

KAMANI EMPLOYEES' UNION

(Registered Under Indian Trade Union Act, 1926)

(Regd. No. 1154)

511 51 80
Phones : 511 51 83
514 51 31
514 43 48

Kerson Velji Chawl, L. B. Shastri Marg, Kurla, Bombay - 400 070.

Ref. : KEU/41/717

Date 3-12-1992

Hon'ble Members of Bench II
Board for Industrial & Financial Reconstruction
Jawahar Vyapar Bhawan
Tolstoy Marg
NEW DELHI - 110 001

Hon'ble Sirs

Re: Case No. 53/91 in re: KMA Limited, Bombay

SUB: Disposal of vital machineries made by the present Management

In continuation to our submission under Ref: KEU/41/715 dated 25th November, 1992 on the above subject, we take this opportunity to place the additional information on the subject now available with us for an early consideration of this Hon'ble Bench to initiate appropriate action to safeguard the interest of the organisation.

It is reliably learnt that the present management headed by Shri A.P. Kamani has disposed off various machineries and vital spare parts belonging to the Company and kept in a Godown at Kalina Bombay. The whole exercise was carried out during the period 21-23 Nov., 1992. The above disposal includes among many other items, the following machineries :

- | | | |
|--|---|-----------------|
| 1. Milling Machine with Rolls & Gears
(Horizontal surface milling (slab) | = | 2 Nos. |
| 2. Up Coiler (Norton)
(Brand new Hydraulically controlled
coiling machine) | = | 1 No. |
| 3. RBD Reversing Mechanism
(Gears, Shafts, Hydraulic guide etc.) | = | 1 set |
| 4. RBD Lifting Tables Mechanism
(Levers/Sgefts) | = | 1 No. |
| 5. Metal Recovery Plant | = | 1 No. |
| 6. Pinion for RBD Pinion stand | = | 1 No. |
| 7. Boxes containing spare parts of various
machines | = | 4 or 5
Boxes |
| 8. Old Hydraulic Press | = | 1 No. |

It is estimated that the worth of the machineries and spares parts disposed off by the management would be above Rs. 2 crores. It has been reported that the management has even disposed off the

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Page.....II

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machineries kept in the same Godown belonging to Kamani Tubes Limited. This matter is being taken up separately by Kamani Tubes Limited.

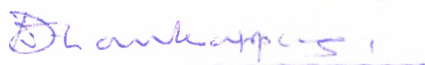
The above act on the part of the management without the consent of the Operating Agency as well as BIFR is aimed at to deprive the vital assets of the Company at a time when the workers initiative to revive the Company is in the active consideration of this Hon'ble Bench. Therefore, the matter assumes further seriousness. In view of this, we now pray to this Hon'ble Bench to consider the following aspects :

- 1) Initiate an investigation through the Operating Agency on the reported disposal of above machineries as well as other assets belonging to the Company and take appropriate action under Sec. 24 of the Sick Industrial Companies (Special Provision) Act, 1985 to protect the interest of the company.
- 2) Issue a directive to the present management not to dispose off any assets of the Company without the explicit direction of the BIFR.
- 3) Any other action deems appropriate in this case.

Looking to the gravity of the issue, we hope that this Hon'ble Bench may take appropriate step at the earliest.

Thanking you

Yours faithfully
For KAMANI EMPLOYEES' UNION



(D. THANKAPPAN)
WORKING PRESIDENT.

LAL BHADUR SHASTRI MARG,
KURLA (NORTH), BOMBAY-400 070.
GRAMS : "KAMATUBES" KURLA
TELEX : 011 734 28 KTL-IN
FAX : 91-22-514 6006
PHONES : 514 08 16 • 511 35 78 (5 lines)

Ref: KTL:ADMN:TJS:12:92
December 2, 1992

VAKOLA The Sr. Inspector of Police
Chetkoper Police Station
Chetkoper VAKOLA
Bombay.

