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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



Shree Steel Wire Ropes Ltd.

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5th Annual Report 1996-97

Shree Steel Wire Ropes Ltd.



Board of Directors

Chandrakant N. Shah Chairman cum Managing Director
C. R. Chawla
A. R. Sajnani
L. S. Sajnani
S. R. Parikh
D. R. Parikh
P. N. Manghnani
V. P. Manghnani
H. C. Shah

Auditors

Natvarlal Vapari & Co.

Jiji House, 3rd Floor,
15, Raveline Street,
Fort, Mumbai 400 001.

Bankers

Development Credit Bank Ltd.

Registered Office

Gat No. 185, K.I.D.C.,
Village Dheku, Taluka - Khalapur
Dist. - Raigad,
Khopoli - 410 203. (M.S.)

Administrative Office / Share Dept.

112-115, "A" Wing, Satyam Shopping centre,
M. G. Road,
Ghatkopar (East)
Mumbai - 400 077.
Tel. No. 510 6484, 510 6485, 510 6486

Shree Steel Wire Ropes Ltd.**NOTICE**

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting of SHREE STEEL WIRE ROPES LIMITED will be held at Sangam Resort, Near Shilphata, P.O. Khopoli, Taluka - Khalapur, Dist. - Raigad, Khopoli - 410 203. on Monday, the 8th September, 1997 at 3.00 p.m. to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt Balance Sheet as at 31st March, 1997, Profit & Loss Account for the year ended on that date and report of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Mr. Surendra R. Parikh, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint auditors to hold office from the conclusion of this Annual General Meeting and to fix their remuneration, M/s. Natvarlal Vepari & Co., the retiring Auditors, are eligible for re-appointment.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without any modification, the following resolution as a Ordinary Resolution:
 "RESOLVED THAT Mr. Anil sajnani who was appointed as an Additional Director of the Company by the Board of Directors under Section 260 of the Companies Act, 1956 and whose term of office expires at the date of this Annual General Meeting and being eligible offers himself for reappointment and in respect of whom the Company has received a notice in writing from a member under Section 257 and other applicable provisions, if any, of the Companies Act, 1956 proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company, liable to retire by rotation."
5. To consider and, if thought fit to pass with or without any modification the following resolution as an Ordinary Resolution:
 "RESOLVED THAT Mr. Chandrubhai R. Chawla who was appointed as an Additional Director of the Company by the Board of Directors under Section 260 of the Companies Act, 1956 and whose term of office expires at the date of this Annual General Meeting and being eligible offers himself for reappointment and in respect of whom the Company has received a notice in writing from a member under Section 257 and other applicable provisions, if any, of the Companies Act, 1956 proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To consider and, if thought fit to pass with or without any modification the following resolution as an Ordinary Resolution:
 "RESOLVED THAT Mr. Lachmandas S. Sajani who was appointed as an Additional Director of the Company by the Board of Directors under Section 260 of the Companies Act, 1956 and whose term of office expires at the date of this Annual General Meeting and being eligible offers himself for reappointment and in respect of whom the Company has received a notice in writing from a member under Section 257 and other applicable provisions, if any, of the

Companies Act, 1956 proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Mr. Parshottam N. Manghnani who was appointed as an Additional Director of the Company by the Board of Directors under Section 260 of the Companies Act, 1956 and whose term of office expires at the date of this Annual General Meeting and being eligible offers himself for reappointment and in respect of whom the Company has received a notice in writing from a member under Section 257 and other applicable provisions, if any, of the Companies Act, 1956 proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. To consider and, if thought fit to pass with or without any modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Vijay P. Manghnani who was appointed as an Additional Director of the Company by the Board of Directors under Section 260 of the Companies Act, 1956 and whose term of office expires at the date of this Annual General Meeting and being eligible offers himself for reappointment and in respect of whom the Company has received a notice in writing from a member under Section 257 and other applicable provisions, if any, of the Companies Act, 1956 proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to section 198, 269, 309, 311 and 314 read with Schedule XIII for the time being in force and other applicable provisions if any, of the Companies Act, 1956 and all guidelines for Managerial Remunerations issued by the Central Government from time to time and subject to such approvals as may be necessary, the Company hereby approves the appointment in the terms of remuneration of Shri. Chandrubhai R. Chawla the Whole-time Director of the Company for the period of Five years with effect from 8th September, 1997 upon the terms and conditions set out in the draft agreement submitted to this meeting and for identification initialed by the Director thereon. Which agreement is hereby specifically sanctioned and approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Shri. Chandrubhai R. Chawla.

