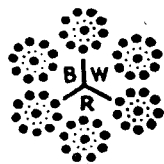


BOMBAY WIRE ROPES LIMITED

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**ANNUAL REPORT
2008-2009**



**BOMBAY
WIRE ROPES
LIMITED**

ANNUAL REPORT 2008-2009

BOARD OF DIRECTORS

KANTI KUMAR KANORIA

Chairman

KASHI NATH RAJGARIA

Director

M. K. CHAKRABORTY

Executive Director

REGD. OFFICE

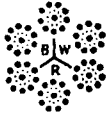
401/405, JOLLY BHAVAN NO. 1

10, NEW MARINE LINES

MUMBAI 400 020

AUDITORS

SINGHI & CO.



**BOMBAY
WIRE ROPES
LIMITED**

NOTICE

NOTICE is hereby given that the Forty Eighth 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 Wednesday, the 30th September, 2009 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, 2009 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Kashinath 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 5th August, 2009

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 27th September, 2009 to 30th September, 2009 (Both days inclusive).



DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors hereby present the Forty Eighth Annual Report of the Company alongwith the audited statement of accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS :

	<u>2008-2009</u>	<u>2007-2008</u>
	Rs. in Lakhs	Rs. in Lakhs
Deficit for the year	(50.30)	(31.65)
Add: Previous Years' deficit	(854.60)	(822.95)
Balance deficit in the Profit & Loss A/c.	(904.90)	(854.60)
Less: General Reserve	67.40	67.40
Balance deficit carried forward	(837.50)	(787.20)

DIVIDEND :

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

YEAR UNDER REVIEW :

As informed earlier, 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. The Company has however, been advised that the closure of factory is legally complete.

The Company had entered into the activity of manufacturing wooden furniture and the progress made in this activity has been satisfactory.

The Company alongwith its erstwhile developer, as a confirming party had entered into an agreement with a developer for grant of development rights in the land owned by the Company. The aforesaid 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 a suit filed by the developer for specific performance of the agreement. The arbitration process has commenced but not been completed till date. As the possession of the property remains with the Company and its erstwhile developer 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 Kashinath Rajgaria, Director of the Company retires by rotation and is eligible for re-election.



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 stipulated figure 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 deteriorated on account of the unprecedented 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 5th August, 2009

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 :

	<u>2008-2009</u>	<u>2007-2008</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. 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

K. K. KANORIA

Chairman

Place : Mumbai - 400 020.

Dated : the 5th August, 2009



AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of **BOMBAY WIRE ROPES LIMITED** as on 31st March, 2009 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 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.

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, as referred in Note No. 6 in Schedule K.
- e) In our opinion and based on information and explanation given to us, none of the Directors are disqualified as on 31st March, 2009 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 explanation 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), 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 the Bombay High Court, referred to in Note No. A1 (e) in Schedule 'K'
 - iii) the Company has non moving stocks since 1993-94 amounting to Rs. 83,06,366 i.e. finished goods of Rs.19,95,356, goods-in-process of Rs. 62,64,496 and stock of scrap of Rs. 46,514. The company had declared a lock out of its wire rope factory in 1993 which continued upto September 2006 and there after the same has been closed. The Company has However not made any provision for diminution, if any, in value of the above stocks.
 - iv) the Company is having capital work-in-progress of Rs.1,50,000 as per schedule F of its Fixed Assets. These assets should be revalued as per new market value, as the asset has not been put to use since 2000-01.



- v) the Company has not complied with certain terms as per clause 41 of the listing agreement during the year.
- vi) regarding non - provision of depreciation as per AS 6 of the Accounting Standards for A.Y. 2008-09 Rs. 2,27,967 & A.Y. 2009-10 Rs. 2,27,967 resulting in understatement of results for the year and over statement 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. A 6 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 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 2009;
 - 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.

For SINGHI & COMPANY
Chartered Accountants

PRAVEEN KUMAR SINGHI
Partner

M. No. 51471

Dated : the 05th August, 2009

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