

MD	✓		BEC	✓
CS	NA		DTY	NA
RO	✓		FIN	NA
TRA	NA		AC	✓
AGM	✓	✓	SEH	✓
YE	✓	✓		✓

BOMBAY WIRE ROPES LIMITED

Report  junction.com

## ANNUAL REPORT 1996-97

**BOMBAY  
WIRE ROPES  
LIMITED**



**BOMBAY  
WIRE ROPES  
LIMITED**

**ANNUAL REPORT 1996-97**

**BOARD OF DIRECTORS**

KANTI KUMAR KANORIA *Chairman*

KASHI NATH RAJGARIA

PRAKASH KHAITAN

J. P. BAIRAGRA

P. K. GUHA (Nominee Director appointed by Punjab National Bank)

B. M. L. SEHGAL (Special Director appointed by BIFR)

M. K. CHAKRABORTY

**BANKER**

PUNJAB NATIONAL BANK

**REGD. OFFICE**

401/405, JOLLY BHAVAN NO. 1

4TH FLOOR, 10 NEW MARINE LINES

MUMBAI - 400 020

**FACTORY**

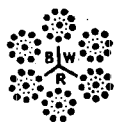
KOLSHET ROAD

THANE - 400 607

**AUDITORS**

SINGHI & CO.

CHARTERED ACCOUNTANTS



**BOMBAY  
WIRE ROPES  
LIMITED**

## **NOTICE**

NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the members of Bombay Wire Ropes Limited will be held at Babasaheb Dahanukar Sabhagriha, The Maharashtra Chamber of Commerce, 6th Floor, Oricon House, 12, Rampart Row, Fort, Mumbai - 400 023 on Monday, the 27th October, 1997 at 3.00 P.M. to transact the following business :

### **Ordinary Business :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date and reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Kanti Kumar Kanoria who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Kashinath Rajgaria who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and 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 pursuant to the provisions of Section 309, 310 and all other applicable provisions of the Companies Act, 1956, and in accordance with and subject to the conditions of Schedule XIII to the said Act, the salary of Shri M. K. Chakraborty whole time Director (designated as Executive Director) be and is hereby increased from Rs. 6,000/- per month to Rs. 7,000/- per month with effect from 1st April, 1997 for the remainder of tenure of his office".

"RESOLVED FURTHER THAT except the salary related perquisites, which will stand enhanced consequent to the aforesaid increase in salary, all other perquisites and conditions of the appointment of Shri M. K. Chakraborty will remain the same as at present and as approved by the shareholders in annual general meeting held on 7th February, 1997."

Mumbai, the 29th day of August, 1997.

#### **Registered Office :**

401/405, Jolly Bhavan No. 1  
4th Floor, 10, New Marine Lines  
Mumbai - 400 020

By Order of the Board of Directors  
For BOMBAY WIRE ROPES LIMITED

K. K. KANORIA  
Chairman

#### **Notes :**

- a) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and such proxy need not be a member of the Company.
- b) Explanatory Statement of material facts pursuant to section 173 (2) of the Companies Act, 1956, for Item No. 5 of the Notice is annexed hereto.
- c) Members are requested to notify change in their addresses, if any, to the Company.
- d) The Register of members and the Transfer Book of the Company will be closed from 20th October, 1997 to 27th October, 1997 (Both days inclusive).



**BOMBAY  
WIRE ROPES  
LIMITED**

## **ANNEXURE TO NOTICE**

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING ON 27TH OCTOBER, 1997.

### **Regarding Item No. 5 :**

Shri M. K. Chakraborty is a Senior Technocrat having vast experience in the wire rope industry. He has been employed in the company for seven years and has been in charge of the entire operations of the company's wire ropes factory at Thane. Shri M.K. Chakraborty was appointed as Whole Time Director designated as Executive Director for a period of 3 years with effect from 01.10.96 on the terms and conditions as set out in the resolution passed by the Board at their meeting held on 26th September, 1996. The said appointment of Shri M.K. Chakraborty was approved by the members of the Company at the Annual General Meeting held on 7th February, 1997. The Board of the Company has now increased the monthly salary from Rs. 6,000/- to Rs. 7,000/- per month. The increase in salary will boost the moral attitude and will be of immense benefit to the company. There is no change in other terms of remuneration except the items like P.F., Gratuity, Encashing of earned leave, etc. which are related to the monthly salary, will stand enhanced accordingly. Your board recommends passing of the resolution as per Item No. 5.

