

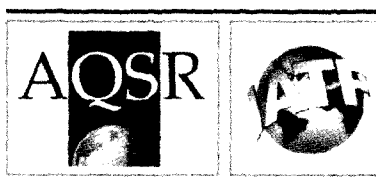
41ST ANNUAL REPORT

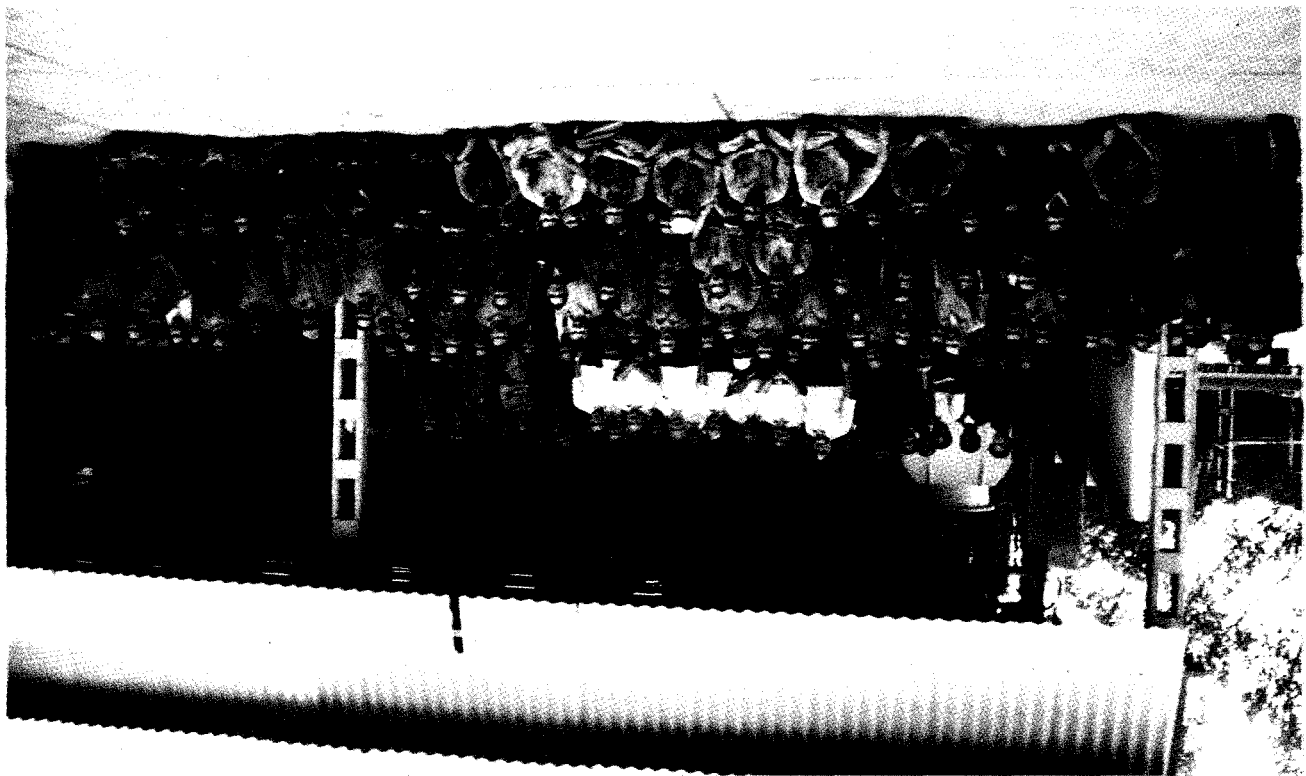
2007-2008

BCL

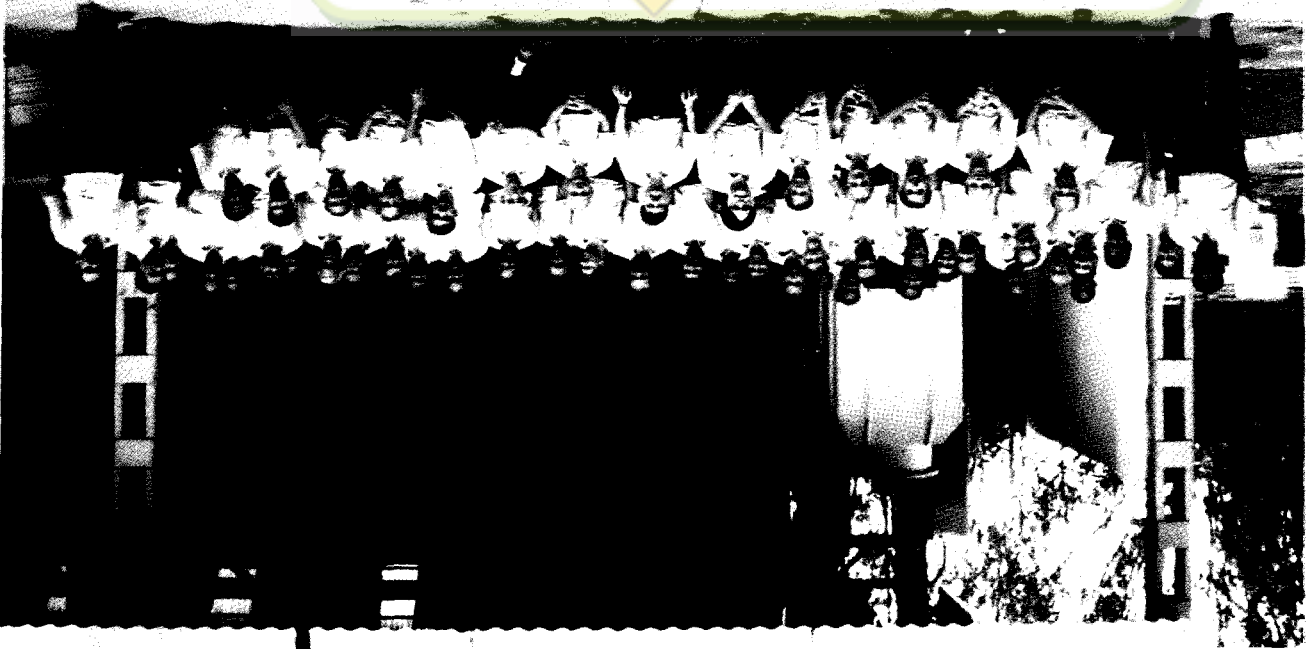
BCL FORGINGS LIMITED

AN ISO/ TS 16949 : 2002 Company





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BCL

BCL Forgings Limited

Board Of Directors :

Mr. C D Dhongde – Managing Director
 Mr. D C Mehta
 Mr. Surendra B Chandorkar
 Mr. Kishore Janani
 Mr. Bhargav Patel

Auditors :

M.A.Parikh & Company
 Chartered Accountants

Bankers :

State Bank of India
 Industrial Finance Branch
 Worli, Mumbai - 400 018

Solicitors :

Bachubhai Munim & Company

Registered Office :

Bombay Footwear Building
 Deonar Village Road,
 Opp. N.K.G.S.B. Bank
 Deonar, Mumbai - 400 088

Factory :

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

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BCL Forgings Limited

FINANCIAL SUMMARY

	2007 - 08 (12 Months)	2006 - 07 (09 Months)	2005 - 06 (12 Months)	2004 - 05 (12 Months)	2003 - 04 (12 Months)
Capital Accounts (Rs. In' 000)					
