

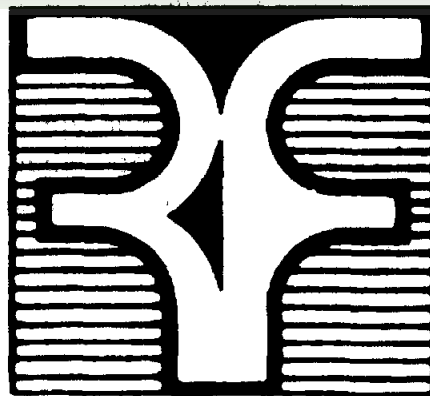
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# ANNUAL REPORT



2000-2001

Report  junction.com



## RAJKUMAR FORGE LIMITED

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**BOARD OF DIRECTORS :** N. D. Prabhu

P. B. Kore

N. Ramkrishna

A. R. Page

S. R. Kothavale Additional Director

R. S. Kothavale Managing Director

**AUDITORS :** M/s Bapat & Company  
Chartered Accountants  
Pune.

**BANKERS :** Bank of Baroda

**REGISTERED OFFICE :** 18, Shivaji Housing Society Ltd.,  
Off Senapati Bapat Road,  
Pune - 411 016.

**WORKS :** Gat No. 357, Kharabwadi,  
Chakan-Talegaon Road,  
Chakan - 410 501, Taluka - Khed,  
District - Pune.

**NOTICE**

Notice is hereby given that the Eleventh Annual General Meeting of the members of Rajkumar Forge Limited will be held at Poona Club, 6, Boat Club Road, Pune 411 001 on September 18, 2001 at 11.00 a.m. to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Balance Sheet as at 31st March 2001, and Profit and loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri. N D Prabhu, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri. A R Page, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS :**

1. To appoint Shri. Shantanu R Kothavale (who was appointed as additional director by the Board pursuant to Article 118 of Articles of Association and who holds office under the said Article and section 260 of the Companies Act, 1956 only upto the date of this meeting and in respect of whom the company has received a notice in writing under section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of director) as a director of the company and to consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:  
"RESOLVED THAT Shri. Shantanu R Kothavale be and is hereby appointed as a Director of the company, liable to retire by rotation."

**NOTES:**

- a) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and a proxy need not be a member of the Company.  
Proxy, in order to be effective, must be deposited with the Registered Office of the Company not later than Forty-eight hours before the commencement of the Meeting.
- b) Members are requested to intimate to the Company changes, if any, in their addresses.
- c) The register of members and share transfer books will remain closed from September 12, 2001 to September 18, 2001 both days inclusive.
- d) Documents and/or letters referred to in the Resolutions and in the explanatory statements annexed hereto are open for inspection by the members at the shares department of the company on all working days between 2.00 p.m. and 4.00 p.m. upto the date of the Annual General Meeting.

By the Order of the Board  
RAJKUMAR FORGE LIMITED

Place : PUNE  
Date : August 13, 2001

R.S. KOTHAVALA  
MANAGING DIRECTOR

**EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956****Special Business Item-1**

Shri. Shantanu R Kothavale was appointed as additional director of the Company by the Board pursuant to Article 118 of the Articles of Association of the Company and section 260 of the Companies Act, 1956. As required under section 257 of the Companies Act, 1956 notice has been received from a member signifying his intention to propose Shri. Shantanu R Kothavale as a candidate for the office of director alongwith deposit of Rs. 500/-. Shri. Shantanu R Kothavale has offered his assistance to the company to enable it to meet its obligations under the agreement for "One-time Settlement" entered into with the term-lending Financial Institutions.

Shri. Shantanu R Kothavale is the son of Shri. Rajkumar S Kothavale, Promoter and Managing Director of the company. He is a Computer Software Professional based at 3650, Buckley Street, 202, Santa Clara, CA 95051, USA.

Your directors, in the circumstances, recommend his appointment on the Board. Except Shri. Shantanu R Kothavale and Shri. Rajkumar S Kothavale, no other director is concerned or interested in the proposed resolution.



## DIRECTORS' REPORT

To,

The Members,

Your Directors present their Eleventh Annual Report for the year ended 31st March, 2001.

### FINANCIAL RESULTS

	Year ended 31.03.2001 (Rs.in lacs)	Year ended 31.03.2000 (Rs.in lacs)
Profit/(Loss) for the year before Interest,		
Finance charges & Depreciation	(53.50)	(193.16)
Less :		
Interest, Finance		
Charges for the year	456.09	363.35
Depreciation	65.41	65.37
Profit/(Loss) for the year	<u>(575.00)</u>	<u>(621.84)</u>

### DIVIDEND

In view of loss for the year, the Directors do not recommend dividend.

### OPERATIONS

During 2000-01, the Production of Forgings was 1,729 MTs (previous year 1,759 MTs) and Sales Income was Rs.997.10 Lacs (previous year Rs. 923.10 Lacs). During the year, capacity utilization has remained the same as last year. However, sales realization has increased by Rs. 5,190/- per ton as compared to that during the previous year. This increase has occurred despite of sharp rise in oil prices to Rs. 12,749/- per KL compared to Rs. 9,758/- per KL in the previous year. The electricity charges have also increased during the year to Rs.6.24 per unit as compared to Rs. 5.45 per unit during the previous year.

Loss before tax, interest and depreciation incurred during the year has decreased by 261% to Rs. 53.50 Lacs as compared to that of Rs. 193.16 Lacs during the previous year.

Export earnings as well have increased during the year to Rs. 130/- Lacs from meager Rs.7.47 Lacs during the previous year.

Increased exports and increased sales realizations have had positive impact on the current year's operating performance.

