

WHEEL & AXLE TEXTILES LIMITED

NOTICE is hereby given that the TWENTY FIRST ANNUAL GENERAL MEETING of the members of Wheel & Axle Textiles Limited will be held at the Registered office of the Company at Dr. Amichand Shah's Wadi, Rampura Tunki, Surat 395 003 on Monday, September 25, 2006 at 12.00 noon. to transact the following business;

AS ORDINARY BUSINESS:

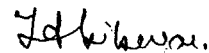
1. To receive, consider and adopt the audited Balance Sheet and Profit and Loss account for the year ended March 31, 2006 and the Reports of Auditors and Directors thereon.
2. To declare a dividend on the Equity shares of the Company
3. To appoint a Director in place of Shri N. K. Desai who retires by rotation and being eligible offers himself for reappointment.
4. To re-appoint existing Auditors to hold office from the conclusion of the forthcoming Annual General Meeting till the conclusion of the next Annual General and to fix their remuneration

Notes

1. *A member entitled to attend and vote is entitled to appoint a proxy and vote instead of himself and the proxy need not be a member of the company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.*

Place : Surat
Date : August 30, 2006

By Order of the Board


Yusuf Akikwala
Director

Regd. Off. : Garden House, Dr. Amichand Shah's Wadi, Rampura Tunki, Surat - 395 003.
Tel. : (0261) 2419019. 2430054 Fax : (0261) 2418980
e-mail : amica_ad1@sancharnet.in

WHEEL & AXLE TEXTILES LIMITED

DIRECTORS' REPORT

To
The Members of;
Wheel & Axle Textiles Limited

The Directors of your Company have pleasure in presenting the Twenty first Annual Report of the Company together with the audited accounts for the financial year ended on March 31st, 2006

FINANCIAL RESULTS

	2005-06 (Rs.)	2004-05 (Rs.)
Profit before Interest & Tax	76,61,411	47,09,296
Less : Interest	0	0
Provision for taxation	1,80,000	98,000
Provision for deferred tax	3,37,546	1,05,933
Net Profit	71,43,865	45,05,363
Add : Excess provision	0	0
Add : Prior year adjustments	0	0
Add : Balance brought forward	2,73,77,102	2,29,28,752
Profit available for appropriation	3,45,20,967	2,74,34,114
Appropriations		
Proposed Dividend	50,000	50,000
Tax on proposed dividend	7,013	7,013
General Reserve	0	0
Balance carried to Balance Sheet	3,44,63,954	2,73,77,102
Total	3,45,20,967	2,74,34,115

DIVIDEND

The Directors have pleasure in recommending a dividend at the rate of 1% on the Equity Shares of the Company which will result in a net outflow of Rs.57,013/- including dividend tax of Rs. 7013/-. The dividend, if approved by the members at the meeting, will be paid to such share holders whose names appear on the Register of Members on the date of the Annual General Meeting.

DEPOSITS

The Company has not accepted or renewed any deposits from the public during the year under review.

DETAILS UNDER SECTION 217(2A) AND 217 (1) (e) OF THE COMPANIES ACT, 1956

There are no employees drawing a salary of more than Rs. 2,00,000 per month, if employed for part of the year or more than Rs. 24,00,000 per annum if employed for the entire year, hence the details as required by Section 217(2A) of the Companies Act, 1956 are not furnished.

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The Company has not carried on any manufacturing activity during the year, neither has it dealt with foreign exchange for the year under review and hence the particulars under Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not furnished.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm that:

1. In preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
2. 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 as at March 31, 2006 and of the profit of the Company for the year ended March 31, 2006
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
4. The Directors had prepared the annual accounts on a going concern basis.

DIRECTORS

There was no change in the composition of the Board of Directors during the year under review

AUDITORS

The term of the existing Statutory Auditors of the Company expires at the forthcoming Annual General Meeting. They may be reappointed a certificate stating that the appointment as Statutory Auditors, if made, will be within the limits prescribed under Section 224(1B) has been received from Bipinchandra J. Modi & Co., Chartered Accountants, the existing auditor.

COMMENTS ON THE AUDITOR'S REPORT

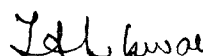
The observations made in the Auditor's Report are self explanatory and do not call for any further comments.

COMPLIANCE CERTIFICATE

In terms of Section 383A(1) of the Companies Act, 1956, and Companies (Compliance Certificate) Rules, 2001 the certificate issued by a Company Secretary in Whole-time Practice certifying that the Company has complied with all the provisions of the Companies Act, 1956 is annexed to the Report.

Date : August 30th, 2006
Place : Surat

For and on behalf of the Board



CHAIRMAN

Bipinchandra J. Modi & Co.

Chartered Accountants

Partners :

BIPIN MODI

B.Com., F.C.A., DISA

RAKESH PATEL

B.Com., A.C.A. DSM

Office
Bungalow No. 18/A, Prakash Co-op. H. Soc. Ltd.,
Behind Intelligent Guidance Class,
Athwalines, SURAT-395 001.
Phone : 2665349
C. EX/BJM/017/98-DT. 9/11/98
Email : bipinchandrajmodi@yahoo.com

Ref. :

Auditors' Report

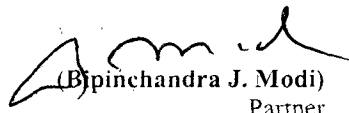
To the Members,

Wheel & Axle Textiles Limited

Date :

1. We have audited the attached Balance sheet of **Wheel & Axle Textiles Limited** as at 31st March, 2006 and also the Profit and Loss Account and the 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 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.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 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 purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with 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, 2006 and taken on record by the Board of Directors, I report that none of the directors is disqualified as on 31st March, 2006 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information, and according to the explanations given to us, the said accounts read along with Significant Accounting Policies and notes thereon, 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, 2006;
 - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Bipinchandra J. Modi & Co.
Chartered Accountants


(Bipinchandra J. Modi)
Partner

Membership No. 31687

Surat, dated: August 30, 2006