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GS	<input checked="" type="checkbox"/>	DRY	<input checked="" type="checkbox"/>
AO	<input checked="" type="checkbox"/>	DIV	<input checked="" type="checkbox"/>
TRN	<input checked="" type="checkbox"/>	AC	<input checked="" type="checkbox"/>
ACM	<input checked="" type="checkbox"/>	SEI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

AMFORGE INDUSTRIES LIMITED



26TH ANNUAL REPORT 1997-98

Amforge Industries Limited

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REGISTERED OFFICE

United Bank of India Bldg.,
6th Floor, Sir P.M. Road,
Fort, Mumbai-400 001.

CORPORATE OFFICE

53 Maker Chambers VI,
10th Floor, Nariman Point,
Mumbai-400 021.

WORKS

Hakimrai Jaichand Compound,
L.B. Shastri Marg,
Bhandup (West),
Mumbai-400 078.

Khopoli--Pen Road,	32-D-2, M.I.D.C. Area
Mauaj--Sarsan/Sajgaon,	Chinchwad,
Khopoli-410 203,	Pune-411 019,
Maharashtra.	Maharashtra.

GAT 856-860	12/2 Mathura Road,
Khed, Ambethan Rd.,	Faridabad-121 003
Chakan, Pune,	Haryana
Maharashtra.	

26TH ANNUAL GENERAL MEETING

on
WEDNESDAY THE 30TH SEPTEMBER 1998
at
10.30 a.m.
Kamalnayan Bajaj Hall, Bajaj Bhavan,
Nariman Point, Mumbai 400 021.

BOARD OF DIRECTORS

Yogiraj Makar (*Chairman & Mg. Director*)
Surindemath Makar (*Vice Chairman*)
A. K. Kapoor (*Joint Managing Director*)
Puneet Makar (*Joint Managing Director*)
S. S. Bagai
Jaidev Kapur
Ravi Ghai
B. H. Antia
M. M. Chilimbi
Suresh Borkar
M. P. Tellis (*Nominee of ICICI*)
B. L. Gupta (*Nominee of UTI*)

VICE PRESIDENT &

COMPANY SECRETARY

g. hariharan

AUDITORS

Bansal & Associates,
Chartered Accountants,
Mumbai

Ratan S. Mama & Co.
Chartered Accountants,
Mumbai

SOLICITORS

Mulla & Mulla, & Craigie Blunt & Caroe

BANKERS

State Bank of India
ANZ Grindlays Bank plc
Union Bank of India
ABN AMRO Bank N.V.
The South Indian Bank Ltd.

REGISTRARS AND TRANSFER AGENTS

Tata Consultancy Services,
Lotus House,
Sir Vithaldas Thackersey Marg,
New Marine Lines,
Mumbai 400 020.

As a Measure of economy, copies of the Annual Report will not be distributed at the Meeting and therefore, Members are requested to bring their copy of the Annual Report to the Meeting.

Notice

NOTICE IS HEREBY GIVEN THAT the Twenty Sixth Annual General Meeting of AMFORGE INDUSTRIES LIMITED will be held on Wednesday the 30th September, 1998 at 10.30 a.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Nariman Point, Mumbai - 400021, to transact the following business:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1998, the Profit and 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 Shri S.S. Bagai who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Ravi Ghai who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Suresh Borkar who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to Sections 269, 309, and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification or reenactment thereof for the time being in force and as may be enacted from time to time and subject to the approval of authorities as may be required, Shri Yogiraj Makar be and is hereby appointed Managing Director for a period of five years with effect from 1st July, 1998 on the following remuneration :

- I. **Salary:**
In the range of Rs. 30,000/- to Rs. 50,000/- per month.
- II. **Commission:**
It shall not be more than 1% of net profits of the Company.
- III. **Perquisites:**
Perquisites including allowances if any may be paid in such a form and to such an extent as may be decided by the Board from time to time so that the remuneration including perquisites shall not exceed 5% of net profits of the Company.
Perquisites are classified into three categories "A" "B" and "C" as follows :

CATEGORY 'A' :

(i) Housing

- i) The Expenditure by the Company on hiring unfurnished accommodation subject to the ceiling of sixty per cent of the salary over and above ten per cent payable by Shri Yogiraj Makar.
- ii) In case the accommodation owned by the Company is provided, Shri Yogiraj Makar shall pay to the Company ten percent of his salary.
- iii) In case no accommodation is provided by the Company, Shri Yogiraj Makar shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing (i).

