



Shree Steel Wire Ropes Ltd.



**7th Annual Report
1998-99**

SHREE STEEL WIRE ROPES LTD.



BOARD OF DIRECTORS

Mr. Lachmandas S. Sajnani	Chairman
Mr. Chandrakant N. Shah	Managing
Mr. Chandru R. Chawla	Whole-time Director
Mr. Anil L. Sajnani	Whole-time Director
Mr. Manoj B. Jeswani	Executive Director
Mr. Surendra R. Parikh	
Mr. Dakshak R. Parikh	
Mr. Parshottam N. Manghnani	
Mr. Vijay P. Manghnani	

AUDITORS

Natvarlal Vepari & Co.

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

BANKERS

Development Credit Bank Limited.

REGISTERED OFFICE

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

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.

Report



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SHREE STEEL WIRE ROPES LTD.**NOTICE**

NOTICE is hereby given that the Seventh Annual General Meeting of Shree Steel Wire Ropes Limited, will be held at 185, K.I.D.C., Village-Dheku, Taluka-Khalapur, Dist.-Raigad, Khopoli-410 203. on Wednesday, the 15th day of September, 1999 at 3.00 p.m. to transact the following business :

ORDINARY BUSINESS

1. To Consider and adopt Balance Sheet as at 31st March, 1999, Profit & Loss Account for the year ended on that date and report of the Board of Directors and Auditors thereon.
2. Mr. Surendra R. Parikh, who retires by rotation and whose term is ending at the conclusion of ensuing Annual General Meeting. Since the Board did not receive consent from the retiring Director, the Board has no intention to fill up the same vacancy.
3. Mr. Dakshak R. Parikh, who retires by rotation and whose term is ending at the conclusion of ensuing Annual General Meeting. Since the Board did not receive consent from the retiring Director, the Board has no intention to fill up the vacancy.
4. 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

5. To consider and, if thought fit to pass with or without any modification the following resolution as a Ordinary Resolution :
"RESOLVED THAT" Mr. Manoj B. Jeswani, 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 a Special resolution :
"RESOLVED THAT" in accordance with provisions of Section 149(2A) of the companies Act, 1956, approval be and is hereby accorded to the Company for commencement of the business stated under "Other objects" of the object Clause No. 101 of the Memorandum and Articles of Association of the Company.
7. To consider and, if thought fit to pass with or without any modification the following resolution as an Ordinary Resolution:
"RESOLVED THAT" pursuant to section 198, 269, 309, Schedule XIII and any other applicable provisions of the Companies Act, 1956 the Company hereby accords its

approval to the appointment of and remuneration payable to Mr. Manoj B. Jeswani, Executive Director of the Company for a period of 5 years commencing from 30th June, 1999, on the terms and conditions set out in the draft letter of appointment submitted to this meeting and for identification initialed by the chairman of the Board be and the same is hereby approved"

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING 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 RECEIVED BY THE COMPANY AT LEAST 48 HOURS BEFORE THE MEETING.
2. An explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 in respect of Special Business is annexed and forms part of this Notice.
3. The register of Members and Share Transfer Books of the Company will remain closed from Saturday, 11th September, 1999 to Wednesday, 29th September, 1999 (both days inclusive).
4. The Share Department of the Company is located at 1st Floor, "A" Wing, Satyam Shopping Centre, M.G. Road, Ghatkopar-East, Mumbai - 400 077. The members are requested to send all correspondence (s) and documents relating to Transfer of shares only at the above address.
5. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.

By Order of the Board of Directors
LACHMANDAS S. SAJNANI
CHAIRMAN
Mumbai, 30th July, 1999

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

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EXPLANATORY STATEMENT

relating to the Business under item No. 5, 6, 7.

Item No. 5

The Board of Directors at their meeting held on 30th June, 1999 appointed Mr. Manoj B. Jeswani as Additional Director of the Company and he will hold office up to the date of Annual General Meeting.

A notice has been received from member(s) along with deposit as required under Section 257 of the Companies Act, 1956 Proposing Mr. Manoj B. Jeswani as the candidate liable to retire by rotation.

He is willing to continue to hold the office of Director, if he is appointed in the ensuing Annual General Meeting. Except Mr. Manoj B. Jeswani, none of the other Directors are interested in this Resolution.

Item No. 6

Your Directors wish to diversify and commence the business as stated in Clause 101 of the Other Objects of the Object Clause of the Memorandum of Association of the Company for trading in Thermal Paper.

