



BCL Forgings Limited**Board of Directors**

Mr. D. C. Mehta

Mr. C. D. Dhongde - Managing Director

Mr. Surendra B. Chandorkar

Mr. Jagdish Prasad

Auditors :

M. A. Parikh & Company

Bankers :

Bank of Baroda, Mumbai & Nashik

Canara Bank, Mumbai & Nashik

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Solicitors :

Bachubhai Munim & Company

Registered Office :

80 - B, Dr. Annie Besant Road, Worli,

Mumbai - 400 018.

Factory :

67, M. I. D. C., Industrial Estate, Satpur,

Nashik - 422 007.

BCL Forgings Limited**FINANCIAL SUMMARY**

	2001-2002	2000-2001	1999-2000	1998-99	1997-98
Capital Accounts (Rs. in '000)					
Shareholders Fund.....	3,79,36	3,96,52	4,14,20	4,32,04	4,49,88
Borrowings.....	41,115	3,88,86	2,89,71	2,85,75	3,46,71
Gross Block.....	10,60,63	10,60,63	10,60,85	10,48,82	10,38,00
Net Block.....	3,75,59	4,15,77	4,38,18	4,62,57	4,90,54
Net Current Assets.....	(1,62,79)	(75,28)	(1,05,69)	(1,21,61)	66,40

Revenue Accounts (Rs. in '000)

Sales & other income.....	4,90,91	23,25,17	26,47,47	16,96,35	20,53,25
Gross Profit / (Loss) before					
Interest & Depreciation.....	(38,96)	99,11	1,75,73	(12,51)	(1,16,86)
Interest.....	70,84	1,49,10	1,47,66	1,29,82	1,46,81
Depreciation.....	23,01	24,46	23,75	20,94	22,22
Profit / (Loss) Before tax.....	(13,281)	(74,45)	4,31	(1,38,25)	(2,85,89)
Profit / (Loss) After Tax & Other Adjustments.....	(88,88)	(74,45)	4,31	(1,38,25)	(2,85,89)

Selected Indicators

Net Worth Per Share (Rs.).....	20.51	21.43	22.39	23.25	24.32
Earning Per Share (Rs.).....	4.81	4.02	0.23	(7.47)	(15.46)
Profit Before Tax					
to Sales (%).....	(28.72)	(3.20)	(0.18)	(8.15)	(13.92)
Profit After Tax					
to Sales (%).....	(19.22)	(3.20)	(0.18)	(8.15)	(13.92)
Debt Equity Ratio.....	1.08	0.98	0.70	0.66	0.77
Current Ratio.....	(0.78)	(0.89)	(0.86)	(0.83)	1.11
Total no. of Employees.....	188	230	231	230	235

*Includes Excise Duty & Sales Tax

BCL Forgings Limited



NOTICE

Notice is hereby given that the Adjourned Thirty Fifth Annual General Meeting of the members of BCL Forgings Limited, will be held on Tuesday 24th Dec.2002 at 3.00 p.m. at the Corporate Office of the Company at 80 - B, Dr. Annie Besant Road, Worli, Mumbai - 400 018, to transact the following business.

To receive, consider and adopt the Balance Sheet for the year ended 31st March, 2002 and the Profit & Loss Account for the year ended on that date, together with the reports of the Directors and Auditor's thereon.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 31st October

C. D. Dhongde
MANAGING DIRECTOR

NOTE :

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING
IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT
THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF
THE COMPANY.

BCL Forgings Limited**DIRECTORS' REPORT****to the members**

Your Directors have pleasure in presenting their Thirty Fifth Report along with the Audited Annual Accounts for the year ended 31st March, 2002.

FINANCIAL HIGHLIGHTS :

		(Rs. In Lacs)	
		2001 - 2002	2000 - 2001
1	GROSS SALES :	462.43	2170.02
	Other Income	28.48	155.14
	Total Income	<u>490.91</u>	<u>2325.16</u>
2.	GROSS PROFIT / (LOSS) :	(109.80)	(49.99)
	Less : Depreciation	23.01	23.46
	Net Profit / (Loss)	<u>(132.81)</u>	<u>(74.45)</u>
	Add Balance brought forward from Previous year	(444.85)	(370.39)
	* Deferred tax (For the Year)	43.94	NIL
	Transfer to Balance Sheet	<u>352.02</u>	<u>(444.85)</u>

3. OPERATING RESULTS :

During the year 2001-2002 the Company's gross sales turnover was Rs.4.62 Crores. The Company suffered a heavy loss to the tune of Rs.132.81 Lacs. Since, the year end in the subsequent financial year, due to labour unrest and other related problems, the management was forced to suspend the Companies operations with effect from 19th May, 2001 which culminated into "lock out" with effect from 3rd June, 2001. However, upon reaching a settlement with the labour, the lock out has been lifted and operations have been recommenced effective from 11th January, 2002.

