

14th Annual Report 2005-06

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Shree Steel Wire Ropes Ltd.

*In Fond Memory of the Founder and Promoter of
Shree Steel Wire Ropes Ltd.*



Late Shri Chandrakant N. Shah
(1946-2006)



*You will always be with us
Our Strength, Our Inspiration*

-Board of Directors



NOTICE IS HEREBY GIVEN THAT THE FOURTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF SHREE STEE WIRE ROPES LIMITED WILL BE HELD ON 30TH DAY SEPTEMBER 2006, AT 183-185, K.I.D.C., VILLAGE -DHEKU, TALUKA -KHALAPUR, DIST.RAIGAD, KHOPOLI -410203 AT 3.00 P.M. TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March 2006 and the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr.Chandru Chawla who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint M/s.N.D.Mehta Associates, Auditors to hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorise the 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 an Ordinary Resolution:**

"RESOLVED THAT Mr.Ashish Sajnani, who was appointed an additional Director of the Company by the Board of Directors of the Company and who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director, be and is hereby appointed a Director of the Company liable to retirement by rotation"

5. **To consider and if thought fit, to pass with or without modification the following resolution as a Ordinary Resolution:**

"RESOLVED THAT Mr.Subhash Motwani, who was appointed an additional Director of the Company by the Board of Directors of the Company and who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director, be and is hereby appointed a Director of the Company liable to retirement by rotation"

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

"RESOLVED THAT pursuant to Section 198, 269, read with Schedule XIII, 309, 310 and 314 or any other applicable provision of the Companies Act, 1956, Mr. Manoj Jeswani be and is hereby appointed as Executive Director of the Company with effect from 1st April 2005 for a period of 3 years on such terms and conditions set out in the Agreement entered into between the Company and Mr. Manoj Jeswani, a copy of which initialed by Mr.Chandrakant Shah - Chairman of the Company, for the purpose of Identification, is placed before the meeting.

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

"RESOLVED THAT pursuant to Section 198, 269, read with Schedule XIII, 309, 310 and 314 or any other applicable provision of the Companies Act, 1956, Mr. Chandru Chawla be and is hereby appointed as Executive Director of the Company with effect from 1st April 2005 for a period of 3 years on such terms and conditions set out in the Agreement entered into between the Company and Mr. Chandru Chawla, a copy of which initialed by Mr. Chandrakant Shah, Chairman of the Company, for the purpose of Identification, is placed before the meeting.

By Order of the Board of Directors
For **Shree Steel Wire Ropes Limited**

Sd/-

CHANDRAKANT N.SHAH(Chairman)

DATE : 30TH JUNE' 2006

PLACE : MUMBAI.

REGISTERED 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 relevant Explanatory Statement pursuant to the Section 173(2) of the Companies Act, 1956, is annexed hereto.
- 3) Members are requested to send all transfer deeds, share certificates and other correspondence relating to registration of transfers, transmission etc to the Registrar & Share Transfer Agents i.e.

M/s. INTIME SPECTRUM REGISTRY LIMITED

C-13, PANNALAL SILK MILLS COMPOUND, L.B.S. MARG, BHANDUP (WEST), MUMBAI-400 078

- 4) As per the Listing Agreement, particulars of directors who are proposed to be appointed and re-appointed is furnished below:

Item No:2 & 7

1. Name of Director	: Mr.Chandru Chawla
2. Age	: 59 years
3. Date of Appointment	: 08.09.1997
4. Expertise in specific	: Legal, Finance and Business Administration
5. Qualification	: Under Graduate
6. Directorship held in Other Limited Cos. (Excluding Private & Foreign Companies)	: None
7. Committee position held in other companies	: None
8. Number of Shareholdings	: 218100

Item No:4

1. Name of Director	: Mr.Ashish Sajnani
2. Age	: 28 years
3. Date of Appointment	: 28.12.2005
4. Expertise in specific	: Specialised in Hotel Management and Operation & Business Administration
5. Qualification	: Diploma in Hotel
6. Directorship held in Other Companies (Excluding Private & Foreign Companies)	: Bholenath Developers Limited
7. Committee position held in other companies	: None
8. Number of Shareholdings	: NIL

Item No:5

1. Name of Director	: Mr. Subhash Motwani
2. Age	: 36 Years
3. Date of Appointment	: 28.12.2005
4. Expertise in specific	: Marketing & Operations
5. Qualification	: Under Graduate
6. Directorship held in Other Companies (Excluding Foreign Companies)	: None
7. Committee position held in other companies	: None
8. Number of Shareholdings	: 3000