Explanation :

The Expenditure incurred by the Company on gas, electricity, water and furnishings will be evaluated as per the Income Tax Rules, 1962.

ii) Medical Reimbursement :

Medical Expenses incurred for self and family shall be reimbursed.

In case of Medical expenses incurred abroad, on special treatment, the same may be paid/reimbursed in addition to the above subject to the provisions in the Act/ Rules in this regard and as may be approved by the Board.

iii) Leave Travel Concession :

For self and family once in a year incurred in accordance with the rules of the Company.

iv) Club fees :

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

v) Personal Accident Insurance :

Premium on Personal Accident Policy shall be paid by the Company.

Explanation :

"Family" means the spouse, the dependent children and dependent parents.

CATEGORY 'B' :

i) Contribution to Provident Fund etc.:

Contribution to Provident Fund, Superannuation Fund or Annuity Fund etc. shall be as per the Rules of such Funds in force but, however, the amount so contributed will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

Amforge Industries Limited

ii) **Gratuity :**

Gratuity payable shall not exceed half a month's salary for each completed year of service.

iii) **Leave encashment :**

Encashment of leave at the end of tenure will not be included in the computation of ceiling on perquisites.

CATEGORY 'C' :

Provision of car for use on Company's business and telephones at residence will not be considered as perquisites. Personal long distance calls on telephones and use of car for private purpose shall be billed by the Company to Shri Yogiraj Makar.

"RESOLVED FURTHER THAT the Board of Directors of the Company ("The Board") be and is hereby authorised to alter, vary, increase, or modify the terms and conditions of remuneration including perquisites payable to Shri Yogiraj Makar during the aforesaid period but so as not to exceed the maximum permissible limits specified in Schedule XIII to the Companies Act, 1956, for the time being and from time to time in force."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits during Shri Yogiraj Makar's term of Office, the remuneration mentioned above shall be payable as minimum remuneration subject to such ceilings, restrictions and conditions provided under Section II of part II of Schedule XIII to the Act.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid Resolutions."

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

"RESOLVED THAT pursuant to the provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or reenactment thereof for the time being in force and as may be enacted from time to time), and also subject to the approval of the shareholders, Central Government and other authorities, as may be required, consent of the Company be and is hereby accorded to availing of the advisory services of Shri Surindernath Makar - a Director of the Company, from time to time and as and when required on an annual compensation not

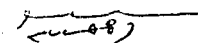
exceeding Rs.5 lacs (Rupees five lacs only) w.e.f. 1st July, 1998 and the actual amount shall be fixed, finalised and paid as may be decided by the Board of Directors ("the Board") at its entire discretion, taking into account the nature, extent and frequency of such services and benefits to the Company and in consultation with Shri Surindernath Makar and that the compensation may also be paid at such reasonable intervals as may be decided by the Board.

"RESOLVED FURTHER THAT consent of the Company is also hereby accorded to provide to Shri Surindernath Makar the following in addition to the compensation hereinabove mentioned :

- i) Payment/reimbursement of Telephone/ Fax expenses etc. incurred for the purposes of the Company.
- ii) Reimbursement of Conveyance expenses/ Travelling expenses incurred for official purposes or provision of Company Car in lieu thereof.
- iii) Reimbursement of medical expenses incurred for Shri Surindernath Makar subject to such amount as may be fixed by the Board from time to time. In case of medical expenses incurred abroad on special treatment to him, the same may also be paid/reimbursed in addition to the above, subject to the provisions, if any, in the Act/Rules, and as may be approved by the Board.

