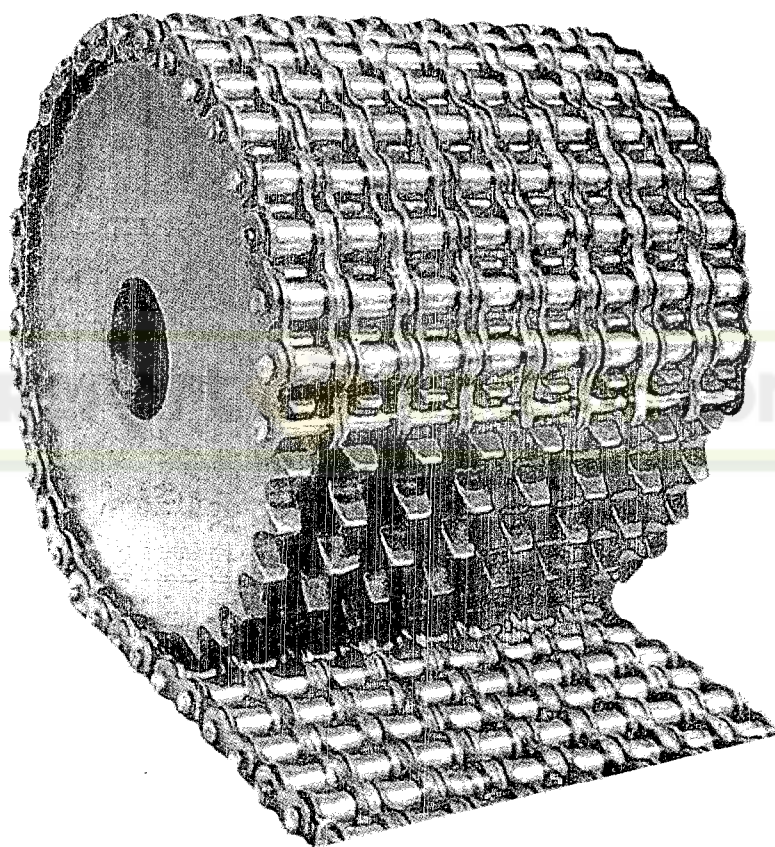


ROLCON ENGINEERING COMPANY LIMITED

37th ANNUAL REPORT

2003-04



BOARD OF DIRECTORS

Smt Sushilaben S. Patel

Shri Suresh H. Amin

Shri Ashish S. Amin

Shri Knut Bovenkamp

Shri Indubhai C. Patel

Shri Suryakant M. Patel

Shri Bhulabhai D. Patel

Shri Ashok K. Parikh

Shri Kailashchandra K. Seksaria

Chairman

Managing Director

Joint Managing Director

AUDITORS

Messrs Thakorebhai-Shirish Desai & Butala

Division of Thacker Butala Desai

Navsari - 396 445

BANKERS

State Bank of India

Specialised Commercial Branch

Anand - 388 001

REGISTERED OFFICE

Anand - Sojitra Road

Vallabh Vidyanagar - 388 120

ROLCON ENGINEERING COMPANY LIMITED

NOTICE

DIRECTORS' REPORT

NOTICE is hereby given that the 37th Annual General Meeting of the Shareholders of **ROLCON ENGINEERING COMPANY LIMITED** will be held on Wednesday the 11th August 2004 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 2004, 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 Suryakant M. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Shri Ashok K. Parikh, who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To appoint Auditors and to fix their remuneration.

Place : Vallabh Vidyanagar
Date : 9th July, 2004

By order of the Board

Suresh H. Amin
Managing Director

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 Monday, 9th August 2004 to Wednesday, 11th August 2004 (both days inclusive)
- (3) The dividend when declared will be made payable on or before 16th August 2004 to those Shareholders, whose names appear on the Register of Members of the Company on 11th August 2004 or to their mandates if any.
- (4) Shares of the Company are listed at Mumbai & Ahmedabad Stock Exchange and requisite listing fees for the year 2004-2005 have been paid.

Place : Vallabh Vidyanagar
Date : 9th July, 2004

By order of the Board

Suresh H. Amin
Managing Director

WORKING RESULTS :-

Rupees in lacs

	2003-04	2002-03
Gross Profit	89.33	87.10
Less: Depreciation	33.40	37.33
Profit before Tax	55.93	49.77
Less: Provision for Taxation	21.00	13.00
Profit after Tax	34.93	36.77

Add :

a) The amount brought forward from the last Year's account	47.02	20.01
b) Excess/Short Provision of the earlier years	(-) 0.85	41.82
Total available	81.10	98.60

APPROPRIATIONS :-

a) Proposed Dividend	22.68	22.68
b) Provision for Corporate Tax on Dividend	2.90	2.90
c) General Reserve	6.00	26.00
d) Balance carried forward	49.52	47.02
	81.10	98.60

DIVIDEND :-

Your Directors recommend Dividend at the rate of 30% i.e. Rs. 3.00 per Share, on 7,56,000 Equity Shares of Rs. 10/- each absorbing total Rs. 22.68 lacs.

