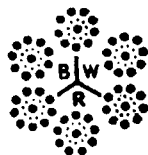


BOMBAY WIRE ROPES LIMITED



**ANNUAL REPORT
2002-2003**

**BOMBAY
WIRE ROPES
LIMITED**



**BOMBAY
WIRE ROPES
LIMITED**

ANNUAL REPORT 2002-2003

BOARD OF DIRECTORS

KANTI KUMAR KANORIA	Chairman
KASHI NATH RAJGARIA	
PRAKASH KHAITAN	
R. K. GUPTA	Nominee Director, Punjab National Bank
M. K. CHAKRABORTY	Executive Director

BANKER

PUNJAB NATIONAL BANK

REGD. OFFICE

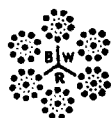
401/405, JOLLY BHAVAN NO.1
10, NEW MARINE LINES
MUMBAI - 400 020

FACTORY

KOLSHET ROAD
THANE - 400 607

AUDITORS

SINGHI & CO.



**BOMBAY
WIRE ROPES
LIMITED**

NOTICE

NOTICE is hereby given that the Forty Second Annual General Meeting of the members of Bombay Wire Ropes Limited will be held at Kasliwal Board Room, The Maharashtra Chamber of Commerce, 6th Floor, Orion House, 12, Rampart Row, Fort, Mumbai - 400 023 on Friday, the 26th September, 2003 at 3.30 P.M. to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Audited Statement of Accounts for the year ended 31st March, 2003 and the 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 in accordance with the provisions of Section 198, 269, 309 and all other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the said Act, the reappointment of Shri Mihir Kumar Chakraborty, as Whole Time Director, designated as Executive Director, from 1st October, 2002 for a further period of 3 (three) years be and is hereby approved on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Shri Mihir Kumar Chakraborty, a draft whereof is placed before this meeting, duly initialed by the Chairman of the meeting, for the purpose of identification and that the said draft agreement be and is also hereby approved".

"RESOLVED FURTHER THAT even if in any financial year during the tenure of Shri Mihir Kumar Chakraborty the Company has no profits or its profits are inadequate, the Company shall pay to Shri M. K. Chakraborty the remuneration by way of salary, perquisites and other allowances pursuant to the agreement approved as aforesaid as minimum remuneration, subject however to the limits and conditions as prescribed under schedule XIII to the Act."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary or increase the remuneration of Shri Mihir Kumar Chakraborty and the aforesaid Agreement between the Company and Shri Mihir Kumar Chakraborty shall be suitably amended to give effect to such variation or increase."

6. To consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Section 81 and other applicable sections of the Companies Act, 1956 and subject to the Securities and Exchange Board of India (SEBI) guidelines in the matter and further subject to the consent, permission and approval as may be required to be obtained from the appropriate authorities in this matter, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (the Board) to offer, issue and allot 35000, Cumulative Redeemable Preference Shares of the face value of Rs.100/- each of the Company at a premium of Rs. 1,600/- per share, that is, at the issue price of Rs. 1,700/- per share to the persons belonging to the promoters group or their nominees or associates whether or not such persons are shareholders of the Company, to be so allotted against and upon conversion of the unsecured loans received from them by the Company and outstanding in the books plus payment in cash if necessary, to make up an aggregate amount of Rs. 595 lacs (Rupees five hundred ninety five lacs only) receivable as issue price of the said 35000 Preference Shares, and that the Board be and is hereby authorized to approve the names of the persons to whom allotment of the Preference Shares as aforesaid shall be made and that such issue and allotment of the said Preference Shares may be made in one or more instalments as the Board may deem fit and decide."



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"RESOLVED FURTHER THAT the said Preference Shares shall carry a preferential right to be paid dividend at 9.5% per annum and these will be redeemed at par at such price as may be decided by Board which shall not be less than the issue price of Rs. 1,700/- per Preference Share."

"RESOLVED FURTHER THAT the Board be and is authorized to fix the other terms attached to these Preference Shares, including the terms relating to the period or periods and the manner and time of the redemption thereof and to take all necessary steps and action in this matter."

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

"RESOLVED THAT in accordance with the provisions of section 149(2A), the Company hereby approves and authorizes its Board of Directors to take up and carry on the new business of and relating to timber merchants, saw mill proprietors and timber growers and to buy, sell, grow, prepare for market and manipulate, import, export and deal in timber and wood of all kinds and to manufacture and deal in articles of all kinds, in the manufacture of which timber or wood is used, and to buy, clear plant and work timber estates and plants, as embodied in sub-clause 14 of clause III being the objects clause of the Company's Memorandum of Association, and that the Board is authorized to take up at such time and such new business as it may deem fit."