"RESOLVED FURTHER THAT subject to the provisions of sections 198 and 309 of the Companies Act, 1956 the Company having profits in a financial year may pay to Shri. Chandrubhai R. Chawla any remuneration, by way of salary, dearness allowance, perquisites, commission and/or other allowances, which shall not exceed five percent of its net profits for one such managerial person, and if there

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is more than one such managerial person, ten percent for all of them together."

"RESOLVED FURTHER THAT if the Company has no profits or its profits are inadequate in any financial year, it may pay remuneration to Shri. Chandrubhai R. Chawla by way of salary, dearness allowance, perquisites and/or any other allowances, not exceeding the ceiling limit of Rs. 8,64,000/- per annum or Rs. 72,000/- per month and that he shall also be eligible to the perquisites specified in the paragraph 2 of section II of para II of the Schedule XIII as may be in force from time to time."

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

"RESOLVED THAT pursuant to section 198, 269, 309, 311 and 314 read with Schedule XIII for the time being in force and other applicable provisions if any, of the Companies Act, 1956 and all guidelines for Managerial Remunerations issued by the Central Government from time to time and subject to such approvals as may be necessary the Company hereby approves the appointment in the terms of remuneration of Shri. Anil L. Sajani the whole-time Director of the Company for a period of Five years with effect from 8th September, 1997 upon the terms and conditions set out in the draft agreement submitted to this meeting and for identification initialed by Director thereon. Which agreement is hereby specifically sanctioned and approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Shri. Anil L. Sajani.

"RESOLVED FURTHER THAT subject to the provisions of section 198 and 309 of the Companies Act, 1956 the Company having profits in a financial year may pay to Shri Anil L. Sajani any remuneration, by way of salary, dearness allowance, perquisites, commission and/or other allowances, which shall not exceed five percent of its net profits for one such managerial person, and if there is more than one such managerial person, ten percent for all of them together."

"RESOLVED FURTHER THAT if the Company has no profits or its profits are inadequate in any financial year, it may pay remuneration to Shri. Anil L. Sajani by way of salary, dearness allowance, perquisites and/or any other allowances, not exceeding the ceiling limit of Rs. 8,64,000/- per annum or Rs. 72,000/- per month and that he shall also be eligible to the perquisites specified in the paragraph 2 of section II of para II of the Schedule XIII as may be in force from time to time."

11. To consider and, if thought fit to pass with or without any modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Authorised Share Capital of the Company be and is hereby increased from Rs. 4,00,00,000/- (Rupees Four Crores Only) divided into 40,00,000 Equity Shares of Rs. 10/- each to Rs. 5,00,00,000/- (Rupees Five Crores Only) divided into 50,00,000 Equity Shares of Rs. 10/- each by creation of further 10,00,000 Equity Shares of Rs. 10/- each

"RESOLVED THAT Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting in Clause V thereof the words and figures, "The Authorised share capital of the Company is Rs. 5,00,00,000/- (Rupees Five Crores Only) divided into 50,00,000 (Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each, in the place and instead of the present words and figures:

"The Authorised Share Capital of the Company is Rs. 4,00,00,000/- (Rupees Four Crores Only) divided into 40,00,000 (Forty Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

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

"RESOLVED THAT the existing Article No. 3 of the Articles of Association of the Company be and is hereby substituted by the following :

The Authorised Share Capital of the Company is Rs. 5,00,00,000/- (Rupees Five Crores Only) divided 50,00,000 (Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each. The Company in General meeting may determine in accordance with law for the time being in force relating to Companies with power to increase or reduce such capital from time to time, in accordance with the regulations of the company and the legislative provisions for the time being in force in this behalf and with power to divide the shares in the Capital for the time being into Equity Share Capital or Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these presents."

