



BCL FORGINGS LIMITED

THIRTY SEVENTH ANNUAL REPORT 2003-2004

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
Chartered Accountant

Bankers :

Bank of Baroda, Mumbai & Nashik

Canara Bank, Mumbai & Nashik

Solicitors :

Bachubhai Munim & Company

Registered Office :

80, Dr. Annie Besant Road, Worli,
Mumbai - 400 018

Factory :

67, M. I. D. C., Industrial Estate, Satpur,
Nashik - 422 007.

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FINANCIAL SUMMARY

	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000
Capital Accounts (Rs. in '000)					
Shareholders Fund.....	345,18	3,62,31	3,79,36	3,96,52	4,14,20
Borrowings.....	329,82	3,77,04	41,115	3,88,86	2,89,71
Gross Block.....	1075,55	10,64,23	10,60,63	10,60,63	10,60,85
Net Block.....	312,66	3,40,25	3,75,59	4,15,77	4,38,18
Net Current Assets.....	(150,98)	(217,50)	(1,62,79)	(75,28)	(1,05,69)
Revenue Accounts (Rs. in '000)					
Sales & other income*.....	2070,63	1669,95	4,90,91	23,25,17	26,47,47
Gross Profit / (Loss) before					
Interest & Depreciation.....	213,72	(40,35)	(38,96)	99,11	1,75,73
Interest.....	88,64	78,77	70,84	1,49,10	1,47,66
Depreciation.....	21,78	21,89	23,01	24,46	23,75
Profit / (Loss) Before tax.....	103,30	(11,308)	(13,281)	(74,45)	4,31
Profit / (Loss) After Tax & Other Adjustments.....	103,30	(38,89)	(88,88)	(74,45)	4,31
Selected Indicators					
Net Worth Per Share (Rs.).....	18.66	19.58	20.51	21.43	22.39
Earning Per Share (Rs.).....	(5.58)	(2.10)	(4.81)	(4.02)	0.23
Profit/(Loss) Before Tax to Sales (%).....	(4.99)	(2.54)	(28.72)	(3.20)	(0.18)
Profit/(Loss) After Tax to Sales (%).....	(4.99)	(2.54)	(19.22)	(3.20)	(0.18)
Debit Equity Ratio.....	0.95	1.04	1.08	0.98	0.70
Current Ratio.....	(0.82)	(0.70)	(0.78)	(0.89)	(0.86)
Total no. of Employees.....	194	167	188	230	231

*Includes Excise Duty & Sales Tax

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NOTICE

Notice is hereby given that the Annual General Meeting of the members of BCL Forgings Limited, will be held at the Registered office of the company at 80, Dr. Annie Besant Road, Worli, Mumbai - 400 018. on Thursday, September 30, 2004 at 3.00 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2004 and the Profit & Loss Account for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Jagdish Prasad who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the "Act"), and as approved by the Central Government, the Company in General meeting hereby approves the re-appointment of Mr. Chandrashekhar Dhongde as Managing Director of the Company for a period of five years with effect from December 1, 2003 upon the terms and conditions including the terms as to remuneration approved by the remuneration committee and set out in the agreement dated December 29, 2003 (the "Agreement"), which Agreement placed before this meeting and is hereby specifically approved with liberty to the Board of Directors of the Company (the "Board") to alter, vary and modify the terms and conditions of the said appointment and the Agreement in such manner as approved by the Central Government and as may be agreed to between the Board and Mr. Chandrashekhar Dhongde.

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during Mr. Chandrashekhar Dhongde's term of office as managing Director the remuneration payable to him shall be as per the minimum remuneration prescribed in Schedule XIII of the Act and that he shall be entitled to the said remuneration including all other benefits and perquisites set out in the Agreement as approved by the Central Government and as the minimum remuneration.

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"RESOLVED FURTHER THAT in the event of any statutory amendment or relaxation by the Central Government to Schedule XIII of the Act the Board be and is hereby authorised to vary or increase the remuneration including the perquisites within such prescribed limits or ceiling and the Agreement between the Company and Mr. Chandrashekhar Dhongde be suitably amended to give effect to such modifications, relaxation or variation without any further reference to the Company.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this Resolution".

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

"RESOLVED THAT, subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter), the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), consent be and is hereby accorded to the Board to delist the Company's Ordinary Shares from the Ahmedabad Stock Exchange, Ahmedabad without giving an exit option to the shareholders of the region where the aforesaid Stock Exchange is situated and on the terms and conditions as may be stipulated and mutually agreed to in the best interests of the Company, after taking into account various factors such as but not limited to the incidence, impact or burden of the cost of listing fees payable to the Stock Exchange and the volume of trading on the relevant Stock Exchange."

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.**
 - 2. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
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3. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business at items 4 and 5 is annexed hereto
 4. The Register of Members and Share Transfer Books of the Company will be closed from Thursday September 23, 2004 to Thursday September 30, 2004, both days inclusive.
 5. Members are requested to notify promptly any change in their addresses to the Company's Registrar and Share Transfer Agents.
 6. Any query which the member proposes to raise at the time of the Annual General Meeting should be forwarded to the Company atleast seven (7) days in advance of the Annual General Meeting.

Registered Office;

80, Dr. Annie Besant Road
Worli, Mumbai 400018

By order of the Board

Chandrashekhar Dhongde
MANAGING DIRECTOR

Date: August 19, 2004

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ANNEXURE TO NOTICE

Explanatory Statement as required by Section 173 of the Companies Act, 1956

Item No. 4

The Board of Directors of the Company (the "Board") had re-appointed Mr. Chandrashekhar Dhongde as Managing Director of the Company for a further period of five years with effect from December 1, 2003. The re-appointment of Mr. Chandrashekhar Dhongde and the remuneration payable to him on his re-appointment is subject to the approval of the Members of the Company. The Material terms of the Agreement dated December 29 2003 referred to in the Resolution at Item No. 4 of the accompanying Notice interalia are as follows :-

Salary : At the rate of Rs.25000/- per month.