"RESOLVED FURTHER THAT 'the Board' be and is hereby authorised to do all such acts, deeds and things as may be required to give effect to aforesaid Resolutions and the Board is also further authorised to settle all questions, difficulties or doubts, in regard to the payment of compensation etc. to Shri Surindernath Makar and any matters arising incidental thereto, as it may, in its absolute discretion, deem fit, subject to such Governmental approvals, etc., wherever applicable, without being required to seek any further approval of the Members, or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

By Order of the Board of Directors



Registered Office

(g. hariharan)

United Bank of India Bldg., 6th Floor, Sir P.M. Road, Fort, Mumbai -400 001.

Dated : 30th June, 1998.

NOTES:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A DULY COMPLETED PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- (b) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business under items No. 6 and 7 as stated above is annexed hereto.
- (c) The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday the 12th September, 1998 to Wednesday the 30th September, 1998.
- (d) Shareholders who desire any information as regards Accounts are requested to write to the Company at least 10 days before the date of the Meeting so as to enable the Management to keep the information ready.
- (e) Members are requested to notify immediately any change in their address to the Company's Registrars and Transfer Agents, Tata Consultancy Services, Lotus House, Sir Vithaldas Thackersey Marg, Mumbai - 400020.
- (f) Shareholders who have not encashed their Dividend warrants pertaining to the years 1994-95, 1995-96 and 1996-97 are requested to write to the Company.
- (g) The Company has already transferred the amounts lying in the Unpaid Dividend Accounts upto the Dividend 1993-94 to the General Revenue Account of the Central Government under the provisions of the Companies Act, 1956 and the amounts thereof have to be claimed from the Registrar of Companies, Maharashtra, C/o Fancy Corporation Pvt. Ltd., Hakoba Compound, 2nd floor, Dattaram Lad Marg, Kala Chowki, Mumbai - 400 033.
- (h) Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrar and Transfer Agents enclosing their share certificates to enable the Company to consolidate their holdings in one folio.
- (i) Members of erstwhile Tru Wheels Limited who have not yet surrendered their old certificates for exchange with the Certificates of Amforge consequent to amalgamation, are requested to correspond with our Registrars and Transfer Agents.

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT 1956 :**Item No. 6 :**

At the Twenty First Annual General Meeting held on 30th September, 1993, the members unanimously approved the appointment and remuneration payable to Shri Yogiraj Makar as Managing Director of the Company for a period of five years from 1st July, 1993. The remuneration payable to Shri Yogiraj Makar was subsequently modified by resolution passed at the Extraordinary General Meeting of the Company held on 9th November, 1994.

The Board of Directors at its Meeting held on 30th June, 1998 reappointed Shri Yogiraj Makar as Managing Director for a further period of five years w.e.f. 1-7-1998 on certain terms of remuneration, the details whereof are given in the text of the resolution.

Shri Yogiraj Makar is interested in the resolution. Shri Surinderanth Makar and Shri Puneet Makar being related to him, may also be concerned or interested in the resolution.

The Board commends the resolution for approval.

This Explanation together with the accompanying Notice is to be regarded as an Abstract of Terms and Memorandum of Interest under Section 302 of the Act.

The Resolutions of the Shareholders dated 30th September, 1993, 9th November, 1994 and of the Board dated 30th June, 1998, are available for inspection to the Members on Working Days between 11.00 a.m. and 1.00 p.m. at the Registered Office of the Company.

Item No. 7 :

At the Twenty First Annual General Meeting held on 30th September, 1993, the members unanimously approved the appointment and remuneration payable to Shri Surindernath Makar as Managing Director of the Company for a period of five years from 1st July, 1993. Accordingly Shri Surindernath shall hold the office of Managing Director up to 30th June, 1998.

He has however expressed his desire not to be reappointed as Managing Director but at the instance and persuasion of the Board, has consented to provide guidance and advisory services to the Company, from time to time, as and

when required.

