

# 40<sup>th</sup> ANNUAL REPORT 2006-2007

R-306

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ROLCON ENGINEERING COMPANY LIMITED

# ROLCON ENGINEERING COMPANY LIMITED

## **BOARD OF DIRECTORS :**

Smt. Sushila S. Patel	Chairperson
Shri Suresh H. Amin	Managing Director
Shri Ashish S. Amin	Joint Managing Director
Shri Knut Bovenkamp	Directors
Shri Ashok Krishnadas	Directors
Shri Suryakant M. Patel	Directors
Shri Bhulabhai D. Patel	Directors
Shri Kailashchandra K. Seksaria	Directors
Shri Anil D Gandhi	Directors

## **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 (Gujarat)

# ROLCON ENGINEERING COMPANY LIMITED

## NOTICE

Notice is hereby given that the 40<sup>th</sup> Annual General Meeting of the shareholders of **ROLCON ENGINEERING COMPANY LIMITED** will be held on Friday, the 20<sup>th</sup> July, 2007 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 31<sup>st</sup> March 2007, the profit & Loss Account for the year ended on that date, together with report of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a director in place of Smt. Sushila S. Patel, who retires by rotation, and being eligible, offers herself for re-appointment.
4. To appoint a director in place of Mr. 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 :

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

#### Appointment of Mr. Suresh H Amin, Managing Director of the Company

**"RESOLVED THAT**, pursuant to provisions of Sections 198, 269, 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent and approvals to the re-appointment of Mr. Suresh H Amin, as Managing Director for a period of five years with effect from 2<sup>nd</sup> August-2007 to 1<sup>st</sup> August-2012, on such terms and conditions and the remuneration /emoluments, as mentioned in the explanatory statement".

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

#### Appointment of Mr. Ashish S Amin, Joint Managing Director of the Company

**"RESOLVED THAT**, pursuant to provisions of Sections 198, 269, 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent and approvals to the re-appointment of Mr. Ashish S. Amin, as Joint Managing Director for a period of five years with effect from 2<sup>nd</sup> August-2007 to 1<sup>st</sup> August-2012, on such terms and conditions and the remuneration/emoluments,

as mentioned in the explanatory statement".

8. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

#### Appointment of Sole Selling Agent:

**"RESOLVED THAT** pursuant to the provisions of Sections 294, 294AA, 314(1B) and all other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, the Company hereby approves the re-appointment M/s. Milling Engineers, Vallabh Vidyanagar, Gujarat as Sole Selling Agent for a period of five years commencing from 7<sup>th</sup> October, 2007 on such terms and conditions as contained in the draft agreement proposed to be entered into by and between the Company and Sole Selling Agent, a copy of which will be placed at the meeting duly initialed by the Chairman for the purpose of identification and that the Board of Directors be and is hereby authorized to effect such modification in the terms and conditions of the said draft agreement as may be approved by the Central Government and agreed to by the Board and the Sole selling Agent."

Place : Vallabh Vidyanagar By Order of the Board

Date : 14<sup>th</sup> June, 2007

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 instrument of proxy in order to be effective must be deposited at the Registered Office of the Company, duly completed and signed not late than 48 hours before the meeting.
- 3 An explanatory Statement as required under section 173 (2) of the Companies Act, 1956 relating to the Special Business is annexed hereto.
- 4 The Register of Members and Share Transfers Books of the Company will remain closed from Monday, 16<sup>th</sup> July 2007 to Friday, 20<sup>th</sup> July 2007. (both days inclusive).
- 5 Subject to the provisions of the Section 206A of the Companies Act, 1956 dividend as recommended by the Board of Directors, if declared at the meeting, will be payable on or after 20<sup>th</sup> July 2007 to those members whose names appear on the Register of Member as on 20<sup>th</sup> July 2007.

# ROLCON ENGINEERING COMPANY LIMITED

## EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956.

### Item No. 6

#### Appointment of Mr. Suresh H Amin as Managing Director:

Shri. Suresh H. Amin is associated with the Company since incorporation and has held various position like Chief Engineer (1967-1978), General Manager (1978-1982), Whole-Time Technical Director (1982-1993), Joint Managing Director (1993-1997) and since 1997 as Managing Director of the Company.

