

# **ROLCON ENGINEERING COMPANY LIMITED**

## **31st ANNUAL REPORT 1997-98**



**ROL-KÖBO MARK OF THE LEADERS FOR CHAINS & SPROCKETS**





# **ROLCON ENGINEERING COMPANY LIMITED**

## **BOARD OF DIRECTORS**

Smt. Sushilaben S. Patel

Shri Suresh H. Amin

Shri Ashish S. Amin

Shri Knut Bovenkamp

Shri Nalin Karsondas Vissanji

Shri Indubhai C. Patel

Shri Suryakant M. Patel

Shri Bhulabhai D. Patel

Shri Ashok K. Parikh

Shri Chandrakant H. Amin

Chairman

Managing Director

Joint Managing Director

MD	✓		BKC	✓
CS	✓		DEY	✓
RO	✓			✓
TRA	✓			✓
AGM	✓	✓		✓
YE	✓	✓		✓

## **SECRETARY**

Shri Suresh R. Patel

## **AUDITORS**

Messrs Thakorebhai - Shrish Desai & Butala  
Navsari 396 445

## **BANKERS**

State Bank of India  
Anand-388 001

## **REGISTERED OFFICE**

Anand - Sojitra Road,  
Vallabh Vidyanagar-388 120.

**ROLCON ENGINEERING COMPANY LIMITED****NOTICE**

NOTICE is hereby given that the 31st Annual General Meeting of the Shareholders of ROLCON ENGINEERING COMPANY LIMITED will be held on Thursday the 24th day of September 1998 at 3.00 p.m. at the Registered Office of the Company at Vallabh Vidyanagar to transact the following business :

**Ordinary Business :-**

1. To consider and adopt the audited Balance Sheet as at 31st March, 1998, the Profit & Loss Account for the year ended on that date, together with the reports of the Directors & Auditors.
2. To declare dividend.
3. To appoint a Director in place of Shri Ashok Parikh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Bhulabhai D. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

**Special Business :-**

To consider and if thought fit, to pass with or without modification the following resolution.

6. As an Ordinary Resolution :  
Mr. Knut Bovenkamp be and is hereby appointed a non retiring Director of the Company.

Place : Vallabh Vidyanagar

Date : 18th July, 1998

By order of the Board

**Suresh R. Patel**  
Secretary

**NOTES :**

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- (2) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 1st September 1998 to Wednesday, 9th September 1998 (both days inclusive).
- (3) The dividend when declared will be made payable on or after 20th October 1998 to those Shareholders, whose names appear on the Register of Members of the Company on 9th September 1998 or to their mandates if any.

**ROLCON ENGINEERING COMPANY LIMITED**

**EXPLANATORY STATEMENT**

Pursuant to section 173 (2) of the Companies Act 1956.

Item No. 6

Mr. Knut Bovenkamp was appointed as an additional Director at the meeting of the Directors held on 16th May 1998 as a non retiring Director in place of Mr. Rolf Bovenkamp, who held the directorship of the company as a Director representing our collaborators M/s. Kohler & Bovenkamp GMBH + Co. West Germany. Mr. Knut Bovenkamp is an engineer with vast experience in the field of manufacture of chains and sprockets. He is a Managing Director of M/s. Kohler & Bovenkamp GMBH + Co. Our collaborators have replaced him to be on our Board of Directors as a non retiring Director in place of Mr. Rolf Bovenkamp. Company has received notice in writing alongwith requisite deposit from a member signifying his intention to propose his appointment as Director. He has indicated his willingness to act as a Director of the company if appointed and has filed his consent pursuant to Sec.264 of the Companies Act 1956.

Place : Vallabh Vidyanagar

Date : 18th July, 1998

By order of the Board

**Suresh R. Patel**  
Secretary

**ROLCON ENGINEERING COMPANY LIMITED****DIRECTORS' REPORT**

To,  
The Members

Your Directors have pleasure to submit their 31st Annual report together with the Audited statement of Accounts for the year ended March 31st, 1998.

**WORKING RESULTS :**

	<b>Previous Year</b>	
	<b>Rupees</b>	<b>Rupees</b>
Gross Profit	1,43,58,603	1,60,48,462
Less : Depreciation	62,86,846	78,71,184
Profit before Tax	80,71,757	81,77,278
Less : Provision for Taxation	39,00,000	51,60,000
Profit after Tax	41,71,757	30,17,278
Add :		
(a) The amount brought forward from the last Year's account	1,84,029	5,22,983
(b) Excess Provision of the earlier years	Nil	4,70,168
Total available	43,55,786	40,10,429
<b>APPROPRIATIONS :</b>		
(a) Proposed Dividend	26,46,000	30,24,000
(b) Provision for Corporate Tax on Dividend	2,64,600	3,02,400
(c) General Reserve	5,00,000	5,00,000
(d) Balance carried forward	9,45,186	1,84,029
	43,55,786	40,10,429

**DIVIDEND :**

Your Directors recommend Dividend at the rate of 35% i.e. Rs. 3.50 per Share, on 7,56,000 Equity Shares of Rs. 10/- each absorbing total Rs. 26,46,000/-.

**PRODUCTION :****Chains And Sprockets :**

The year under review was a very difficult for the industry due to uncertain political situation. Industrial growth suffered and demand for the products was slackened. In order to face severe recessionary competition, Company had to sell its products at lower the prices which resulted in reduction of sales for the year. Viewed in this conditions, the company's Sales and other income for the year 1997-98 amounted to Rs. 14.04 crores as against Rs. 16.12 crores of the previous year.

**Wind Mills :**

During the year the mills have generated 3,84,234 units.