Shareholders Fund	2717,17	2523,09	2429,75	1453,63	345,18
Borrowings	3172,95	2712,04	2040,50	1472,06	329,82
Gross Block	3406,97	2367,25	1292,81	1122,36	1075,55
Net Block	2358,83	1445,94	423,54	319,85	312,66
Net Current Assets	3617,58	3287,23	3003,84	947,37	(150,98)
Revenue Accounts (Rs. In' 000)					
Sales & Other Income *	8103,68	5242,83	6029,47	3358,26	2070,63
Gross Profit / (Loss)	638,69	289,46	390,31	593,71	213,72
(before Interest,					
& Depreciation					
Interest	409,38	151,42	199,91	121,97	88,84
Depreciation	109,73	39,21	45,39	22,52	21,78
Profit / (Loss) before tax	119,58	98,82	145,01	449,22	103,30
Profit / (Loss) after tax	121,28	44,80	63,11	446,52	103,30
and other adjustments					
Selected Indicators					
Net worth per share (Rs.)	160.20	136.41	131.36	78.59	18.66
Earning per share (Rs.)	0.75	2.42	3.41	24.14	5.58
Profit/(Loss)before tax to	1.47	1.88	2.41	13.38	4.99
Sales %					
Debt / Equity Ratio	0.86	0.93	1.19	0.99	0.95
Current Ratio	2.74	3.60	3.56	2.65	(0.82)
Total No. of employees	318	321	340	250	194