Shri. Suresh H. Amin is a qualified Mechanical Engineer having obtained Master Degree "DIPLOM INGENIUR" (M.S.) from Brunschweig University of West Germany. He has also received practical training in well known companies of West Germany viz M/s.Salzgitter Maschinen A.G., M/s.Weserhutte and M/s.Kohler & Bovenkamp GmbH Co. (Now known as M/s. KOBOTB GmbH + Co. KG.)

Shri. Suresh H. Amin was appointed as Managing Director of the Company by the Board of Directors and by Shareholders at their meeting dated 5<sup>th</sup> May-2001 and 21<sup>st</sup> June-2001 respectively for the period of five years from 2<sup>nd</sup> August-2002 to 1<sup>st</sup> August-2007. The terms of appointment are getting expired on 1<sup>st</sup> August-2007.

In view of long association, business acumen of Shri. Suresh H. Amin, subject to required approval of shareholders, the Board of Directors at its meeting held on 14<sup>th</sup> June-2007 reappointed Shri. Suresh H. Amin for further period of five years w.e.f 2<sup>nd</sup> August-2007 to 1<sup>st</sup> August-2012, on the terms and conditions as stated hereunder:

#### 1) Period of Appointment : 5 Years from 2<sup>nd</sup> AUGUST-2007

#### 2) Remuneration :

##### I. Salary :

Rs.75,000/- per month with such further increment/s as may be determined by the Board of Directors from time to time in the Scale Rs.75,000/- to Rs.1,25,000/-

##### II. Commission:

Commission payable, in addition to the salary and perquisites @ 1.5% at the end of each financial year calculated with reference to the net profits of the Company in a particular financial year, subject to the overall ceiling stipulated in Section 198 and 309 of the Companies Act, 1956. However such commission shall not exceed the annual salary.

##### III. Perquisites:

- (a) In addition to salary and commission the Managing Director shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance

in lieu thereof, house maintenance allowance, together with reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing and repairs, club fees, leave travel concession for self and family, medical insurance and such other perquisites and allowances as may be determined by the Board of Directors Subject to the overall ceiling of remuneration stipulated in Section 198 and 309 of the Companies Act, 1956.

- (b) For the purpose of calculation the above ceiling, perquisites shall be evaluated as per Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

Provision for use of the Company's car for official duties, telephone and other communication facilities at residence (including payment for local calls and long distance official calls), shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

- (c) Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-Tax Act, 1961.

- (d) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

- (e) Encashment of leave at the end of the tenure. Perquisites stated in (c), (d) & (e) shall not be included in the computation of the ceiling on remuneration specified in paragraph I of Section II of Part II of Schedule XIII of the Companies Act, 1956.

#### IV. Minimum Remuneration:

Where in any financial year during the currency of the tenure of the Managing Director, the Company has not profit or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and any other allowance not exceeding ceiling limit set out in Section II Part II of Schedule XIII to the Companies Act, 1956 as existing or any amendment made hereafter.

- V. The terms and conditions of the said appointment and/or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to managing and whole-time directors in accordance with Schedule XIII to the act or any amendments made hereafter.

- VI. The agreement may be terminated by either party giving the other party six months notice or the Company paying six months salary in



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lieu thereof.

- VII.** The Managing Director shall not be entitled to supplement his earnings under the Agreement with any buying or selling agency of the Company.
- VIII.** The Managing Director shall be subject to the superintendence control and direction of the Board of Directors. He will be entrusted with substantial powers of management and will also perform such other duties as may from time to time be entrusted to him.

The Draft Agreement as proposed between the Company and Mr. Suresh H Amin is available for inspection by the members at the Registered Office of the Company between 10:00 am and 12:00 noon on any working day of the Company, till the date of Annual General Meeting.

Smt. Sushilaben S Patel, Mr. Ashish S Amin and Mr. Suresh H Amin are said to be concerned and interested in the resolution,

None of the other Director is in any way concerned or interested in the above resolution.

This may be treated as an abstract of the terms of the appointment between the Company and Shri. Suresh H. Amin, pursuant to Section 302 of the Act. The Board recommends the approval of said resolution.

