

*13th Annual Report
2004 -2005*

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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	Director

Auditor :

N. D. Mehta Associates
Balkrishna Chambers
Office No. 18, 2nd Floor.
1/4, Issaji Street, Vadgadi,
Mumbai 400 023.

Bankers :

Development Credit Bank Limited

Registrar & Transfer Agent :

Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mill Compound,
L. B. S., Bhandup (W), Mumbai 400 076.

Registered Office :

Gat No. 183-184-185, K. I. D. C.,
Village 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

NOTICE IS HEREBY GIVEN THAT THE THIRTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF SHREE STEEL WIRE ROPES LIMITED, WILL BE HELD AT 183-185, K.I.D.C., VILLAGE-DHEKU, TALUKA-KHALAPUR, DIST.RAIGAD, KHOPOLI - 410203 ON FRIDAY 30th DAY OF SEPTEMBER, 2005 AT 4.30 P.M. TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2005 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. Anil L. Sajani 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 the following resolution as a Special Resolution:

"RESOLVED THAT:

1. Subject to the confirmation of the Hon'ble High Court of Mumbai or National Company Law Tribunal under Section 100 of the Companies Act, 1956 (hereinafter referred to as "the Act") and any other applicable provision of the Act, if any, and pursuant to Article 9 of the Articles of Association of the Company, the issued and subscribed Share Capital of the Company be reduced from Rs. 4,73,07,000 (Rupees Four Crores Seventy Three Lac Seven Thousand Only) divided into 47,30,700 (Forty Seven Lac Thirty Thousand Seven Hundred Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 3,31,14,900 (Rupees Three Crore Thirty One Lac Fourteen Thousand and Nine Hundred Only) divided into 33,11,490 (Thirty Three Lacs Eleven Thousand Four Hundred and Ninety) Equity Shares of Rs.10 (Rupees Ten Only) each by canceling the existing Equity Share Capital to the extent of Rs.1,41,92,100 (Rupees One Crore Forty One Lacs Ninety Two Thousand and One Hundred Only) divided into 14,19,210 (Fourteen Lacs Nineteen Thousand Two Hundred and Ten) Equity Shares of Rs.10 (Rupees Ten Only). The existing paid up Equity Share Capital shall also correspondingly reduce.
2. The existing certificates of Equity shares be called back from the existing shareholders and cancelled and in place thereof new certificates of Equity shares be issued in term of reduction of Equity Share Capital as per this Resolution, upon receipt of all approvals as may be required. The shareholders who are holding shares in dematerialized form, their depository account would be debited and credited accordingly upon receipt of all necessary approval.



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3. No fraction certificate shall be issued pursuant to such reduction of Equity Share Capital of the Company in favour of any member, all such fractions shall be consolidated into Equity Shares of Rs. 10 /-each .
4. The accumulated losses being debit balance in profit and Loss Account of the Company up to Rs. 1,41,92,100 (Rupees One Crore Forty One Lac Ninety Two Thousand One Hundred Only) as on 31-03-2005 be written off against reduction of issued and subscribed Equity Share Capital of Rs.1,41,92,100 (Rupees One Crore Forty One Lac Ninety Two Thousand One Hundred Only) as mentioned hereinabove.

“RESOVLED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution including to appoint advocates, file and verify the petition, affirm affidavits, appear in the High Court and do all the acts, deeds, matters and things connected with or incidental to giving effect to this Resolution and to settle any questions or difficulty which may arise in giving effect to this Resolution and the Board of Directors is also hereby authorised to make such alterations and changes and to accept such modification therein as may be expedient or necessary for satisfying the requirements or directions or conditions as may be imposed by the High Court or any other authorities.”

By Order of the Board of Directors

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CHANDRAKANT N. SHAH
CHAIRMAN

Date: **30th June' 2005**

Place: **Mumbai**

Regd.Office:

183 - 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 23rd September, 2005 to 30th September, 2005 (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) The Company has appointed M/s Intime Spectrum Registry Ltd. as their Registrar for Transfer work and dematerialization 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.
- 7) **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. Anil Sajnani
Age	:	32 years
Qualification	:	B.Com
Expertise	:	Marketing & Industry.
Date of appointment	:	8 th September, 1997

Mr. Anil Sajnani is holding directorship in two other Company and he is not a member of any Committee.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL RESOLUTION UNDER SPECIAL BUSINESS MENTIONED IN THE NOTICE OF ANNUAL GENERAL MEETING OF THE COMPANY.

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Item No. 4

Members are aware that the Company was passing through difficult financial period and for the several years the Company had been incurring continuous losses and the Company has accumulated losses amounting to Rs 1,46,51,902/- as per the Balance Sheet as on 31st March 2005. For the same reason the Board of Directors decided to reduce the Equity Share Capital amount to the extent of 30% of existing Equity Share Capital amount i.e. 30 % of Rs. 4,73,07,000/- equivalent to Rs. 1,41,92,100 /-subject to such approvals as may be required.