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

"RESOLVED THAT in accordance with the provisions of Section 81 and any other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the Articles of Association of the Company and subject to such approvals as may be necessary from government of India (GOI), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) or any other appropriate authority or Financial Institutions or Banks and subject to such conditions and modifications as may be considered necessary and appropriate by the Board of Directors of the Company as may prescribed in granting such approvals, which may be agreed to by the Board, the consent of the Company be and is hereby accorded to the Board of Directors (which term shall include any committee of the Board authorised to exercise power of the Board) to issue, offer, allot in one or more tranches, Equity Shares at the Price of Rs. 10/- Per Share or price workout as per SEBI guidelines whichever is higher to the Foreign Institutional Investors ("FII") (which shall include any "approved client" of such FIIs) and/or sub-accounts/ of such FII and/or Non-Resident Indians or person of Indian Origin ("NRIs"), and/or Overseas Corporate Bodies ("OCBs") (as may be permitted under applicable regulations), and such other person/s, entity/ies, body/ies whether member of the Company or not as may be decided

Shree Steel Wire Ropes Ltd.



by the Board by way of a Preferential Offer and/or any combination or combination of the above method(s) or otherwise and on such terms as the Board may in its absolute discretion deem fit.

By Order of the Board of Directors
For SHREE STEEL WIRE ROPES LIMITED

C. N. SHAH
Chairman & Managing Director

Mumbai, 4th August, 1997.

Registered Office
185, K.I.D.C.,
Village Dhaku,
Taluka - Khalapur,
Khopoli - 410 203
Dist - Raigad.

NOTES

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT LEAST 48 HOURS BEFORE THE MEETING.
- (b) The relative explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 in respect of Special Business is given as per Annexure to the Notice.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 25th day of August, 1997 to Monday 8th day of September, 1997 (both days inclusive).
- (d) Members are requested to notify, immediately, any change in their address to the Company's Administrative Office at 1st Floor, "A" Wing, Satyam Shopping Centre, M.G. Road, Ghatkopar (East), Mumbai - 400 077.
- (e) All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Saturdays between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting.
- (f) Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
- (g) Members are requested to send all transfers and other related correspondence at the Administrative Office of the Company.

EXPLANATORY STATEMENT

AS REQUIRED BY SECTION 173 (2) OF THE COMPANIES ACT, 1956

As required by Section 173 (2) of the Companies Act, 1956, the following Explanatory Statement set out material facts relating to the Business under item No. 5 to 13.

ITEM NO. 4 TO 8

The Board of Directors at their meeting held on 16th July, 1997, appointed Mr. Chandrubhai R. Chawla and Mr. Anil L. Sajnani, Mr. Lachmandas S. Sajnani, Mr. Vijay P. Manghnani and Mr. Parshottam N. Maghnani as Additional Directors of the Company with effect from 16th July, 1997, and they will hold office upto the date of Annual General Meeting.

A notice has been received from a member(s) alongwith deposit as required under Section 257 of the Companies Act, 1956 proposing Mr. Chandrubhai R. Chawla and Mr. Anil L. Sajnani as the candidates liable to retire by rotation.

They are willing to continue to hold the office of Director, if they appointed in this ensuing Annual General Meeting. Except Mr. Chandrubhai R. Chawla and Mr. Anil L. Sajnani being themselves and Mr. Lachmandas S. Sajnani being father of Mr. Anil L. Sajnani, none of the other Directors are interested in this Resolution.

ITEM NO. 9 & 10

At the Board meeting held on 4th August, 1997 Mr. Chandrubhai R. Chawla and Mr. Anil L. Sajnani were appointed as Wholetime Directors of the Company for the period of 5 years w.e.f. 8th September, 1997 subject to the approval of the members of the Company.

Mr. Chnadrubhai R. Chawla and Mr. Anil L. Sajnani will bring to bear their rich experience and expertise in the field of Finance & Industry.

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Accordingly an agreement is proposed to be entered into with effect from 8.9.1997 between the Company and Mr. Chandrubhai R. Chawla and another agreement between the Company and Mr. Anil L. Sajani appointing them as whole-time Directors. Such agreement to be entered into as stated above provides for the payment of salary and perquisites. The salient features of the terms and conditions pertaining to the appointment and remuneration are as under :

1. **Period of Agreement** : 5 Years from 8th September, 1997

2. **Remuneration** : Rs. 72,000/- per month including salary, dearness allowance, perquisites and any other allowances payable to each of them.

