

**BCL**

**BCL FORGINGS LIMITED**

AN ISO/ TS 16949 : 2002 Company



ISO/TS 16949 : 2002

# BCL Forgings Limited

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## **Board Of Directors .:**

Mr. C D Dhongde – Managing Director  
Mr. D C Mehta  
Mr. Surendra B Chandorkar  
Mr. Sanjay Gaikwad  
Mr. Rajiv Raje

## **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

# BCL Forgings Limited

## FINANCIAL SUMMARY

	2009 - 10 (12 Months)	2008 - 09 (12 Months)	2007 - 08 (12 Months)	2006 - 07 (09 Months)	2005 - 06 (15 Months)
<b>Capital Accounts ( Rs. In' 000 )</b>					
Shareholders Fund	2490.38	2499.85	2717.17	2523.09	2429.75
Borrowings	4222.62	3978.33	3172.95	2712.40	2040.50
Gross Block	3417.87	3423.04	3406.97	2367.25	1292.81
Net Block	2084.55	2206.32	2358.83	1445.94	423.54
Net Current Assets	3450.88	3617.77	3617.58	3287.23	3003.84
<b>Revenue Accounts ( Rs. In' 000 )</b>					
Sales & Other Income *	4345.74	4493.80	8103.68	5242.83	6029.47
Gross Profit / ( Loss ) (before Interest & Depreciation)	120.92	(172.78)	638.69	289.46	390.31
Interest	533.51	596.94	409.38	151.42	199.91
Depreciation	113.08	145.70	109.73	39.21	45.39
Profit / ( Loss ) before tax	(525.67)	(915.42)	119.58	98.82	145.01
Profit / ( Loss ) after tax and other adjustments	(526.17)	(845.76)	121.28	44.80	63.11
<b>Selected Indicators</b>					
Net worth per share ( Rs.)	15.15	15.15	15.15	18.92	18.10
Earning per share ( Rs.)	(3.25)	(5.23)	0.75	2.42	3.41
Profit/(Loss)before tax to Sales %	(12.09)	(20.37)	1.47	1.88	2.41
Debt / Equity Ratio	2.60	2.45	1.69	2.04	1.58
Current Ratio	4.22	4.51	2.74	3.60	3.56
Total No. of employees	322	322	318	321	340

\* Includes Excise Duty and Sales Tax

# **BCL FORGINGS LIMITED**

## **NOTICE**

Notice is hereby given that the 43<sup>rd</sup> Annual General Meeting of the Members of BCL Forgings Limited will be held on Monday, 27.09.2010 at 12.00 noon at Sunville Deluxe Pavillion, 9, Dr. Annie Besant Road, Worli, Mumbai 400 018 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2010 and the Profit and Loss Account for the period 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.

### **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 Thursday, 23.09. 2010 to Monday, 27.09.2010 (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.

**Registered Office:**  
Bombay Footwear Building  
Deonar Village Road,  
Opp: N.K.G.S.B. Bank-  
Deonar, Mumbai -400088.

**By order of the Board**

Chandrashekhar Dhongde  
Managing Director

27<sup>th</sup> August, 2010

# 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 31.03.2010.

### **Financial Results**

	(Rs. In Lacs)	
	<b>Year ended 31.03.2010</b>	<b>Year ended 31.03.2009</b>
Sales & other Income	4345.74	4493.81
Profit before Depreciation, Interest & Tax	120.92	(172.78)
Depreciation	113.08	145.70
Interest	533.51	596.94
Deferred Tax Liability	0.50	(69.66)
Profit for the year	(526.17)	(845.76)
Profit/(Loss) brought forward from previous year	(651.32)	194.44
Profit/(Loss) after Tax transferred to Balance Sheet	(1177.49)	(651.32)

### **OPERATIONS :**

During the year ending 31.03.2010, the Company could achieve a turn over of Rs. 4345.74 lacs as compared to the turn over of Rs. 4493.81 lacs during the year 2008-09. This was mainly on account of continuation of recessionary trends resulting out of global melt down especially during the first half of the year.

The Company's dependence on heavy commercial vehicle sector as well as export to USA & UK was to the extent of almost 75%. Both these sectors having been hit very badly on account of severe recession reflected in poor demand for Company's products. This poor demand especially against the huge capacity to the extent of 21600 tons per annum which was created after the expansion programme resulted in huge under utilisation of plant capacity and disproportionate increase in the cost of various heads especially that of interest and employees' remuneration which as a percentage of sales increased phenomenally.

However, with the improvement in the demand pattern for Company's products especially from the Indian clients, simultaneously with the various cost control measures under taken, the Company incurred losses of Rs. 526.17 lakhs. However, these losses were mainly on account of financial expenses of Rs. 533.51 lakhs and depreciation of Rs. 113.08 lakhs.

### **Future Prospects**

The present demand pattern from the various Indian clients has improved to a very great extent even though the demand from over seas clients continues to be sluggish. It is expected that from December, 2010 onwards there will be increase in the demand pattern from the over seas clients and the same from Indian clients also will be substantially high. Over all it is felt that during the 2<sup>nd</sup> half of the financial year, there will be substantially higher demand for Company's products.

### **Fixed Deposit**

The Company has not accepted any Fixed Deposits for the year ended 31<sup>st</sup> March, 2010.