PRODUCTION :-

Chains and Sprockets :

The Companies sales and other income for the year amounted Rs. 1467.00 lacs against Rs. 1310.33 lacs of the previous year.

Wind Mill :

During the year the mill has generated 184243 units. Against the units generated at Lamba, Gujarat Electricity Board has given credit for equal units in consumption every month.

ROLCON ENGINEERING COMPANY LIMITED

DIRECTORS :-

Shri Suryakant M. Patel and Shri Ashok K. Parikh Directors retire under Articles 138 of the Articles of Association of the company and being eligible offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:-

In compliance of Section 217 (2AA) in the Companies Act, 1956 your Directors Report that :

The accounting standards were followed in the preparation of annual accounts of the year under review.

The accounting policies are applied consistently to give a true and fair view of the state of affairs of the company at the end of financial year under review and Profit & Loss Account of the period under report

Proper and sufficient care has been taken for maintenance of adequate accounting records and for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities.

- The Annual Accounts have been prepared on a going concern basis.

Corporate Governance

- Provision of clause 49 of listing Agreement in connection with Corporate Governance are not applicable to the company, since the paid up capital of the company is less than Rs. 3 crore as well as the net worth of company is below Rs. 25 Crores.

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 was no deposit, which matured and remained unpaid at the close of the year.

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 relation 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- Shrish Desai & Butala, a Division of

Thacker Butala Desai, Auditors of the company retire at the conclusion of the Annual General Meeting and being eligible, offer themselves for re-appointment.

Place : Vallabh Vidyanagar

On behalf of the Board

Date : 9th July, 2004

Sushila S. Patel
Chairman

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, 2004

A CONSERVATION OF ENERGY:

- (a) Energy conservation measure taken :
 - i) The steps taken in respect energy conservation are provision of capacitors for electric supply system to improve power factors.
 - ii) The Installation of 18W & 11W PL tube lights and electronic ballasts as resulted in reduction in power consumption
 - iii) The installation of gas carburising furnaces has optimized and has started giving results in terms of saving of power consumption.
 - iv) Reduction in ceiling light by providing false ceiling and preventive maintenance, switching off power supply during recess time. This continues and cautious efforts have saved energy cost to the company
- (b.) Impact of the above measure has resulted in reduction of energy consumption, saving in fuel cost and consequent impact on the cost of production of goods.

B. TECHNOLOGY ABSORPTION :

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

1) Research & Development (R & D)

- (a) Specific areas in which R & D carried out by the company.
The company has installed continuous fully automatic, atmosphere controlled mesh belt type Muffle Furnace in order to achieve perfect heat-treated chain components to assure the quality of all type of chain.

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- (b) Instead of quenching oils polymer base quenching media is used to save cost and improve quality of heat-treated parts.
- (c) Benefits derived as a result of the above R & D :
By using these machines, Company can improved heat treatment of the chain components and wear as well as fatigue life of the chain.
- (d) 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.
- (e) Expenditure on R & D. (Rs. in lacs)

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

3) Foreign Exchange Earnings and Outgo :

- (a) Activites relating to exports initiatives taken to increase export, development of new export markets for products and services and export plans.
Efforts are being made to increase the export to different countries.
- (b) Total foreign exchange used and earned :
Used : Rs. 14,24,725/- Earned : Rs. 31,83,396/- (FOB)

Place : Vallabh Vidyanagar
Date : 9th July, 2004

On behalf of the Board

Sushila S. Patel
Chairman

2) Technology absorption, adaptation and Innovation :

- (a) Company has obtained ISO 9001:2000 and Certificate to that effect has been issued by ABS. Quality Valuation Inc.
- (b) Company has obtained API licence for use of API Monogram on Chain & Sprocket from American Petroleum Institute for ONGC projects.

ROLCON ENGINEERING COMPANY LIMITED

COMPLIANCE CERTIFICATE

[As per rule 3 of the companies (Compliance Certificate) Rules, 2001]

Registration No. of the Company : 04-1439

Nominal Capital : Rs. 1,50,00,000/-

To, The Members,
Rolcon Engineering Company Ltd.
Vallabh Vidyanagar.

