



Shree Steel Wire Ropes Ltd.

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12th ANNUAL REPORT 2003 - 2004

**CERTIFIED TRUE COPY
FOR SHREE STEEL WIRE ROPES LTD;**


DIRECTOR

Shree Steel Wire Ropes Ltd.



BOARD OF DIRECTORS

| | |
|-------------------------|----------|
| Mr. Chandrakant N. Shah | Chairman |
| Mr. Chandru R. Chawla | Director |
| Mr. Anil L. Sajani | Director |
| Mr. Manoj B. Jeswani | Director |

AUDITOR

N.D. Mehta Associates
Balkrishna Chambers,
Office No. 18, 2nd Floor,
¼, Issaji Street, vadgadi,
Mumbai - 400 003.

BANKERS

Development Credit Bank Limited.

REGISTRAR & TRANSFER AGENT

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

REGISTERED OFFICE :

Gate No. 183-184-185, K.I.D.C.,
Villag-Dheku,
Taluka-Khalapur,
Dist-Raigad,
Khopoli-410 203.

ADMINISTRATIVE OFFICE/SHARE DEPT.

2nd Floor, Shiv Ashish Commercial Complex,
Plot No. 10, 19th Road, Chembur,
Mumbai - 400 071. (INDIA)
Tel. : (022) 2527 4142 / 2524 0917
Fax : 91-22-2527 0999

Shree Steel Wire Ropes Ltd.



NOTICE IS HEREBY GIVEN THAT THE TWELTH ANNUAL GENERAL MEETING OF THE MEMBERS OF SHREE STEEL WIRE ROPES LIMITED, WILL BE HELD AT 183, 184, 185, K.I.D.C., VILLAGE -DHEKU, TALUKA-KHALAPUR, DIST.RAIGAD, KHOPOLI-410203 ON FRIDAY, 24TH DAY OF SEPTEMBER, 2004 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' 2004 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 Mr. Manoj B. Jeswani 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.

By Order of the Board of
Directors

CHANDRAKANT N.SHAH
CHAIRMAN

Date: 30th June' 2004

Place: Mumbai

Regd. Office:

183, 184, 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 17th September' 2004 to 24th September' 2004 (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. Manoj B. Jeswani |
| Age | : 32 |
| Qualification | : B.Com |
| Expertise | : Finance |
| Date of appointment | : 30 th June' 1999 |

Mr. Manoj B. Jeswani is not holding any directorship in Limited Company and he is a member of Share Transfer Committee.

By Order of the Board of Directors

CHANDRAKANT N. SHAH
CHAIRMAN

Date: 30th June' 2004

Place: Mumbai

Regd. Office:

183-184-185, K.I.D.C.,
Village Dheku, Taluka -Khalapur,
Khopoli-410203. Dist.-Raigad.

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

To,
The Shareholders,

Your Directors have pleasure in presenting the Twelfth Annual Report together with Audited Accounts for the year ended 31st March' 2004.

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

| | 31st March' 2004 | 31st March' 2003 |
|-----------------------------------|------------------------------------|------------------------------------|
| SALES | 76.87 | 74.99 |
| NET LOSS BEFORE TAX | 40.19 | 73.25 |
| Less: PROVISION FOR TAXATION | — | — |
| Add/(Less): APPROPRIATION ACCOUNT | (0.38) | 10.22 |
| NET LOSS AFTER TAX | 39.81 | 83.47 |
| BALANCE B/F FROM EARLIER YEAR | 123.15 | 39.68 |
| BALANCE CARRIED TO BALANCE SHEET | 162.96 | 123.15 |

2 REVIEW OF OPERATIONS

During the year under review, Your Company witnessed increase in the turnover, which stood at Rs.76.87 lacs as against Rs.74.99 lacs in the accounting year 2002-2003.

3 ISO 9002 CERTIFICATION

Your Company has already obtained ISO 9002 Certification

4 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.

5 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

6 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.

7 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' 2004, 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' 2004 and the profit of the Company for the year under review;
- 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' 2004 have been prepared on a "going concern basis"

Shree Steel Wire Ropes Ltd.

8 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.

9 EMPLOYEES

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

10 DIRECTORS

Mr. Manoj B. Jeswani, Director of the Company is 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. Manoj B. Jeswani |
| Age | : 32 Years |
| Qualification | : B.Com |
| Expertise | : Finance |
| Date of appointment | : 30 th June' 1999 |

Mr. Manoj B. Jeswani is not holding any directorship in Limited Company and he is a member of Share Transfer Committee.

11 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.

12 DISCLOSURE UNDER SECTION 274

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

13 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

CHANDRAKANT N. SHAH
CHAIRMAN

Place: Mumbai
Date: 30th June' 2004

Registered Office:
183, 184, 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, 2004.

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 | 2003-2004 | 2002-2003 |
|----------------------------------|-----------|-----------|
| 1. Electricity Purchased: | | |
| Unit Purchased (Lac KWH) | 2.37 | 2.00 |
| Total Amount (Rs. In Lac) | 9.96 | 8.79 |
| Average Rate/KWH (Rupees) | 4.20 | 4.40 |
| 2. LPG Consumed | | |
| Unit Purchased (Lac KWH) | — | — |
| Total Amount (Rs. In Lac) | — | — |
| Average Rate/KWH (Rupees) | — | — |

B. CONSUMPTION PER UNIT OF PRODUCTION

| PARTICULARS | 2003-2004 | 2002-2003 |
|----------------------|-----------|-----------|
| 1. Electricity (KWH) | 0.24 | 0.57 |

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 | 2003-2004 | 2002-2003 |
|--|-----------|-----------|
| The Company had earned Foreign Exchange as under on (FOB Basis): | | |
| 1. On its Direct Export. | 19,41,224 | 14,65,927 |
| 2. On its Export as Supporting Manufacturer. | — | 1,38,500 |
| The Foreign Exchange outgoings as under: | | |
| 1. Travelling | 23,800 | — |
| 2. Bank Charges | — | — |
| 3. Import of Raw Material | — | — |

For and on behalf of the Board of Directors

CHANDRAKANT N. SHAH
CHAIRMAN

Place : Mumbai
Date : 30th June, 2004.

