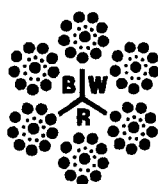


**BOMBAY WIRE ROPES LIMITED**

**ANNUAL REPORT  
2011-2012**



**BOMBAY  
WIRE ROPES  
LIMITED**



**BOMBAY  
WIRE ROPES  
LIMITED**

**ANNUAL REPORT 2011-2012**

**BOARD OF DIRECTORS**

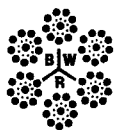
KANTI KUMAR KANORIA	Chairman
KASHINATH RAJGARHIA	Director
DR. ANURAG KANORIA	Director
M. K. CHAKRABORTY	Executive Director

**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 51st 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 September, 2012 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, 2012 and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Kashinath Rajgarhia 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 **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof for the time being in force), Dr. Anurag Kanoria, who pursuant to the Articles of Association of the Company was appointed as an Additional Director of the Company on 3rd October, 2011 and who under Section 260 of the Companies Act, 1956, holds office only upto the date of this Annual General Meeting and being eligible offers himself for appointment and in respect of whom the Company has received a Notice in writing from a member signifying his intention to propose the candidature of Dr. Anurag Kanoria for the Office of the Director of the Company, be and is hereby appointed as a Director of the Company.

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, 2011 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 29th June, 2012

### **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 September, 2012 to 28th September, 2012 (Both days inclusive).
- d) Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.



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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 28th September, 2012.**

### **Regarding Item No. 4**

Dr. Anurag Kanoria was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 3rd October, 2011 under section 260 of the Companies Act, 1956. His term of office will expire at this Annual General Meeting. Notice has been received from a member alongwith a deposit of Rs. 500/- under Section 257 of the Companies Act, 1956, signifying his intention to propose Dr. Anurag Kanoria as a Director of the Company.

Dr. Anurag Kanoria, aged on or about 44 years, has done his B.Com and M. A. from Bombay University and further M. A. from North Eastern University, Boston, USA and is an able administrator with an experience of over 20 years in industry and business.

The Directors of the Company recommend the resolution set out at item no. 4 of the Notice for approval of the shareholders.

Dr. Anurag Kanoria is deemed to be concerned or interested in the resolution which pertains to his appointment. Shri K. K. Kanoria, being a relative of Dr. Anurag Kanoria, is also deemed to be concerned or interested in the resolution pertaining to the appointment of Dr. Anurag Kanoria.

None of the other Directors of the Company are concerned or interested in the resolution.

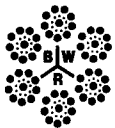
### **Regarding Item No. 5**

The last tenure of office of Shri M. K. Chakraborty as Whole Time Director designated as Executive Director expires on 30.9.2011 and the Board of Directors in their meeting held on 3rd October, 2011 reappointed Shri M. K. Chakraborty as Whole Time Director designated as Executive Director for a further period of 3 years with effect from 1.10.2011 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. 33,500/- per month from 1st October, 2010.<br>Rs. 43,500/- per month from 1st July, 2012. |
|-----------|---|---|

#### **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. |



**BOMBAY  
WIRE ROPES  
LIMITED**

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- 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 51st Annual General Meeting between 1.00 p.m. to 3.00 p.m.

The 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.

Mumbai, the 29th June, 2012

**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 51st Annual Report of the Company alongwith the audited statement of accounts for the year ended 31st March, 2012.

### **FINANCIAL RESULTS:**

	<u>2011-2012</u>	<u>2010-2011</u>
	Rs. In Lakhs	Rs. In Lakhs
Deficit for the Year	(78.35)	(63.58)
Add: Previous Years' Deficit	(1008.56)	(944.98)
Balance Deficit in the Profit & Loss A/c.	(1086.91)	(1008.56)
Less: General Reserve	67.40	67.40
Balance Deficit carried forward	(1019.51)	(941.16)

### **DIVIDEND :**

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

### **YEAR UNDER REVIEW :**

As informed earlier, the Company has closed down its wire rope factory situated at Kolshet Road, Thane. The aforesaid closure has been challenged by an union of the workmen, as well as by some individual workmen which proceedings remain pending for consideration as on date.

