



Shree Steel Wire Ropes Ltd.

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11th ANNUAL REPORT 2002-2003

Shree Steel Wire Ropes Ltd.



BOARD OF DIRECTORS

Mr. Chandrakant N. Shah	Chairman
Mr. Chandru R. Chawla	Director
Mr. Anil L. Sajnani	Director
Mr. Manoj B. Jeswani	Executive Director

AUDITOR

N. D. Mehta Associates
Balkrishna Chambers,
Office No. 18, 2nd Floor,
1/4, Issaji Street, Vadgadi,
Mumbai - 400 003.

BANKERS

Development Credit Bank Limited.

REGISTRAR & TRANSFER AGENT

Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Milk Compound,
L. B. S. Marg, Bhandup (W),
Mumbai - 400 078.

REGISTERED OFFICE :

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

ADMINISTRATIVE OFFICE/SHARE DEPT.

Unit No. 304, 3rd Floor, 105,
Champaklal Industrial Estate,
Next to Sion Telephone Exchange,
Sion-East, Mumbai-400 022.

Shree Steel Wire Ropes Ltd.



NOTICE IS HEREBY GIVEN THAT THE ELEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF SHREE STEEL WIRE ROPES LIMITED, WILL BE HELD AT 185, K.I.D.C., VILLAGE - DHEKU, TALUKA-KHALAPUR, DIST.RAIGAD, KHOPOLI - 410203 ON FRIDAY, THE 26TH DAY OF SEPTEMBER, 2003 AT 3.00 P.M. TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2003 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Chandru Chawla who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors M/s. N.D. Mehta Associates to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorise Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), as an Ordinary Resolution the following.
"RESOLVED THAT pursuant to Section 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 and subject to such approvals and sanctions as may be necessary, the company hereby approves of the re-appointment of Shri. Chandrakant N. Shah as Managing Director of the company for a period of 5 years w.e.f. 1st April, 2003; without any remuneration.

By Order of the Board of Directors
CHANDRAKANT N. SHAH
CHAIRMAN

Date: 30th June, 2003

Place: Mumbai

Regd. Office:

185, K.I.D.C., Village Dheku, Taluka -Khalapur, Khopoli-410203. Dist.-Raigad.

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

A proxy form duly completed and stamped, must reach the registered office of the company not less than 48 hours before the time for holding the aforesaid meeting.

- 2) The register of members and the share transfer books of the company will remain closed from Tuesday 23rd September, 2003 to Tuesday 30th September, 2003 (both days inclusive) in connection with the Annual General Meeting.
- 3) Members are requested to bring their copy of Annual Report to the Annual General Meeting
- 4) Members holding shares in identical orders of names in more than one folio are requested to write to the Company's below mentioned Registrar & Transfer Agent and send their share certificates to enable consolidation of their holding into one folio.

- 5) Members seeking any information on the Accounts are requested to write to the company, which should reach the company at least one week before the meeting so as to enable the management to keep the information ready. Replies will be provided only at the meeting.

- 6) Pursuant to the Provisions of Section 205C of the Companies Act, 1956 there was no unclaimed dividend to be transferred to the Investor Education Protection Fund during the year.

- 7) The Company has appointed M/s Intime Spectrum Registry Ltd. as their Registrar for Transfer work and dematerialisation of Shares. The members are requested to send all their correspondence to Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai- 400 078.

8) INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

As required under the Listing Agreement, the particulars of the Director who is proposed to be re-appointed is furnished below:

i)	Item No.2 of the Notice:	
	Name	: Mr.Chandru Chawla
	Age	: 56 years
	Qualification	: under graduate
	Expertise	: Specialised in Finance
	Legal and Business Administration.	
	Date of appointment	: 8 th September, 1997

Mr.Chandru Chawla is holding Directorship in one Limited Company & 2 Private Limited Companies, and he is a Member of the Audit Committee, Remuneration Committee & Shareholders Grievance Committee.

Explanatory Statement under section 173(2) of the Companies Act, 1956

Item No. 4

The present term of appointment of Shri. Chandrakant N. Shah as Managing Director expired on 31st March, 2003. The Board of Directors feels that for the sake of continuity of the present management and for efficient running of the Company, the services of Shri. Chandrakant N. Shah should be available to the Company for a further period of five years with effect from 1st April, 2003 without any remuneration. In terms of the provisions of the articles of association of the company, the Board of Directors at a meeting held on 30th June, 2003, re-appointed him as Managing Director for a further period of five years with effect from 1st April, 2003.

Except Shri. Chandrakant N. Shah, none of the Directors is concerned or interested in the resolution.

By Order of the Board of Directors

CHANDRAKANT N. SHAH
CHAIRMAN

Date: 30th June, 2003

Place: Mumbai

Regd. Office:

185, K.I.D.C.,
Village Dheku, Taluka -Khalapur,
Khopoli-410203. Dist.-Raigad.

