

45<sup>th</sup>

# Annual Report 2011-2012



Many applications,  
One Solution !



**ROLCON**

ENGINEERING CO. LTD.

(ISO 9001 : 2000 Company)



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## **BOARD OF DIRECTORS**

Smt. Sushila S. Patel

Chairperson

Shri Suresh H. Amin

Managing Director

Shri Ashish S. Amin

Joint Managing Director

Shri Ashok Krishnadas

Director

Shri Kailashchandra K. Seksaria

Director

Shri Knut Bovenkamp

Director

Smt. Daksha S. Amin

Director

Shri Anil D Gandhi

Director

## **AUDITORS**

**THACKER BUTALA DESAI**

Chartered Accountants

Navsari, Gujarat.

## **BANKERS**

STATE BANK OF INDIA

CORPORATION BANK

## **REGISTERED OFFICE**

Anand - Sojitra Road

Vithal Udyognagar - 388 121.

Ta. & Dist. Anand (Gujarat) India.



## NOTICE

Notice is hereby given that the **45<sup>th</sup> Annual General Meeting** of the shareholders of **ROLCON ENGINEERING COMPANY LIMITED** will be held on **Thursday, the 19<sup>th</sup> July-2012**, at **3.00 p.m.** at the Registered Office of the Company at Vithal Udyognagar Ta. & Dist. Anand, Gujarat-388 121 to transact the following business;

### ORDINARY BUSINESS:

- 1 To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2012, the Statement of Profit & Loss 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 Mr. K.K. Seksaria, who retires by rotation, and being eligible, offers himself for re-appointment.
- 4 To appoint a director in place of Mr. Ashok Krishnadas, 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:

Reappointment 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 2012 to 1<sup>st</sup> August, 2017 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:

Reappointment 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, 2012 to 1<sup>st</sup> August, 2017, on such terms and conditions and the remuneration / emoluments, as mentioned in the explanatory statement".

**By Order of the Board**

**Suresh H Amin**  
**Managing Director**

Place : Vithal Udyognagar

Date: 11<sup>th</sup> May-2012

## 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 later 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 2012 to Thursday 19<sup>th</sup> July 2012. (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 19<sup>th</sup> July 2012 to those members whose names appear on the Register of Member as on 19<sup>th</sup> July 2012.

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

#### **Item No. 6**

#### **Reappointment of Mr. Suresh H Amin as Managing Director:**

Mr. Suresh H Amin was appointed as Managing Director of the Company by the Board of Directors and by Shareholders at their meeting dated 14<sup>th</sup> June, 2007 and 20<sup>th</sup> July 2007 respectively for the period of five years from 2<sup>nd</sup> August 2007 to 1<sup>st</sup> August 2012. The terms of appointment are getting expired on 1<sup>st</sup> August, 2012 and in view of long association and looking to the sound

health of Mr. Amin, subject to required approval of shareholders, the Board at its meeting held on 11<sup>th</sup> May, 2012 reappointed Mr. Amin for further period of five years w.e.f. 2<sup>nd</sup> August 2012 to 1<sup>st</sup> August, 2017, on the terms and conditions as stated hereunder:

#### **1) Period of Appointment : 5 Years from 2<sup>nd</sup> August-2012**

#### **2) Remuneration :**

##### **I. Salary :**

Rs.1,10,000/- per month with such further increment/s as may be determined by the Board of Directors from time to time in the Scale Rs1,10,000/- to Rs1,50,000/-

##### **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.

- 3) 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.

- 4) 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.

- 5) The Managing Director shall not be entitled to supplement his earnings under the Agreement with any buying or selling agency of the Company. He shall not be interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior approval of the Central Government.

- 6) 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.

Mr. Amin is associated with the Company since inception and had taken keen interest in the progress/development of the Company.

In terms of the provisions of Part II of the said Schedule, the following information are furnished in

connection with the appointment of Mr. Amin.