* Includes Excise Duty and Sales Tax

BCL FORGINGS LIMITED

NOTICE

Notice is hereby given that the 41st Annual General Meeting of the Members of BCL Forgings Limited will be held on Monday, September 29, 2008 at 12.00 noon at Sunville Deluxe Pavillion, 9, Dr. Annie Besant Road, Worli, Mumbai 400018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2008 and the Profit and Loss Account for the year ended on that date and the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Surendra Chandorkar, who retires by rotation, and is eligible 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 an Ordinary Resolution:

To appoint Director in place of Mr. Bhargav Patel, who was appointed as an Additional Director by the Board of Directors and who holds office upto the date of the ensuing Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director.

5. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

To appoint Director in place of Mr. Kishore Janani, who was appointed as an Additional Director by the Board of Directors and who holds office upto the date of the ensuing Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director.

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 THE PROXY NEED NOT BE A MEMBER.
2. The proxy form in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Annual General Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 26, 2008 to Monday, September 29, 2008 (both days inclusive).

4. Shareholders are requested to send all correspondence in respect of the shares held by them in physical form to the Company's Share Transfer Agents viz. Satellite Corporate Services Pvt. Ltd, B- 302, Sony Apartment, Opp. ST Jude High School, Off. Andheri Kurla Road, Jarimari, Sakinaka, Mumbai 400 072.
5. A member desirous of getting any information on the accounts or operations of the Company or any shares-related matter is requested to forward his/her queries to the Company at least seven days prior to the meeting so that the required information can be made available at the meeting.
6. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business items 4 to 5 is annexed hereto.

Registered Office :

Bornaby Footwear Building
Deonar Village Road,
Opp: N.K.G.S.B. Bank -
Deonar, Mumbai - 400 088

By order of the Board

Chandrashekhar Dhongde
Managing Director

June 30, 2008



EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO. 4

Mr. Bhargav Patel was appointed as an Additional Director of the Company by the Board of Directors effective from December 14, 2007. By virtue of Section 260 of the Companies Act, 1956. Mr. Bhargav Patel will hold office upto the date of this Annual General Meeting and is eligible for appointment. The Company has received a notice under Section 257 of the Companies Act, 1956 alongwith requisite deposit from a member of the Company proposing his candidature for the office of Director.

The Board commends your approval to the said appointment.

None of the Directors of the company except Mr. Bhargav Patel is concerned or interested in the resolution for his appointment as Director of the Company.

ITEM NO. 5

Mr. Kishore Janani was appointed as an Additional Director of the Company by the Board of Directors effective from December 14, 2007. By virtue of Section 260 of the Companies Act, 1956. Mr. Kishore Janani will hold office upto the date of this Annual General Meeting and is eligible for appointment. The Company has received a notice under Section 257 of the Companies Act, 1956 alongwith requisite deposit from a member of the Company proposing his candidature for the office of Director.

The Board commends your approval to the said appointment.

None of the Directors of the company except Mr. Kishore Janani is concerned or interested in the resolution for his appointment as Director of the Company.

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By order of the Board

Chandrashekhar Dhongde
Managing Director

June 30, 2008

BCL FORGINGS LIMITED

DIRECTORS' REPORT

To All the Members

Your Directors have pleasure in presenting annual report and the audited accounts for the year ended 31.03.2008.

Financial Results

	(Rs. In Lacs)	
	Year ended	Period ended
	31.03.2008	31.03.2007
	(12 Months)	(9 months)
Sales & other Income	8103.68	5242.83
Profit before Depreciation, Interest & Tax	638.69	289.46
Depreciation	109.73	39.21
Interest	409.38	151.42
Deferred Tax Liability	NIL	54.03
Profit for the year	121.28	44.80
Profit/(Loss) brought forward from previous year	73.16	(3.64)
Profit/(Loss) after Tax transferred to Balance Sheet	194.44	41.16

OPERATIONS:

During the year ending 31.03.2008 the Company has achieved a turnover of Rs. 8103.68 lacs which is on annualized basis about 16% more as compared to the last period of 9 months on an annualized basis.

