



# BOMBAY WIRE ROPES LIMITED

**ANNUAL REPORT  
2011-2012**



**BOMBAY  
WIRE ROPES  
LIMITED**



# **BOMBAY WIRE ROPES LIMITED**

**ANNUAL REPORT 2011-2012**

## **BOARD OF DIRECTORS**

KANTI KUMAR KANORIA	Chairman
KASHINATH RAJGARHIA	Director
DR. ANURAG KANORIA	Director
M. K. CHAKRABORTY	Executive Director

## **REGD. OFFICE**

401/405, JOLLY BHAVAN NO. 1,  
10, NEW MARINE LINES,  
MUMBAI - 400 020.

## **AUDITORS**

**SINGHI & CO.**



## **NOTICE**

NOTICE is hereby given that the 51st Annual General Meeting of the members of Bombay Wire Ropes Limited will be held at Kasliwal Board Room, The Maharashtra Chamber of Commerce, 6th Floor, Oricon House, 12, Rampart Row, Fort, Mumbai – 400 023 on Friday, the 28th September, 2012 at 3.30 p. m. to transact the following business:

### **Ordinary Business :**

1. To receive, consider and adopt the Audited Statement of Accounts for the year ended 31st March, 2012 and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Kashinath Rajgarhia who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### **SPECIAL BUSINESS :**

4. To consider and if thought fit, to pass with or without modification, the following resolution as ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof for the time being in force), Dr. Anurag Kanoria, who pursuant to the Articles of Association of the Company was appointed as an Additional Director of the Company on 3rd October, 2011 and who under Section 260 of the Companies Act, 1956, holds office only upto the date of this Annual General Meeting and being eligible offers himself for appointment and in respect of whom the Company has received a Notice in writing from a member signifying his intention to propose the candidature of Dr. Anurag Kanoria for the Office of the Director of the Company, be and is hereby appointed as a Director of the Company.

5. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and all other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the said Act, the reappointment of Shri Mihir Kumar Chakraborty, as Whole Time Director, designated as Executive Director, from 1st October, 2011 for a further period of 3 (three) years be and is hereby approved on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Shri Mihir Kumar Chakraborty, a draft whereof is placed before this meeting, duly initialed by the Chairman of the meeting, for the purpose of identification and that the said draft agreement be and is also hereby approved".

"RESOLVED FURTHER THAT even if in any financial year during the tenure of Shri Mihir Kumar Chakraborty, the Company has no profits or its profits are inadequate, the Company shall pay to Shri M. K. Chakraborty the remuneration by way of salary, perquisites and other allowances pursuant to the agreement approved as aforesaid as minimum remuneration, subject however to the limits and conditions as prescribed under schedule XIII to the Act."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary or increase the remuneration of Shri Mihir Kumar Chakraborty and the aforesaid agreement between the Company and Shri Mihir Kumar Chakraborty shall be suitably amended to give effect to such variation or increase."

Mumbai, the 29th June, 2012

### **Registered Office :**

401/405, Jolly Bhavan No. 1  
4th Floor, 10, New Marine Lines,  
Mumbai – 400 020.

By Order of the Board of Directors  
For BOMBAY WIRE ROPES LIMITED

K. K. Kanoria  
Chairman

### **Notes :**

- a) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself, and such proxy need not be a member of the Company.
- b) Members are requested to notify change in their addresses, if any, to the Company.
- c) The Register of Members and the Transfer Book of the Company will be closed from 25th September, 2012 to 28th September, 2012 (Both days inclusive).
- d) Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.

## **ANNEXURE TO NOTICE**

**Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the special business to be transacted at the Annual General Meeting on 28th September, 2012.**

### **Regarding Item No. 4**

Dr. Anurag Kanoria was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 3rd October, 2011 under section 260 of the Companies Act, 1956. His term of office will expire at this Annual General Meeting. Notice has been received from a member alongwith a deposit of Rs. 500/- under Section 257 of the Companies Act, 1956, signifying his intention to propose Dr. Anurag Kanoria as a Director of the Company.

Dr. Anurag Kanoria, aged on or about 44 years, has done his B.Com and M. A. from Bombay University and further M. A. from North Eastern University, Boston, USA and is an able administrator with an experience of over 20 years in industry and business.

The Directors of the Company recommend the resolution set out at item no. 4 of the Notice for approval of the shareholders.

Dr. Anurag Kanoria is deemed to be concerned or interested in the resolution which pertains to his appointment. Shri K. K. Kanoria, being a relative of Dr. Anurag Kanoria, is also deemed to be concerned or interested in the resolution pertaining to the appointment of Dr. Anurag Kanoria.

None of the other Directors of the Company are concerned or interested in the resolution.