Commission: Commission at the rate of one percent (1%) on the net profits of the Company in the manner laid down in Section 349 of the Companies Act, 1956 subject to the ceiling limits laid down in Sections 198 and 309 of the Companies Act, 1956.

Perquisites : Perquisites shall be allowed in addition to the salary and commission and shall be restricted to an amount equal to annual salary.

The perquisites are classified as under :-

I. Residential Accommodation

CATEGORY "A"

HOUSING I

The expenditure incurred by the Company on hiring unfurnished accommodation at Nashik, Maharashtra, for the Managing Director, will be subject to the ceiling of fifty percent of the salary.

HOUSING II

In case no accommodation is provided by the Company, the Managing Director 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 shall be valued as per the Income Tax Rules, 1962 and shall be subject to a ceiling of ten percent of the annual salary of the Managing Director.

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II. Medical Reimbursement:

Expenses Incurred for self and family, subject to a ceiling of one month's salary in a year, subject to the rules of the Company.

III. Leave Travel Concession:

For self and his family once in a year incurred within the rules specified by the Company, subject to a ceiling of one and half month's salary.

IV. Club Fees:

Fees of clubs subject to a maximum of two clubs, but shall not include admission and Life Membership Fees.

V. Personal Accident Insurance:

Of an amount, the annual premium of which shall not exceed Rs.10000/- per annum,

For the purpose of this category, 'Family' means the spouse, the dependent children and dependent parents, of the Managing Director.

CATEGORY 'B'

I Provident Fund:

Company's contribution to provident fund as per the scheme of the Company.

II Gratuity :-

As per the rules of the Company payable which shall not exceed half a month's salary for each completed year of service.

CATEGORY 'C'

I Car:

Provisions of car for use on Company's business. Use of car for private purpose shall be billed by the Company to the Managing Director.

II Telephone:

Telephone at the residence of Managing Director. Personal long distance calls on telephone shall be billed by the Company to the Managing Director.

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CATEGORY 'D'

Mr. C. D. Dhongde shall be entitled to earned Privileged Leave, Casual Leave & Sick Leave on full pay and allowance as per rules of the Company.

In the event of loss or inadequacy of profits in any financial year of the Company during Mr. C. D. Dhongde's term of office as Managing Director, the Company shall pay the above salary and perquisites except commission as minimum remuneration in accordance with limits provided under Schedule XIII of the Act and as per the necessary approval of the central Government or such other approvals as may be required by law.

The Company has received the approval of the Central Government for the appointment and payment of remuneration to Mr. Chandrashekhar Dhongde. As per the approval of the government the total remuneration inclusive of all shall not exceed Rs. 75,000/- (Rupees Seventy five thousand) per month. A copy of the approval letter dated August 9, 2004 received from Central Government is open for inspection by the members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company except Saturday and Sunday.

Either party shall be entitled to determine this Agreement by giving three calendar month's notice in writing in that behalf to the other party and on the expiry of the period of such notice, this Agreement shall stand terminated. The Company shall also be entitled to terminate the Agreement on giving the Managing Director three months salary as specified in Clause 3 II (a) in lieu of three calendar months notice required to be given under the Agreement.

Additional Information required to be given alongwith a Notice calling General meeting as per sub para (C) of para 1 of Section II of Part II of Schedule XIII of the Companies Act, 1956 is given hereunder.

I. General Information:

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|---|--|
| 1) Nature of industry | MANUFACTURING OF CARBON & ALLOY
STEEL FORCINGS. - ENGINEERING AND FORGING |
| 2) Date or expected date of commencement of commercial production | The Company has been in the business for many years |
| 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | Not Applicable |

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4) Financial performance based on given indicators	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004
					(Rs. in lacs)
Sales & Other Income	2647.47	2325.17	490.91	1669.95	2070.63
Net profit (as computed under section 198)					
Net profit/ (Loss) as per profit and loss account	4.31	(74.45)	(88.88)	(38.89)	103.30
Amount of Dividend paid	NIL	NIL	NIL	NIL	NIL
Rate of Dividend declared	NIL	NIL	NIL	NIL	NIL
Earning before interest, depreciation & taxes	175.73	99.11	(38.96)	(8.75)	213.72
% of EBITD to Sales & Other Income	6.64	4.26	(7.94)	(0.52)	10.32
5) Export performance and net foreign exchange collaborations	NIL	NIL	NIL	NIL	NIL
6) Foreign investments or collaborators if any.	NIL				

II. Information about the appointee:

1) Background details

Name: Mr. Chandrashekhar D. Dhongde
Designation: Managing Director
Father's name: Dattatraya Dhongde
Nationality: Indian
Date of Birth: 03.10.1955
Qualifications: B.E.(Mech.). M.B.A.
Experience: Over 27 years in Forging industry

2) Past remuneration

The gross remuneration paid to him in the year 2002-03 was Rs. 355517/-

3) Recognition or awards

Trusty Member of Nasik Industries welfare club
 Nomination for Priyadarshani Award

4) Job profile and his suitability

The Managing Director shall be responsible for the management of the whole of the affairs of the Company and to do all acts and things, which, in the ordinary course of business, he considers necessary or proper or in the interest of the Company.

Considering the above and having regard to age, qualifications, ability and experience and looking to the business requirement the proposed remuneration is in the interest of the Company.

5) Remuneration proposed

A gross remuneration not exceeding Rs. 75,000/- per month based on monetary value of perquisites as approved by Central Government.