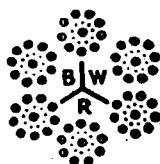


**BOMBAY WIRE ROPES LIMITED**

Report  junction.com

**ANNUAL REPORT  
2006-2007**

**BOMBAY  
WIRE ROPES  
LIMITED**



**BOMBAY  
WIRE ROPES  
LIMITED**

**ANNUAL REPORT 2006-2007**

**BOARD OF DIRECTORS**

KANTI KUMAR KANORIA

Chairman

KASHI NATH RAJGARIA

Director

M. K. CHAKRABORTY

Executive Director

**REGD. OFFICE**

401/405, JOLLY BHAVAN NO. 1

10, NEW MARINE LINES

MUMBAI 400 020

**AUDITORS**

SINGHI & CO.



**BOMBAY  
WIRE ROPES  
LIMITED**

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## **NOTICE**

NOTICE is hereby given that the Forty Sixth 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 Wednesday, the 26th December, 2007 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, 2007 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Kashi Nath Rajgaria who retires by rotation and being eligible, offers himself for re-appointment.
3. 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.

Mumbai, the 23rd October, 2007

### **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

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### **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 December, 2007 to 26th December, 2007 (Both days inclusive).



**BOMBAY  
WIRE ROPES  
LIMITED**

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

Your Directors hereby present the Forty Sixth Annual Report of the Company alongwith the audited statement of accounts for the year ended 31st March, 2007.

### **FINANCIAL RESULTS :**

	<u>2006-2007</u> Rs. in Lakhs	<u>2005-2006</u> Rs. in Lakhs
Deficit for the Year	(48.20)	(81.66)
Add : Previous Years' deficit	(774.75)	(693.09)
Balance deficit in the Profit & Loss A/c.	(822.95)	(774.75)
Less : General Reserve	67.40	67.40
Balance deficit carried forward	(755.55)	(707.35)

### **DIVIDEND :**

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

### **YEAR UNDER REVIEW :**

The Company has permanently and irrevocably closed down its wire rope unit situated at Kolshet Road, Thane after complying with the procedures required under the relevant laws laid down for the purpose. The aforesaid closure has been challenged by some workmen who have filed a reference which remains pending for consideration before the Industrial Court. However the Company has been advised that the closure of factory is legally complete.

The Company is accordingly exploring other areas of activity in order to develop the same over a period of time so to generate profitability and maintain viability. In this regard understanding have been arrived at for the manufacture / development of home decor products such as items of furniture, tepestries, bed liner's etc for both the domestic and export market.

During the previous year the Company had, alongwith Warden Synplast (P) Ltd. (WS), its erstwhile developer entered into an agreement with a developer for grant of development rights in the land owned by the Company. However, as certain conditions in the agreement remain to be fulfilled by the developer, no development whatsoever has commenced on the aforesaid land and the Power of Attorney issued to it has been suspended by the Company and WS w.e.f. 22.9.07 in terms of the agreement and a Public Notice issued to such effect on 22nd Oct, 2007. In such circumstances and keeping in mind that possession of the aforesaid land continues to remain with the company & WS, revenue has not been recognised as per para II of AS-9 as significant risks and rewards of ownership have not been transferred to the transferee. The amount received from the developer is accordingly shown under "Current Liabilities & Provisions" and the land and building(s) thereon included under "Fixed Assets".

### **FIXED DEPOSITS :**

There are no fixed deposits with the Company and Company has not accepted any fixed deposits during the year.

### **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 Kashi Nath Rajgaria, Director of the Company retires by rotation and is eligible for re-election.



**BOMBAY  
WIRE ROPES  
LIMITED**

#### **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.

#### **DELISTING OF EQUITY SHARES FROM THE BOMBAY STOCK EXCHANGE :**

As informed in the last report, the above matter has been reviewed and the Company has deposited listing fees upto 2006-07 with a view to continue its listing on the Bombay Stock Exchange. The Bombay Stock Exchange has informed the Company that certain further formalities are to be complied with for revocation of suspension in the trading of the securities of the Company and the Company is taking steps for complying with them.

#### **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 has found that there is no loss of either quality or value in the inventory save and except what has been deteriorated on account of unprecedent flood in 2005.

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

In accordance with the requirement 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 which form part of this Report.

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

Mumbai,  
Dated : the 23rd October, 2007

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>2006-2007</u>	<u>2005-2006</u>
1. Electricity :		
a) Purchased Unit (Kwh)	—	—
Total/Amount (Rs.)	—	—
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. Other/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.)	—	—
(Including through Merchant Exporters)		
<b>Outgo :</b>		
Export Returned Goods	—	—

On behalf of the Board of Directors

K. K. KANORIA  
Chairman

Place : Mumbai - 400 020.  
Dated : the 23rd October, 2007



**BOMBAY  
WIRE ROPES  
LIMITED**

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

We have audited the attached Balance Sheet of BOMBAY WIRE ROPES LIMITED as on 31st March, 2007 and the Profit & 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.

We have conducted our audit in accordance with auditing standards generally accepted in India. These 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 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.

We report that :

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto statement on the matters specified in Paragraphs 4 and 5 of the said Order.

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

- 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 account as required by the Companies Act, 1956, (as amended) have been kept by the Company so far as appears from our examination of such books.
- c) The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by the report are in agreement with the books of accounts.
- d) The Company has complied with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India as specified under Section 211 (3c) of the Companies Act, 1956, to the extent possible as the factory of the Company remains under lock out, as referred to in Note No. 8 in Schedule J.
- e) In our opinion and based on information and explanations given to us, none of the Directors are disqualified as on 31st March, 2007 from being appointed as Directors in term of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and based on information and explanations given to us, the said accounts together with and subject to the notes.
  - i) Regarding non-provision of sales tax liability amounting to Rs. 5,64,672.00 (P.Y. Rs. 5,64,672.00) as referred to in note no. A1 (b) in Schedule "J".
  - ii) Regarding income tax liability amounting to Rs. 32,64,089.00 not provided for pending disposal of appeal pending before Bombay High Court (Refer Note No. A1 (e) in Schedule J).
  - iii) Regarding non-provision towards the possible loss if any, on account of diminution in quality and value of the inventory and impairment of assets as referred to in note no. A6 in Schedule "J" and read with note nos A4, A5 and A6 and other notes in Schedule J give the information as required by the Companies Act, 1956 (as amended) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
    - 1) In case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2007;
    - 2) In case of the Profit & Loss Account, of the Loss (subject to aforesaid notes) of the Company for the year ended on that date

and

- 3) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

9th Floor, Twin Towers,  
Lokhandwala Complex, Andheri (W)  
Mumbai - 400 053, Maharashtra, India.

Dated : the 23rd October, 2007

For SINGHI & COMPANY  
Chartered Accountants

PRAVEEN KUMAR SINGHI  
Partner  
M. No. 51471