



Report  junction.com

ANNUAL REPORT 1999



SHIMOGA FORGE LIMITED



SHIMOGA FORGE LIMITED

BOARD OF DIRECTORS

S.SURESH, *Chairman & Managing Director*
B.R.SRINIVASA MURTHY
SHAILAJA SURESH

COMPANY SECRETARY

U.VIVEKANANDA NAYAK

AUDITORS

M/S.RAMRAJ & CO.,
Chartered Accountants
No.17, 59th Cross, V Block,
Rajajinagar,
Bangalore - 560 010
Ph : 080-3380527

BANKERS

BANK OF INDIA
Corporate Banking Branch
Bangalore - 560 025

REGISTERED OFFICE

No.98, Govindappa Road,
Basavanagudi,
Bangalore - 560 004

WORKS

Plot No.12 & 13
Industrial Estate,
Sagar Road,
Shimoga - 577 204



SHIMOGA FORGE LIMITED

NOTICE

NOTICE is hereby given that the **Ninth Annual General Meeting** of SHIMOGA FORGE LIMITED will be held at 10.00 a.m. on Monday, the 8th day of May 2000, at the Bangalore Gayana Samaja, Sri Krishnarajendra Road, Bangalore - 560 004 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st December 1999, the Profit and Loss Account for the year ended on that date, and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri.B.R.Srinivasa Murthy, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting and fix their remuneration by passing following Resolution as an Ordinary Resolution with or without modification(s):

"RESOLVED that M/s.Ramraj & Co. Chartered Accountants, Bangalore, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting, on a remuneration plus reimbursement of out of pocket expenses incurred by them, as mutually agreed upon by the Board of Directors and the said firm."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modification(s), the following as a Special Resolution.

"RESOLVED THAT pursuant to provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956, Part C of Clause III of the Memorandum of Association of the

Company be altered by insertion of the undermentioned sub-clause after sub-clause 6 as sub-clause 7.

7. To Establish, Design, Develop, Manufacture, Publish, Author, Create, Maintain, Export, Import, Acquire, Hold, Deal in, Distribute, Exchange, Buy, Sell, Transfer, Gift, Commission, Install, Service, Implement, Manage, Train, Consult, Data Conversion, Data Management, Data Analysis, Data Processing, Data Warehousing, Leasing, Hiring, Acting as Agents, Consultants, Processors, create knowledge base in, of all types and kinds of Systems Software, Application Software, Software Products, Information Technology Products, in any medium, in all areas such as, process engineering, paging software, wireless software, geographic information, engineering, networking, electronics, communication, education, entertainment, banking, internet, intranet, ecommerce, statistical, accounting, medical, legal, management, edutainment, multimedia, call centers, software services in India or abroad."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all necessary steps as may be required to implement the aforesaid alteration to the Memorandum of Association."

Place : Bangalore

Date : 28.2.2000

By Order of the Board

For SHIMOGA FORGE LTD,

Regd. Office :
No.98, I Floor,
Govindappa Road,
Basavanagudi,
Bangalore - 560 004

U.Vivekananda Nayak
Company Secretary

NINTH ANNUAL REPORT 1999**NOTES****(FORMING PART OF THE NOTICE)**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER.
2. The instrument appointing proxies, duly signed (if jointly held signed by all the holders thereof) in the format annexed hereto must be lodged at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

3. Register of Members and Share Transfer Books of the Company will remain closed from 2.5.2000 to 8.5.2000 (both days inclusive).

4. Members are requested to intimate immediately any change in their address to the Company's Registered Office, quoting Registered Folio Number.

Place : Bangalore

Date : 28.2.2000

By Order of the Board

For SHIMOGA FORGE LTD,

Regd. Office :

No.98, 1 Floor,
Govindappa Road,
Basavanagudi,
Bangalore - 560 004U.Vivekananda Nayak
Company Secretary

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2)
OF THE COMPANIES ACT, 1956.**

ITEM NO.4

Members of the Company may be aware that the present economic condition of the Country is fully dominated by IT Industry. In view of encouraging measures of the Government in development of IT Industry and in order to diversify into certain new business ventures, your directors have been always considering various proposals.

Your Directors are of the view that to cope with the changing situation, it will be beneficial for the Company to diversify its activities. Your Directors are also of the view that the proposed additional object may conveniently and advantageously be combined with the existing business of the Company.

As per the Provisions of Section 17 of the Companies Act, 1956, the Objects Clause of the Company can be amended only by a Special

resolution passed by the Shareholders, accordingly, it is proposed to amend the Memorandum of Association of the Company as set out in the Notice to take these new lines of activities in due course. Accordingly, your Directors recommend the resolution set out at Item No.4 for consideration and acceptance of the Members.

None of the Directors of the Company are concerned or interested in the said resolution.

Place : Bangalore

Date : 28.2.2000

By Order of the Board

For SHIMOGA FORGE LTD,

Regd. Office :

No.98, 1 Floor,
Govindappa Road,
Basavanagudi,
Bangalore - 560 004U.Vivekananda Nayak
Company Secretary



SHIMOGA FORGE LIMITED

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors place the Ninth Annual Report on the working of your Company for the Financial year ended 31st December, 1999.