### **Regarding Item No. 5**

The last tenure of office of Shri M. K. Chakraborty as Whole Time Director designated as Executive Director expires on 30.9.2011 and the Board of Directors in their meeting held on 3rd October, 2011 reappointed Shri M. K. Chakraborty as Whole Time Director designated as Executive Director for a further period of 3 years with effect from 1.10.2011 subject to approval of the shareholders. His terms of remuneration fixed subject to the provisions of Schedule XIII to the Act are as follows :-

- a) Salary : Rs. 33,500/- per month from 1st October, 2010.  
Rs. 43,500/- per month from 1st July, 2012.

#### **Perquisites :**

- a) Housing : Furnished accommodation or House Rent Allowance in lieu thereof.  
b) Bonus : As per rules of the Company.  
c) Medical : Re-imbursment of expenses for self and family subject to a maximum of Rs. 400/- in a year.



**BOMBAY  
WIRE ROPES  
LIMITED**

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- d) Leave Travel Concession : For self and family once in a year subject to a maximum of Rs. 3,000/- in a year.
- e) Provident Fund : As per rules of the Company on full salary.
- f) Gratuity : Not exceeding half a month's salary for each completed year of service subject to a maximum of 20 months' salary.
- g) Earned Leave : Leave for 30 days in a year on full pay as per the rules of the Company. Encashment of leave at the end of the tenure will be permitted and the same will not be included in the computation of the limit on perquisites.
- h) Conveyance : Re-imbusement of conveyance expenses incurred for the Company's business.
- i) Telephone : Provision of one telephone at residence. However, personal long distance calls will be billed by the Company.

The appointment may be terminated by either party by giving to the other party three months' notice.

The draft Agreement to be entered into between the Company and Shri. M. K. Chakraborty in the matter is available for inspection at the Registered Office of the Company on any working day excluding Saturdays upto the date of the 51st Annual General Meeting between 1.00 p.m. to 3.00 p.m.

The Directors recommend the Resolution set out at item 5 of the Notice for approval of the shareholders.

The above may be treated as an abstract of the terms of contract/appointment between the Company and Shri M. K. Chakraborty pursuant to Section 302 of the Companies Act, 1956, when executed.

Shri M. K. Chakraborty may be deemed to be concerned or interested in the Resolution, which pertains to the remuneration payable to him.

None of the other Directors of the Company is concerned or interested in the Resolution.

Mumbai, the 29th June, 2012  
**Registered Office :**  
401/405, Jolly Bhavan No. 1  
4th Floor, 10, New Marine Lines,  
Mumbai – 400 020.

By Order of the Board of Directors  
For BOMBAY WIRE ROPES LIMITED

K. K. Kanoria  
Chairman



## ***DIRECTORS' REPORT TO THE SHAREHOLDERS***

Your Directors hereby present the 51st Annual Report of the Company alongwith the audited statement of accounts for the year ended 31st March, 2012.

### **FINANCIAL RESULTS:**

	<u>2011-2012</u>	<u>2010-2011</u>
	Rs. In Lakhs	Rs. In Lakhs
Deficit for the Year	(78.35)	(63.58)
Add: Previous Years' Deficit	(1008.56)	(944.98)
Balance Deficit in the Profit & Loss A/c.	(1086.91)	(1008.56)
Less: General Reserve	67.40	67.40
Balance Deficit carried forward	(1019.51)	(941.16)

### **DIVIDEND :**

Your Directors regret their inability to recommend any dividend on account of the carried forward losses as stated above.

### **YEAR UNDER REVIEW :**

As informed earlier, the Company has closed down its wire rope factory situated at Kolshet Road, Thane. The aforesaid closure has been challenged by an union of the workmen, as well as by some individual workmen which proceedings remain pending for consideration as on date.

The Company is presently engaged in the activity of manufacturing wooden furniture.

The Company, alongwith its erstwhile developer as a confirming party, had entered into an agreement with a developer for grant of development rights in the land owned by the Company. The said agreement was thereafter terminated by the Company on certain grounds and the dispute arising thereof was referred to arbitration. The Arbitral Tribunal vide its Award dated 15th June, 2011 had set aside the said termination and directed the Company, as well as the confirming party, to execute a conveyance of the property in favour of the developer against receipt of the balance consideration against the agreement alongwith interest thereon. Based on expert legal advice, the Company had challenged the said Award in the Hon'ble High Court of Bombay. The appeal of the Company has been admitted and the matter remains pending for further consideration by the Court.

In the meantime, the possession of the property continues to remain with the Company, and the confirming party, and as no development whatsoever has commenced thereon, the part amount received from the developer continues to be shown under "Current Liabilities & Provisions" and the land and building(s) thereon also continue to be included under "Fixed Assets" having regard to para 11 of Accounting Standard (AS)-9 under which revenue cannot be recognized until significant risks and rewards of ownership has been transferred.

### **FIXED DEPOSITS :**

There are no fixed deposits with the Company and the Company has not accepted any fixed deposits during the year.

### **PARTICULARS OF EMPLOYEES :**

No employee of the Company is covered under Section 217 (2A) of the Companies Act, 1956.