The draft Agreement to be entered into between the Company and Shri M. K. Chakraborty in the matter is available for inspection at the Registered Office of the Company on any working day upto the date of the 36th Annual General Meeting between 11.00 a.m. to 1.00 p.m.

The above may be treated as an abstract of the terms of contract/appointment between the Company and Shri M. K. Chakraborty pursuant to Section 302 of the Companies Act, 1956, when executed.

Shri M. K. Chakraborty may be deemed to be concerned or interested in the Resolution which pertains to the remuneration payable to him.

None of the other Directors of the Company is concerned or interested in the Resolution.

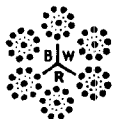
Mumbai, the 29th day of August, 1997.

### **Registered Office :**

401/405, Jolly Bhavan No. 1  
4th Floor, 10, New Marine Lines  
Mumbai - 400 020

By Order of the Board of Directors  
For BOMBAY WIRE ROPES LIMITED

K. K. KANORIA  
Chairman



**BOMBAY  
WIRE ROPES  
LIMITED**

## ***DIRECTORS' REPORT*** **TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting the Thirty Sixth Annual Report of the Company alongwith the audited statement of accounts for the year ended 31st March, 1997.

### **FINANCIAL RESULTS :**

	<u>1996-97</u>	<u>1995-96</u>
	Rs. in lakhs	Rs. in lakhs
Deficit for the year	151.10	131.03
Add : Previous Year's deficit	557.49	427.56
Total deficit in the Profit & Loss A/c.	708.59	558.59
Less : General Reserve	67.40	67.40
Less : Investment Allowance Reserve	—	1.10
Balance deficit carried over to Balance Sheet	641.19	490.09

### **DIVIDEND :**

Your Directors regret their inability to recommend any dividend on account of there being a carry forward loss as mentioned in the aforesaid paragraph.

### **OPERATIONS :**

The lock out declared w.e.f. 30th March, 1995, still continues, as the attitude of the labour force of the steel wire rope unit continues to be non co-operative. As per the directions of BIFR, the Government of Maharashtra called several meetings of the concerned parties viz. company, labour and bank but the workmen did not agree to work as per standard norms of productivity determined by an expert body viz. Kirloskar Consultants Ltd. (KCL) who had been appointed to determine the same as per the directions of the BIFR. Meanwhile, the Operating Agency viz. Punjab National Bank submitted its detailed viability report to BIFR and the same is pending with BIFR for its consideration. A proposal for shifting the wire rope factory to an alternative site has also been forwarded by the Company to the BIFR for its consideration.

As directed by BIFR on 24.9.1996, the Operating Agency prepared a revised draft Rehabilitation Scheme and submitted the same to BIFR. The BIFR directed Operating Agency to hold joint meeting of all concerned parties. Accordingly, Operating Agency convened joint meeting in Bombay on 16.12.1996 but nothing positive emerged as Association of Engineering Workers' representatives were adamant regarding production norms. Since then dialogue continues with the workmen.

Under the circumstances it is difficult to forecast the future of the company at this stage.

### **THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985 :**

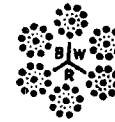
The Company continues to be a Sick Industrial Company under the Sick Industrial Companies (Special Provisions) Act, 1985.

### **FIXED DEPOSITS :**

At the end of the financial year 1996-97, Fixed Deposits with the Company amounted to Rs. 41, 000/- . There are no overdue Fixed Deposits other than unclaimed deposits.

### **PARTICULARS OF EMPLOYEES :**

There is no employee in the Company who is covered under Section 217 (2A) of the Companies Act, 1956.



**BOMBAY  
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**DIRECTORS :**

In accordance with the Articles of Association of the Company, Shri Kanti Kumar Kanoria and Shri Kashinath Rajgaria, Directors of the Company retire by rotation and they are eligible for re-election.

**INSURANCE :**

All the properties and insurable interest of the Company including Plant and Machinery and Stock are adequately insured.

**AUDITORS :**

Auditors are to be appointed to hold Office from the conclusion of the Annual General Meeting till the conclusion of the next Annual General Meeting and their remuneration is to be fixed.

**AUDITORS REPORT :**

With regard to the Notes given in their report by the Auditors your Directors are of the opinion that the same are self explanatory and no further explanations are deemed necessary.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :**

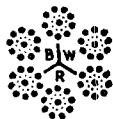
In accordance with the requirements of Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 a Statement showing particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is annexed hereto and form part of the report.