4. DIVIDEND :

Your Directors regrets that they do recommend NIL dividend for the year ended 31st March, 2002.

5. FIXED DEPOSITS :

The Fixed Deposits outstanding as on 31st March, 2002 amounting to Rs.73.43 Lacs including outstanding interest of Rs.23.43 Lacs. The above deposits have matured and claimed but not paid by the Company.

* NOTE : Deferred Tax on initial recognition	181.70	NIL
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BCL Forgings Limited**DIRECTORS' REPORT Contd..**

6. SICK INDUSTRIAL STATUS :

Even though the Operating Agency, Bank of Baroda had submitted Rehabilitation Package in September, 1999 to BIFR, the same has still not been approved. It is expected that the approval from BIFR will come soon so that the implementation can take place.

7. FUTURE PROSPECTS :

The Engineering Industry is general and Automobile Industry is particular continues to be in the state of recession and revival is expected to be extremely slow. The Company has further taken efforts in reducing its dependence on the Automobile Industry and has developed many other markets such as Diesel Engine Manufacturers, Defence, Indirect Exports etc. The Company is also hopeful that the Rehabilitation Package from BIFR will be implemented soon. Both these aspects coupled together will help the Company to reduce its over all cost and achieve better performance in coming years.

8. LISTING :

The Company's shares are listed at the Stock Exchange, Mumbai and Ahmedabad and the Company has paid the listing fees for both the stock exchanges for the year 2000 - 2001.

9. DIRECTORS :

Mr. D. C. Mehta retire by rotation and being eligible offers himself for reappointment. The members are recommended to reappoint him as Director.

10. AUDITORS :

- A) The retiring Auditors M/s M. A. Parikh & Co., Chartered Accountants, Mumbai, have furnished the necessary certificate under Section 224(1 - B) of the Companies Act, 1956 and are eligible for appointment. The members are recommended to reappoint them as Auditors and fix their remuneration.

B) Comments on the Auditors Notes :

1. Your Directors are of the opinion that the Auditors' qualification regarding non-provision of taxation liability is self explanatory.
2. As regards of the violation of Section 58-A of the Companies Act, 1956 and the non-provision of taxation thereunder with regard to non-payment of matured deposit and not maintaining the liquid assets, your Directors would like to comment that the Company's financial position has been adversely affected and the Company is considering all its resources for the production and other operational purposes and will comply with the provisions immediately after a comfortable financial position of the Company.

BCL Forgings Limited**DIRECTORS' REPORT Contd..**

3. With regard to the qualification by Auditors for non-provision for gratuity payable to its employees at a future date amounting to Rs.111.31 Lacs, the Management is of the view that the past trend of the Company has shown that the Labour Turnover is very negligible and due to the hazardous nature of the Company, the liability or Gratuity and Earned Leave Encashment would be very minimal and the resources of the Company are sufficient enough to meet the liability and since inception, there is no single occasion on which the resources of the Company was insufficient to meet the above referred occasion on which the resources of the Company was insufficient to meet the above referred liabilities.

The Company is in the process of strengthening its interval and system.

11.A CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION :

The information required under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the annexure forming part of this report.

11.B PARTICULARS OF EMPLOYEES :

There was no employee drawing remuneration in excess of the limits prescribed under Section 271(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

12 INDUSTRIAL & PERSONNEL RELATIONS :

The relations between the Company and its employees are very cordial.

13 GENERAL :

Your Directors greatly value the co-operation the Company has been received from Financial Institutions, Bankers, Workmen and the general staff of the Company.

For & on behalf of the
Board of Directors

MUMBAI
DATED : 31ST OCTOBER

Chairman of the meeting

BCL Forgings Limited



ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(1)(e) read with the Companies (Disclosures of particulars in the report of the Board of Directors) Rules, 1988, and forming part of the Directors' report for the year ended March 31st, 2002.

