

44TH ANNUAL REPORT

2010-2011

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
Mr. D C Mehta
Mr. Surendra B Chandorkar
Mr. Sanjay Gaikwad
Mr. Rajeev Reje
Mr. N. E. Narwade
Mr. Arnish 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

BCL FORGINGS LIMITED

FINANCIAL SUMMARY

	2010-11 (12 months)	2009-10 (12 Months)	2008-09 (12 Months)	2007-08 (12 months)	2006-07 (9 Months)
Capital Accounts (Rs. In '000)					
Shareholders Fund	2487.98	2490.38	2499.85	2717.17	2523.09
Borrowings	3801.59	4222.62	3978.33	3172.95	2712.40
Gross Block	3421.17	3417.87	3423.04	3406.97	2367.25
Net Block	1964.75	2084.55	2206.32	2358.83	1445.94
Net Current Assets	2294.75	3450.88	3617.77	3617.58	3287.23
Revenue Accounts (Rs. In '000)					
Sales & Other income *	3608.32	4345.74	4493.80	8103.68	5242.83
Gross Profit / (Loss) before Interest & Depreciation	(135.68)	120.92	(172.78)	638.69	289.46
Interest	596.12	533.51	596.94	409.38	151.42
Depreciation	120.07	113.08	145.70	109.73	39.21
Profit / (Loss) Before tax	(852.51)	(525.67)	(915.42)	119.58	98.82
Profit / (Loss) After tax and other adjustments	(852.51)	(526.17)	(845.76)	121.28	44.80
Selected Indicators					
Net worth per share (Rs.)	15.15	15.15	15.15	15.15	18.92
Earning per share (Rs.)	(5.27)	(3.25)	(5.23)	0.75	2.42
Profit/(Loss) Before Tax to sales (%)	(23.62)	(12.09)	(20.37)	1.47	1.88
Debt / Equity Ratio	2.57	2.60	2.45	1.69	2.04
Current Ratio	3.25	4.22	4.51	2.74	3.60
Total No of employees	316	322	322	318	321

* Includes Excise duty and Sales Tax

BCL FORGINGS LIMITED

NOTICE

Notice is hereby given that the 44th Annual General Meeting of the Members of BCL Forgings Limited will be held on Friday, December 30, 2011 at 3.00 p.m. 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 31st March, 2011 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. Sanjay Gaikwad, who retires by rotation, and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Rajiv Raje, who retires by rotation, and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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. N. E. Narwade, 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.

6. 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. Amish 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.

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the "Act"), the Company in general meeting hereby approves the appointment of Mr. N. E. Narwade as Wholetime Director designated as Chief Operating Officer (COO) of the Company for a period of three years with effect from August 13, 2011 on the terms and conditions including remuneration as approved by the Remuneration Committee and as set out hereunder be and is hereby specifically sanctioned with liberty to the Board of Directors of the Company to vary, alter and modify any of the terms and conditions of such appointment and/or remuneration if necessary and the Company and Mr. N. E. Narwade and within and in accordance with the limits specified in Schedule XIII of the Companies Act, 1956 or any statutory amendment thereto or any relaxation in that behalf and as may be agreed to between the Board of Directors of the Company and Mr. N. E. Narwade.

Salary Basic Rs. 52150 + DA Rs.8088.00/- (variable) per month

Perquisites Perquisites shall be allowed in addition to the salary.

The perquisites are classified as under :

- **Housing** COO shall be entitled to house rent allowance of Rs.4000/- per month
- **Medical Reimbursement:** Expenses incurred for self & family, subject to a ceiling of Rs. 10,000/- per annum
- **Leave travelling concession :** For self and his family once in a year incurred with the rules specified by the Company subject to a ceiling of Rs. 25,000/- per annum
- **Education Allowance :** Not exceeding Rs. 500/- per month
- **City Compensatory Allowance :** Not exceeding Rs. 650/- per month
- **Provident Fund :** Company's contribution to provident fund as per the scheme of the Company
- **Gratuity :** As per the rules of the Company payable which shall not exceed half month salary for each completed year of service

- Conveyance Allowance :

- i) The reimbursement of conveyance expenses actually and properly incurred by the COO in the course of the business of the Company in accordance with the rules & regulation of the Company in force from time to time.
- ii) The reimbursement of travelling, hotel & other expenses incurred by him in India and abroad exclusively on the business of the Company in accordance with the rules and regulations of the Company in force from time to time.

- Leave salary:

Mr. N. E. Narwade shall be entitled to earn /- privilege leave on full pay and allowance as per the rules of the Company but not more than one month's leave for every eleven months of service shall be allowed. Leave accumulated but not availed of will be allowed to be encashed at the end of his tenure as Wholetime Director. The Wholetime Director shall be entitled to 15 days sick leave every year.