In addition to the above, they shall also be eligible for the following benefits which shall not be included in the computation of the ceiling on remuneration specified in paragraph I of Section II of Para II of Schedule XIII of the Companies Act, 1956.

(a) Company's contribution towards Provident Fund, Superannuation Fund, Annuity Fund though either singly or put together are not taxable under the I.T. Act, 1961.

(b) Gratuity as per the Rules of the company, but shall not exceed one half's months salary for each completed year of service.

(c) Encashment of leave at the end of the tenure.

Where in any financial year the Company has adequate profits, the Company will pay remuneration by way of Salary, dearness allowance, commission, perquisites and any other allowances which shall not exceed 10% of its net profits for all the managerial persons together.

The terms and conditions of the said appointments and/or agreements may be altered and varied in such manner as may be agreed to between the Board of Directors and the appointees. This is an abstract of the terms of contract as per Section 302 of the Companies Act, 1956.

Except Mr. Chandrubhai R. Chawla, Mr. Anil L. Sajani and Mr. Lachmandas S. Sajani, no other Director is concerned or interested in this resolution.

ITEM NO. 11, 12 & 13

The Company has plans to expand its operation and expand both its marketing and manufacturing capacities. The Company will require additional resources for the same. To augment its resources and Capital base the Board of Directors considers it is necessary for the Company to increase its Equity Capital.

In view of the above, the Board of Directors have decided to make a Preferential Offer of Equity Shares to Non-Resident Indian Mr. Mahendra Bhojwani who is related to one of the Directors of the Company. NRI Investor Mr. Mahendra Bhojwani is Son-in-Law of Mr. Parshottam N. Manghnani (Mr. Parshottam N. Manghnani is an Additional Director of Company.) and is staying at DUBAI, U.A.E. Mr. Mahendra Bhojwani has shown his inclination to subscribe for 10,00,000 Equity Shares of the Company at Rs. 10/- per share, aggregating to Rs. 1 Crore. This has necessitated increase in the Authorised Share Capital of the Company and hence the necessary changes are required to be made in the Memorandum and Articles of Association of the Company.

Issue of shares to any person other than a member on Right

basis require approval of members by a special Resolution under Section 81 of the Companies Act, 1956. Hence Resolution No. 13. The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 also requires certain disclosures to be made in the notice containing the Resolution for proposed allotment, so that Regulation 10 relating to acquisition of 10% or more of the shares or voting rights of any Company, Regulation 11 relating to controlling of holding and Regulation 12 relating to acquisition of control over a Company do not apply.

The allotment to Mr. Mahendra Bhojwani will make his holding 21.13% of the Post Issue Capital of the Company. Mr. Mahendra Bhojwani does not hold any Equity Shares of the Company, No consequential changes are expected in the Board of Directors of the Company. However voting rights and share holding pattern of the Company would change to that extent of the Equity Shares issued to him. Such allotment is also not expected to result in change in Control over the Company. The current share holding pattern and likely change in it is given below.

	Existing	Likely after Proposed allotment
1. Old Promoters and Acquirere	43.48 %	34.29 %
2. Public	56.52 %	44.58 %
3. Proposed Allotment	00.00 %	21.13 %
TOTAL	100.00 %	100.00 %

The Price as per the SEBI guidelines on Preferential Allotment is less than Rs. 10/- per share. Auditor's Certificate for this price will be produced at the Annual General Meeting

At present the Company's Authorised Share Capital is Rs. 4 Crores divided into 40,00,000 Equity Shares of Rs. 10/- each and Issued and Subscribed Capital is 37,18,050 Equity Shares of Rs. 10/- each.

None of the Directors except Mr. Parshottam N. Manghnani is concerned or interested in passing of the Resolution No. 11, 12, 13.

By Order of the Board of Directors

For SHREE STEEL WIRE ROPES LIMITED

C. N. SHAH
Chairman & Managing Director

Mumbai, 4th August, 1997.

