

MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

**EIGHTH  
ANNUAL  
REPORT  
1997-98**

Report  junction.com

**PEGASUS CASTALLOY LIMITED**

## PEGASUS CASTALLOY LIMITED

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### Board of Directors

Mr. Shailendrajit Rai  
Mr. Andre Cousteix  
Mr. Patrick Cousteix  
Ms. Marcelle Cousteix  
Mr. Roger Macrill  
Mr. Adil J. Patuck  
Mr. A. D. Harollikar  
(Nominee of SICOM Ltd.)  
Mr. Kundan Kumar Jha  
(Alternate to Mr. Patrick Cousteix)

### Bankers :

Bank of Maharashtra

### Auditors :

Engineer & Mehta

### Registered office :

Udyog Mandir Compound  
7/C, Bhagoji Keer Marg,  
Mahim,  
Mumbai - 400 016.

### Works :

Survey No. 1426  
Village Shikrapur,  
Taluka Shirur,  
Dist. Pune,  
Maharashtra

### Share Transfer Agents :

Swaran Data Systems Pvt. Ltd.  
Unit No. 49,  
Jamnadas Industrial Estate,  
Phase II,  
Dr. R. P. Road, Mulund West,  
Mumbai - 400 080.

## PEGASUS CASTALLOY LIMITED

## NOTICE

NOTICE IS HEREBY GIVEN THAT the Eighth Annual General Meeting of the members of the Company will be held on Tuesday, 29th September 1998, at Karnataka Sangha, Dr. M. Visveshwaraya Mandir, off T. H. Kataria Marg, Mahim, Mumbai, 400016, at 10.30 A.M. to transact the following :-

## ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 1998, Profit and Loss Account for the year ended on that date, the Directors' Report and Auditor's Report thereon.
2. To recommend dividend, if any.
3. To appoint a Director in the place of Ms. Marcelle Cousteix who retires by rotation and being eligible offers herself for reappointment
4. To appoint a Director in the place of Mr. A. J. Patuck who retires by rotation and being eligible offers himself for reappointment.
5. To appoint auditors and fix their remuneration.

## SPECIAL BUSINESS

6. To consider and if thought fit to pass with or without any modification(s), the following resolution as a Special resolution:

"RESOLVED THAT the Articles of Association of the Company be and is hereby amended as hereunder :

- i. Article 138(1) in place of figures and words 30 (thirty) the figures and words 15(fifteen) is substituted.
- ii. Article 140 for the words 'two third', 'one third' is substituted.

On behalf of the Board of Directors

Shailendrajit Rai  
Chairman & Managing Director

Place : Shikrapur

Date : 26th June, 1998

Registered Office : 7/C, Bhagoji Keer Marg, Udyog Mandir Compound, Mogul Lane, Mahim, Mumbai 400 016.

## NOTES :

1. A member entitled to attend and vote at the meeting, is entitled to appoint one or more proxy(ies) to attend and vote instead of himself and the proxy need not be a member of the Company.
2. Proxies in order to be effective, should be lodged with the Company at any time not less than forty eight hours before the meeting.
3. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is annexed.
4. The Register of Members and the Share Transfer Books of the Company will be closed from 23rd September 1998 to 29th September 1998.(both days inclusive)

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES Act, 1956

## ITEM NO. 6

As per Article 138(1), a meeting of the Board of Directors shall be called by not less than 30 days notice to all Directors or Alternate Directors. Similarly, Article 140 provides that the quorum for meeting of the Board of Directors shall be 2/3rds of its total strength or two Directors, whichever is higher.

Your Directors feel it prudent to reduce the notice period to 15 days and reduce to the quorum to 1/3rd of the Boards' total strengths or two Directors whichever is higher, to facilitate convening the meetings of the Board.

Hence, your Directors think it prudent to alter the Articles suitably.

PURSUANT to Section 31 of the Companies Act 1956, the Articles can be altered with the consent of the Members by Special Resolution. The Articles of Association are open for inspection by the Members at the Registered Office of the Company during Office hours, except on Saturdays, Sundays and Public Holidays.

None of the Director is interested in the proposed resolution.

**PEGASUS CASTALLOY LIMITED****DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting their Eighth Annual Report together with the audited statements of account for the year ended 31st March, 1998.

**FINANCIAL HIGHLIGHTS**

	For the year ended 31.03.1998 Rs.(Lakhs)	For the year ended 31.03.1997 Rs.(Lakhs)
Sales & Other Income	1211.28	1240.40
Operating Profit before Interest and Depreciation	229.93	181.85
Financial Expenses	95.88	89.47
Gross Profit	134.05	92.38
Less : Depreciation	52.40	37.64
Less : Preliminary Expenses	1.91	1.94
Profit before Taxation	79.74	52.80
Provision for Taxation	8.37	7.90
Profit after Taxation	71.37	44.90
Proposed Dividend	30.00	--
Provision for Tax on Distributable Profit	3.00	--
Prior Period Adjustments	(0.49)	8.21
	38.86	53.11

**DIVIDEND**

Your Directors are pleased to recommend a maiden dividend at the rate of 10% on the equity shares. The dividend if declared in the forthcoming Annual General Meeting by the Members of the Company will be free of tax in the hands of the Members.

