

# KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED



**24<sup>th</sup> Annual Report**  
**2005-2006**

## 24th ANNUAL REPORT 2005-2006

### Board of Directors:

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

### Auditors:

M/s. J. H. GHUMARA & Co.  
Chartered Accountants  
Mumbai.

### Bankers:

Karnataka Bank Ltd.

### Registered Office :

D- 23, MIDC , Taloja  
Taluka- Panvel,  
District Raigad,  
Maharashtra  
Pincode- 410 218.

### Factory:

D- 23, MIDC , Taloja  
Taluka- Panvel,  
District Raigad,  
Maharashtra.  
Pincode- 410 218.

## KUMAR WIRECLOTH MANUFACTURING COMPANY LIMITED

**NOTICE**

Notice is hereby given that the **Twenty Fourth** Annual General Meeting of **KUMAR WIRE CLOTH MANUFACTURING COMPANY LIMITED**, will be held on **Saturday, September 30, 2006** at 10.00 a.m. at its Registered Office at D-23, MIDC, Talaja, Taluka- Panvel, District: Raigad, Maharashtra to transact the following business;

**ORDINARY BUSINESS:**

1. To receive, consider approve and adopt the Audited Balance sheet as at 31<sup>st</sup> March 2006 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 Shri Jiten Choksey who retires as Director & being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Sushil Choksey who retires as Director & being eligible offers himself for reappointment.
4. To appoint Auditors and to authorize the Board to fix their remuneration.

**SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**:  
 "RESOLVED THAT Mr.Subhash Mayekar, be and is hereby appointed as the Director of the Company, and his office is liable to determination by retirement of Directors by rotation."
6. To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**:  
 "RESOLVED THAT Mr.Omprakash Yadav, be and is hereby appointed as the Director of the Company, and his office is liable to determination by retirement of Directors by rotation."
7. To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**:  
 "RESOLVED THAT Mr.Kamlesh Dubey, be and is hereby appointed as the Director of the Company, and his office is liable to determination by retirement of Directors by rotation."

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

Place : Mumbai  
Date : 01/09/2006

JITEN CHOKSEY  
(Chairman)

Registered office:  
D-23, MIDC, Talaja, Taluka-Panvel, District : Raigad, Maharashtra

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## NOTES:

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

1. The proxy form should be lodged with the company at its Registered Office at least 48 hours before the time of the meeting.
2. The Register of members & Share Transfer Books of the Company will remain closed from Wednesday, September 27, 2006 to Saturday, September 30, 2006 (both days inclusive).
3. Members are requested to promptly notify any changes in their address to the company at its Registered Office.
4. All documents referred to in the notice are open for inspection at the registered office of the company during office hours of all days except Friday and Public Holidays between 11.00 a.m. to 1.00 p.m. upto the date of Annual General Meeting.
5. For convenience of members, an attendance slip is annexed to the proxy form. Members are requested to affix their signature at the space provided and hand over the attendance slips at the place of meeting. The proxy of a member should mark on the attendance slip as "proxy".
6. Members who are holding shares in identical order of names in more than one folio are requested to write to the Company to consolidate their holdings in one Folio.
7. The Members desirous of getting any information about the accounts and operation of the company are requested to address their queries to the company in writing at its registered office at least 10 days before the meeting, so that the same can be replied at the time of Annual General meeting to the members satisfaction.
8. Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item Nos. 5, 6 & 7 of the notice set out are annexed hereto.
9. Members are requested to bring their copies of the reports to Annual General Meeting.

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

Place : Mumbai  
Date : 01/09/2006.

JITEN CHOKSEY  
(Chairman)

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

## KUMAR WIRECLOTH MANUFACTURING COMPANY LIMITED



## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

**Item No.5**

The members are to be informed that Mr. Subhash Mayekar was appointed as Director of the Company by the Board of Directors w.e.f. 14/07/2006, and his tenure of office is liable to determination by retirement of directors by rotation.

Mr. Subhash Mayekar is a Science Graduate and has a vast experience in commercial operations.

None of the Directors of the Company, except Mr. Subhash Mayekar, is in anyway concerned or interested in passing of said resolution.

**Item No.6**

The members are to be informed that Mr. Omprakash Yadav was appointed as Director of the Company by the Board of Directors w.e.f. 14/07/2006, and his tenure of office is liable to determination by retirement of Directors by rotation.

Mr. Omprakash Yadav is an Arts Graduate is associated with an Industry to which your Company belongs since long.

None of the Directors of the Company, except Mr. Omprakash Yadav, is in anyway concerned or interested in passing of said resolution.

**Item No.7**

The members are to be informed that Mr. Kamlesh Dubey was appointed as Director of the Company by the Board of Directors w.e.f. 14/07/2006, and his tenure of office is liable to determination by retirement of Directors by rotation.

Mr. Kamlesh Dubey after completing his schooling has joined an industry and has vast experience in the related field

None of the directors of the Company, except Mr. Mr. Kamlesh Dubey, is in anyway concerned or interested in passing of said resolution.

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

Place : Mumbai  
Date : 01/09/2006.