**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 stakeholders 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 stakeholders.

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 stakeholders.

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 stakeholders. 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 | 01.04.03 | Chairman | — |
| 2. Mr.Manoj Jeswani | 30.06.99 | Director | 1 |
| 3. Mr.Chandru Chawla | 08.09.97 | Director | 2 |
| 4. Mr.Anil Sajnani | 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. Six Board meetings were held during the period 01/06/2003, 30/06/2003, 31/07/2003, 27/10/2003, 30/01/2004, 03/03/2004.

| Name of the Directors | No. of Board Meeting Attended | Attendance at last A.G.M. |
|------------------------|-------------------------------|---------------------------|
| 1. Mr.Chandrakant Shah | 6 | YES |
| 2. Mr.Manoj Jeswani | 6 | YES |
| 3. Mr.Chandru Chawla | 6 | YES |
| 4. Mr.Anil Sajnani | 6 | YES |

II. REMUNERATION OF DIRECTORS

The details of remuneration paid to the Directors for the year ended 31st March'2004 are specified below

| Name of the Director | Salary & Perquisite | Sitting Fees | Total |
|------------------------|---------------------|--------------|----------|
| 1. Mr.Chandrakant Shah | — | — | — |
| 2. Mr.Manoj Jeswani | 40,000/- | — | 40,000/- |
| 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 Four 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 | 4 |
| Mr.Chandru Chawla | Member | 4 |
| Mr.Anil Sajnani | Member | 4 |

B. REMUNERATION COMMITTEE

Remuneration Committee was constituted on 26th April'2002 and it reviews and approves the annual salaries, performance commission, service agreements and other employment conditions for executive directors.

| Name of the Member | Designation |
|--------------------|-------------|
| Mr.Chandru Chawla | Member |
| Mr.Anil Sajnani | Member |

REMUNERATION POLICY

The Executive Director is paid remuneration as per the Agreement entered between him and the Company. This Agreement is placed for approval before the Board and the shareholders and such other authorities as may be necessary. The remuneration structure of Executive Director comprises of salary, commission, perquisites and allowances, contributions to provident fund, super-annuation and gratuity. The non-executive directors do not draw any remuneration from the Company. The details of Remuneration to Directors is furnished in paragraph II above.

Shree Steel Wire Ropes Ltd.**C. SHARE TRANSFER COMMITTEE**

The Share Transfer Committee consists of Four members. The Committee meets on a regular basis to approve transfer of shares, transmission of shares, splitting, consolidation and dematerialisation of shares. The shares in Physical form sent for transfer in physical form are processed and registered by the Company within 30 days of receipt of documents, if found in order & to specifically look into the redress of shareholder and investor complaints like transfer of shares, non-receipt of dividends, non-receipt of Annual Report, etc. A total of Seventeen meetings were held during the year in which 21800 equity shares were transferred

| Name | Designation | No. of meetings attended |
|---------------------|-------------|--------------------------|
| Mr.Chandrakant Shah | Chairman | 17 |
| Mr.Manoj Jeswani | Member | 17 |
| Mr.Chandru Chawla | Member | 17 |
| Mr.Anil Sajnani | Member | 17 |

No. of shareholders complaints/ communication Received during the year Nil

No. of complaints not resolved to The satisfaction of shareholders Nil

No. of pending share transfers Nil

IV. SHAREHOLDER INFORMATION**1. ANNUAL GENERAL MEETING**

Date and Time : 24th September' 2004

Venue : 183-184-185-K.I.D.C., Village - Dheku, Taluka – Khalapur, Dist. Raigad, Khopoli - 410203

2. Book Closure Date: 17th September' 2004 to 24th September' 2004

3. REGISTERED OFFICE : 183-184-185-K.I.D.C., Village - Dheku, Taluka – Khalapur, Dist. Raigad, Khopoli - 410203

4. Listing of Equity Shares on Stock: The Mumbai Stock Exchange

5. Stock code : S13488

6. Stock Price Data :

There is negligible transactions during the year, therefore the quotation of stock prices are not available.

7. Registrar & Transfer Agents : Intime Spectrum Registry Private Limited

Pannalal Silk Mills Compound, 1st Floor, L.B.S. Marg, Bhandup (West), Mumbai-400 078

9. Distribution of shareholding as on 31stMarch, 2004.

| No. of Equity Shares helds | No. of Shareholders | % of Shareholders | No. of Shares | % of Share holdings |
|----------------------------|---------------------|-------------------|---------------|---------------------|
| Upto 5000 | 3888 | 82.4500 | 761300 | 16.0930 |
| 5001-10000 | 492 | 10.9990 | 437500 | 9.2480 |
| 10001-20000 | 141 | 3.1520 | 231340 | 4.8900 |
| 20001-30000 | 61 | 1.3640 | 156810 | 3.3150 |
| 30001-40000 | 16 | 0.3580 | 57000 | 1.2050 |
| 40001-50000 | 26 | 0.5810 | 127300 | 2.6910 |
| 50001-100000 | 28 | 0.6260 | 215650 | 4.5590 |
| 100000 & above | 21 | 0.4690 | 2743800 | 58.00 |
| Total | 4473 | 100.00 | 4730700 | 100.00 |