**BOMBAY  
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**DIRECTORS :**

In accordance with the Articles of Association of the Company, Kashinath Rajgarhia, Director of the Company retires by rotation and is eligible for re-election.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

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

- i) In preparation of the annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures, wherever necessary.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that periods.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability.
- iv) The Directors have prepared the annual accounts on a going concern basis.

**CORPORATE GOVERNANCE :**

The shares of the Company are listed with the Bombay Stock Exchange. The code of corporate governance as introduced by the Securities and Exchange Board of India (SEBI) by way of amendment to the listing agreement with the stock exchange is not applicable to the Company as its paid up share capital is below the stipulated figure laid down by SEBI in this regard.

**AUDITORS :**

Auditors are to be appointed to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and their remuneration is to be fixed. The retiring Auditors are eligible to be re-appointed.

**AUDITORS' REPORT :**

With regard to the Notes given in the Auditors Report, your Directors are of the opinion that the same are self explanatory and no further explanation on the same is deemed necessary except for note no. 24(5) on possible loss of diminution in quality and value of inventory. In this regard, the management has verified the stocks during the year and has determined that there is no loss of either quality or value in the inventory save and except deterioration on account of unprecedented floods in 2005.

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

In accordance with the requirement of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 a Statement showing particulars with respect to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is annexed hereto which forms a part of this Report.

By Order of the Board of Directors  
For BOMBAY WIRE ROPES LIMITED

Place : Mumbai,  
Dated : 29th June, 2012

K. K. Kanoria  
Chairman

## **ANNEXURE TO THE DIRECTORS' REPORT:**

Statement containing particulars pursuant to Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report.

### **A. Conservation of Energy**

Particulars with respect of Conservation of Energy :

#### **Power & Fuel Consumption :**

	<u>2011 – 2012</u>	<u>2010 – 2011</u>
1. Electricity:		
a) Purchased Unit (Kwh)	—	—
Total/Amount (Rs.)	—	—
Rate/Unit (Kwh) (Rs.)	—	—
b) Own Generation :		
i) Through Diesel Generation	—	—
Unit (Kwh)	—	—
Unit per Ltr. of Diesel Oil	—	—
Cost per Unit (Kwh) (Rs.)	—	—
ii) Through Steam Turbine/Generator	—	—
2. Coal (Special & Where Used)	—	—
3. Furnace Oil :		
Qty. (K. Ltrs.)	—	—
Total Amount (Rs.)	—	—
Avg. Rate/Ltrs. (Rs.)	—	—
4. Other Internal Generation	—	—
5. Consumption per MT on production of Steel Wire Ropes/Sale Wires :		
Electricity (Kwh)	—	—
Furnace Oil (Ltr.)	—	—
Coal	—	—
Others	—	—

### **B. Technology Absorption**

### **C. Foreign Exchange earnings & outgo :**

#### **Earnings :**

Export of goods – FOB Value (Rs.)  
(Including through Merchant Exporters)

#### **Outgo :**

Export Returned Goods

By Order of the Board of Directors

Place : Mumbai,  
Dated : 29th June, 2012

K. K. Kanoria  
Chairman





## **REPORT OF THE AUDITORS**

### **TO THE SHAREHOLDERS**

1. We have audited the attached Balance Sheet of Bombay Wire Ropes Limited as at 31st March, 2012 and also the statement of Profit & Loss and the statement of Cash Flow for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956 (the Act), and on the basis of such checks of the books and records of the Company as we considered appropriate, and according to the information and explanations given to us, we give in the Annexure to this report, a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:-
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from the examination of the books.
  - (c) The Balance Sheet and the statement of Profit & Loss and the statement of Cash Flow dealt with by the Report are in agreement with the books of account.
  - (d) In our opinion the Balance Sheet and the statement of Profit & Loss and the statement of Cash Flow dealt with by the Report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, to the extent possible as the Company has closed down its wire rope unit as referred to in Note No. 24(4).
  - (e) Based on the representations made by all the directors which were taken on record by the Board of Directors of the Company, the directors did not have any disqualifications as on 31st March, 2012 referred to in clause (g) of sub section (1) of section 274 of Companies Act, 1956.
  - (f) Despite accumulated losses and consequent total erosion of equity and inadequate liquidity, accounts have been compiled on a going concern basis.