Shree Steel Wire Ropes Ltd.**Directors Report**

To,
The Shareholders,

Your Directors are pleasure in presenting the Eleventh Annual Report together with Audited Accounts for the year ended 31st March, 2003.

1 FINANCIAL RESULTS:**(Rs. In Lacs)**

	31st March, 2003	31st March, 2002
SALES	74.99	144.42
NET LOSS BEFORE TAX	73.25	44.48
Less: PROVISION FOR TAXATION	—	—
NET LOSS AFTER TAX	73.25	44.48
BALANCE B/F FROM EARLIER YEAR	39.68	(4.81)
BALANCE CARRIED TO BALANCE SHEET	123.15	39.68

2 REVIEW OF OPERATIONS

During the year under review, the industrial climate continued to be difficult particularly in the wire ropes industries where recession conditions affected the growth of this business. Your Company witnessed decline in the turnover, which stood at Rs.74.99 lacs as against Rs.144.42 lacs in the accounting year 2001-2002.

3 DIVIDEND

In view of loss, your Board of Directors does not recommend any dividend for the financial year ended 31st March 2003.

4 ISO 9002 CERTIFICATION

Your Company has already obtained ISO 9002 Certification

5 CORPORATE GOVERNANCE

A separate report on Corporate Governance is produced as a part of the Annual Report along with the Auditors statement on its compliance.

6 DEPOSITS

The Company had accepted the deposits from the public as per the Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975

7 DEPOSITORY SYSTEM

The Company has entered into an agreement with the National Securities Depository Limited (NSDL) as well as the Central Depository Services (India) Limited (CDSL) to enable shareholders to hold shares in a dematerialised form. The Company also offers simultaneous dematerialisation of the physical shares lodged for transfer.

8 DIRECTORS RESPONSIBILITY STATEMENT

As required under the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm:

- i) that in preparation of the Annual Accounts for the year ended 31st March, 2003, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of financial year ended 31st March, 2003 and the profit of the Company for the year under review;

Shree Steel Wire Ropes Ltd.

- iii) that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) that the annual accounts for the year ended 31st March, 2003 have been prepared on a "going concern basis"

9 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information in accordance with the provisions of Section 217(1)(e) of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in annexure and forms part of this report.

10 EMPLOYEES

There were no employees coming under the purview of Section 217(2A) of the Companies Act, 1956 and the rules frame there under.

11 DIRECTORS

Mr. Chandru Chawla, Director of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Whose details are given below:

Name	:	Mr. Chandru Chawla
Age	:	56 years
Qualification	:	under graduate
Expertise	:	Specialised in Finance Legal and Business Administration.
Date of appointment	:	8 th September, 1997

Mr. Chandru Chawla is holding Directorship in one Limited Company & two Private Limited Companies and he is a Member of the Audit Committee, Remuneration Committee & Shareholders Grievance Committee.

12 AUDITORS

M/s. N.D. Mehta Associates, Chartered Accountants, Mumbai who were appointed as Auditors to hold office until the conclusion of the ensuing Annual General Meeting are eligible for re-appointment. The Company has received the Certificate from them to this effect.

13 DISCLOSURE UNDER SECTION 274 (I) (g)

None of the Directors of the company are disqualified for being appointed as Directors as specified under section 274 (I) (g) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000.

14 ACKNOWLEDGEMENTS

Your Director wish to place on record, the appreciation for the continued support of the customers, Bankers and Suppliers. Your Directors acknowledge and thanks employees for their valuable contribution and involvement.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 30th June, 2003

CHANDRAKANT SHAH
CHAIRMAN

Registered Office:
185- K.I.D.C., Village Dehku,
Taluka - Khalapur, Khopoli - 410203
Dist. Raigad.

Shree Steel Wire Ropes Ltd.**ANNEXURE TO DIRECTOR'S REPORT**

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULE, 1988 FOR THE YEAR ENDED 31ST MARCH, 2003.

I. CONSERVATION OF ENERGY

The Company continues to take adequate measures for conservation and saving of energy.

FORM - A**A. POWER AND FUEL CONSUMPTION**

PARTICULARS	2002-2003	2001-2002
1. Electricity Purchased:		
Unit Purchased (Lac KWH)	2.00	0.61
Total Amount (Rs. In Lac)	8.79	4.23
Average Rate/KWH (Rupees)	4.40	6.97
2. LPG Consumed		
Unit Purchased (Lac KWH)	—	—
Total Amount (Rs. In Lac)	—	—
Average Rate/KWH (Rupees)	—	—

B. CONSUMPTION PER UNIT OF PRODUCTION

PARTICULARS	2002-2003	2001-2002
1. Electricity (KWH)	0.57	14.11

FORM - B**II. RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION AS PER FORM - B:****A. RESEARCH AND DEVELOPMENT**

There is no formal Research and Development. However, the Company has developed many import substitute items for Indian Defence & Indian Air Force.