### **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 B. Chandorkar, Director of the Company would retire by rotation at the ensuing Annual General Meeting of the Company and is eligible for the re-appointment.

### **Listing**

The shares of the Company are listed on Bombay Stock Exchange Ltd., Delhi Stock Exchange Ltd. The Company has paid the necessary listing fees for the year 2010- 11 to the Bombay Stock Exchange Ltd.

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

### **CORPORATE GOVERNANCE**

Report on Management Discussion & Analysis and Corporate Governance and a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are attached hereto and form part of this Report.

### **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**

The reference made by the Auditors in their report and notes to Accounts are self-explanatory and require no further explanation.

M/s. M.A. Parikh & Co. Chartered Accountants, Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

### **Industrial Relations**

The overall Industrial Relations in the Company have been cordial. Your Company has received full cooperation and support of its personnel. Your Directors thank them and expect the same support from them in the years to come.

### **Acknowledgements:**

The Board wishes to thank their customers, suppliers, Shareholders and the Bankers of the Company for their support and co-operation.

**For and on behalf of the Board**

**27<sup>th</sup> August, 2010**

**Managing Director**

**Director**

# BCL Forgings Limited

## ANNEXURE TO DIRECTORS' REPORT

Information as per Section, 217(1)(e) of the Companies Act, 1956 read with the Company/(disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31<sup>st</sup> March 2010.

### A) Energy Conservation

- a) Energy conservation measures      The Company has maintained unity power factor throughout the year. With the help of recuperators, cost analysers, flow meters and other temperature and pressure measurement cum control gauges, company had tried its best to conserve electricity as well as fuel which are the main energy sources. The Heat Treatment with polymer quenching and use of bio diesel have also helped in further reduction in energy consumption
- b) Additional investment and proposal being implemented for Reduction in consumption of energy      The Company is in the process of modification of various furnaces.
- c) Impact of measures at (a) and (b) above for reduction of energy consumption and the consequent Impact on the cost of production      These measures have resulted in reduced consumption of fuel and also saving in power cost, in spite of substantial increase in the prices of the same.

### B) Power and Fuel Consumption at Nasik Factory for the manufacture of Forgings

	2009-10	2008-09	2007-08
1) Electricity			
a) Purchase Units (KWh)	2927000	2601180	3251593
Total Amount Rs.	14400367	12035074	14602980
Rate Per Unit	4.91	4.63	4.49
b) Own Generation	Nil	Nil	Nil
2) Coal	Nil	Nil	Nil
3) Furnace Oil			
a) Purchase quantity (K. Ltrs.)	1206471	1107466	1827743
Total Amount Rs.	34295371	27445656	36116417
Rate Per Unit	28.42	24.78	19.76
4) Light Diesel Oil (LDO)			
a) Purchase Qty (K. Ltrs.)	39340	58880	195527
Total Amount Rs.	1392663	2051186	5551372
Rate Per Unit	35.40	34.83	28.39



**C) Consumption per unit of production**

Production Tonnage		Electricity (In Rs. Per Ton)		Furnace Oil (In Rs. Per Ton)		L D O (In Rs. Per Ton)	
2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
4812	3612	2996.84	3331.97	7127.05	7598.47	289.41	567.88

D) There was no technology import during the period under review

**E) Foreign Exchange Earnings and Outgo**

	2009-10	2008-10
Foreign Exchange Earnings	Rs. 142.67 Lacs	Rs. 195 Lacs
Foreign Exchange Outgo	NIL	NIL

**For and on behalf of the Board**

**Mumbai**  
**27<sup>th</sup> August, 2010**

**Managing Director**

**Director**

**REPORT ON CORPORATE GOVERNANCE**  
(Pursuant to clause 49 of the Listing Agreement)

**COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's philosophy of Corporate Governance is aimed at assisting the top management of the Company in the efficient conduct of its business and in meeting its obligations to the shareholders. The company continues to comply with the Corporate Governance code and is committed to learn and adopt the best practices of corporate governance and maintain transparency in its dealings with its stakeholders and public at large and thus endorse highest standards of Corporate Governance in the years to come.

**I. BOARD OF DIRECTORS**

**A. Composition of Board**

The present strength of Board of Directors of your Company is Five Directors.

Composition and category of Directors is as follows:

Name of Director	Category of Directorship*	No. of Board Meetings attended	Attendance at the last AGM	Directorship in other Companies including private companies in India	No. of Committees in which Chairman/Member (other than BCL Forgings Ltd.)	
					Member	Chairman
Mr. Chandrashekhar Dattatraya Dhongde	Managing Director	4	YES	NIL	NIL	NIL
Mr. Surendra Balkrishna Chandorkar	I & N.E.D.	4	YES	NIL	NIL	NIL
Mr Dhirajlal Chunilal Mehta	I & N.E.D.	4	YES	NIL	NIL	NIL
Mr Rajiv Raje	I & N.E.D.	4	NO	NIL	NIL	NIL
Mr. Sanjay Gaikwad	I & N.E.D.	4	NO	NIL	NIL	NIL

I & N.E.D. – Independent & Non-Executive Director

**(B). Non-executive directors compensation**

None of the non-executive directors is paid any remuneration.

None of the other Non- Executive directors holds any shares in the Company.