Dear Sir:

Re: Our machineries lying in the Godown at Kalina -
Inspection/Taking delivery

In connection with the above we have to state as under :-

- (1) Kamani Metals & Alloys Ltd., now known as KMA Ltd., and our Company were under the same Kamani family management. Both of our Companies were having common storage facility at Kalina Godown - Chandu Studio compound, Kalina Market, Kalina, Bombay-400 098.
- (2) As the tenancy of the Godown was in the name of KMA Ltd., the administrative activities were conducted by them. As and when we had to inspect, repair and take delivery of our machineries we used to approach them in this connection and they have been allowing us to do the needful in the presence of their Security and General Stores personnel.
- (3) Our Company was closed for 3 years from 1985 to 1988 as erstwhile Kamani family management simply abandoned the Company and now the same was taken over by the Workers' Co-operative jointly with Government of Maharashtra, as the latter is equal partner in the Share Capital of the Company. The above was the result of epic struggle of the Workers who ultimately succeeded in the take over of the Company by virtue of the historic Order of the Hon'ble Supreme Court dated 19th September, 1988.
- (4) After our take over, our Mr. K.T.Ingle inspected our machineries in the said above godown in the presence of their Security and General Stores personnel on 17-1-1989 for stock audit purpose as per BIFR Scheme.
- (5) After some time, we wanted to take back our machineries from the above Kalina Godown but the same could not be done due to the delay tactics on the part of KMA Ltd.,
- (6) Soon after due to lock out at KMA Ltd., since April, 1991 we could not pursue our effort to take back our machineries.

...2/-

- (7) We had our own apprehensions about the likelihood of removal/disposal of our machineries by KMA Ltd., from the Kalina Godown and hence we sent telegrams on 18-11-1992/19-11-1992 to all the Directors of KMA Ltd., and copies of the same addressed to Shri A.P. Kamani are enclosed for your perusal. This was confirmed by separate post.
- (8) Further we also sent Registered letters to all Directors of KMA Ltd., dated 28th November, 1992 copy of which is enclosed for your ready reference.
- (9) We now understand the following persons were involved in the removal of machineries on 21st, 22nd & 23rd November, 1992:-
- (i) Mr. B.I.Singh, Security Supervisor of KMA Ltd.,
 - (ii) Mr. Ram Manohar Dube of Security Dept., of KMA Ltd.,
 - (iii) Mr. Rajgopal, employee of KMA Ltd.,
 - (iv) Mr. V.N.Bhavsar, Acting Personnel Manager of KMA Ltd.,
 - (v) Mr. Kudish Khan of Kamal Decorators at Kurla

It is quite possible that KMA Ltd., management might have taken their machineries and kept back our machineries in the above Godown and we are enclosing a zerox copy of our machineries lying in the Godown for your record. As the matter is serious and KMA Ltd., management is not helpful we have to request you to kindly help us in arranging for the inspection and taking delivery of machineries for which our employee-managed Company will be thankful to you for ever.

Thanking you,

Yours faithfully,
FOR KAMANI TUBES LIMITED


T.J. SHENOY
MANAGER
ADMINISTRATION & PUBLIC RELATIONS

Encl: as above.

Received,
A
2/12/92
19.55 hr.

CTO BOMBAY Q

1173428 KTL IN
LN 5 ORDINARY
SHRI AP KAMANI
MANAGING DIRECTOR
KMA LTD
KAMANI HOUSE
PEDDAR ROAD
BOMBAY-400 026

PLEASE REFER TO THE FIRST SENTENCE OF OUR TELEGRAM DATED 18TH INSTANT
REQUEST TO READ AS KALINA GODOWN INSTEAD OF KURLA GODOWN. TJ SHENOY
KAMANI TUBES LTD KAMATUBES

LN 5 ORDINARY TIME 16.30 HRS DT 19/11/92

KAMANI TUBES LIMITED

LAL BAHADUR SHASTRI MARG,
KURLA (NORTH), BOMBAY-400 070.
GRAMS : "KAMATUBES" KURLA
TELEX : 011 734 28 KTL-IN
FAX : 91-22-514 6006
PHONES : 514 08 16 • 511 35 78 (5 lines)

Ref: KTL:ADMN:TJS:11:92

November 28, 1992

Shri A.P. Kamani
Managing Director
KMA Limited
Kamani House
Peddar Road
Bombay-400 026.

BY REGISTERED A/D.

Dear Sir:

Re: Inspection of our machineries lying in Kalina Godown
and taking delivery of the same by our representative

We heroby confirm that we have sent a Telegram as under on 18th instant and confirmatory copy was sent by separate post.