- (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon, and subject to the notes as follows :
- (i) Regarding non-provision of sales tax liability amounting to Rs. 5,64,672/- (previous year Rs. 5,64,672/-) as referred to in Note No. 24(A) 1(b).
- (ii) Regarding income tax liability amounting to Rs. 32,64,089/- (previous year Rs. 32,64,089/-) not provided for pending disposal of appeal pending before the Bombay High Court as referred to in Note No. 24(A) 1(e).
- (iii) The Company has non moving stock amounting to Rs. 83,06,366/- i.e. finished goods of Rs. 19,95,356/-, goods-in-process Rs. 62,64,496/- and stock of scrap of Rs. 46,514/- of its wire rope unit since 1993-94. Though the wire rope unit of the Company has been closed, the company has not made any provision for diminution in quality and value of its aforesaid stock.
- (iv) The Company has capital work in progress of Rs. 1,50,000/- as per Note No. 8 of its fixed assets, The asset should be revalued as per market value. However, the assets have not yet been put to use since 2000-01.
- (v) The Company has not complied with certain terms of the listing agreement during the year.
- (vi) Regarding non-provision of depreciation as per Accounting Standard AS-6 of total accumulated arrears of depreciation of Rs. 6,83,901/- including for the year Rs. 2,27,967/- resulting in understatement of results for the year and overstatement of fixed assets give the information required by the Companies Act, 1956 (as amended) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- (1) In case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012;
- (2) In case of the statement of Profit & Loss, of the **Loss** (subject to the aforesaid notes) of the company for the year ended on that date and
- (3) In case of the Cash Flow Statement, of the cash flows of the year ended on that date.

**FOR SINGHI & COMPANY**  
Chartered Accountants  
F. R. No. 110283W

(Praveen Kumar Singhi)  
Partner  
Membership No. 51471

9th Floor, Twin Towers,  
Lokhandwala Complex,  
Andheri (West),  
Mumbai – 400 053.  
Maharashtra, India.

Dated : 29th June, 2012



## **ANNEXURE TO THE AUDITORS' REPORT**

As referred to in paragraph 3 of the Auditors' Report of even date to the members of BOMBAY WIRE ROPES LIMITED on the financial statements for the year ended 31st March, 2012, we report that :

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) The Fixed Assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) The Company, alongwith its erstwhile developer as a confirming party, had entered into an agreement with a developer for grant of development rights in the land owned by the Company. The said agreement was thereafter terminated by the Company on certain grounds and the dispute arising thereof was referred to arbitration. The Arbitral Tribunal vide its Award dated 15th June, 2011 had set aside the said termination and directed the Company, as well as the confirming party, to execute a conveyance of the property in favour of the developer against receipt of the balance consideration against the agreement alongwith interest thereon. Based on expert legal advice, the Company had challenged the said Award in the Hon'ble High Court of Bombay. The appeal of the Company has been admitted and the matter remains pending for further consideration by the Court.

In the meantime, the possession of the property continues to remain with the Company, and the confirming party, and as no development whatsoever has commenced thereon, the part amount received from the developer continues to be shown under "Current Liabilities & Provisions" and the land and building(s) thereon also continue to be included under "Fixed Assets" having regard to para 11 of Accounting Standard (AS)-9 under which revenue cannot be recognized until significant risks and rewards of ownership has been transferred.

2. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
3. Loans of Rs. 2,07,31,966/- were received by the Company in previous years. The maximum amount involved during the year on this account is Rs. 2,69,86,966/- and the balance of loan at the end of year is Rs. 2,69,86,966/-, which has been entered in the register maintained u/s 301 of Companies Act, 1956. The rate of interest and other term of loan are not prejudicial to the interest of Company.
4. There are adequate internal control procedures followed by the Company.
5. The Company has not accepted any deposits from the public during the year.
6. There is no internal audit system in the organization looking to the size of business activities being carried out.
7. As informed to us by the Company, the maintenance of cost records has not been prescribed by the Central Government of India under Section 209(1) (d) of The Companies Act, 1956 for the Company.
8. According to the information and explanation given to us, the amount payable in respect to disputed sales tax and income tax as on 31.03.2012 for a period more than six months is as stated below:

Name of the Statute	Nature of Dues	Amount in Rs.	Year
Income Tax Act	Income Tax #	32,64,089.00	1988-89
Sales Tax Act	Sales Tax *	5,64,672.00	1984-85 1985-86 1986-87

# The dispute is pending before the Bombay High Court. Meanwhile, an amount of Rs. 21,59,608/- has been deposited with the tax department against the above disputed amount.

\* The Sales Tax Tribunal by its order dated 6-1-2001 has remanded back the matter to DC Appeals where it remains pending for consideration.

9. According to the information and explanations given to us and according to the book and records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other materials statutory dues as applicable with the appropriate authorities except for TDS amounting to Rs. 3,68,752/- and VAT amounting to Rs. 45,010/- which remain to be paid.
10. The Company has accumulated losses amounting to Rs. 10,86,91,429/- and the same is more than fifty percent of net worth. The company has incurred cash losses of Rs. 78,35,226/- in current year ended on 31.03.2012.
11. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provision of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from a bank or a financial institution.
16. The Company has not obtained any term loan during the year. In our opinion, and according to the information and explanations given to us, the term loans outstanding at the beginning of the year were utilised for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, no funds raised on short-term basis have been used for long-term purposes.
18. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the Company noticed or reported during the year nor have been informed of any such case by the management.

**FOR SINGHI & COMPANY**  
Chartered Accountants  
F. R. No. 110283W

9th Floor, Twin Towers,  
Lokhandwala Complex,  
Andheri (West),  
Mumbai - 400 053.  
Maharashtra, India.