## ITEM NO.- 7

### Appointment of Shri. Ashish S Amin as Joint Managing Director

Shri.Ashish S. Amin has joined the Company in February-1997 as a Technical Executive and subsequently promoted to Joint Managing Director in the year 1997 itself.

Shri.Ashish S. Amin is having degree of B.S. (Manufacturing, Operation, Production, Planning Engineering) from Bradley University of U.S.A. He has also a practical work experience of one year at F.C.A. Manufacturing as a Technical Consultant in U.S.A. During the span of last 10 years, Shri.Ashish S. Amin has expertised in the areas of Production, Planning, Marketing and General Administration. On account of his business expertise and Technical Know-how, the rapid and enviable growth of the Company can be attributed to his farsightedness.

Shri.Ashish S. Amin was appointed as Joint Managing Director of the Company by the Board of Directors and by Shareholders at their meeting dated 5<sup>th</sup> May-2001 and 4<sup>th</sup> June-2001 respectively for the period of five years from 2<sup>nd</sup> August-2002 to 1<sup>st</sup> August-2007. The terms of appointment are getting expired on 1<sup>st</sup> August-2007.

In view of expertise in Marketing, General Administration, Technical expertise and business acumen of Shri.Ashish S. Amin, subject to required approval of shareholders, the Board of Directors had

at their meeting held on 14<sup>th</sup> June 2007 reappointed Shri.Ashish S. Amin for further period of five years w.e.f 2<sup>nd</sup> August-2007 to 1<sup>st</sup> August-2012, on the terms and conditions as stated hereunder.

### 1) Period of Appointment : 5 Years from 2<sup>nd</sup> August 2007

### 2) Remuneration :

#### 1. Salary :

Rs.60,000/- per month with such further increment/s as may be determined by the Board of Directors from time to time in the Scale Rs.60,000/- to Rs.100000/-

#### 2. Commission:

Commission payable, in addition to the salary and perquisites @ 1.25% at the end of each financial year calculated with reference to the net profits of the Company in a particular financial year, subject to the overall ceiling stipulated in Section 198 and 309 of the Companies Act, 1956. However such commission shall not exceed the annual salary.

#### 3. Perquisites :

(a) In addition to salary and commission the Joint Managing Director shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing and repairs, club fees, leave travel concession for self and family, medical insurance and such other perquisites and allowances as may be determined by the Board of Directors Subject to the overall ceiling of remuneration stipulated in Section 198 and 309 of the Companies Act, 1956.

(b) For the purpose of calculation the above ceiling, perquisites shall be evaluated as per Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

Provision for use of the Company's car for official duties, telephone and other communication facilities at residence (including payment for local calls and long distance official calls), shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

(c) Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-Tax Act, 1961.

(d) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(e) Encashment of leave at the end of the tenure.

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Perquisites stated in (c), (d) & (e) shall not be included in the computation of the ceiling on remuneration specified in paragraph I of Section II of Part II of Schedule XIII of the Companies Act, 1956.

### 3. **Minimum Remuneration :**

Where in any financial year during the currency of the tenure of the Joint Managing Director, the Company has not profit or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and any other allowance not exceeding ceiling limit set out in Section II Part II of Schedule XIII to the Companies Act, 1956 as existing or any amendment made hereafter.

4. The terms and conditions of the said appointment and/or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to managing and whole-time directors in accordance with Schedule XIII to the act or any amendments made hereafter.
5. The agreement may be terminated by either party giving the other party six months notice or the Company paying six months salary in lieu thereof.
6. The Joint Managing Director shall not be entitled to supplement his earnings under the Agreement with any buying or selling agency of the Company.
7. The Joint Managing Director shall be subject to the superintendence control and direction of the Board of Directors. He will be entrusted with substantial powers of management and will also perform such other duties as may from time to time be entrusted to him.

The Draft Agreement as proposed between the Company and Mr. Ashish S Amin is available for inspection by the members at the Registered Office of the Company between 10:00 am and 12:00 noon on any working day of the Company, till the date of Annual General Meeting.

Smt. Sushilaben S Patel, Mr. Ashish S Amin and Mr. Suresh H Amin are said to be concerned and interested in the resolution,

None of the other Directors is in any way concerned or interested in the above resolution.