Registered Office
185, K.I.D.C.,
Village Dhaku,
Taluka - Khalapur,
Khopoli - 410 203
Dist - Raigad.

Shree Steel Wire Ropes Ltd.



DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their Fifth Annual Report together with the Audited Accounts for the year ended 31st March, 1997.

I. FINANCIAL RESULTS	(Rs. in Lacs)	
	1996-97	1995-96
Profit before depreciation and tax	80.26	113.13
Less : Interest (Including other finance charges)	55.79	62.02
Less : Depreciation	17.88	21.66
Profit before Tax	6.59	29.45
Less : Provision for Taxation	0.85	--
Less : Income Tax Assessment Dues	--	0.19
Profit after Tax	5.74	29.26
Add : Balance brought forward from previous year	177.20	147.94
Profit available for Appropriation	182.94	177.20
Dividend	--	--
Transfer to General Reserve	--	--
Surplus carried forward to Balance Sheet	182.94	177.20

II. DIVIDEND

In the coming year Company proposes to go for Expansion Programme. Hence the Directors do not recommend the dividend

III. OPERATIONS

The Company's performance during the year was not satisfactory. Hence no Preliminary and Public Issue expenses were written off during this year. Very recently the Directors had been to various international markets and they found that there are ample opportunities to be tapped. For increasing the production, to meet with the demands of the International market. It is very essential to go for an Expansion Programme. The Company also propose to extend the existing manufacturing area by constructing additional building. Moreover the Company is proposing to avail ISO 9000 in the due course of time and therefore paying full attention to its Quality awareness to compete the International Market. From the Open Offer the Acquires received response from the members for 4.39% of the total Equity.

IV. EXPORT EXCELLENCE AWARD

The Company is pleased to announce that for the 5th consecutive year the Company has clinched the Export Excellency Award from Govt. of India.

V. FIXED DEPOSITS

Fixed Deposits accepted during the year are well within the prescribed limits. Deposits aggregating to Rs. 12.45 Lacs which remain outstanding at the close of the financial year.

VI. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Surendra R. Parikh Director retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Mr. R.L. Shah, Mr. Anil R. Shah and Mr. Alpesh R. Shah have resigned from the Board. The Board sincerely appreciate with gratitude the guidance received by them from time to time. Mr. Anil L. Sajani, Mr. Chandrubhai R. Chawla, Mr. Lachmandas S. Sajani, Mr. Parshottam N. Manghnani, Mr. Vijay P. Maghnani were appointed by the Board as Additional Directors on 16th July, 1997. They hold office upto ensuing Annual General Meeting and are eligible for re-appointment as Directors of the Company. Mr. Chandrubhai R. Chawla and Mr. Anil L. Sajani were appointed as the Whole-time Directors of the Company w.e.f. 8th September, 1997, subject to approval from the members at their meeting.

VII. AUDITORS

The members will be appointing the Auditors for the next financial year and to hold office from the conclusion of the Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration. Certificate from the auditors M/s. Natvarlal Vepari & Co., Chartered Accountants, Mumbai have been received to the effect that their reappointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

VIII. PARTICULARS OF EMPLOYEES

There is no employee coming under the purview of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

X. INFORMATION AS REQUIRED BY THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

The details required under the Companies (Disclosure of particulars in the report of Board of Directors) rules, 1988 are given in Annexure - I to this report.

XI. APPRECIATION

Your directors wish to place on record their sincere appreciation, and acknowledge with gratitude the support and co-operation, extended by the Bankers, Financial Institutions, Govt. Authorities and Shareholders, staff of the Company and look forward to their continued support.

For & On behalf of the Board of directors

CHANDRAKANT N. SHAH
Chairman & Managing Director

Mumbai, 4th August, 1997

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217 (1) (e) of the Companies Act 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 1997.

A) CONSERVATION OF ENERGY

(a) Measures taken for energy conservation :

1. Company has scraped old designed machinery parts which were too heavy and replaced New parts which are light in weight and consume less energy.
2. Company has Installed Energy saving devices

(b) Additional Investments and Proposals, if any, being implemented for Reduction of Consumption of Energy.