

ROLCON ENGINEERING COMPANY LIMITED

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ANNUAL REPORT 1998-1999



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OBITUARY

Sad demise of Shri Chandrakant H. Amin

Shri Chandrakant H. Amin, a director of the company passed away on 4th August 1999. He was a director of the Company since inception and was one of the pillars of the Company. His wide experience has given great strength and support to Late Shri Shantilal I. Patel in the administration of the Company. He continued to work with zeal and enthusiasm with Shri Suresh H. Amin, Managing Director of the Company.

May his soul rest in peace.

ROLCON ENGINEERING COMPANY LIMITED

BOARD OF DIRECTORS

Smt Sushilaben S. Patel,	Chairman
Shri Suresh H. Amin	Managing Director
Shri Ashish S. Amin	Joint Managing Director
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	
Shri Kailashchandra K. Seksaria	

SECRETARY

Shri Suresh R. Patel

AUDITORS

Messrs Thakorebhai-Shirish 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 32nd Annual General meeting of the Shareholders of ROLCON ENGINEERING COMPANY LIMITED will be held on Thursday the 23rd day of September 1999 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, 1999, the Profit & Loss Account for the year ended on that date, together with the reports of the Directors and Auditors.
- 2) To declare dividend.
- 3) To appoint a Director in place of Shri Indubhai C. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Shri Nalin Karsondas Vissanji, 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 :
"That Shri Kailashchandra K. Seksaria be and is hereby appointed a Director of the Company whose period of the office shall be liable to determination by retirement of Director by rotation."

Place : Vallabh Vidyanagar By order of the Board
Date : 24th July, 1999

Suresh R. Patel
Secretary

to their mandates if any.

- (4) Shares of the Company are listed at Mumbai & Ahmedabad Stock Exchange and requisite listing fees for the year 1999-2000 have been paid.

EXPLANATORY STATEMENT

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

Item No. 6

Shri Kailashchandra K. Seksaria was appointed as an additional Director at the Board Meeting held on 23rd January, 1999 and hold office till this Annual General Meeting.

The Company has received notices in writing along with the requisite deposit from member signifying his intention to propose the appointment of Shri Kailashchandra K. Seksaria as a Director of the company. Aforesaid Director has indicated his willingness to act as Director of the Company if so appointed and have filed with the company his consent pursuant to Section 264 of the Companies Act 1956.

The Board recommends the adoption of the said resolution.

Shri Kailashchandra K. Seksaria is interested in his appointment.

Place : Vallabh Vidyanagar By order of the Board
Date : 24th July, 1999

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 Wednesday, 15th September 1999 to Thursday, 23rd September 1999 (both days inclusive).
- (3) The dividend when declared will be made payable on or after 20th October 1999 to those Shareholders, whose names appear on the Register of Members of the Company on 23rd September 1999 or

ROLCON ENGINEERING COMPANY LIMITED

DIRECTORS' REPORT

To,

The Members

Your Directors have pleasure to submit their 32nd Annual report together with the Audited statement of Accounts for the year ended March 31st, 1999.

WORKING RESULTS :

	Previous Year	
	Rupees (Rs. in lacs)	Rupees (Rs. in lacs)
Gross Profit	107.59	143.59
Less: Depreciation	53.60	62.87
Profit before Tax	53.99	80.72
Less : Provision for Taxtion	35.00	39.00
Profit after Tax	18.99	41.72

Add:

a) The amount brought forward from the last Year account	9.45	1.84
b) Excess/Short Provision of the earlier year	(4.00)	NIL
Total available	<u>24.44</u>	<u>43.56</u>

APPROPRIATIONS:

a) Proposed Dividend	18.90	26.46
b) Provision for Corporate Tax On Dividend	2.08	2.65
c) General Reserve	2.00	5.00
d) Balance carried forward	1.46	9.45
	<u>24.44</u>	<u>43.56</u>

DIVIDEND:

Your Directors recommend Dividend at the rate of 25% i.e. Rs. 2.50 per Share, on 7,56,000 Equity Shares of Rs. 10/- each absorbing total Rs. 1890000/-

PRODUCTION:

Chains and Sprockets :

As reported earlier Company is passing though uncertain political situation. Year under review company had to sell products at lower prices resulting into lower profits VIS a VIS reduction in sales.

The Companies sales and other income for the year amounted Rs. 13.24 crores as against Rs. 14.04 crores of the previous year.

Wind Mill :

During the year the mill has generated 1,41,304 units. Against this units generated at Lamba, credit for equal units in consumption will be given every month, by Gujarat Electricity Board.

DIRECTORS:

Shri Indubhai C. Patel and Shri Nalin Karsondas Vissanji, Directors retire under Articles 138 of the Articles of Association of the Company and being eligible, offer themselves for re-appointment.

Shri Kailashchandra K. Seksaria was appointed as additional Director from 23rd January, 1999. He is engaged in the field of Sugar Industries and his business acumen would prove to be advantageous for the growth of Company's business.

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 :

One deposit of Rs. 1.5 lacs due for repayment on or before 31st March, 1999 was not claimed on due date, however, the said deposit has since been renewed.

PARTICULARS OF EMPLOYEES :

There are no 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.

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.

On behalf of the Board

Place : Vallabh Vidyanagar

Sushila S. Patel

Date : 24th July, 1999

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, 1999.

A. CONSERVATION OF ENERGY :

(a) Energy conservation measures Taken :

Company have installed additional 95 KVA capacitor to the existing main line circuit which in turn will save energy consumption and be more efficient. Company has reinstalled one Wind Turbine Electric Generator of 225 KW.

(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 which 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.
- v) We have installed extra capacitors for heavy machines, which are having more than 10 H.P. motor, which in turn save energy and will be more efficient.

(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

lic 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 installed for manufacture of Sprocket. This ensures accuracy and speedy manufacturing of Sprockets, which ultimately saves time and energy.
- iv) We have installed additional vertical boring machine for manufacturing of sprockets due to which sprocket accuracy and speedy manufacturing have been achieved.
- v) In order to achieve repetitive accuracy of product company has updated copying S pilot machine to improve productivity and quality of chains.
- vi) Presses with 120 tons and 250 tons capacity have been installed for speedy production of chains.
- vii) We have submitted our application to American Petroleum Institute for use of API monogram on chains & sprockets.
- viii) Looking to the seriousness of Y2K, company has taken adequate steps. Our company is now Y2K compliant and is ready to face the millennium.

(b) Benefits derived as a result of the above R & D :

By using these machines, Company can improve fatigue life, wear life and heat treatment of the chain.

(c) Future plan of action :

R & D is striving to improve quality of the chain to the latest standards and for achieving this, new testing equipments will be continuously installed as and when necessary.

(d) Expenditure on R & D (Rs. In lacs)

i) Capital	NIL
ii) Recurring	NIL
iii) Total	NIL
iv) Total R & D-Expenditure as percentage of total turnover.	NIL

(2) Technology absorption, adaptation and innovation :

- a) Efforts in brief, made towards technology absorp