This may be treated as an abstract of the terms of the appointment between the Company and Shri. Suresh H. Amin, pursuant to Section 302 of the Act. The Board recommend the approval of said resolution.

### **ITEM No.8**

#### **Appointment of Sole selling Agent:**

The members are aware that M/s. MILLING

ENGINEERS, Vallabh Vidyanagar were initially appointed as sole selling agents of the Company w.e.f. 7<sup>th</sup> October-1967 for a period of five years and continues to be reappointed from time to time. The said Milling Engineers were lastly reappointed on 20<sup>th</sup> June-2002 and shareholders had accorded their approval in terms of the provisions of the Companies Act, 1956 at the meeting held on 4<sup>th</sup> May-2002 and subsequently approval of Central Government vide their letter no.12/15/2002-CL X Dt.17<sup>th</sup> October-2002 for further period of five years with effect from 7<sup>th</sup> October-2002 was also obtained. The said terms of the appointment of the said sole selling agents are getting expired on 6<sup>th</sup> October-2007.

During the tenure of their appointment M/s.MILLING ENGINEERS has performed very well and achieved desired level of sales whereby improved the performance of the Company. In absence of such an arrangements, the Company would have its own marketing set up which, the company like ours is unjustified., The sales of the Company which in the year 1968 was Rs.5.90 Lacs has reached to Rs.23.47 Crores in the year 2006-2007. It would therefore, be in the interest of the Company to continue to avail the expert services of M/s.MILLING ENGINEERS as selling agents for a further period of five years and to have the benefit of their large clientele developed during last four decades in very competitive market at a very negligible cost. Moreover, the Company like us will be relieved from maintaining its own marketing set up and availing services of sole selling agents would be essential and more economical. As the company would pay commission not exceeding 8% (percent) on Sales to Sole Selling Agents.

In view of the above, the Board had at its meeting held on 14<sup>th</sup> June 2007, subject to the approval of the shareholders and Central Government in terms of the provisions of section 294AA of the Companies Act, 1956 reappointed M/s. MILLING ENGINEERS as Sole Selling Agents for further period of five years with effect from 7<sup>th</sup> October-2007 on the terms and conditions as contained in the draft agreement, to be entered into between the Company and the said M/s. MILLING ENGINEERS. The copy of said draft agreement is available for inspection to the members at the Registered Office of the Company between 10:00 am and 12:00 noon on any working day of the Company, till the date of Annual General Meeting.

Board commends passing of the resolution as set out at item no.8 of the accompanying Notice. None of the Directors of the Company are in any way concerned or interested in the said resolution.

Place : V.V.NAGAR

Date : 14<sup>TH</sup> JUNE, 2007

By order of the Board

**SURESH H. AMIN**  
**(MANAGING DIRECTOR)**

# ROLCON ENGINEERING COMPANY LIMITED

## DIRECTORS' REPORT

To,

The Members,

Your Directors are pleased to present their report on the business and operations of your Company together with the Audited Statement of Accounts and the Auditors' Report for the financial year ended March 31st, 2007. The financial highlights for the year under review are given below:

### WORKING RESULTS:

	Rupees in lacs	
	2006-07	2005-06
Income	2432.20	2045.79
Gross Profit	226.88	165.48
Less: Depreciation	69.44	41.74
Profit before Tax	157.44	123.74
Less: Provision for Taxation	49.50	46.30
Fringe Benefit Tax	4.09	5.98
Profit after Tax	103.85	71.46

### Add:

a) The amount brought forward from the last Year's account	70.43	67.07
b) Excess / Short Provision of the earlier years	9.41	- 0.35
<b>Total available</b>	<b>164.87</b>	<b>138.18</b>

### APPROPRIATIONS:

a) Interim Dividend	22.68	0.00
b) Corporate Tax On Dividend	3.18	0.00
c) Proposed Dividend	7.56	28.73
d) Provision for Corporate Tax On Dividend	1.28	4.02
e) General Reserve	20.00	35.00
f) Balance carried forward	110.17	70.43
	<b>164.87</b>	<b>138.18</b>

### DIVIDEND :

In March 2007, the Company paid an interim dividend of Rs.3.00 per share. Your directors recommended a final dividend of Rs.1.00 per share, aggregating to Rs.4.00 per share (40%) for the current year. The dividend payout, if approved, will result in outflow of Rs. 34.70 lacs inclusive of Rs. 4.46 lacs on dividend tax.