Shri Surindernath has been associated with the Company since its inception and has contributed substantially for its present size and growth. Besides his business acumen and grip on the overall affairs of the Company, he has special expertise in steel procurement and inventory management. In forging industry steel is the major cost component. Specially, in the context of recessionary pressures and falling demand, every saving effected on steel procurement with reference to right decision on price, delivery and payment terms will be very crucial.

In view of this, the Board has decided to avail the advisory services from Shri Surindernath on the terms set out in the Resolution contained in the Notice. Considering the benefits accruing to the Company, the compensation, etc., proposed to be paid is reasonable.

Shri Surindernath Makar is interested in the resolution.

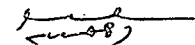
Shri Yogiraj Makar related to him may also be concerned or interested in the resolution.

The Board commends the resolution for approval of the Members.

This Explanation together with the accompanying Notice is to be regarded as an Abstract of Terms and Memorandum of Interest under Section 302 of the Act.

The Resolutions of the Shareholders dated 30th September, 1993 and of the Board dated 30th June, 1998 are available for inspection to the Members on working days between 11.00 a.m. and 1.00 p.m. at the Registered Office of the Company.

By Order of the Board of Directors



(g. hariharan)
Vice President &
Company Secretary

Registered Office :
United Bank of India Bldg.,
6th Floor, Sir P.M. Road,
Fort, Mumbai -400 001.
Dated : 30th June, 1998.

Amforge Industries Limited

Directors' Report

TO THE MEMBERS

Your Directors have pleasure in presenting their Twenty Sixth Annual Report and Audited Statement of Accounts for the year ended 31st March, 1998.

FINANCIAL HIGHLIGHTS :

(Rs. in lacs)

	1997-98 Projections	1997-98 Actuals Audited	1996-97 Actuals Audited
Gross revenue after stock adjustments	25382.73	18645.14	18296.56
Gross Profit before interest, depreciation and tax	4118.78	1827.43	2200.99
Less : Interest	1272.16	1432.59	923.47
Operating Profit before depreciation	2846.62	394.84	1277.52
Less : Depreciation	970.83	732.39	582.36
Operating Profit /Loss for the year	1875.79	(337.55)	695.16
Less : Misc. expenditure written off	Nil	191.58	74.50
Less : Bad debts written off (net of provision)	Nil	93.60	4.75
Less : Foreign exchange rate fluctuations	Nil	110.81	1.01
Profit/(Loss) before tax	1875.79	(733.54)	614.90
Less : Provision for tax	537.63	Nil	80.00
Net profit /(loss) after tax	1338.16	(733.54)	534.90
Less : Earlier years Adjustments (net)	N.A.	94.26	(21.50)
Add : Balance profit brought forward from previous year	N.A.	743.49	614.09
Profit available for Appropriation :	N.A.	(84.31)	1170.49
Appropriations :			
Debenture Redemption Reserve	N.A.	—	102.00
General Reserve	N.A.	—	100.00
Proposed Dividend	266.57	—	204.55
Tax on Dividend	N.A.	—	20.45
Balance carried forward	N.A.	(84.31)	743.49
	N.A.	(84.31)	1170.49
Dividend %	22%	Nil	18%
Paid-up equity share capital	1211.68	1209.20	1208.97
Reserves excluding revaluation reserves	6801.51	4129.69	4957.09

OPERATIONS :

During the year under review, the Company's gross revenues marginally increased by 2% to Rs.18645.14 lacs. Gross profit before interest, depreciation and tax dropped to Rs.1827.43 lacs. Cash profit before depreciation amounted to Rs.394.84 lacs. There has been an operative loss before tax of Rs.337.55 lacs. After writing off miscellaneous expenditure (of deferred revenue nature), bad debts and foreign exchange rate fluctuation, there was a loss before tax of Rs.733.54 lacs. Net loss after tax amounted to Rs.733.54 lacs. During the year, the Company's business was adversely affected due to severe downturn in the automobile industry. Certain segments have recorded negative demand growth rate e.g. (-) 38% in heavy & medium

commercial vehicle segment, (-) 21% in light commercial vehicle segment, and (-) 2% in scooters segments. Demand in cars and other segments (except tractors and mobikes) have also slowed down. A substantial part of the company's business is dependent on these segments.