However there was substantial improvement in the profit before interest, depreciation and tax which on an annualized basis increased by 66% as compared to the last period of 9 months on an annualized basis.

Only on account of substantial increase in the interest cost and very high depreciation resulting due to the completion of expansion programme, the profitability could not be improved drastically.

The improved performance has been possible due to increase in production levels as well as various cost cutting measures adopted by the company. During the year the expansion programme with the installation of 5 Ton pneumatic hammer, 1600 Ton Forgings press and 6" Upsetter along with the various balancing equipments was completed. Your company hopes to increase the production from these new machinery during the future years substantially.

The Company's understanding for manufacturing and supply of S G Iron castings and machined components with M/s. Business Combine Limited continued during the last year which has resulted into Company being able to cater to variety of clients for their requirements of Forgings, S G Iron castings in raw, semi machined and fully machined condition as well as sub assemblies.

With the continuous efforts your company has started exports to the organizations such as M/s. Fairfield Oerlikons USA, Demag Cranes Germany, Dana Corporation Italy, Magna

Corporation USA etc. During the year even though there was increase in the top line, the profitability has come under pressure on account of very high cost of essential inputs such as steel, fuel and also sharp rise in the interest cost. In spite of such huge cost increases management has taken various steps for cost reductions including value engineering through Kaizen approach which resulted in improved performance.

Future Prospects

With the completion of expansion, now the Company hopes to increase the production substantially and reap the benefits of economies of scale in future. There have been encouraging enquiries from Indian as well as overseas clients which your Company is confident of converting into business.

The Company has evolved a new strategy to increase exports substantially so as to enlarge its clientele and also safeguard its position in times of recession in the Indian market.

Preferential Issue

During the year, the Company has allotted 10650356 equity shares on preferential basis and 3670000 equity shares upon the conversion of Cumulative Preference Shares.

The proceeds of the preferential issue have been utilised for discharging the old liabilities of Company's erstwhile banks viz. Bank of Baroda and Canara Bank, various creditors, F.D. Holders etc.

Fixed Deposit

The Company has not accepted any Fixed Deposits for the year ended 31st March, 2008.

Particulars under Section 217(1) (e) of the Companies Act, 1956:

The information as 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 energy conservation, technology absorption and foreign exchange earnings and outgo is given in the Annexure forming part of this report.

Directors

Mr. Surendra Chandorkar, Director of the Company would retire by rotation at the ensuing AGM of the Company and is eligible for the re-appointment.

Mr. Bhargav Patel and Mr. Kishore Janani were appointed as Additional Director of the Company by the Board of Directors on December 14, 2007. By virtue of Section 260 of the Companies Act, 1956, he holds office upto the date of the ensuing Annual General Meeting and eligible for appointment.

Listing

The shares of the Company are listed on Bombay Stock Exchange Ltd. and Delhi Stock

Exchange Ltd. The Company has paid the necessary listing fees for the year 2008-09 to the Bombay Stock Exchange Ltd.

The Company's application for delisting is pending with the Delhi Stock Exchange Ltd.

The Company is in process of implementing the corporate governance as required under the listing agreement of stock exchanges.

Particulars of Employees:

The Company does not have any employee whose particulars are required to be given pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975.

Directors' Responsibility Statement

Pursuant to section 217(2AA) of the Companies Act, 1956 your Directors confirm the following

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that the directors have selected such accounting policies and applied them consistently and made judgements 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 profit or loss of the Company for that period;
- c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting record in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the directors have prepared the annual accounts on a going concern basis;

Auditors

1. The Company has been meeting the gratuity liability and liability for leave encashment as and when the same become payable. However the company is taking steps to obtain actuarial valuation of gratuity and leave encashment liabilities and making provision for the same. The Company shall also be taking requisite steps to fund the gratuity liability in a gradual manner.
2. The note no 20.C.15 as regards valuation of stock in process in schedule 20 is self explanatory.
3. The interest on old ESIC dues has been paid since the year end and accounted for accordingly.
4. As regards the compliance of provision of Section 292A of the Company's Act 1956 and clause 49 of the listing agreement with Bombay Stock Exchange vis-à-vis certain disclosures and compliances, the Company is in the process to comply with the same in the ensuing year.
5. In absence of relevant information, the Company has not disclosed the amounts due to the vendors under Micro, Small and Medium enterprises Act 2006.