit to the members, an amendment is required in the articles to incorporate the changes. Therefore a new article is being incorporated (Article 41A) as specified in item 7(a) of this notice.
2. The company intends to dematerialise its shares in the near future. In order to bring your company's articles in line with the Depositories Act 1996 and amendments in Companies Act 1956 consequent to introduction of depository system, certain changes are required to be made in the Articles of Association as specified in item no 7 (b & c) of this notice.

Item No 8 :

The Equity Shares of the company are listed at Mumbai and Ahmedabad Stock Exchanges. Since the trading volume of the company's shares on the Ahmedabad Stock Exchange is very low in the last 3 years, it is proposed to delist the securities from the Ahmedabad Stock Exchange as the same entails additional costs for the company.

None of the Directors of the company is in any way interested or concerned in the proposed resolution.

By Order of the Board of Directors
for KUMAR WIRECLOTH MANUFACTURING CO. LTD.

Registered Office :

29-A, French Road, 1st Floor,
Opp. Merchant's Club,
Chowpatty,
Mumbai - 400 007,

Dated : 15th November, 1999.

ATUL P. FALGUNIA
G. M. (FINANCE) & CO. SECRETARY