8. To consider and if thought fit, to pass with or without modification, the following Resolution as Ordinary Resolution, which is required to be passed by 'Postal Ballot' and the Postal Ballot Form as also a self addressed pre-paid envelop is annexed hereto :

"RESOLVED THAT consent of the Company be and is hereby accorded in terms of section 293(1) (a) and other applicable provisions of the Companies Act, 1956 to its Board of Directors to sell, lease or otherwise dispose of substantial assets of the Company being and out of the surplus FSI/land and surplus machinery of the Company at its unit at Kolshet Road, Thane, Maharashtra and/or to mortgage the same or create charge thereon in such form and manner and on such terms and at such time or times as the Board may deem fit in connection with the Borrowings taken or to be taken by the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps and to finalise the form, extent and manner of the documents and deeds as may be necessary for disposal and/or creation of mortgage or other charge thereon as aforesaid and to authorize any Director or other competent person to execute, sign and deliver the same."

Mumbai, the 29th July, 2003

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/herself, and such proxy need not be a member of the Company.
- b) Members are requested to notify change in their addresses, if any, to the Company.
- c) The Register of Members and the Transfer Book of the Company will be closed from 23rd September, 2003 to 26th September, 2003 (Both days inclusive).
- d) Postal Ballot paper with instructions in respect of the Resolution as per item no. 8 herein above is enclosed herewith.



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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 FRIDAY, THE 26TH SEPTEMBER, 2003.

Regarding Item No. 5

The last tenure of office of Shri M. K. Chakraborty as Whole Time Director designated as Executive Director expired on 30.9.2002 and the Board of Directors in their meeting held on 29th July, 2003 reappointed Shri M.K.Chakraborty as Whole Time Director designated as Executive Director for a further period of 3 years with effect from 1.10.2002 subject to approval of the shareholders. His terms of remuneration fixed subject to the provisions of Schedule XIII to the Act are as follows :-

a) Salary : Rs. 7,000/- per month.

Perquisites :

- a) Housing : Furnished accommodation or House Rent Allowance in lieu thereof.
- b) Bonus : As per rules of the Company.
- c) Medical : Re-imbursement of expenses for self and family subject to a maximum of Rs. 400/- in a year.
- d) Leave Travel Concession : For self and family once in a year subject to a maximum of Rs. 3,000/- in a year.
- e) Provident Fund : As per rules of the Company on full salary.
- f) Gratuity : Not exceeding half a month's salary for each completed year of service subject to a maximum of 20 months salary.
- g) Earned Leave : Leave for 30 days in a year on full pay as per the rules of the Company. Encashment of leave at the end of the tenure will be permitted and the same will not be included in the computation of the limit on perquisites.
- h) Conveyance : Re-imbursement of conveyance expenses incurred for the Company's business.
- i) Telephone : Provision of one telephone at residence. However, personal long distance calls will be billed by the Company.

The appointment may be terminated by either party by giving to the other party three months' notice.

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 excluding Saturdays upto the date of the forty second Annual General Meeting between 11.00 a.m. to 1.00 p.m.

Directors recommend the Resolution set out at item 5 of the Notice for approval of the shareholders.

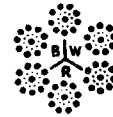
The above may be treated as an abstract of the terms of contract/appointment between the Company and Shri M.K. Chakraborty pursuant to Section 302 of the Companies Act, 1956, when executed.

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.

Regarding Item No. 6

With a view to improve the Company's financial position and its Debit Equity ratio, it is proposed to increase the subscribed and paid-up capital of the Company by issuing and allotting 35000 Cumulative Redeemable Preference Shares of Rs. 100/- each at a premium of Rs. 1,600/- per share, that is at the issue price of Rs. 1,700/- per Preference Share. This issue and allotment will be mainly against conversion and application of the loans advanced to the Company and remaining outstanding by the persons and parties belonging to the Company's Promoters, their associates and nominees. An aggregate amount of such loans of Rs. 466.98 lacs is at present outstanding which will be so adjusted and the balance of Rs. 128.02 lacs to make up the total issue price of Rs. 595 lacs shall be brought in cash by the



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proposed allottees. Upon issue of these shares as aforesaid the Company's paid-up share capital which is Rs. 59.12 lacs at present will go up and stand increased to Rs. 94.12 lacs, and it will have a "Share Premium Account" with a credit balance of Rs. 560.00 lacs.

These Preference Shares will carry a preferential right to dividend at the rate of 9.5% per annum and shall be redeemed in due course at par at such price as may be decided by Board which shall not be less than the issue price of Rs. 1,700/- per Preference Share. However, under no circumstances, the price at which the said preference shares will be redeemed shall exceed the issue price by an amount equivalent to the interest on the premium of Rs. 1,600/- calculated for the entire tenure of the preference shares. As regards the other terms of these shares, the Board of Directors is being authorized to fix the same. However the intention is to redeem these shares at any time with due notice but not later than 8 years.