Under Section 149 (2A) of the Companies Act, 1956 the Company can commence the new business if the same is approved by the Shareholders of the Company at its Annual General Meeting. The Directors recommend the resolution for approval of the shareholders.

None of the Directors of the Company is in any way concerned or interested in this item.

Item No. 7

Subject to the provisions of the Companies Act, 1956 and the approval of the Shareholders at General Meeting, Mr. Manoj B. Jeswani was appointed by the Board of directors of the Company with effect from 30th June, 1999 as the Executive Director of the Company, on the following remuneration, perquisites, benefits:

Remuneration

Salary : Rs. 1,00,000/- P.A. and Board has power to increase the salary up to Maximum Ceiling Limit as per Schedule XIII of the Companies Act, 1956.

Commission :

Subject to the provisions of Section 198 and Section 309 which requires that in any financial year the company may pay any remuneration by way of Salary, dearness allowance, perquisites, commission and any other allowances, which shall not exceed five percent.

A managerial person shall also be eligible to the following perquisites which shall not be included in the computation of

the ceiling on remuneration.

salary for each completed year of service.

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

In addition to the above, managerial person will also be eligible for the following perquisites :

- ☐ Company accommodation.
- ☐ Gas, Electricity, Water costs to be reimbursed by the Company.
- ☐ Medical reimbursement and Personal Accident Insurance as per Company Policy.
- ☐ Leave Travel Allowance, once in a year, as per Company Policy.
- ☐ Club fees - Membership of one club.
- ☐ Use of Car and telephone at residence.
- ☐ Reimbursement of expenses actually and properly incurred in cash or by credit card for the Business of the Company.

Leave - Full pay and allowance as per rules of the Company but not exceeding one months leave for every 11 months of service.

The Board of Directors may increase the aforesaid remuneration, benefits and amenities within the overall limits of Schedule XIII of the Companies Act, 1956 In the absence of profits or inadequacy of profits, the provisions of Schedule XIII of the Companies Act, 1956 shall apply.

A copy of the letter of appointment with Mr. Manoj B. Jeswani is available for inspection by the members at the Registered Office of the Company during the usual office hours.

The Board recommends this resolution for the approval of Members.

Except Mr. Manoj B. Jeswani, no other director is concerned or interested in the said resolution.

By Order of the Board of Directors
LACHMANDAS S. SAJNANI
 CHAIRMAN
 Mumbai, 30th July, 1999

Registered Office :

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

SHREE STEEL WIRE ROPES LTD.**DIRECTOR'S REPORT**

To,

THE MEMBERS,

Your Directors are pleased to present the 7 th Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 1999.

I FINANCIAL RESULTS

(Rs. in Lacs)

	<u>1998-99</u>	<u>1997-98</u>
Profit before depreciation and tax	106.76	84.12
Less : Interest (including other finance charges)	72.39	55.02
Less : Depreciation	23.59	22.40
Profit before Tax	10.78	6.70
Less : Provision for Txation	1.10	0.80
Profit after Tax	9.68	5.90
Add : Balance brought forward from Previous year	184.09	182.94
Less : Short Provision Charges	0.00	0.09
Less : Preliminary & Public Issue Expenses Written off	0.00	4.66
Profit available for Appropriation	193.77	184.09
Surplus carried forward to Balance Sheet	193.77	184.09

II. DIVIDEND

Due to the Company's Expansion Programme for doubling its manufacturing capacity, the Directors do not recommend the dividend.

III OPERATIONS

During the year Sales have gone by 10.5% to Rs. 1035.95 lacs compared to last year sales of Rs. 937.16 lacs. The Company has achieved a major breakthrough in producing defence related products as import substitution and the Company could clinch orders worth several lacs rupees from Defence Organisation. The Products are rather considered as Specialised items of the Company as the inspection agencies of defence departments have specially conducted capacity assessment of the Technology of the company and approved the same and the company feel that in the coming years will lead a major role in the defence sector. The Company has also ventured in new areas of various developments exclusively for defence organisations like DRDO (Defence Research Development Organisation), Bharat Dynamics Ltd.,

Defence Metallurgical Research Laboratories and the other vital areas.

IV FINANCE

During the year the Company has procured a Term Loan of Rs. 150 lacs from Development Credit Bank Ltd. for its Expansion programme.