The Company has been able to maintain its overall sales in spite of the recession and increasing competition, thanks to its wide product range for different segments and broad customer base. Overall domestic turnover increased by 3% to Rs.17953.58 lacs. Exports during the year increased 24% to Rs.798.81 lacs.

The tractor wheels division at Faridabad, has registered good growth in business volumes and profitability, in

line with the trend in the tractor industry. The volumes and operations at the new conrod plant at Faridabad are picking up, and are viewed as satisfactory.

The volumes of forgings business at Bhandup, Khopoli and Chinchwad have dropped in line with the market.

The new precision forging plant at Chakan (near Pune) has contributed higher turnover of Rs.2453.31 lacs (previous year Rs.1138.97 lacs) at capacity utilization of nearly 20% (previous year: 10%). However, the volumes of Chakan plant are still below the break-even level, which has resulted in substantial loss.

On the whole, low capacity utilization due to recessionary market conditions and additional costs, especially interest and depreciation at the new facility (Chakan), have adversely affected the company's bottom-line. Therefore the Company could not achieve the projected performance.

OUTLOOK :

The Company has undertaken several initiatives to improve the working of the company, e.g.:

- A program for improving operational efficiency at Khopoli plant with the help of Renoir Consulting Limited, an internationally reputed consulting firm, has been completed recently. The results especially in the area of waste reduction have been encouraging. The management is now considering taking help of these consultants in the areas of overall strategy formulation, restructuring, and cost-reduction to turn around the Company's forging business.
- Focussed attention is being given to process and system improvements for making products of international quality.
- ISO 9002 certification for forgings unit at Chinchwad has been renewed. Audit and other formalities for ISO 9000 certification of Wheels division at Faridabad have been completed, and certification is awaited. Work on ISO 9000 for other forging units is also in progress.
- CAD/CAM facilities have been set up at Chakan plant for speeding up die making process, ensuring repeat accuracy of products and reducing rejections.
- Export thrust is being planned with more systematic and proactive efforts.
- Strategic alliances are being explored.

The recessionary market conditions are likely to continue during the current year also. Your company, therefore, has decided to concentrate on productivity improvement, quality up-gradation, waste reduction, energy saving, and cost control measures as well as tighter controls on working capital, in order to turn around. Your management is conscientiously working in this direction, and is hopeful of arresting the decline in profitability in the current year.

DIVIDEND :

In view of the loss incurred during the year, your

Directors regret their inability to declare any dividend for the year.

DIRECTORS :

Shri S. S. Bagai, Shri Ravi Ghai and Shri Suresh Borkar retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Shri Yogiraj Makar is proposed to be reappointed as Managing Director for a period of five years w.e.f. 1st July, 1998.

Mr. Surindernath Makar retires as Managing Director on 30th June, 1998. The Board places on record its sincere appreciation of the illustrious services rendered by Mr. Surindernath Makar as Managing /Wholtime Director for over 25 years since inception of the Company. Mr. Surindernath Makar continues to be a Director on the Board. The Company would like to avail his guidance and advisory services.

Details of appointments/reappointments of directors are as per resolutions in the accompanying notice.

AUDITORS :

The Company's Joint Auditors, M/s Ratan S. Mama & Co., Chartered Accountants, and M/s Bansal & Associates, Chartered Accountants, retire at this Annual General Meeting and being eligible have offered themselves for reappointment. The Board recommends their reappointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ETC. :

The information required in terms of Section 217 (1) (e) of the Companies Act, 1956 read with the Company's (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is given in the Annexure-I forming part of this Report.

PERSONNEL & INDUSTRIAL RELATIONS :

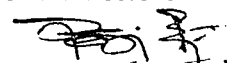
The Company continues to enjoy cordial relations with the employees at all levels.