The proposal is very much in the interest of the Company, and as required by section 81 of the Companies Act, 1956, the shareholders are requested to pass the resolution as proposed at item no. 6 of the Notice.

Shri K.K.Kanoria, Director as well as a promoter of the Company may be deemed to be concerned or interested in this resolution in so far as such shares may be allotted to him or his relatives or to the companies controlled by him.

None of the other Directors is concerned or interested.

Regarding Item No. 7

Section 149(2A) of the Companies Act, 1956, requires that the members of the Company should approve, by a special resolution, of the commencement of any new business by the Company which is not germane to the business which it was carrying on as on that date. The business which the members are being required to approve is within the scope of the objects clause of the Memorandum of Association of the Company and is authorized by sub-clause 14 of clause III of the Memorandum of Association of the Company.

As the Board is actively thinking of diversifying the activities of the Company further, the Directors feel that the proposed activities of the Company will prove to be useful and beneficial to the Company and, therefore, commend the special resolution proposed for the members' acceptance.

The Company's Memorandum of Association is open for inspection at the Company's registered office during usual business hours on any working day.

None of the Directors of the Company is concerned or interested in any way in the special resolution proposed to be passed.

Regarding Item No. 8

Section 293(1)(a) of the Companies Act, 1956 provides that the Board of Directors of a Public Limited Company shall not, except with the consent of the Company in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company. In order to settle and pay off dues to the Company's creditors, as also to reduce its accumulated losses, your Board after careful consideration, has decided that certain assets of the Company like the surplus FSI and/or land, and surplus machineries which form a substantial part of the Company's undertaking be disposed of and converted into cash. To enable your Board to accomplish the same and deal with its assets including sale, lease, mortgage or otherwise as stated in the resolution at item no. 8 of the Notice, consent of the shareholders is required and hence the said resolution is placed for your approval. Further, under the provisions of section 192A of the Act and the rules prescribed thereunder, it is necessary to pass the resolution regarding matters covered under the said section 293(1)(a) of the Act through Postal Ballot. The required Postal Ballot paper and self addressed pre paid envelop, are annexed hereto, which the shareholders are requested to complete and return within 30 days so as to reach the Company latest by 22nd September, 2003.

None of the Directors of the Company is personally concerned or interested in this resolution.

Mumbai, the 29th July, 2003

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
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LIMITED**

DIRECTORS' REPORT **TO THE SHAREHOLDERS**

Your Directors hereby present the Forty Second Annual Report of the Company alongwith the audited statement of accounts for the year ended 31st March, 2003.

FINANCIAL RESULTS :

	<u>2002-2003</u> Rs. in Lakhs
Surplus for the year	762.56
Less : Previous Years' deficit	(1405.68)
Balance deficit in the Profit & Loss A/c.	(643.12)
Less : General Reserve	67.40
Balance deficit carried forward	(575.72)

DIVIDEND :

Your Directors regret their inability to recommend any dividend on account of the carried forward loss as stated above.

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.

OPERATIONS :

As informed in the last report, the revised OTS proposal of the Company, which was pending with the bank for its consideration, has been accepted and entries have accordingly been passed in the accounts under review and your reference is also invited to Note No.4 of Schedule J to the accounts. In view of the above settlement, the Company had filed a Writ Petition in the Delhi High Court against the earlier orders of BIFR/AAIFR which had recommended winding up of the Company. As per subsequent directive of the Hon'ble High Court, the Company has submitted its fresh proposal to BIFR which is pending for its consideration.

FIXED DEPOSITS :

At the end of the financial year 2002-2003, unclaimed fixed deposits with the Company amounted to Rs. 41,000/-. There are no overdue fixed deposits with the Company other than these unclaimed deposits.

INSURANCE :

All property and insurable interests of the Company, including plant and machinery and stock, are adequately insured.

PARTICULARS OF EMPLOYEES :

No employee of the Company is covered under Section 217 (2A) of the Companies Act, 1956.

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 are eligible for re-election.



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DIRECTORS' RESPONSIBILITY STATEMENT :

As required under Section 217(2AA) of the Companies Act, the Directors hereby confirm that :

- i) In preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgement 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 loss of the Company for that period;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability.
- iv) The Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE :

The shares of the Company are listed with the Bombay Stock Exchange. The code of corporate governance as introduced by the Securities and Exchange Board of India (SEBI) by way of amendment to the listing agreement with the stock exchange is not applicable to the Company as its paid up share capital is below the stipulation laid down by SEBI in this regard.

AUDITORS :

Auditors are to be appointed to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and their remuneration is to be fixed. The retiring Auditors are eligible to be re-appointed.

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 except for possible loss of diminution in quality and value of inventory. In this regard the management has verified the stocks during the year and have found that there is no loss of either quality or value in the inventory.

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 this Report.

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

Mumbai,
Dated : the 29th July, 2003

K. K. KANORIA
Chairman