After above reduction, the debit balance in Profit and Loss Account as on 31-03-2005 will be Rs.4,59,802/- (Rupees Four Lacs Fifty Nine Thousand Eight Hundred and Two). This exercise is expected to give a more realistic picture of Company's Share Capital, Reserves, Assets and Profit and Loss Account balance, besides cleaning up its Balance Sheet. Since the reduction of the share capital will be on prorata basis for all the Equity Shareholders, their voting and other rights on shares within themselves, will not be affected. Although the company hopes that its operations will improve in the current year and future years to come. The Company will be in a better position to carry on its business without the legacy of large amount of losses. Hence, it will be proper for the Company to write off the losses and to start with a clean Balance Sheet. Hence this Special Resolution has been proposed by the Board of Directors.

Pursuant to Section 100 of the Companies Act, 1956 the above said proposal is subject to approval of shareholders by way of a Special Resolution and the Hon'ble High Court, Mumbai or National Company Law Tribunal or such other authorities or creditors/persons as may be required in law. Your Directors recommend the resolution specified in the notice for your approval.

By Order of the Board of Directors

CHANDRAKANT N. SHAH
CHAIRMAN

Date: **30th June' 2005**

Place: **Mumbai**

Regd.Office:

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

Directors Report

To,
The Shareholders,

Your Directors have pleasure in presenting the Thirteenth Annual Report together with Audited Accounts for the year-ended 31st March, 2005.

1 FINANCIAL RESULTS:

(Rs. In Lacs)

	31 st March, 2005	31 st March, 2004
SALES	82.24	76.87
NET PROFIT / (LOSS) BEFORE TAX	8.04	(40.19)
Less: PROVISION FOR TAXATION	0.00	0.00
Add/(Less): APPROPRIATION ACCOUNT	8.40	(0.38)
NET PROFIT / (LOSS) AFTER TAX	16.44	(39.81)
BALANCE B/F FROM EARLIER YEAR	162.96	123.15
BALANCE CARRIED TO BALANCE SHEET	146.52	162.96

2 REVIEW OF OPERATIONS:

During the year under review, Your Company witnessed increase in the turnover, which stood at Rs. 82.24 Lacs as against Rs.76.87 Lacs in the accounting year 2004-2005.

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.



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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, 2005, 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, 2005 and the profit/(Loss) 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, 2005 have been prepared on a "going concern basis"

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. Anil Sajani, 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. Anil Sajani
Age	:	32 years
Qualification	:	B.Com
Expertise	:	Marketing & Industry.
Date of appointment	:	8 th September, 1997

Mr. Anil Sajani is holding directorship in two other Company and he is not a member of any 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 REDUCTION OF CAPITAL

Your Directors has recommended the accumulated lossess being debited to Profit and Loss Account of the Company upto Rs. 1,41,92,100 (Rupees One Crore Forty One Lac Ninety Two Thousand One Hundred Only) as on 31.03.2005 be written off against the aggregate reduction of the issued and subscribed equity share capital of Rs. 1,41,92,100 (Rupees One Crore Forty One Lac Ninety Two Thousand One Hundred Only) i.e. reduction to the extent of 30% of the existing issued and subscribed equity share capital, subject to compliance of provision of section 100 of the Companies Act, 1956 and subject to the approval of members in the ensuing Annual General Meeting, confirmation of the High Court and such approval, as may be required.

13 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.

14 ACKNOWLEDGEMENTS

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

Directors

For and on behalf of the Board of

CHANDRAKANT N. SHAH
CHAIRMAN

Date: **30th June' 2005**

Place: **Mumbai**

Regd.Office:

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



Annexure to Directors Report

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULE, 1988 FOR THE YEAR ENDED 31ST MARCH, 2005.

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	2004-2005	2003-2004
1. Electricity Purchased:		
Unit Purchased (Lac KWH)	2.43	2.37
Total Amount (Rs. In Lac)	9.97	9.96
Average Rate/KWH (Rupees)	4.10	4.20
2. LPG Consumed		
Unit Purchased (Lac KWH)	---	---
Total Amount (Rs. In Lac)	---	---
Average Rate/KWH (Rupees)	---	---

B. CONSUMPTION PER UNIT OF PRODUCTION

PARTICULARS	2004-2005	2003-2004
1. Electricity (KWH)	0.37	0.24

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	2004-2005	2003-2004
The Company had earned Foreign Exchange as under on (FOB Basis):		
1. On its Direct Export.	51,275	19,41,224
2. On its Export as Supporting Manufacturer.	---	---
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, 2005.