B. TECHNOLOGY ABSORPTION

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

III. FOREIGN EXCHANGE EARNINGS AND OUTGO.

PARTICULARS	2002-2003	2001-2002
The Company had earned Foreign Exchange as under on (FOB Basis):		
1. On its Direct Export.	14,65,927	59,34,680
2. On its Export as Supporting Manufacturer.	1,38,500	7,79,880
The Foreign Exchange outgoings as under:		
1. Travelling	—	1,13,584
2. Bank Charges	—	61,430
3. Import of Raw Material	—	—

For and on behalf of the Board of Directors

**CHANDRAKANT N. SHAH
CHAIRMAN**

PLACE: Mumbai

DATE : 30th June, 2003.

**CORPORATE GOVERNANCE****PHILOSOPHY ON CODE OF GOVERNANCE**

Corporate Governance is concerned with creation of long term value of shareholders while also balancing interest of other stockholders viz. Employees, Creditors, Government and the society at large. Corporate governance is crucial as it builds confidence and trust, which eventually leads to a more stable and sustained resources flows and long term partnership with its investors and other stockholders.

The Corporate Governance framework will encourage efficient use of resources and ensuring accountability for these resources. Its importance lays in the contribution it makes to the overall growth and direction of the business, management accountability and transparency and above all, equitable treatment for its stockholders.

In Sum, Corporate Governance reinforces the concept of "Your Company" and emphasis that the chairman and Board of Directors are your fiduciaries and trustees, engaged in pushing the business forward and maximising value for you, the shareholders.

CORPORATE GOVERNANCE

Your Company believes in adopting the best corporate governance practices and protecting rights and interest of stockholders. We further believe that the shareholders have the right to know complete information on the Board of Directors and the management, their interest in the organisation as well as governance practice to be followed by them.

The report on corporate governance is divided into five parts:

- I. Board of Directors
- II. Remuneration of Directors
- III. Committees of the Board
- IV. Shareholder Information
- V. Other Disclosures

I. BOARD OF DIRECTORS

A. The details of the Board of directors of the Company are given below:

Name	Date of appointment	Category	No. of other directorship
1. Mr.Chandrakant Shah	01.04.98	Chairman	—
2. Mr.Manoj Jeswani	30.06.99	Executive Director	—
3. Mr.Chandru Chawla	08.09.97	Director	2
4. Mr.Anil Sajani	08.09.97	Director	2

B. RESPONSIBILITIES

The Board of Directors' responsibilities include review of:

- Strategy and business plans
- Annual operating and capital expenditure budgets
- Investment and exposure limits
- Business risk analysis and control
- Senior executive appointment
- Compliance with statutory / regulatory requirements and review of major legal issues
- Adoption of quarterly results/ annual results
- Transaction pertaining to purchase disposal of property, major provisions and write offs.

Shree Steel Wire Ropes Ltd.**C. BOARD MEETINGS**

The meetings of the Board of Directors' are scheduled well in advance and the folder containing the agenda for the meeting with detailed review of all aspects of the Company business, including performance of the Company, employee relations, details of investment, capital expenditure, etc. is circulated to all the directors. It also highlights important matters discussed at the audit committee, shareholders grievance committee and at the sub-committee of Directors. Nine Board meetings were held during the period 26/04/2002, 06/05/2002, 28/06/2002, 31/07/2002, 10/08/2002, 16/09/2002, 30/10/2002, 27/11/2002, 31/01/2003

Name of the Directors	No. of Board Meeting Attended	Attendance at last A.G.M.
1. Mr.Chandrakant Shah	9	YES
2. Mr.Manoj Jeswani	9	YES
3. Mr.Chandru Chawla	7	YES
4. Mr.Anil Sajnani	9	YES

II. REMUNERATION OF DIRECTORS

The details of remuneration paid to the Directors for the year ended 31st March, 2003 are specified below

Name of the Director	Salary & Perquisite	Sitting Fees	Total
1. Mr.Chandrakant Shah	—	—	—
2. Mr.Manoj Jeswani	96,000/-	—	96,000/-
3. Mr.Chandru Chawla	—	—	—
4. Mr.Anil Sajnani	—	—	—

III. COMMITTEES OF THE BOARD**A. AUDIT COMMITTEE**

The Audit Committee of the Board of Directors was formed by the Board on 26th April, 2002, and the Committee comprises of Three members. The functions of the committee are as specified in Clause 49 of the Listing Agreement entered with Stock Exchanges in which the Company's shares are listed. There were Five meetings held during the period under review. The attendance of members for the meetings are as follows:

Name of the Member	Designation	No. of meeting attended
Mr.Chandrakant Shah	Chairman	5
Mr.Chandru Chawla	Member	5
Mr.Anil Sajnani	Member	5