## **I General Information**

A Nature of Industry : The Company is engaged in medium size engineering goods manufacturing Industrial Chains and Sprocket for Transmission Chains, Conveyor, Elevator, Redler Automotive and Special purpose as per customers' requirements .

B Date or expected date of commencement of commercial production: The Company has long back started commercial production and progressing in a steady manner and also paying consistent dividend to the shareholders.

C In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus : Not applicable, as the company is very old and consist in its growth in terms of profitability. No financial facilities are availed of such nature from any of the financial institution.

D Financial performance based on given indicators : Not applicable.

E Export performance and net foreign exchange collaborations: Not applicable.

F Foreign investment or collaborations, if any: Not applicable.

## **II Information about the appointee :**

A Background details: Mr. Amin qualified engineer having degree of "DIPLOM INGENIUR" (M.S.) from Brunschweig University of Germany. He has also taken practical training in well-known companies of Germany, viz. M/s Salzgitter Maschinen A.G., M/s Weser huttee and M/s Kohler and Bovenkamp, GmbH Co. (now known as M/s. KOBOL - DONGHUA GmbH & Co.

KG.)

B Past Remuneration: Mr. Amin was drawing a remuneration of Rs.1,10,000/- in the Company for the F.Y.2011-12. Mr. Amin is associated with the Company since inception and joined the Company as Chief Engineer in the year 1967 then promoted to General Manager in the year 1975 and Technical Director in 1982 and since 1997 Mr. Amin is heading the Company in the capacity of Managing Director.

C Recognition or awards: During his tenure, the Company has received **Export Trophy** in the year 1992 & 1994 for the Excellent Performance in Export in the year 1987-88 & 1988-89 from Union Minister for Commerce Shri P. Chidambaram & Smt. Krishna Sahi

D Job Profile and his suitability: Mr. Amin, as Managing Director of the Company will in charge and responsibility for overall operations. With his vast experience of more than 45 years the business including at helm of the organization will be of immense value

E Remuneration proposed: As given above. In the event of loss or inadequacy of profits, the minimum remuneration proposed to be paid to Mr. Amin will be as set out in Schedule XIII Part II.

F Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would w.r.t. the country of his origin): As per norms prevailing in the industry is much on the higher size. Mr. Amin was getting Rs.1,10,000/- and only marginal rise has been given in the proposed terms of appointment.

G Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial



personnel, if any. Mr. Amin is relative (Daughter's husband) of Chairperson in terms of Section 6 of the Companies Act, 1956.

### **III Other Information :**

- 1 Reasons of loss or inadequate profits.  
Not applicable, as company is profit making and dividend paying.
- 2 Steps taken or proposed to be taken for improvement. Not applicable.
- 3 Expected increase in productivity and profits in measurable. Not applicable.

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, Smt. Daksha 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 Mr. Suresh H Amin, pursuant to Section 302 of the Act.

#### **ITEM NO. :- 7**

#### **Appointment of Mr. Ashish S Amin as Managing Director**

Mr. Ashish S. Amin was appointed as Joint Managing Director of the Company by the Board of Directors and by Shareholders at their meeting dated 14<sup>th</sup> June 2007 and 20<sup>th</sup> July 2007 respectively for the period of five years from 2<sup>nd</sup> August 2007 to 1<sup>st</sup> August 2012. The terms of appointment are getting expired on 1st August, 2012 and in view of expertise in Marketing,

General Administration, Technical expertise and business acumen of Mr. Amin, subject to required approval of shareholders and if required, approval of Central Government, Remuneration and Compensation Committee had at the meeting held on 11<sup>th</sup> May 2012 reappointed Mr. Ashish S Amin for further period of five years w.e.f. 2<sup>nd</sup> August, 2012 to 1<sup>st</sup> August, 2017, on the terms and conditions as stated hereunder:

#### **1) Period of Appointment: 5 Years from 2<sup>nd</sup> August 2012**

#### **2) Remuneration :**

##### **I. Salary:**

Rs.1,25,000/- per month with such further increment/s as may be determined by the Board of Directors from time to time in the Scale Rs.1,25,000/- to Rs.1,50,000/-

##### **II. 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.

##### **III. 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.
- 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 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.