By Order of the Board of Directors  
For BOMBAY WIRE ROPES LIMITED

Mumbai,

Dated : the 29th day of August, 1997

K. K. KANORIA  
Chairman



**BOMBAY  
WIRE ROPES  
LIMITED**

## **ANNEXURE TO THE DIRECTORS' REPORT :**

Statement containing particulars pursuant to Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report.

### **A. Conservation of Energy :**

Particulars with respect of Conservation of Energy :

<b>Power &amp; Fuel Consumption</b>	<u>1996 - 97</u>	<u>1995 - 96</u>
1. Electricity :		
a) Purchased Unit (Kwh)	—	—
Total Amount (Rs.)	* 12,90,075	* 11,00,122
Rate /Unit (Kwh) (Rs.)	—	—
b) Own Generation :		
i) Through Diesel Generator		
Unit (Kwh)	—	—
Unit per Ltr. of Diesel Oil	—	—
Cost per Unit (Kwh) (Rs.)	—	—
ii) Through Steam Turbine/ Generator	—	—
2. Coal (Special & Where Used)	—	—
3. Furnace Oil :		
Qty. (K. Ltrs.)	—	—
Total Amount (Rs.)	—	—
Avg. Rate /Ltr. (Rs.)	—	—
4. Others/ Internal Generation	—	—
5. Consumption per MT on Production of Steel Wire Ropes/Sale Wires :		
Electricity (Kwh)	—	—
Furnace Oil (Ltr.)	—	—
Coal	—	—
Others	—	—
<b>B. Technology Absorption</b>	—	—
<b>C. Foreign Exchange Earnings &amp; Outgo :</b>		
<b>Earnings :</b>		
Export of goods - FOB Value (Rs.)	—	34,70,481
(Including through Merchant Exporters)		
<b>Outgo :</b>		
Import of raw materials & travelling expenses (Rs.)	—	—

\* Minimum Demand charges by MSEB during the period of lock-out.

Mumbai,  
Dated : 29th day of August, 1997

On behalf of the Board of Directors  
K. K. KANORIA  
Managing Director



**BOMBAY  
WIRE ROPES  
LIMITED**

## **AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the attached Balance Sheet of BOMBAY WIRE ROPES LTD. as at 31st March, 1997 and the Profit & Loss Account of the said Company for the year ended on that date both annexed thereto and report that :

1. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) 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.
2. Further to our comments in the Annexure referred to in paragraph (1) above, we state 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 books of accounts as required by the Company Law have been kept by the Company so far as appears from our examination of those books subject to note No. 3 in Schedule K.
  - (c) The Balance Sheet and Profit & Loss Account dealt with by the report are in agreement with the books of account.
  - (d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with and subject to the notes :

Regarding Income tax liability amounting to Rs. 40,12,752/- not provided for pending disposal of appeals pending before Income Tax Authorities, refer note No. 1 (e) in Schedule K.

Regarding Sales tax liability amounting to Rs. 39,34,843/- not provided for pending disposal of appeals pending before Sales Tax Authorities, refer note No. 1 (c) in Schedule K.

Regarding non-confirmation of Balances standing to the debit/credit of parties, refer note No. 13 in Schedule K.

Regarding gratuity liability not provided up to 31st March, 1997 amounting to Rs. 12,48,756/-, refer note No. 3 in Schedule K.

Closing stock of stores & spares, finished goods and work in process could not be verified from the respective ledgers on account of non-availability of records as there was a lock-out in the factory since 30th March, 1995, refer note No. 11 and 12 in Schedule K.

Regarding non-provision towards interest on non/delayed payments of sales tax dues, amount unascertainable.

Regarding non-provision of debts, loans and advances and deposits considered doubtful Rs. 87,43,809/-, refer note No. 6 and pending adjustment of zinc auctioned as referred in note No. 9 in Schedule K, resulting in under statement of the loss for the year and over statement of current assets and read with other notes in Schedule K give the information as required by the Companies Act, 1956 (as amended) in the manner so required and give a true and fair view.

- (i) In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 1997.

and

- (ii) In the case of the Profit and Loss Account of the loss (subject to aforesaid notes) of the Company for the year ended on that date.

For SINGHI & COMPANY  
Chartered Accountants

PRAVEEN KUMAR SINGHI  
Partner

25, S. A. Brelvi Road,  
Mumbai, the 29th day of August, 1997