Against the units generated at Lamba, credit for equal units in consumption will be given every month to Rolcon Eng. Co. Ltd., Vallabh Vidyanagar, by Gujarat Electricity Board. Due to the severe cyclone, which took place in the coastal areas of Saurashtra/Kutch regions on 9th June, 1998,

**ROLCON ENGINEERING COMPANY LIMITED**

severe damage to the Wind Mills was reported. One Wind Mill valuing, Rs. 99 Lacs (Net Rs. 33 lacs) located at Lamba was completely damaged and destroyed.

**DIRECTORS :**

Shri Ashok K. Parikh and Shri Bhulabhai D. Patel, Directors retire under Article 138 of the Articles of Association of the Company and being eligible offer themselves for re-appointment.

Mr. Rolf Bovenkamp tendered his resignation due to ill health. Your directors have placed on record their appreciation of the valuable services rendered from time to time since inception of the company. His knowledge and experience in the field of engineering was instrumental in achieving our goal.

Mr. Knut Bovenkamp was appointed as a non retiring director since 1st May, 1998. He has worked with Mr. Rolf Bovenkamp and our ex director Mr. Hans Hermann Bovenkamp. Mr. Knut Bovenkamp is a Managing Director of M/s. Kohler & Bovenkamp GMBH + Co our collaborators. His acumen in the manufacture of chains and sprocket would be considered as additional advantage in our activities.

**DISCLOSURE AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.**

The required particulars are set out in the Annexure forming part of the report.

**DEPOSITS :**

There were no deposits, which had matured and remained unpaid at the close of the year.

**PARTICULARS OF EMPLOYEES :**

The particulars of employees, as required to be included in accordance with Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended in 1988 are given in the annexed statement.

**PERSONNEL :**

The relations between the management and employees have been cordial throughout the year and your Directors wish to place on record their appreciation for the devoted services rendered by the employees.

**AUDITORS :**

M/s. Thakorebhai - Shirish Desai & Butala, Auditors of the Company, retire at the conclusion of the Annual General Meeting and being eligible, offer themselves for re-appointment.

Place : Vallabh Vidyanagar

Date : 18th July, 1998

On behalf of the Board

**Sushila S. Patel**  
Chairman

**ROLCON ENGINEERING COMPANY LIMITED****ANNEXURE TO THE DIRECTORS' REPORT**

Information as per Section 217(2A) of Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 1998.

Sr. No.	Name	Age	Qualification	Date of Employment	Designation	Nature of Duty	Remuneration Rupees	Experience (in years)	Last employment held with designation
<b>A. Employed throughout the year and were in receipt of remuneration of not less than Rs. 3,00,000 p.a. and above in terms of Section 217 (2A) (a) (i).</b>									
1	Shri S. H. Amin	61	B.Sc.(Hons.) Dipl. (MS) Ing. V.D.I. West Germany F.I.E. (India)	17-03-67 (Contractual)	Managing Director	Technical & General Management	4,96,668	33	Sr. Design Engineer T. R. F. Ltd
<b>B. Employed for the part of the year and were in receipt of remuneration of not less than Rs. 3,00,000 p.a. and above in terms of Section 217 (2A) (a) (ii).</b>									
1	Shri S. J. Patel	77		01-03-68 (Contractual)	Chairman & Managing Director	Overall Management	1,24,258	53	Managing Director Elecon Engineering Co. Ltd.

- Notes :
1. All appointments are contractual by an agreement between the Company and themselves.
  2. Remuneration received gross, includes, salary, dearness allowance, leave encashment, house rent allowance, L.T.C. medical allowance/reimbursement, cost of perquisites, company's contribution to P.F., Gratuity and Superannuation Scheme.
  3. Shri S. H. Amin and Shri A. S. Amin are related to each other and Shri S. H. Amin is a relative of Shri C. H. Amin.

Place : Vallabh Vidyanagar

Date : 18th July, 1998

On behalf of the Board

**Sushila S. Patel**  
Chairman



**ROLCON ENGINEERING COMPANY LIMITED****ANNEXURE TO THE DIRECTORS' REPORT**

INFORMATION AS PER SECTION 217 (1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 1998.

**A. CONSERVATION OF ENERGY :****(a) Energy Conservation Measures Taken :**

Company have installed additional 25 KVA capacitor to the existing main line circuit which save energy consumption. Company have successfully installed and commissioned 2 nos of wind Turbine Electric Generators of 450 KW, out of which one is not operating since 9th June, 1998.

**(b) Additional Investments and proposals, if any being implemented for reduction of consumption of energy.**

i) Investments by way of installation of capacitors have been completed to achieve the power factor of 0.98 to 0.99.

ii) Electric Furnaces have been converted into diesel fire heating furnaces out of which some of them have been converted into L.D.O. fire heating furnaces.

iii) Electrical motors with high HP have been converted into lower HP as per the calculation of mechanical BHP.

iv) For higher H.P. machines capacitors are installed to conserve the electric energy.

**(c) Impact of the above measures has resulted in reduction of energy consumption and consequent impact on the cost of production of goods.**

Saving in fuel cost was achieved.

**B. TECHNOLOGY ABSORPTION :**

Efforts made in technology absorption as per form - B of the Annexure to the rules.

**1. Research & Development (R&D)****(a) Specific areas in which R & D carried out by the Company.**

i) The Company has installed testing equipments like Automatic Hydraulic Fatigue Testing Machine, Chain Wear life Machine and Micro Hardness Testers for investigating the fatigue life/wear life and hardness of the chains and chain components.

ii) CNC machines have been installed to improve productivity and quality of Chains.

iii) NC vertical boring mill machine has been installed for manufacture of Sprocket. This ensures accuracy and speedy manufacturing of Sprockets, which ultimately saves time and energy.

iv) In order to achieve repetitive accuracies of product company has updated copying S pilot m/c to improve productivity and quality of chains.