### PRODUCTION:

#### Chains and Sprockets:

The year under review has been another landmark year for your Company with all time high production, sales and profits. For the first time in the history of the Company, Company has achieved sales target to Rs.2432.20 Lacs as against Rs.2045.79 Lacs of the previous year and profit before tax has reached to 157.44 Lacs as against Rs.123.74 Lacs for the previous.

### WIND MILL :

During the year the mill has generated 157784 units. Against the units generated at Lamba, Gujarat Electricity Board has given credit for equal units in consumption every month.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- 1 The accounting standards were followed in the preparation of annual accounts of the year under along with proper explanation relating to material departure.
- 2 The accounting Policies are applied consistently to give a true and fair view of the state of affairs of the company as on 31<sup>st</sup> March 2007 and of the Profit of the Company for the year ended on that date.
- 3 Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 and for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities.
- 4 The Annual Accounts have been prepared on a going concern basis.

# ROLCON ENGINEERING COMPANY LIMITED

## 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.

**\* FIXED DEPOSITS:**

- Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as at the balance sheet date. There was no deposit, which had 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 Strength of your Company lies in its team of highly competent and highly motivated personnel and because of these industrial relations during the year has been cordial. Your Directors wish to place on record their appreciation for the devoted services rendered by the employees.

**\* DIRECTORS:**

- In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Smt Sushilaben S Patel and Shri Bhulabhai D Patel will retire by ration at the ensuing Annual General Meeting and they being eligible offers themselves for re-appointment. Further the terms of appointment of Shri. Suresh H. Amin, Managing Director and Shri. Ashish S Amin, Joint Managing Director, are getting expired on 1<sup>st</sup> August-2007. The proposals for their reappointment for further period of five years have been recommended

## 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.

## ACKNOWLEDGEMENT:

- Your Directors place on record their appreciation for overwhelming co-operation and assistance received from investors, customers, business associates, bankers, as well as regulatory and governmental authorities. Your Directors also thank the employees at all levels, who, through their dedication, co-operation, support and smart work, have enabled the Company to achieve growth.

**Place:** V.V.NAGAR

On behalf of the Board

**Date :** 14<sup>TH</sup> JUNE-2007

**SUSHILA S. PATEL**

**CHAIRPERSON**



# 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 31<sup>ST</sup> MARCH-2007.

### A. CONSERVATION OF ENERGY:

(a) Energy conservation measures taken:

- 1) Wind Driven Ventilation of Plant which also enables the Plant to be well lit and results in power consumption.
- 2) Switch off the Heat Treatment Section during work break.
- 3) Installation of additional capacitor resulted in improved power factor.
- 4) Implementing & changing the delta connection to star connection in most of all the electric motors, resulted in to save the electric energy.
- 5) Impact of the measures of 1,2 & 3 above for 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 from -B of the Annexure to the rules

#### 1) Research & Development ( R & D )

- (a) The Company has installed latest CNC MACHINE AND HEAVY DUTY PRESS for mass production.
- b) 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.

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

i) Capital	45.87
ii) Recurring	NIL
iii) Total	45.87
iv) Total R & D Expenditure as	

Percentage of total turnover. 1.95 %

### 2) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

- a) Latest technology for manufacture of Chains and Sprockets which has been implemented as per International Standard in Consultation with our technical collaborator M/s.KOBO KTB GMBH+CO. KG, GERMANY.
- b) Company has obtain ISO 9001-2000 certificate for industrial Chain and Sprocket separately from TUV (RWTUV SYSTEMS GMBH) GERMANY and also from ABS QUALITY EVALUATIONS INC. of USA.
- c) API license No. 7F-0017 issued by American Petroleum Institute to use API monogram on chain use in Oil Exploration activity by ONGC & Oil India Corporation.

### 3) Foreign Exchange Earnings and Outgo :

- (a) Activities 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.22,33,019 /-  
Earned: Rs.58,16,667/- (FOB)

Place : V.V.NAGAR

On behalf of the Board

Date : 14<sup>TH</sup> JUNE-2007

**SUSHILA S. PATEL**  
**CHAIRPERSON**