WE HAVE BEEN GIVEN TO UNDERSTAND THAT MACHINERY ITEMS FROM KALINA GODOWN ARE LIKELY TO BE REMOVED/DISPOSED OFF BY YOUR COMPANY (.) - KINDLY NOTE THAT THERE ARE MANY MACHINERY ITEMS BELONGING TO KAMANI TUBES LIMITED UNDER STORAGE AT KALINA GODOWN BY MUTUAL CONSENT, DETAILS OF WHICH ARE ALREADY AVAILABLE WITH YOU (.) YOU MAY THEREFORE ENSURE SAFE CUSTODY OF ALL THE MACHINERY ITEMS BELONGING TO KAMANI TUBES LIMITED TILL SUCH TIME THAT THEY ARE HANDED OVER TO AUTHORISED REPRESENTATIVE OF KAMANI TUBES LIMITED (.)

- T J SHENOY - MANAGER, ADMINISTRATION & PUBLIC RELATIONS -

We now understand that on Sunday, the 22nd November, 1992 machineries were removed from Kalina Godown. We would therefore like to be informed whether our machineries have also been removed from the Kalina Godown. In case they have been shifted elsewhere we would like to have an inspection to satisfy ourselves that no handling/transit damage has been caused and they are stored properly in safe custody.

Yours faithfully,
FOR KAMANI TUBES LIMITED


T.J. SHENOY
MANAGER
ADMINISTRATION & PUBLIC RELATIONS

cc: Shri P B Nair
Vice Chairman
KMA Limited
c/o. Shri A.P.Kamani
Kamani House,
Peddar Road,
BOMBAY-400 026.

cc: Shri B K Ghose
Director
KMA Limited
82/9E Ballyeanj Place
Flat No. 12, 6th Floor,
Calcutta - 700 019.

cc: Shri R S Kantan
Director
KMA Limited
C/o. Shri A.P.Kamani
Managing Director
KMA Limited
Kamani House
Peddar Road
Bombay-400 026.

cc: Shri R V Iyer
Asst. General Manager (Project Finance)
Bank of Baroda
Central Office
Meher Chambers
Nicol Road
Ballard Estate
Bombay-400 038.

KAMANI TUBES LIMITED : KURLADETAILS OF MACHINERY ITEMS LYING IN KALINA GODOWN :

	QTY.	IDENTIFI- CATION	DATE OF SHIFTING	REMARKS
1. Feather Edged Rod Straightening Machine with Drive & Motor - 1 HP	1	T - 1	4.1.1975	Departmentally fabricated in 1966 & used in KT-III for 4 years
2. 10 Ton Capacity Rod & Section Drawbench No.3	1	T - 2	May 1971	Locally purchased in 1960 & used in KT-III for 10 years
3. Spare parts for 10 Ton Drawbench No.3 mentioned above	1	T - 3	May 1971	- do -
4. Stand with Motor 2 HP, Trolley etc for 10 Ton Drawbench No.3 mentioned above	1	T - 4	4.1.1975	- do -
5. Rod & Wire Painting Machine Make-Capri Engineering Company	1	T - 5	4.1.1975	P.O. No.287 of 5.10.1960 and used in KT-I for 12 years
6. BR-1 Bar Realing & Straightening Machine Broux Engg. Co. U.K. with 2 H.P. Motors - 7.5 H.P.	1	T - 6	May 1971	P.O.No. 817 of 7.10.1961 and used in KT-I for 12 years & replaced by Continuous Drawbench
7. Wire Drawing Machine for Brass Wire Rods	1	T - 9	May 1971	P.O. No. 241 of 3.10.1960 and used for 5/6 years
8. JFH Swaging Machine complete with Drive	1	T -10	May 1971	P.O.No. 817 of 7.10.1961 and used in KT-II for 12 years.
9. 600 lbs. Melting Furnace Panel Skeleton	3	T -11	May 1971	Original 600 lbs. Melting Furnace parts connected with 1200 lbs. Furnaces.

	QTY	IDENTIFI- CATION	DATE OF SHIFTING	REMARKS
0. 600 lbs. Melting Furnace Transformer & other Skeleton	1	T -12	May 1971	Original 600 lbs. Melting Furnace parts connected with 1200 lbs. Furnaces
1. Bed Plates of Stretcher Machine and allied item))	2	T -13/ 14	May 1971	Original mechanical Stretcher replaced by Hydraulic Stretcher
2. Frame for 300 Ton Vertical Hydraulic Press	1	T -18		Original frame for P-1 which cracked and was replaced.