Other terms:

- The COO shall devote his whole time and attention during business hours to the business of Company as may be necessary and shall use his best endeavours to promote Company's interest and welfare.

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the Company during Mr. N. E. Narwade's term of office as Wholetime 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 all other benefits and perquisites set out in the Agreement as the minimum remuneration.

"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.

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. Explanatory statement as required under section 173 of the Companies Act, 1956 in respect of items of Special Business is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, December 29, 2011 to Friday, December 30, 2011 (both days inclusive).
5. 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.
6. 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

Director

November 24, 2011

BCL FORGINGS LIMITD

EXPLANATORY STATEMENT

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

ITEM NO. 5 & 6

Mr. N. E. Narwade and Mr. Amish Patel were appointed as an Additional Directors of the Company by the Board of Directors effective from August 13, 2011. By virtue of Section 260 of the Companies Act, 1956 Mr. N. E. Narwade and Mr. Amish Patel will hold office upto the date of this Annual General Meeting and are eligible for appointment. The Company has received a notice under Section 257 of the Companies Act, 1956 along with requisite deposit from a member of the Company proposing their candidature for the office of Director.

The Board commends your approval to the said appointment.

None of the Directors of the company except Mr. N. E. Narwade and Mr. Amish Patel are concerned or interested in the resolution for their appointment as Director of the Company.

ITEM NO. 7

The Board of Directors of the Company had by a resolution passed on August 13, 2011 approved the appointment of Mr. N. E. Narwade as Wholetime Director designated as Chief Operating Officer (COO) of the Company for a period of three years, with effect from August 13, 2011 at a remuneration as set out in the Resolution at item no. 7

The Board commends the approval by the members of the appointment of Wholetime Director and payment of remuneration to him.

Mr. N. E. Narwade is concerned or interested in the said Resolution at item no. 7 of the accompanying notice as it relates to his own re-appointment.

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By order of the Board

Director

November 24, 2011

BCL FORGINGS LIMITED

DIRECTORS' REPORT

To All The Members

Your Directors have pleasure in presenting Annual Report and the Audited Accounts for the period ended 31.03.2011.

(Rs. In Lacs)

<u>Financial Results</u>		
	Year ended 31.03.2011	Year ended 31.03.2010
Sales & other Income	3353	4493.81
Profit before Depreciation, Interest & Tax	(853)	(172.78)
Depreciation	120	145.70
Interest	596	596.94
Deferred Tax Liability	Nil	(69.66)
Profit for the year	(853)	(845.76)
Profit/(Loss) brought forward from previous year	(1177)	194.44
Profit/(Loss) after Tax transferred to Balance Sheet	(2030)	(651.32)

OPERATIONS:

During the year ending 31.03.2011, the Company could achieve a turn over of Rs. 3353.12 lacs as compared to the turn over of Rs. 4345.74 lakhs during the year 2009-10. This was mainly on account of continuation of recessionary trends & lack of working capital.

Even though the Company has good orders in hand, the same cannot be fulfilled due to lack of working capital, which is on account of the losses suffered by Company during previous years due to recessionary conditions. However, Management is discussing with bankers for the same and is quite hopeful about the results.

Also Management has taken steps to reduce over heads by reducing employee strength and increasing the efficiency.

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. 853 lakhs. However, these losses were mainly due to financial expenses and depreciation of Rs. 719 lakhs.

Future Prospects

Management is also trying to increase the share of non-automobile sectors such as Windmill Energy, Earth Moving Equipment, Mining, Hydraulics, Agriculture and export related customers and also has developed various items for the same and consequently we got results as below.

- i) Turnover for the quarter ended 31.03.2011 was Rs. 828.69 lakhs.
- ii) Turnover for the quarter ended 30.06.2011 is Rs.1000.48 lakhs
- iii) Turnover for the quarter ended 30.09.2011 is Rs. 977.62 lakhs

Fixed Deposit

The Company has not accepted any Fixed Deposits for the year ended 31st March, 2011.

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. Sanjay Gaikwad and Mr. Rajiv Raje, Directors of the Company would retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for the re-appointment.

During the year Mr. N. E. Narwade and Mr. Amish Patel were appointed as additional directors of the company by the Board of Directors on August 13, 2011. By virtue of Section 260 of the Companies Act, 1956, he holds office upto the date of the ensuing Annual General Meeting and is eligible for appointment.

Mr. N. E. Narwade has been appointed by the Board as Whole Time Director of the Company for a period of three years with effect from August 13, 2011. Necessary resolution has been proposed in notice of the ensuing Annual General Meeting for his appointment and payment of remuneration.

Mr. Chandrashekhar Dhongde resigned as Managing Director of the Company with effect from July 1, 2011. He continues to be a director of the Company.

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 2011- 12 to the Bombay Stock Exchange Ltd.

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