The Company is presently engaged in the activity of manufacturing wooden furniture.

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 said agreement was thereafter terminated by the Company on certain grounds and the dispute arising thereof was referred to arbitration. The Arbitral Tribunal vide its Award dated 15th June, 2011 had set aside the said termination and directed the Company, as well as the confirming party, to execute a conveyance of the property in favour of the developer against receipt of the balance consideration against the agreement alongwith interest thereon. Based on expert legal advice, the Company had challenged the said Award in the Hon'ble High Court of Bombay. The appeal of the Company has been admitted and the matter remains pending for further consideration by the Court.

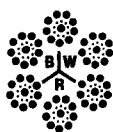
In the meantime, the possession of the property continues to remain with the Company, and the confirming party, and as no development whatsoever has commenced thereon, the part amount received from the developer continues to be shown under "Current Liabilities & Provisions" and the land and building(s) thereon also continue to be included under "Fixed Assets" having regard to para 11 of Accounting Standard (AS)-9 under which revenue cannot be recognized until significant risks and rewards of ownership has been transferred.

### **FIXED DEPOSITS :**

There are no fixed deposits with the Company and the 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.



**BOMBAY  
WIRE ROPES  
LIMITED**

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#### **DIRECTORS :**

In accordance with the Articles of Association of the Company, Kashinath Rajgarhia, 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 with proper explanation relating to material departures, wherever necessary.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments 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 periods.
- 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 the Auditors Report, your Directors are of the opinion that the same are self explanatory and no further explanation on the same is deemed necessary except for note no. 24(5) on possible loss of diminution in quality and value of inventory. In this regard, the management has verified the stocks during the year and has determined that there is no loss of either quality or value in the inventory save and except deterioration on account of unprecedented floods in 2005.

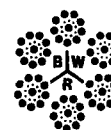
#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :**

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 the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is annexed hereto which forms a part of this Report.

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

Place : Mumbai,  
Dated : 29th June, 2012

K. K. Kanoria  
Chairman



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

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

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

Particulars with respect of Conservation of Energy :

#### **Power & Fuel Consumption :**

	<u>2011 – 2012</u>	<u>2010 – 2011</u>
1. Electricity:		
a) Purchased Unit (Kwh)	—	—
Total/Amount (Rs.)	—	—
Rate/Unit (Kwh) (Rs.)	—	—
b) Own Generation :		
i) Through Diesel Generation	—	—
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/Ltrs. (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

By Order of the Board of Directors

Place : Mumbai,  
Dated : 29th June, 2012

K. K. Kanoria  
Chairman



## ***REPORT OF THE AUDITORS***

### **TO THE SHAREHOLDERS**

1. We have audited the attached Balance Sheet of Bombay Wire Ropes Limited as at 31st March, 2012 and also the statement of Profit & Loss and the statement of Cash Flow 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 the financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those 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.
3. 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 (the Act), and on the basis of such checks of the books and records of the Company as we considered appropriate, and according to the information and explanations given to us, we give in the Annexure to this report, a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report 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 account as required by law have been kept by the Company so far as appears from the examination of the books.
  - (c) The Balance Sheet and the statement of Profit & Loss and the statement of Cash Flow dealt with by the Report are in agreement with the books of account.
  - (d) In our opinion the Balance Sheet and the statement of Profit & Loss and the statement of Cash Flow dealt with by the Report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, to the extent possible as the Company has closed down its wire rope unit as referred to in Note No. 24(4).
  - (e) Based on the representations made by all the directors which were taken on record by the Board of Directors of the Company, the directors did not have any disqualifications as on 31st March, 2012 referred to in clause (g) of sub section (1) of section 274 of Companies Act, 1956.
  - (f) Despite accumulated losses and consequent total erosion of equity and inadequate liquidity, accounts have been compiled on a going concern basis.