Yet, industrial recession continues to affect company's overall performance. Growth has been hindered due to stagnating domestic sales.

During the year the company continues to be "Sick Industrial Company" within the meaning of clause (O) of sub-section (1) of Section 3 of Sick Industrial Companies (Special Provisions) Act, 1985. The reference, as required under the said Act, was made to the Board for Industrial and Financial Reconstruction within the specified period for determining the measures which shall be adopted with respect to the company. The process of obtaining our company registered under the provisions of Section 17 of Sick Industrial Companies (Special Provisions) Act, 1985 is in progress.

### OUTLOOK FOR THE CURRENT YEAR

The business scenario in the current year has not changed as compared to that in the year under report. However, the export performance has been quite encouraging. Company's products are well received abroad and export sales during the current year are expected to be better than that during the year under consideration.

During the year your company has entered in to an agreement with the Term-lending Institutions, The Industrial Finance Corporation of India Limited, Industrial Development Bank of India and Industrial Credit and Investment Corporation of India towards "One-time Settlement" of dues owing to them. According to the terms of One-time Settlement, your company is required to settle the all the dues before March 31,2002. Only on fulfillment of this condition your company will be in a position to avail the benefit of certain waivers of liabilities owing to the Institutions.

During the year, Promoters and their associates have brought in part of the funds required for "OTS" i.e. to the tune of Rs. 186.24 Lacs and the same was utilized towards settlement of 25% of "OTS" amount. Balance "OTS" amount of Rs. 544.50 lacs will be paid during the ensuing year. On full and final settlement of "OTS" amount, your company will be granted by the Financial Institutions certain waivers in respect of accrued interest and liquidated damages.

By virtue of the waivers, your company is be expected to be no longer a "BIFR Company".

### PUBLIC DEPOSITS

During the period under review, your company has not accepted any fixed deposits from the public.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuance to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' responsibility statement, it is hereby confirmed:

- that in the preparation of the annual accounts for the financial year ended on March 31,2001, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the financial year under review;
- that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for the safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- that the directors have prepared the accounts for the financial year ended March 31,2001 on a 'going concern' basis.

### DIRECTORS

As per the provisions of the Companies Act, 1956 and Articles of Association of the Company directors, Mr. N D Prabhu and Mr. A R Page are liable to retire by rotation at this Meeting and being eligible, offer themselves for re-appointment.

**RAJKUMAR FORGE LIMITED**

ELEVENTH ANNUAL REPORT 2000 - 2001

The Board of Directors appointed Mr. Shantanu R Kothavale as an additional director during the year. Mr. Shantanu R Kothavale will hold office upto the date of ensuing Annual General Meeting. The company has received a notice under Section 257 of the Companies Act, 1956, proposing his appointment as director subject to retirement by rotation.

**AUDITORS**

M/s Bapat & Company, Chartered Accountants, Pune hold office till the conclusion of ensuing Annual General Meeting and are eligible for reappointment.

**PERSONNEL**

None of the employees of the Company fall within the ambit of the limit prescribed under Section 217(2A) of the Companies Act, 1956.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The additional information required under the provisions of

Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming a part of the Report, is given in Annexure A, to this Report.

**GRATITUDE**

Your Directors wish to record their deep gratitude to the Government Authorities, Financial Institutions and Banks for their continued support and co-operation. Your directors also wish to thank management and staff of the company for the continuous guidance and support received from them. Your directors express their appreciation for the dedicated and sincere services rendered by employees of the company.

For and on behalf of the Board of Directors

Pune  
July 25, 2001.

**R S Kothavale**  
Managing Director

**ANNEXURE TO THE DIRECTORS' REPORT****ANNEXURE - A**

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.

**A. Conservation of Energy**

- a. Energy conservation measures
  - i. The Company has installed a 1600 Tonnes Press Complex with integrated manipulator and ingot truck, rotary table, equipped with computer control for fully automatic/ semi-automatic operations. This is a very high speed press with computer programming capabilities which results into optimum productivity and hence reduction in energy costs.
  - ii. From the beginning, the Company has introduced the latest energy conservation measures.
  - iii. The company has substituted Furnace Oil for Light Diesel Oil and thus, has taken conscious energy conservation measures during the year.
- b. Impact of measures under (a) above  
Company has operated on optimal costs.
- c. Total Energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the schedule thereto

	2000-01	1999-00
<b>Power and Fuel Consumption</b>		
<b>1. Electricity Purchases</b>		
Units (in KWH)	1,020,156	993,840
Total Cost (Rs.)	6,368,827	5,415,554
Rate/Unit (Rs.)	6.24	5.45

**2. Fuel Oil**

Quantity (K.L.)	1,487,220	1,419,810
Total Cost (Rs.)	18,559,073	13,854,634
Rate/K.Ltr.(Rs.)	12,749	9,758

**Consumption per Unit of production**

<b>1. Steel Forgings Production (MT)</b>	1,729	1,759
Electricity (Unit-KWH)	590	565
Fuel oil (Ltrs.)	860	807

**B. Technology Absorption****Research & Development (R&D)**

1. Specific areas in which R & D activity is being carried out by the Company
  - Development of new products
  - Improvement of product quality
  - Process Improvement
  - Cost effectiveness
2. Benefits derived as a result of the above R & D  
Company is confident of improving the yield and product quality as well as being cost effective.
3. Future plan of action  
The Company's efforts will continue in the areas of development of new and critical forgings and improvement in quality.  
The Company already possesses the necessary technology for manufacture of forgings.

**C. Foreign Exchange Earnings and Outgo**

	2000-01	1999-00
Foreign Exchange inflow		
FOB value of Exports (Rs. Lacs)	129.94	07.47
Foreign Exchange outflow (Rs. Lacs)	3.97	4.23