We have examined the registers, records, books and papers of Rolcon Engineering Company Ltd. (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year beginning from 1 st April, 2003 and ending on 31st March, 2004. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the afore-said financial year :

- 1) The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
- 2) The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
- 3) The Company being a Public Limited Company, comments are not required.
- 4) The Board of Directors duly met four times on 3rd May, 2003, 21st July, 2003, 22nd October, 2003 and 29th January, 2004 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
- 5) The Company closed its Register of Members from 18th June, 2003 to 20th June, 2003 (both days inclusive) and necessary compliance of section 154 of the Act has been made.
- 6) The Annual General Meeting for the financial year ended on 31st March, 2003 was held on 20th June, 2003 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
- 7) No Extra Ordinary General Meeting was held during the financial year.
- 8) The Company has not advanced any loan to its directors and / or persons or firms or Companies referred in the section 295 of the Act.
- 9) The Company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
- 10) The Company has made necessary entries in the register maintained under section 301 of the Act.
- 11) As there were no instances failing within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
- 12) The company has not issued any duplicate share certificates during the financial year.
- 13) i) The Company has, delivered all the certificates on allotment of securities and on lodgment thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act.
- ii) The Company has not deposited the amount in a separate Bank Account as dividend, including interim dividend, was declared and paid within 5 days of declaration during the financial year.
- iii) The Company has paid/posted warrants by issue of Cheque and Demand Draft for dividends to all the members of the company within a period of 30 days from the date of declaration and consequently there is no unclaimed / unpaid dividend lying with the company.
- iv) The Company was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
- v) The Company has duly complied with the requirements of section 217 of the Act.
- 14) The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancies during the financial year.
- 15) The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.

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- (16) The Company has not appointed any sole-selling agent during the financial year.
- (17) The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and or such authorities prescribed under the various provisions of the Act, during the financial year.
- (18) The directors have disclosed their interest in other firms/ Companies to the Board of Directors pursuant to the provisions of the Act and rules made thereunder.
- (19) The company has not issued any shares, debentures or other securities during the financial year.
- (20) The Company has not brought back any shares during the financial year
- (21) The Company has not redeemed any preference shares or debentures during the financial year.
- (22) There were no transactions necessitating the Company to keep in abeyance rights to dividend, right shares and bonus shares pending registration of transfer of shares.
- (23) The Company has not invited / accepted any deposits including unsecured loans falling within the purview of sections 58A during the financial year.
- (24) The Company has not made any borrowings during the financial year ended 31st March, 2004 which attract compliance of the provisions of Section 293(1)(d) of the Act.
- (25) The company has not made any loans or investments or given guarantees or provided securities to other bodies corporate as per section 372 A of the Act and consequently no entries have been made in the register kept for the purpose.
- (26) The Company has not altered the provisions of the Memorandum with respect to situation of the Company during the year under scrutiny.
- (27) The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
- (28) The Company has not altered the provision of the Memorandum with respect to share capital of the company during the year under scrutiny.
- (29) The Company has not altered its Articles of Association during the financial year.
- (30) There was / were no prosecution initiated against of show cause notices received by the Company and no fines or penalties or any other punishment was

imposed on the Company during the financial year, for the offences under the Act.

- (31) The Company has not received any money as security from its employees during the financial year.
- (32) The Company has not constituted for its employees, Provident Fund scheme of its own, as per the meaning of section 418 of the Act.

Place : Vadodra For D.N. NANDANIA & ASSOCIATES
Date : 9th July, 2004 Company Secretaries

D.N. NANDANIA
Proprietor

ANNEXURE 'A'

Registeres as maintained by the Company

1. Register of Members u/s 150
2. Register of Directors, Managing Director, Manager and Secretary u/s 303
3. Register of Transfers
4. Register of Directors shareholding u/s 307
5. Register of Contracts u/s 301
6. Register of contracts, companies and firms in which directors etc. are interested u/s 301 (3)
7. Minutes of Meeting of Board of Directors
8. Minutes of General Meeting

ANNEXURE 'B'

Forms and Returns as filed by the Company with the Registrar Director.. Central Government or other authorities during the financial year ending on 31st March, 2004

Sr. No.	From No. Return	Filed U/s	For	Date of Filing	Whether filed Within prescribed time Yes/No.	If Delay in filing Whether requisite additional fees paid Yes / No.
1	Annual Return	220(1)	The Financial Year ended 31-3-2003	30/7/2003	Yes	N.A.
2	Balance Sheet	159	The Financial Year ended 31-3-2003	30/6/2003	Yes	N.A.
3	Compliance Certificate	383A(1)	The Financial Year ended 31-3-2003	30/6/2003	Yes	N.A.