(Praveen Kumar Singhi)  
Partner  
Membership No. 51471

Dated : 29th June, 2012



## **BALANCE SHEET AS AT 31ST MARCH, 2012**

(Currency : Indian Rupees)

	Notes	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
<b>I EQUITY &amp; LIABILITIES</b>			
<b>A. SHARE HOLDERS FUND</b>			
a. Share Capital	1	9,339,500	9,339,500
b. Reserves & Surplus	2	(45,878,244)	(380,430,18)
<b>B. NON CURRENT LIABILITIES</b>			
a. Long Term Provisions	3	526,507	461,016
<b>C. CURRENT LIABILITIES</b>			
a. Short Term Borrowings	4	26,986,966	20,731,966
b. Trade Payable	5	2,436,224	1,722,449
c. Other Current Liabilities	6	39,863,265	35,679,542
d. Short Term Provisions	7	256,866	197,222
<b>Total</b>		<b>33,531,084</b>	<b>30,088,677</b>
<b>II ASSETS</b>			
<b>A. NON CURRENT ASSETS</b>			
Fixed Assets			
(I) Tangible Assets	8	916,486	916,486
Capital work in progress		150,000	150,000
		1,066,486	1,066,486
(II) Non Current Investments	9	255	255
Other Non Current Assets	10	2,630,204	2,629,706
<b>Total</b>		<b>3,696,945</b>	<b>3,696,447</b>
<b>B. CURRENT ASSETS</b>			
a. Inventories	11	29,422,600	25,710,099
b. Trade Receivables	12	—	185,077
c. Cash & Bank Balances	13	250,871	305,783
d. Short Term Loans & Advances	14	160,668	191,271
<b>Total</b>		<b>33,531,084</b>	<b>30,088,677</b>

Summary of significant accounting policies & Notes to Accounts 24

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For SINGHI & COMPANY  
CHARTERED ACCOUNTANTS  
F.R. No. 110283 W

For and on behalf of the Board of Directors

PRAVEEN KUMAR SINGHI  
PARTNER  
Membership No. 051471

**K. K. Kanoria**  
Chairman

**Dr. Anurag Kanoria**  
Director

**M. K. Chakraborty**  
Executive Director

Place : Mumbai  
Date : 29th June, 2012

Place : Mumbai  
Date : 29th June, 2012



**Statement of Profit & Loss for the year ended 31st March, 2012**

(Currency : Indian Rupees)

	Notes	For the year ended 31.03.2012 Rupees	For the year ended 31.03.2011 Rupees
<b>A Incomes :</b>			
a. Revenue from Operations	15	5,613,413	1,603,080
b. Other income	16	15,401	355,316
<b>Total</b>		<b>5,628,814</b>	<b>1,958,396</b>
<b>B Expenditure :</b>			
a. Cost of Materials Consumed	17	5,294,125	4,583,835
b. Changes in Inventories of finished goods work-in-progress & Stock-in-Trade	18	(3,712,500)	(3,056,901)
c. Labour Charges	19	2,531,233	575,573
d. Employee benefit expenses	20	1,897,808	1,560,035
e. Financial Cost	21	3,763,579	1,965
f. Depreciation and Amortization Expenses		—	—
e. Other expenses	22	3,689,795	4,652,193
<b>Total</b>		<b>13,464,040</b>	<b>8,316,700</b>
<b>C PROFIT/(LOSS)BEFORE TAX EXPETIONAL &amp; EXTRAODINARY ITEMS AND TAX</b>		<b>(7,835,226)</b>	<b>(6,358,304)</b>
Exceptions Items		—	—
<b>D PROFIT/(LOSS)BEFORE EXTRAODINARY ITEMS &amp; TAX</b>		<b>(7,835,226)</b>	<b>(6,358,304)</b>
Extraordinary Items		—	—
<b>E PROFIT/(LOSS)BEFORE TAX</b>		<b>(7,835,226)</b>	<b>(6,358,304)</b>
Net Profit/(Loss) before tax		<b>(7,835,226)</b>	<b>(6,358,304)</b>
<b>F TAX EXPENSES</b>			
Current Tax		—	—
Wealth Tax		—	—
Deffered Tax charge/(credit)		—	—
MAT credit entitlement for earlier years		—	—
Short/(Excess) tax provision for earlier years		—	—
<b>Profit/(Loss) for the period carried to Balance Sheet</b>		<b>(7,835,226)</b>	<b>(6,358,304)</b>
Earnings per Equity Share of face value of Rs. 10/-each			
Basic and diluted in Rs.	23	(15.39)	(12.62)
Summary of significant accounting policies	24		

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For SINGHI & COMPANY  
CHARTERED ACCOUNTANTS  
F.R. No. 110283 W

For and on behalf of the Board of Directors

PRAVEEN KUMAR SINGHI  
PARTNER  
Membership No. 051471

K. K. Kanoria  
Chairman

Dr. Anurag Kanoria  
Director

M. K. Chakraborty  
Executive Director

Place : Mumbai  
Date : 29th June, 2012

Place : Mumbai  
Date : 29th June, 2012



**BOMBAY  
WIRE ROPES  
LIMITED**

The amounts of net cash flows attributable to the operating, investing and financing activities of the discontinued operation.