V FIXED DEPOSITS

Your Company has been inviting and accepting deposits from the public, shareholders and others. The amount of Deposits outstanding as on 31st March, 1999 stood at Rs. 206.85 lacs

VI. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Surendra R. Parikh and Mr. Dakshak R. Parikh, Directors, their term is ending at the ensuing Annual General Meeting. But the Company did not receive the consent from Mr. Surendra R. Parikh and Mr. Dakshak R. Parikh, the Board of Directors have decided not to fill up the vacancy at present.

Mr. Manoj B. Jeswani has been appointed as an Additional Director of the Company on 30th June, 1999. He hold office up to ensuing Annual General Meeting and is eligible for re-appointment as Director of the Company.

VII. AUDITORS

M/s. Natvarlal Vepari & Co., Chartered Accountants. Mumbai, the company's auditors retire at the conclusion of the ensuing Annual General Meeting. They have signified their willingness to accept reappointment and have further confirmed their eligibility under Section 224 (1B) of the Companies Act, 1956.

VIII.Y2K COMPLIANCE

The Company has already taken necessary steps to meet y2k requirements. The Company does not envisage any substantial additional expenditure for Y2K Compliance.

PARTICULARS OF EMPLOYEES

There is no employee coming under the purview of section 217 (2A) of the Companies Act, 1956. read with the

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companies (Particulars of Employees), Rules 1975 as amended.

Your Company continues to enjoy cordial relations with employees at all levels.

INFORMATION AS REQUIRED BY THE COMPANIES (DISCLOSURES 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.

IX. APPRECIATION

The Directors gratefully acknowledge the valuable support extended by Shareholders and record their gratitude to the Bankers, Financial Institutions, Government Authorities and Suppliers for their co-operation and encouragement. Your Directors take this opportunity to place on record their appreciation for the valuable contribution made by the employees at all levels.

For and on behalf of the Board of Directors
LACHMANDAS S. SAJNANI
CHAIRMAN

ANNEXURE TO DIRECTOR'S 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 Director's Report for the year ended 31 st March, 1999.

A) Conservation of Energy

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SHREE STEEL WIRE ROPES LTD.**FORM - A**

Form for Disclosure of particulars with respect of conservation of energy :

98-99**97-98****A) Power & Fuel Consumption :****1. Electricity****a) Purchased**

Units (KWH)

326188

226543

Total Amount (Rs.)

1300990

961841

Rate / Unit (Rs.)

3.99

4.24

b) Own Generation

Through Diesel Generator

NIL

NIL

Through Steam Generator

NIL

NIL

2. Coal

NIL

NIL

3. Furnace Oil

Qty. (K.L.)

Total Amount Rs.

NIL

NIL

Avg. Rate (Per K.L.)

NIL

NIL

4. Others :

H.S.D.

Qty. (K.L.)

NIL

NIL

Total Amount (Rs.)

NIL

NIL

Avg. Rate (Per K.L.)

NIL

NIL

B) Consumption per Unit of Production :

Product : Wire Ropes & Wire Rope Slings

Unit : Tonnes

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Unit : Mtrs

12,52,240

858,156

Unit : Feet

1,02,500

143,500

Unit : Kgs.

12,179

23,033

Unit : Nos.

1,13,607

60,299

Electricity (KWH)

N.A.

N.A.

Furnace Oil (K.L.)

N.A.

N.A.

Coal

N.A.

N.A.

Others

N.A.

N.A.

H.S.D. (K.L.)

N.A.

N.A.

TECHNOLOGY ABSORPTION :**1. Research & Development :**

There is no formal Research & Development Department, However, The Company has developed many import substitute items for Indian Defence & Indian Air force.

2. Technology Absorption

The Company has not imported or brought any technology during the period under review.

Foreign Exchange Earnings and out go :

The Company had earned foreign exchange as under on (C & F Basis)

i) On its Direct Exports

98-99
Rupees
1,13,11,991

97-98
Rupees
55,43,224

ii) On its exports as supporting manufacturer

42,105

28,74,579

The foreign exchange outgoing is as under :

i) Capital Goods

--

16,208,495

ii) Travelling

74,756

198,624

iii) Subscription

--

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iv) Bank charges

53,231

42,531

v) Imports of Raw material

8,42,074

78,83,723

vi) Commission

--

2,834

For & On behalf of the Board of Directors

LACHMANDAS S. SAJNANI

CHAIRMAN

Mumbai, 30th July, 1999