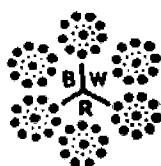


BOMBAY WIRE ROPES LIMITED



**ANNUAL REPORT
2007-2008**



**BOMBAY
WIRE ROPES
LIMITED**

ANNUAL REPORT 2007-2008

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.



NOTICE

NOTICE is hereby given that the Forty Seventh 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, Oricon House, 12, Rampart Row, Fort, Mumbai - 400 023 on Friday, the 28th November, 2008 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, 2008 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 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 :

4. 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, 2008 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."

Mumbai, the 8th August, 2008
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 25th November, 2008 to 28th November, 2008 (Both days inclusive).



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 28TH NOVEMBER, 2008.

Regarding Item No. 4

The last tenure of office of Shri M.K.Chakraborty as Whole Time Director designated as Executive Director expires on 30.9.2008 and the Board of Directors in their meeting held on 18th July, 2008 reappointed Shri M.K.Chakraborty as Whole Time Director designated as Executive Director for a further period of 3 years with effect from 1.10.2008 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. 15,500/- per month upto June, 2008. Rs. 23,500/- per month from July, 2008.
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 Seventh Annual General Meeting between 1.00 p.m. to 3.00 p.m.

Directors recommend the Resolution set out at item 4 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.

Mumbai, the 8th August, 2008
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



DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors hereby present the Forty Seventh Annual Report of the Company alongwith the audited statement of accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS :

	<u>2007-2008</u>	<u>2006-2007</u>
	Rs. in Lakhs	Rs. in Lakhs
Deficit for the year	(31.65)	(48.20)
Add: Previous Years' deficit	(822.95)	(774.75)
Balance deficit in the Profit & Loss A/c.	(854.60)	(822.95)
Less: General Reserve	67.40	67.40
Balance deficit carried forward	(787.20)	(755.55)

DIVIDEND :

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

YEAR ENDED REVIEW :

As informed last year 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 has during the year commenced the activity of manufacturing wooden furniture.

The Company had, alongwith Warden Synplast (P) Ltd., entered into an agreement with a developer for grant of development rights in the land owned by the Company. The aforesaid they agreement has been terminated by the Company on certain grounds and the dispute has been referred to arbitration as per the order of Hon'ble Bombay High Court in suit filed by the developer for specific performance of the contract. The arbitration process has commenced but not been completed till date. As the possession of the property remains with the Company and WS and no development whatsoever has commenced thereon, the part amount received from the developer continues to be shown under "Current Liabilities & Provisions" and the land and building(s) thereon also continue to be included under "Fixed Assets" having regard to para 11 of Accounting Standard (AS)-9 under which revenue cannot be recognised until significant risks and rewards of ownership has been transferred.

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 Kanti Kumar Kanoria, 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.

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 8th August, 2008

K. K. KANORIA
Chairman



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 :

Power & Fuel Consumption :	2007-2008	2006-2007
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. Technology Absorption		—
C. Foreign Exchange earnings & outgo :		
Earnings :		
Export of goods – FOB Value (Rs.)		—
(Including through Merchant Exporters)		
Outgo :		
Export Returned Goods		—

On behalf of the Board of Directors

Place : Mumbai - 400 020.
Dated : the 8th August, 2008

K. K. KANORIA
Chairman



**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, 2008 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 Company has closed down its wire rope unit referred to in Note No.6 in Schedule K.
 - e) In our opinion and based on information and explanations given to us, none of the Directors are disqualified as on 31st March, 2008 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 'K'
 - ii) Regarding income tax liability amounting to Rs.32,64,089.00 not provided for pending disposal of appeal pending before Bombay High Court as referred to in Note No. A1 (e) in Schedule 'K'
 - iii) Regarding non-provision of Depreciation as per AS6 of the accounting standard for the year Rs. 2,27,967/- resulting in understatement of results for the year and overstatement of fixed assets and 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 'K' and read with note no. A4, A5 and A6 and 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 in conformity with 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 2008;
 - 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 08th August, 2008

For SINGHI & COMPANY
Chartered Accountants

PRAVEEN KUMAR SINGHI
Partner
M. No. 51471