	Continuing Operations		Discontinued Operations		Total	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
<b>A. Cash flow from Operating Activities</b>						
Net Profit before Taxation	(6,250,751)	(3,246,801)	(1,584,475)	(3,111,503)	(7,835,226)	(6,358,304)
Adjustments for :						
Depreciation, Amortisation	—	—	—	—	—	—
Interest Received	(15,401)	(10,387)	—	—	(15,401)	(10,387)
Interest Paid	3,760,980	—	—	—	3,760,980	—
Pervious Year Expenses	1,500	—	—	121,295	1,500	121,295
<b>Operating profit before Working Capital Changes</b>	(2,503,672)	(3,257,188)	(1,584,475)	(2,990,208)	(4,088,147)	(6,247,396)
Adjustments for :						
Trade and Other Receivables	215,182	393,599	—	118,224	215,182	511,823
Inventories	(3,712,501)	(3,056,901)	—	—	(3,712,501)	(3,056,901)
Trade and Other Payables	5,022,633	10,588	—	320,284	5,022,633	330,872
Net cash (used in) / from operating activities	<b>(978,358)</b>	<b>(5,909,902)</b>	<b>(1,584,475)</b>	<b>(2,551,700)</b>	<b>(2,562,833)</b>	<b>(8,461,602)</b>
<b>B. Cash flow from Investing Activities</b>						
Purchase of Fixed Assets (including advances from capital expenditure)	—	—	—	—	—	—
Investment	—	—	—	—	—	—
Interest received	15,401	10,387	—	—	15,401	10,387
Net Cash used in investing activities	<b>15,401</b>	<b>10,387</b>	—	—	<b>15,401</b>	<b>10,387</b>
<b>C. Cash flow from Financing Activities</b>						
Increase / (Decrease) in balances with Corporate and other Business Units	6,255,000	8,570,000	—	—	6,255,000	8,570,000
Increase / (Decrease) in advance against development rights	—	—	—	—	—	—
Interest Paid	(3,760,980)	—	—	—	(3,760,980)	—
Pervious Year Expenses	(1,500)	—	—	(121,295)	(1,500)	(121,295)
Net cash from / (used in) financing activities	<b>249,250</b>	<b>8,570,000</b>	—	<b>(121,295)</b>	<b>249,250</b>	<b>8,448,705</b>
<b>Net (decrease) / increase in Cash and Cash Equivalents</b>	1,529,563	2,670,485	(1,584,475)	(2,672,995)	(54,912)	(2,510)
Cash and Cash Equivalents	(54,912)	158,722	—	(161,232)	(54,912)	(2,510)
Opening Balance	305,783	147,061	—	161,232	305,783	308,293
Closing Balance	250,871	305,783	—	—	250,871	305,783

As per our report of even date  
For SINGHI & COMPANY  
CHARTERED ACCOUNTANTS  
F.R. No. 110283 W

For and on behalf of the Board of Directors

PRAVEEN KUMAR SINGHI  
PARTNER  
Membership No. 051471

**K. K. Kanoria**  
Chairman

**Dr. Anurag Kanoria**  
Director

**M. K. Chakraborty**  
Executive Director

Place : Mumbai  
Date : 29th June, 2012

Place : Mumbai  
Date : 29th June, 2012

**Notes to the Balance sheet as at 31st March, 2012**

(Currency : Indian Rupees)

<b>NOTE - 1 SHARE CAPITAL</b>	<b>As at 31st March, 2012 Rs.</b>	<b>As at 31st March, 2011 Rs.</b>
<b>AUTHORISED CAPITAL</b>		
1,500,000 Equity Shares of Rs. 10/- each (1,500,000)	15,000,000	15,000,000
50,000 9.5% Redeemable Cumulative (50,000) Preference Shares of Rs. 100/- each	5,000,000	5,000,000
	<b>20,000,000</b>	<b>20,000,000</b>
<b>Issued, Subscribed and Paid Up</b>		
533,950 Equity Shares of Rs. 10/- each (533,950)	5,339,500	5,339,500
40,000 9.5% Redeemable Cumulative (40,000) Preference Shares of Rs. 100/- each	4,000,000	4,000,000
	<b>9,339,500</b>	<b>9,339,500</b>

**Notes:**

- a) As per Clause 4(b) of the Articles of Association of the Company, the 9.5% 5000 Non Convertible Cumulative Redeemable Preference Shares of Rs. 100/- each should have been redeemed on 28.2.1984 (refer note no. 24 (A)(c)).
- b) The 9.5% 35000 Non Convertible Cumulative Redeemable Preference Shares of Rs. 100/- each should have been redeemed at any time with due notice at the discretion of the Board but not later than 8 years i.e.; 30.9.2011 (refer note no. 24(A)(d)).