JITEN CHOKSEY  
(Chairman)

## 24th ANNUAL REPORT 2005-2006

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 24th Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2006.

**SUMMARISED FINANACIAL RESULTS:**

(Rs. in Lacs)

	Year ended 31-03-2006	Year ended 31.03.2005
Profit before Interest & Depreciation	(68.60)	(00.69)
Less: Interest	34.44	31.04
Profit before Depreciation	(103.04)	(31.73)
Less: Depreciation	(24.98)	30.38
Profit/(Loss) before Tax	(128.02)	(62.11)
Less: Interest – Income Tax/ Sales Tax	(40.00)	(24.46)
Net Profit /(Loss) after Tax	(168.02)	(86.57)
Profit /(Loss) b/f from Previous year	(707.71)	(621.15)
Profit/(Loss) carried to Balance Sheet	(875.73)	(707.71)

**Note:**

The Company has been declared as a sick company under the provisions of sick industrial companies (Special Provisions) Act, 1985. Due to paucity of funds and present competitive market conditions, the company has suspended its manufacturing at its Taloja factory.

**DIVIDEND:**

Due to loss incurred by the company, the Board does not recommend any dividend for the year under review.

**DIRECTORS**

In accordance with the provision of the Companies Act, 1956 and Articles of Association of the company, Mr. Jiten Choksey and Mr. Sushil Choksey retire by rotation and are eligible for re-appointment.

Further, during the year under review, Mr. Kalu T Pal and Mr. Panna B Pal resigned from Directorship of the Company w.e.f 24/07/2006 due to their pre-occupation.

Further, Mr. Subhash Mayekar, Mr. Omprakash Yadav and Mr. Kamlesh Dubey were appointed as Directors w.e.f 14/07/2006, subject to his appointment being approved by the members of the Company at their forthcoming Annual General Meeting.

**KUMAR WIRECLOTH MANUFACTURING COMPANY LIMITED****CORPORATE GOVERNANCE:**

Pursuant to Clause 49 of the Listing Agreement, a separate report on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance are annexed to the Directors' Report.

**DISCLOSURE UNDER THE STOCK EXCHANGE LISTING AGREEMENT:**

In accordance with the amended Listing Agreement with respective Stock Exchanges, it is hereby confirmed that the Company's Shares are listed at the Bombay Stock Exchange Limited.

**FIXED DEPOSITS:**

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975.

**INSURANCE:**

The Assets of the Company are fully and adequately insured for all risks.

**AUDITOR'S REPORT**

Comments of Auditors in their report are self explanatory and do not call for any further clarification.

**AUDITORS:**

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

**PARTICULARS OF EMPLOYEES:**

The information required under section 217 (2A) of the Companies Act, 1956 and the rules framed there under is not furnished as none of the employees are in receipt of the remuneration as per the limits prescribed in these rules.

**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;

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(ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.

(iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) that the directors had prepared the annual accounts on a going concern basis.

### ACKNOWLEDGEMENT:

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

For and on behalf of the Board of Director

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Place : Mumbai

Date : 01/09/2006.

JITEN CHOKSEY  
(Chairman)



## KUMAR WIRECLOTH MANUFACTURING COMPANY LIMITED



## ANNEXURE TO THE DIRECTORS' REPORT (Annexure – A)

## FORM B:

Disclosure of Particulars with respect to Technology Absorption  
(to the extent applicable)

## Research and Development (R&amp; D)

- |   |                |
|---|----------------|
| 1. Specific areas in which R&D carried out by the Company   | None           |
| 2. Benefits derived as a result of the above R&D            | Not Applicable |
| 3. Future Plan of Action                                    | Not at present |
| 4. Expenditure on R&D:                                      |                |
| a. Capital  | )              |
| b. Recurring  | ) NIL          |
| c. Total  | )              |
| d. Total R&D expenditure (as a percentage of total turnover | )              |

## Technology Absorption, Adaption &amp; Innovation

- |  |                |
|--|----------------|
| 1. Efforts in brief, made towards technology absorption, adaptation and innovation.  | Not Applicable |
| 2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction product developments, import substitution etc.                   | Not Applicable |
| 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished. |                |
| a. Technology imported and year of import  | Not Applicable |
| b. Has Technology been fully absorbed?   | Not Applicable |
| c. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action   | Not Applicable |

## FOREIGN EXCHANGE EARNING AND OUTGO

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

## 24th ANNUAL REPORT 2005-2006

## 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 2006 and the Profit and Loss Account and Cash Flow Statement for the Year ended on that date annexed thereto. These financial statements are the Responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- II. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- III. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of the said order such checks of the books of account and records of the company as we considered appropriate, we enclose in the Annexure a statement on the matters specified in the paragraph 4 and 5 of the said Order.

Further to our comments in Annexure referred to in paragraph 3 above:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.
- (b) In our opinion proper books of accounts as required by law have been kept by the company so far as it appears from the examination of these books.
- (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
- (d) In our opinion the Balance Sheet and the Profit and Loss Account comply, in all material respects with the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956.
- (e) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as at 31<sup>st</sup> March 2006 from being appointed as a director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.