The statement of particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is enclosed hereto (Annexure-II) and forms part of this Report.

ACKNOWLEDGEMENT :

Your Directors wish to place on record their sincere thanks to its valued customers, suppliers, bankers, and financial institutions for their continued support and guidance. Your Directors also wish to thank the employees and executives at all levels for their contribution.

On Behalf of the Board of Directors


YOGIRAJ MAKAR

Chairman & Managing Director

Mumbai

Dated : 30th June, 1998

Amforge Industries Limited

ANNEXURE I TO DIRECTORS' REPORT

Particulars Required Under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

Use of radiation pyrometer to monitor forging temperature and final product quality and saving in fuel. Use of polymer in heat treatment for Quenching operation. Furnace modifications, recuperators addition. In order to monitor the fuel consumption at the individual production units, precise oil flow meters are progressively being planned at all units. Modification and re-designing of the existing equipment and process, and increased use of monitoring and control devices are being taken up at all units on an on going basis. Regular supervision over energy consuming equipment, absorbing new technologies and adopting new devices to save energy consumption are being done on a continuing basis. Further investment in energy conservation equipment is planned.

TOTAL ENERGY CONSUMPTION & ENERGY CONSUMPTION PER UNIT OF PRODUCTION

a. Power & fuel Consumption		Current Year	Previous Year
1. Electricity - Purchased (KWH in lacs)		269	286
Total Amount (Rs. in lacs)		1088.06	1095.93
Average rate per unit		Rs. 4.04	Rs.3.83
2. Furnace Oil			
Quantity (lacs of litres)		51	56
Total Amount (Rs. in lacs)		364.87	399.93
Average rate per litre		Rs. 7.15	Rs.7.14
3. Light Diesel Oil			
Quantity (Kilo litres)		2897	3066
Total Amount (Rs. in lacs)		265.60	254.77
Average rate per litre		Rs. 9.17	Rs.8.31
b. Consumption per unit of production			
Production (Tons)		35925	34211
Fuel Used	Units		
Electricity	KWH/Ton	749	836
Furnace Oil	Lit/Ton	142	164
Light Diesel Oil	Lit/Ton	81	90

B. Technology Absorption**1. Research & Development**

- * Installation of computerized CAD/CAM facilities.
- * Development of new products. A few new items e.g. crankshafts, conrods, underbracket manufacturing have been developed for both overseas and local customers.
- * Process improvement/re-engineering: modification of single bore-die holder and trim tool; die-holder standardization.
- * Design improvements in the forging to reduce input weight.

- * Design of import substitution products.
- * Statistical Process Control (SPC) and Corrective Action Plan (CAP) are being carried out progressively to improve quality of products.
- * Improvement in the process to reduce energy consumption.
- * Commissioning of an energy saving induction heater to reduce power consumption and improvement of process efficiency.
- * Renewal of ISO 9002 Certification awarded by RWTUV-CERT for Quality System to Chinchwad Forgings units.
- * Completion of Audit and other formalities for ISO 9000 certification for Wheels division at Faridabad.
- * In respect of other Units also, necessary steps are being taken to get similar Certification.

2. Benefits derived as a result of the above efforts :

The Company has been continuously developing new, critical products, many of which are import substitutes. Improvement in efficiency and cost reduction have been the direct results of the above efforts.

3. Future plans of action :

1. To strive further in the improvement of products and processes.
2. To explore new and better ways to reduce costs.
3. To strive to reduce power and fuel consumption.

4. Expenditure on R & D

Most of the R&D work is carried out in-house. An expenditure of Rs. 3.33 lacs has been incurred on R&D.

5. Technology absorption, adoption and innovation :

Efforts made towards this effect :

Development of new designs and dies for reputed overseas and Indian customers.

6. Foreign Exchange Earnings and Outgo :

Earnings	Rs. 792.37 lacs
Outgo	Rs. 459.94 lacs

On behalf of the Board of Directors

YOGIRAJ MAKAR
Chairman & Managing Director

Mumbai,
Dated : 30th June, 1998