The reconciliation of the number of shares outstanding as setout below

<b>PARTICULARS</b>	<b>Equity Shares Number</b>	<b>Preference Shares Number</b>
Shares outstanding at the beginning of the year	533950	40000
Shares Issued during the year	NIL	NIL
Shares bought back during the year	NIL	NIL
Shares outstanding at the end of the year	533950	40000

The details of shareholders holding more than 5% shares

<b>NAME OF SHAREHOLDER</b>	<b>As at 31st March, 2012</b>		<b>As at 31st March, 2011</b>	
	<b>No. of Share Held</b>	<b>% of Holding</b>	<b>No. of Share Held</b>	<b>% of Holding</b>
Life Insurance Corporation of India	50000	9.36%	50000	9.36%
Sparkk Organics Pvt. Ltd.	174200	32.62%	174200	32.62%
Kanvai Investment Co. Pvt. Ltd.	33200.00	6.22%	33200.00	6.22%
New India Exports Pvt. Ltd.	58450	10.95%	58450	10.95%
Aruna Kanoria	70775	13.26%	70775	13.26%





**Notes to the Balance sheet as at 31st March, 2012**

(Currency : Indian Rupees)

	<b>As at 31st March, 2012 Rs.</b>	<b>As at 31st March, 2011 Rs.</b>
<b>NOTE - 2</b>		
<b>RESERVE &amp; SUPPLUS</b>		
Capital Reserve	72,938	72,938
Share Premium Account	56,000,000	56,000,000
General Reserve	6,740,247	6,740,247
Balance as per the last financial statement	(100,856,203)	(94,497,899)
Add : Loss for the year	(7,835,226)	(6,358,304)
<b>Total</b>	<b>(45,878,244)</b>	<b>(38,043,018)</b>
<b>NOTE - 3</b>		
<b>LONG TERM PROVISION</b>		
Provision for Non Current Gratuity	526,507	464,016
<b>Total</b>	<b>526,507</b>	<b>464,016</b>
<b>NOTE - 4</b>		
<b>SHORT TERM BORROWINGS</b>		
From New India Exports Pvt. Ltd. (Unsecured and considered good)	26,986,966	20,731,966
<b>Total</b>	<b>26,986,966</b>	<b>2,0731,966</b>
<b>NOTE - 5</b>		
<b>TRADE PAYABLE</b>		
Micro, small and medium enterprises	—	—
Others	2,436,224	1,722,449
<b>Total</b>	<b>2,436,224</b>	<b>1,722,449</b>
<b>NOTE - 6</b>		
<b>OTHERS CURRENT LIABILITIES</b>		
<b>(i) Statutory Payable</b>		
Employees Contribution to ESIC	420	175
Employees Contribution to PF	14,284	11,100
Employees Income Tax deduction of Salary	6,251	8,861
Employees Professional Tax	950	775
TDS Deduction on interest	368,752	—
ESIC on contractor	11,485	1,431
MVAT (2011-2012)	45,010	—
PF on contractor	52,795	11,595
TDS on Contractor	13,673	2,872
TDS on Legal & Professional	11,216	19,140
TDS on Rent	2,537	30,444
<b>Total</b>	<b>527,373</b>	<b>86,393</b>

**Notes to the Balance sheet as at 31st March, 2012**

(Currency : Indian Rupees)

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>(ii) Others Payable</b>		
Advance against grant of Development Rights	26,063,220	26,063,220
BWR Ltd. Co.op. Society	61,675	61,675
Central sales tax (1991-92/1994-95)	1,180,616	1,180,616
Deposits	485	485
Expenses Payable Land & Deposit	3,421,275	3,054,298
Gratuity payable	1,049,606	1,081,363
Outstanding salaries & wages	609	609
State cheques	64,974	64,974
State sales tax (1991-92/1994-95)	349,793	349,793
Unclaimed salary/wages & gratuity	2,611,092	2,611,092
Employees Salary & Other Benefits	240,794	174,871
Rent Payable to (NGM)	972,985	950,153
Interest Payable to NIE	3,318,768	-
<b>Total</b>	<b>39,335,892</b>	<b>35,593,149</b>
<b>Total (i + ii)</b>	<b>39,863,265</b>	<b>35,679,542</b>
<b>NOTE - 7</b>		
<b>SHORT TERM PROVISIONS</b>		
Provisions for Gratuity Payable	58,501	51,224
Provisions for Leave Salary Payable	198,365	145,998
<b>Total</b>	<b>25,6866</b>	<b>197,222</b>



**Notes to the Balance sheet as at 31st March, 2012**

(Currency : Indian Rupees)