FINANCIAL RESULTS

Particulars	Year ended 31-12-99 Rs.	Year ended 31-12-98 Rs.
Sales & Other Income	5,07,94,452	4,39,41,087
Profit before IDT	88,87,276	80,50,357
Less (i) Interest	97,11,740	87,85,928
(ii) Dep.	32,17,977	30,78,992
(iii) Tax	Nil	Nil
Balance available for appropriation	(40,42,441)	(38,14,563)
Balance transferred from previous year	(51,24,075)	(13,09,512)
Loss	(91,66,516)	(51,24,075)

PERFORMANCE:

During the period under review, the Company has achieved a turnover of Rs.506.57 Lakhs. The profit before Interest, Depreciation and Tax has increased by Rs.8.37 Lakhs as compared to last year performance.

Your Company's performance is slowly improving. The Industry in which your company is engaged, is also showing recovery from recent severe recession. The Automobile sector, the segment to which the Company's supplies are concentrated, is also showing signs of recovery. However, your Board of Directors could not recommend any dividend.

FUTURE PROSPECTUS :

The Directors of your Company are constantly considering various proposals of diversification into different areas. Your Directors are aware

that Indian Economy is fully dominated by Information Technology Industry. Further opening up of the economy and development of Software Business has promoted the company to plan the activities to tap this potential growth in software field globally. Further in view of this changing market requirements, the Company has to enter into Software Business. The Company is also receiving enquiries from abroad in this field. Once we fully engage in the Software Industry, the Company expects inflow of fresh business to increase the overall performance of the Company during the current year.

FIXED DEPOSITS:

Your Company has accepted deposits from 12 Depositors, a sum of Rs.9,82,000/- during the year under review. The Company has neither overdue deposits nor unclaimed deposits matured on the date of the Balance Sheet.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Company's Articles of Association Sri.B.R.Srinivasa Murthy is due to retire by rotation in the forthcoming Annual General Meeting and is eligible for reappointment. He has offered himself for reappointment. Your Directors recommend his reappointment.

Further Sri.Siddeswara has resigned from the office of the Director with effect from 1st March 1999. His resignation has been accepted and the Board of Directors wish to place on record its gratitude for his dedicated services.

LISTING OF SHARES

Your Company's shares are listed on the following Stock Exchanges namely:

- Bangalore Stock Exchange Limited, Stock Exchange Towers, No.51, 1st Cross, J.C.Road, Bangalore - 560 027
- The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

NINTH ANNUAL REPORT 1999

- iii. Madras Stock Exchange Ltd, Exchange Building, Post Box No.183, No.11, Second Line Beach, Chennai - 600 001.

AUDITORS

M/s.Ramraj & Co, Chartered Accountants, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a Certificate from the said Auditors, to the effect that their re-appointment, if made, would be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

PARTICULARS OF EMPLOYEES

In compliance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as set out in the statement and forming part of this report, is attached.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO

The details as required to be furnished pursuant to Section 217(1)(e) of the Companies Act, 1956

read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 are appended hereto and forms part of this report.

INDUSTRIAL RELATIONS

The Industrial relations with Employees at various levels were very cordial during the year under review.

ACKNOWLEDGEMENTS

The Board of Directors wish to place on record their sincere gratitude for the support being extended to the Company by Industrial Development Bank of India and Bank of India. Further the Board wishes to thank various Departments of State and Central Government, Customers, Vendors, Trade Suppliers and Shareholders for their whole-hearted co-operation. Lastly, your Directors also wish to recognise and record the unstinted support being extended by the workmen, staff and officers of the Company.

Place : Bangalore
Date : 28.2.2000

For and on behalf of
Board of Directors,

S.Suresh
Chairman and Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended on 31st December, 1999.

Name	Designation	Qualification	Age	Date of Joining	Experience	Gross Remuneration	Previous Employment
Mr.S.Suresh	Chairman & Managing Director	Advanced Diploma in Forge Technology	44 Years	22-10-1990	21 Years	Rs.5,19,000.00	Bharath Forge Ltd

NOTE:

- Gross remuneration include Salary, House Rent Allowance, Superannuation, Provident Fund Contribution. S.Suresh's appointment as Managing Director is contractual.
- Sri.Suresh.S and Smt.Shailaja Suresh, Directors of the Company are related to each other.

Place : Bangalore
Date : 28.2.2000

For and on behalf of Board of Directors,

S.Suresh
Chairman and Managing Director

**SHIMOGA FORGE LIMITED**

ANNEXURE TO THE DIRECTORS' REPORT
FORM NO.A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	As on 31-12-99	As on 31-12-98
A) POWER & FUEL CONSUMPTION		
1. Electricity		
a. Purchased unit	348,324	274,668
Total Amount	1,499,435	1,232,525
Rate/Unit	4.30	4.49
b. Own Generation		
i. Through Diesel Oil Cost/Unit	9,498	16,501
Units per litre of Diesel oil	2.54	2.37
Cost/Unit		5.18
ii. Through steam Turbine Generator	-	-
Units		
Units per liter of fuel Oil/Gas	-	-
Cost/Unit	-	-
2. Coal(Specify Quality & Where used)	-	-
Total Cost		
Average Rate	-	-
3. Furnace Oil		
Quantity (K.Litre)	200 KL	168 KL
Total Amount	1,495,818	988,046
Average Rate	7479/KL	5881/KL
4. Others/internal generation (Please give details)		
Quantity		
Total Cost		
Rate/Unit		

B. CONSUMPTION PER UNIT OF PRODUCTION

	Standard if any	31.12.99	31.12.98
Products (with details- Unit Electricity)	-	461 Units/MT	475 Unit/MT
Coal(Specify Quality)	-		
Furnace Oil	-	265 Ltrs/MT	291 Ltrs/MT

Place : Bangalore
Date : 28.2.2000

For and on behalf of Board of Directors,

S.Suresh
Chairman and Managing Director