**Item No:6**

- | | | |
|---|---|---|
| 1. Name of Director | : | Mr.Manoj Jeswani |
| 2. Age | : | 34 years |
| 3. Date of Appointment | : | 30.06.1999 |
| 4. Expertise in specific | : | Finance & Business Administration & Computer Related Operations |
| 5. Qualification | : | B.Com & Diploma in Software Engineering |
| 6. Directorship held in Other Companies (Excluding Foreign Companies) | : | None |
| 7. Committee position held in other companies | : | None |
| 8. Number of Shareholdings | : | 20600 |

5) Members are requested to bring their copy of the Annual Report at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT,1956**ITEM NO:4**

Mr. Ashish Sajnani possessing the degree of Diploma in Hotel Management and operations with sound knowledge of Business Administration. Looking at his experience, he was appointed as Additional Director by the Board of Directors of the Company ("the Board") at its meeting held on 28th December, 2005 with effect from 28th December, 2005. Pursuant to Section 260 of the Companies Act, 1956 ("the Act"), Mr. Ashish Sajnani holds office upto the date of Annual General Meeting of the Company. Notices have been received from the members of the Company in pursuance of Section 257 of the Act, proposing Mr. Ashish Sajnani as a candidate for the office of Director of the Company. Mr. Ashish Sajnani has given his consent, if appointed to act as a Director of the Company.

Your Directors recommend the resolution set out in Item No. 4 of the Notice convening the meeting.

None of the Directors of the company except Mr.Anil Sajnani are concerned or interested in the resolution.

ITEM NO:5

Mr. Subhash Motwani having specialised in Marketing and Operation related activities . Looking at his vast experience, he was appointed as Additional Director by the Board of Directors of the Company ("the Board") at its meeting held on 28th December, 2005 with effect from 28th December, 2005. Pursuant to Section 260 of the Companies Act, 1956 ("the Act"), Mr. Subhash Motwani holds office upto the date of Annual General Meeting of the Company. Notices have been received from the members of the Company in pursuance of Section 257 of the Act, proposing Mr. Subhash Motwani as a candidate for the office of Director of the Company. Mr. Subhash Motwani has given his consent, if appointed to act as a Director of the Company.

Your Directors recommend the resolution set out in Item No. 5 of the Notice convening the meeting.

None of the Directors of the company are concerned or interested in the resolution.

ITEM NO: 6

As per recommendation of remuneration committee, Mr.Manoj Jeswani was appointed as Executive Director of the Company w. e. f. 1st April, 2005 at the meeting of the Board of Directors held on 1st October,2005 for a period of 3 years upon such terms and conditions set out in the Agreement entered by the Company with Mr.Manoj Jeswani.

The remuneration recommended is regarded as fair and complies with the terms and conditions specified in parts I and Section II (A) of Part II of Schedule XIII to the Companies Act, 1956.

An abstract of the terms of the appointment giving details of the remuneration payable and perquisites to be provided to Mr. Manoj Jeswani are set out below:

REMUNERATION

Mr. Manoj Jeswani will receive a remuneration of Rs.10,000/- p.m. effective from 1st April, 2005 as the Executive Director of the Company and the Board of Directors have power to increase the remuneration with the consultation with remuneration committee from time to time.

He is also eligible to the following perquisites which shall not be included in the computation of the ceiling limit of remuneration.

- A. Contribution to Provident Fund, Superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income –Tax Act, 1961
- B. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- C. Encashment of leave at the end of tenure

MINIMUM REMUNERATION

Notwithstanding anything contrary herein contained, where in any financial year during the currency of the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the company will pay remuneration by way of salary and perquisites as specified in Section II of Part II of Schedule XIII to the Companies Act, 1956, as may be amended from time to time.

Your Directors recommend the resolution set out in Item No. 6 of the Notice convening the meeting.

None of the Directors of the company are concerned or interested in the resolution.

This may be treated as abstract of the terms of appointment of Mr. Manoj Jeswani in terms of Section 302 of the Act.

ITEM NO: 7

As per recommendation of remuneration committee, Mr. Chandru Chawla was appointed as Executive Director of the Company w. e. f. 1st April, 2005 at the meeting of the Board of Directors held on 1st October, 2005 for a period of 3 years upon such terms and conditions set out in the Agreement entered by the Company with Mr. Chandru Chawla

The remuneration recommended is regarded as fair and complies with the terms and conditions specified in parts I and Section II (A) of Part II of Schedule XIII to the Companies Act, 1956.

An abstract of the terms of the appointment giving details of the remuneration payable and perquisites to be provided to Mr. Chandru Chawla are set out below:

REMUNERATION

Mr. Chandru Chawla will receive a remuneration of Rs.10,000/- p.m. effective from 1st April, 2005 as the Executive Director of the Company and the Board of Directors have power to increase the remuneration with the consultation with remuneration committee from time to time.