- 3) 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.
- 4) 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.
- 5) The Joint Managing Director shall not be entitled to supplement his earnings under the Agreement with any buying or selling agency of the Company. He shall not be interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior approval of the Central Government.
- 6) 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.





### Information about the appointee :

(A) Background details: Mr. Ashish S. Amin is having degree of B.S. (Manufacturing, Operation, Production, and 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 15 years, Mr. Ashish S. Amin has expertise 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.

(B) Past Remuneration: Mr. Ashish S. Amin was drawing remuneration of Rs.1,15,000/- in the Company for the F.Y.2011-12. 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.

(C) Job Profile and his suitability: Mr. Ashish S. Amin, as Jt. Managing Director of the Company will in charge and responsibility for overall operations. With his vast experience of more than 15 years the business including at helm of the organization will be of immense value.

(D) Remuneration proposed: As given above. In the event of loss or inadequacy of profits, the minimum remuneration proposed to be paid to Mr. Ashish S. Amin will be as set out in Schedule XIII Part II.

(E) Comparative remuneration profile with respect to industry, size of the company; profile of the position and person (in case of expatriates the relevant details would w.r.t. the country of his origin): As per norms prevailing in the industry is much on the higher size. Shri.Ashish S. Amin was getting Rs.1,15,000/- and only marginal rise has been given in the proposed terms of appointment.

(F) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any. Mr. Ashish S. Amin is relative (Daughter's Son) of Chairperson in terms of section 6 of the Companies Act, 1956.

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, Smt. Daksha 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 Mr.Ashish S. Amin, pursuant to Section 302 of the Act.

**By Order of the Board**

**Suresh H Amin**

**Managing Director**

Place : Vithal Udyognagar

Date: 11<sup>th</sup> May-2012

# **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 31<sup>st</sup> March-2012. The financial highlights for the year under review are given below:

## **WORKING RESULTS:**

	<b>Rupees in lacs</b>	
	<b>2011-12</b>	<b>2010-11</b>
Income	<b>3874.21</b>	3384.78
Profit Before Depreciation & Tax	<b>318.36</b>	274.41
Less: Depreciation	<b>129.98</b>	115.33
Profit before Tax	<b>188.38</b>	159.08
Less: Provision for Taxation	<b>71.67</b>	53.62
Deferred Tax Assets	<b>-10.58</b>	-1.33
(Excess) / Short		
Provision of the earlier years	<b>-0.81</b>	6.24
Profit after Tax	<b>128.10</b>	100.55
<b>Add:</b>		
a) The amount brought forward from the last Year's account	<b>475.26</b>	416.16
Total available	<b>603.36</b>	516.71
<b>APPROPRIATIONS :</b>		
a) Proposed Dividend	<b>22.68</b>	22.68
b) Provision for Corporate Tax On Dividend	<b>3.68</b>	3.77
c) General Reserve	<b>15.00</b>	15.00
d) Balance carried forward	<b>562.00</b>	475.26
<b>Total</b>	<b>603.36</b>	516.71

## **DIVIDEND:**

Your directors has recommended a dividend of Rs.3 per share, aggregating to (30%) for the current year. The dividend payout, if approved, will result in outflow of Rs. 26.36 Lacs inclusive of Rs. 3.68 Lacs for dividend tax.

## **PRODUCTION:**

### **Chains and Sprockets:**

The year under review has been another landmark year for your Company with all time high production and sales. For the first time in the history of the Company, Company has achieved sales target to Rs.3828.55 Lacs as against Rs.3337.88 Lacs of the previous year & profit before tax has reached to Rs.188.38 Lacs as against Rs.159.08 Lacs for the previous year.

### **WIND MILL:**

During the year the Wind Mill has generated 82940 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) of the Companies Act, 1956, your Directors confirms that:

- 1 The applicable accounting standards were followed in the preparation of annual accounts of the year ended 31<sup>st</sup> March, 2012 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 2012 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.