A. Conservation of Energy :

(a) Energy conservation measures

By selecting efficient energy saving devices, the Company was able to reduce the fuel consumption.

(b) Additional investment and proposal if any, is being implemented for reduction of consumption of energy.

The Company has not made any additional investment. With better lining technology that is now available in the country. We hope to further improve in saving of Furnace Oil and Electricity.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and the consequent impact on the cost of production.

It is expected that as a result of actions taken under (a) and (b), there will be an over all cost of savings due to improvements in the utilisation of energy.

(d) Form A for the disclosure of particulars with respect to Conservation of Energy.

A. Power and Fuel Consumption at Nasik Factory for the manufacture of Forgings.

	2001-2002	2000-2001
1. Electricity		
a. Purchase units (Kwh)	555.372	2067634
Total amount (Rs.)	33,13,808	89,25,098
Rate per unit	Rs. 5.96	Rs.4.32
b. Own Generation	NIL	NIL
2. Coal	NIL	NIL
3. Furnace Oil		
a. Quantity (K. Ltrs.)	235635	1064379
Total amount (Rs.)	2254309.08	1,10,76,377
Average Rate	Rs. 9.59	Rs.10.41
b. Light Diesel Oil (LDO)		
Quantity (K. Ltrs.)	88833	518842
Total amount (Rs.)	1343438.23	79,15,350
Average Rate	Rs. 15.12	Rs.15.26

B. Consumption per Unit of production

Product		Electricity		Furnace Oil		LDO	
(Steel Forgings Unit)							
2001-2002	2000-2001	2001-2002	2000-2001	2001-2002	2000-2001	2001-2002	2000-2001
791	3808	4189	441.90	284.99	237.52	169.84	98.05

BCL Forgings Limited**ANNEXURE TO DIRECTORS' REPORT Contd..****B. TECHNOLOGY ABSORPTION :**

Form B for disclosure of particulars with respect to Technology Absorption, Research and Development (R & D)

- | | |
|---|--|
| 1. Specific areas in which R & D is carried out by the Company. | During the year a number of new items have been developed for our customers. |
| 2. Benefits derived as a result of the above R & D. | The Company will be able to secure increased orders from the customers. |
| 3. Future plan of action. | The Company proposes to invest more in better inspection equipment so that consideration in quality can be maintained and can also be further improved upon. |
| 4. Expenditure on R & D | |
| (a) Capital | NIL |
| (b) Recurring | NIL |
| (c) Total | NIL |
| (d) Total R & D expenditure as a percentage of total turnover. | NIL |

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

- | | |
|---|---|
| 1. Efforts in brief made towards technology absorption, adaptation and innovation. | To keep up with the latest technology available, the Company deputed its Senior Staff employees for various technical seminars and exhibitions. |
| 2. Benefits derived as a result of the above efforts e.g. products improvements, import substitution etc. | Improvements at various levels are taking place gradually and therefore the Company's overall performance is steadily improving. |
| 3. a. Technology imported | NIL |
| b. Year of Import | N. A. |
| c. Has technology been fully absorbed. | N. A. |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

- | | |
|--|---|
| 1. Activities relating to exports | The Company has not made any serious efforts during the year under review, for developing any items for direct exports. However, the indicated export has grown from a level of 5% to 25% |
| 2. Total foreign exchange used and earned. | Exchange used Rs.183050 /- |

For & On Behalf of Board of Directors

MUMBAI

DATED : 31-10-02

Chairman of the meeting

BCL Forgings Limited**AUDITORS' REPORT TO THE MEMBERS**

We have audited the attached Balance Sheet of BCL FORGINGS LIMITED as of 31st March, 2002 and also the Profit and Loss Account for the year ended on that date annexed hereto and report that :

The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our report.

We 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 misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also 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.

We report that :

1. *The accounts of the Company have been prepared on a "Going Concern Basis" though the accumulated losses of the Company exceed its "Net Worth" as it continues to carry on its business activities (Refer to Para No.17 of the Annexure to this report and Note No. A.1 to A.4 in Notes to Accounts).*
2. As required by the Manufacturing and Other Companies (Auditor's Report) order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act 1956 and on the basis of such checks as we considered necessary and as per the information and explanations given to us, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above :-
 - (a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far it appears from our examination of those books, except for non-provision of estimated gratuity liability of Rs. 1,11,31,995 and leave encashment (Refer to Note Nos. C.11 and C.12 in Schedule 18 to the Accounts).
 - (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.