He is also eligible to the following perquisites which shall not be included in the computation of the ceiling limit of remuneration.

- A. Contribution to Provident Fund, Superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income –Tax Act, 1961
- B. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- C. Encashment of leave at the end of tenure

MINIMUM REMUNERATION

Notwithstanding anything contrary herein contained, where in any financial year during the currency of the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the company will pay remuneration by way of



salary and perquisites as specified in Section II of Part II of Schedule XIII to the Companies Act, 1956, as may be amended from time to time.

Your Directors recommend the resolution set out in Item No. 7 of the Notice convening the meeting.

None of the Directors of the company are concerned or interested in the resolution.

This may be treated as abstract of the terms of appointment of Mr. Chandru Chawla in terms of Section 302 of the Act.

By Order of the Board of Directors
For **Shree Steel Wire Ropes Limited**

Sd/-

CHANDRAKANT N. SHAH (Chairman)

DATE : 30TH JUNE' 2006

PLACE : MUMBAI.

REGISTERED OFFICE:

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

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Directors Report

To,
The Shareholders,

Your Directors have pleasure in presenting the 14th Annual Report together with Audited Accounts for the year-ended 31st March, 2006.

1. FINANCIAL RESULTS:

(Rs. In Lacs)

	31 st March, 2006	31 st March, 2005
SALES	166.25	82.24
NET PROFIT / (LOSS) BEFORE TAX	81.77	8.04
Less: PROVISION FOR TAXATION	2.33	0.00
Add/(Less): APPROPRIATION ACCOUNT	-	8.40
NET PROFIT / (LOSS) AFTER TAX	79.44	16.44
BALANCE B/F FROM EARLIER YEAR (Rs. 146.52 less Rs. 141.92 which is kept intact to be adjusted pursuant to Hon'ble Bombay High Court order dated 13.04.2006 in the year 2006-07)	(4.60)	(162.96)
BALANCE CARRIED TO BALANCE SHEET	74.84	(146.52)

2. REVIEW OF OPERATIONS :

During the year under review, your company witnessed increase in the turnover and Labour charges received, which stood at Rs.115.25 Lacs and 96.03 Lacs respectively, as against Rs.82.24 Lacs and 82.74 Lacs respectively in the accounting year 2004-05. During the year under consideration the Company also achieved a turnover of Rs.51.00 Lacs from its construction division.

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:

- that in preparation of the Annual Accounts for the year ended 31st March, 2006, the applicable accounting standards had been followed along with proper explanation.
- 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, 2006 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, 2006 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. Chandru Chawla, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

Subject to approval of Members; the remuneration committee and Board of Directors of the company recommended the appointment of Mr. Chandru Chawla & Mr. Manoj Jeswani as Executive Director of the company for the period of three years w.e.f. 1st April, 2005

Mr. Ashish Sajani & Mr. Subhash Motwani appointed as additional director of the company on 28th December, 2005. They hold office as a directors of the company till the ensuing Annual General Meeting. The company has received notices from the members pursuant to section 257 of the Companies Act, 1956 of their intention to move resolutions at the ensuing Annual General Meeting for appointment of them as a Director.

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. HIGH COURT ORDER FOR REDUCTION OF CAPITAL

The Company has obtained the High Court, Bombay order dated: 13th April, 2006 for reduction of capital i.e. The Issued and Subscribed Share Capital of the Company reduced from Rs. 4,73,07,000/- (Rupees Four Crore Seventy Three Lacs Seven Thousand Only) divided into 47,30,700 Equity Shares of Rs. 10/- each to Rs. 3,31,14,900/- (Rupees Three Crore Thirty One Lacs Fourteen Thousand Nine Hundred Only) divided into 33,11,490 Equity Shares of Rs. 10/- each. By cancelling the existing equity share capital to the extent of Rs. 1,41,92,100/- (Rupees One Crore Forty One Lacs Ninety Two Thousand One Hundred Only) divided into 14,19,210 equity shares of Rs. 10/- each. The Existing paid up share capital of the company is correspondingly reduced.

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.

For and on behalf of the Board of Directors
For **Shree Steel Wire Ropes Limited**

Sd/-

CHANDRAKANT N. SHAH (Chairman)

DATE : 30TH JUNE' 2006

PLACE : MUMBAI.

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



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, 2006 have been prepared on a "going concern basis"

8. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO :**
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For and on behalf of the Board of Directors
For **Shree Steel Wire Ropes Limited**
Sd/-

CHANDRAKANT N. SHAH (Chairman)

DATE : 30TH JUNE' 2006
PLACE : MUMBAI.

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