**NOTE - 8  
FIXED ASSETS**

Fixed Assets	Gross Block At Cost				Depreciation				Net Block	
	Cost as on 1.4.2011	Additions during the year	Deductions during the year	Total upto 31.3.2012	Written off-upto 31.3.2011	For the period under straightline method	Deductions during the year	Total upto 31.3.2012	Value as at 31.3.2012	Value as at 31.3.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Tangible Assets</b>										
Freehold land & Site Development	744,182	—	—	744,182	—	—	—	—	744,182	744,182
Well	45,000	—	—	45,000	23,863	—	—	23,863	21,137	21,137
Buildings & Roads	3,739,775	—	—	3,739,775	3,637,169	—	—	3,637,169	102,606	102,606
Plant & Machinery	12,673,594	—	—	12,673,594	12,633,124	—	—	12,633,124	40,470	40,470
Scales & Weighbridge	99,652	—	—	99,652	99,650	—	—	99,650	2	2
Workshop Machinery & Equipment	121,120	—	—	121,120	113,031	—	—	113,031	8,089	8,089
Electrical Installation	1,621,229	—	—	1,621,229	1,621,229	—	—	1,621,229	—	—
Water Supply Installation	71,045	—	—	71,045	71,045	—	—	71,045	—	—
Air conditioners Refrigerators, Furniture & Office Equipment	742,726	—	—	742,726	742,726	—	—	742,726	—	—
<b>Total</b>	<b>19,858,323</b>	<b>—</b>	<b>—</b>	<b>19,858,323</b>	<b>18,941,837</b>	<b>—</b>	<b>—</b>	<b>18,941,837</b>	<b>916,486</b>	<b>916,486</b>
Capital Work in Progress (Plant & Machinery)	150,000	—	—	150,000	—	—	—	—	150,000	150,000
<b>Grand Total :</b>	<b>20,008,323</b>	<b>—</b>	<b>—</b>	<b>20,008,323</b>	<b>18,941,837</b>	<b>—</b>	<b>—</b>	<b>18,941,837</b>	<b>1,066,486</b>	<b>1,066,486</b>
Figures for previous year	20,008,323	—	—	20,008,323	18,941,837	—	—	18,941,837	1,066,486	—

NOTE : No depreciation is charged for the year in view of closing the company's wire rope unit and fixed assets are held for disposal.

**Notes to the Balance sheet as at 31st March, 2012**

(Currency : Indian Rupees)

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>NOTE - 9</b>		
<b>NON CURRENT INVESTMENTS</b>		
Investments (At Cost)		
Unquoted		
8 Fully paid Equity Shares of Rs. 100/- each of United Wire Ropes Limited	255	255
<b>Total</b>	<b>255</b>	<b>255</b>
<b>NOTE - 10</b>		
<b>OTHER NON CURRENT ASSETS</b>		
Deposits with government departments, Public Bodies & Others	146,660	146,660
Less : Provision for Doubtful Debts	145,660	145,660
	1,000	1,000
Payment of income tax against disputed liabilities	2,159,608	2,159,608
TDS on Interest	498	—
Balance with collector of excise in current accounts	66,796	66,796
Excise duty paid on finished goods in hand	123,139	123,139
Sales Tax recoverable	288,897	288,897
Less : Doubtful	9,734	9,734
<b>Total</b>	<b>2,630,204</b>	<b>2,629,706</b>
<b>NOTE - 11</b>		
<b>INVENTORIES</b>		
Raw Materials	4,128,272	4,128,272
Work in Progress	6,264,496	6,264,496
Finished Goods	1,995,356	1,995,356
(At cost or Market value whichever is lower)		
Finished Goods Furniture	15,084,812	11,372,311
(At cost or Market Price whichever is lower)		
Stock of Scrap (At realisable value)	46,514	46,514
Stock of Stores & Spares	1,781,962	1,781,962
Tools & Dies (At cost)	121,188	121,188
<b>Total</b>	<b>29,422,600</b>	<b>25,710,099</b>
<b>NOTE - 12</b>		
<b>TRADE RECEIVABLES</b>		
Unsecured (considered doubtful)		
Exceeding six months	2,067,329	2,067,329
Less : Provision for doubtful debts	2,067,329	—
Other	—	185,077
<b>Total</b>	<b>—</b>	<b>185,077</b>



**Notes to the Balance sheet as at 31st March, 2012**

(Currency : Indian Rupees)

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>NOTE - 13</b>		
<b>CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Cash in hand	8,374	73,588
Balance with bank	62,967	66,498
Fixed deposit with bank	179,530	165,697
<b>Total</b>	<b>250,871</b>	<b>305,783</b>

**NOTE - 14**

**SHORT TERM LOANS & ADVANCES**

Unsecured Consider Good Loans & Advances to staff		87,000		159,500
Outstanding recoverable	51,870		51,870	
Less: Provision for doubtful debts	51,870	—	51,870	—
Advance against purchase of goods & expenses		73,097		31,200
Prepaid Expenses		571		571
<b>Total</b>		<b>160,668</b>		<b>191,271</b>