**PERFORMANCE V/S PROJECTIONS**

As required under clause 43 of the Listing Agreement, the comparison between actual performance of the Company and the projections made for the said year in its prospectus issued on 26th June 1995, are as under

	Performance Rs. (Lakhs)	Projections Rs.(Lakhs)
Sales	1211.28	1264.00
Profit before Tax	79.74	168.00
Profit after Tax	71.37	132.00
Proposed Dividend	30.00	30.00

The Company produced 852 MT of castings against 1600 MT projected. The sales quantity is lower due to slow down in demand from the mid size car segment which is an important and significant market for the company. It achieved sales of Rs.1211.28 lakhs against a projection of Rs.1264.00 lakhs. The sales realisation in rupee per kg of sales is higher than projection despite sales in quantity being lower mainly due to the change in ordering pattern of the customers from "conversion ordering" to "outright purchase ordering".

**PEGASUS CASTALLOY LIMITED****OPERATIONS**

The current recession in the automobile industry has had its impact on your Company. The Company has achieved Sales of Rs.1211.28 lakhs against Rs.1240.40 lakhs during the previous year. However the company earned a pre-tax profit of Rs.79.74 lakhs as against Rs.52.80 lakhs, showing an increase of 51.02%. The profit was substantially higher on account of cost reduction measures taken during the year.

**CURRENT OUTLOOK**

The slowdown in the automobile industry, which is the main customer of your Company, continued during the current year, particularly on the premium brand vehicles. This resulted in lower levels of production during the current year. Your Directors are actively looking at new product/customer development which will strengthen the market reach of the Company.

To meet the pollution control norms, the two wheeler manufacturers will have to shift to four stroke engines by end of this century. This will benefit your Company, since it offers technology for manufacture of cylinder heads for the four stroke engines.

**EXPORTS**

During the year your Company developed and exported castings to France. The product has been well received and the Company expects further orders on a continuing basis.

**DIRECTORS**

Pursuant to the provisions of the Companies Act, 1956 and Articles of Association of the Company, Ms. Marcelle Cousteix and Mr. A. J. Patuck, Directors would retire by rotation in the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

**EMPLOYEES**

Relations between the Management of the Company and Employees were cordial throughout the year.

In accordance with section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 as amended, a statement showing the name and other particulars of the employees of the Company who are in receipt of remuneration of not less than Rs.3,00,000/- per annum is attached.

**ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE**

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given 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 is annexed hereto and forms part of this report.

**AUDITORS**

Engineer & Mehta, Chartered Accountants, Auditors of the Company, shall retire at the end of the ensuing Annual General Meeting. Members are requested to appoint auditors and fix their remuneration.

**ACKNOWLEDGMENT**

Your Directors thank SICOM Ltd., its Bankers, Bank of Maharashtra and SOFIGIC, France for their unstinted support. Directors also wish to place on record dedicated services rendered by all the employees of the Company.

On behalf of the Board of Directors

Shailendrajit Rai  
Chairman & Managing Director

Place : Shikrapur

Date : 26th June, 1998

Registered Office : 7/C, Bhagoji Keer Marg, Udyog Mandir Compound, Mogul Lane, Mahim, Mumbai 400 016.

**PEGASUS CASTALLOY LIMITED****ANNEXURE TO THE DIRECTORS' REPORT DATED 26TH JUNE 1998**

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 Company's financial year ending 31st March 1998.

Sr No	Name and Age	Designation	Remuneration Rs. (Lakhs)	Qualifications	Date of commencement of employment	Last employment
1	Mr. S. Rai 42 years	Managing Director	3.50	B. A., A.C.A.	01.11.1994	Managing Director, Atlas Automotive Components P. Ltd.

**Notes :**

Appointment of Mr. S. Rai is contractual.

Remuneration includes salary, commission ,Company's contribution to Provident Fund and perquisite values as per Income Tax rules.

Mr. S. Rai is not a relative of any other Director of the Company.

**Additional information as per Section 217(1) (e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules , 1988.**

**1. CONSERVATION OF ENERGY****A) ENERGY CONSERVATION / MODERNISATION MEASURES TAKEN :**

1. Solution Furnace 1,2,3 and holding furnace 1,2,3,4 were provided with 'AUTO HALF LOAD SYSTEM', resulting in energy saving .
2. Solution Furnaces 1,2,3 and Holding Furnaces 1,2,3,4 were provided with higher accuracy temperature controller (0.1%) .
3. Exhaust Fans were provided in Air Compressor Room to reduce air temperature and increase compressors' efficiency
4. In solution Furnaces 1,2 and 3 , loading and unloading systems are planned to a greater degree of perfection, resulting in reduced heat losses .
5. In durville machines auto eject and auto off systems were introduced.
6. Quality of heaters improved in core shop machines by proper co-ordination with vendors.
7. Common power pack for melting furnaces 1,2,3 & 4 introduced .
8. For power pack of LPDC machine , accumulator was connected to the hydraulic system. With this addition, 2 vane pumps could supply hydraulic oil under pressure to 3 LPDC machines against 3 pumps required earlier resulted in energy saving.

**B. PROPOSALS**

Based on the observation of the Foundry, Engineering & Project Engineering Units in co-ordination with Total Preventive Maintenance Unit , further action is being taken for implimentation.

**C. TECHNOLOGY ABSORPTION**

Does not arise in the case of the Company.

**D. FOREIGN EXCHANGE EARNING AND OUTGO**

Total foreign exchange used during the year Rs. 49.63 Lakhs

Total foreign exchange earning during the year Rs 7.81 Lakhs

## PEGASUS CASTALLOY LIMITED

## FORM - A

## A. POWER AND FUEL CONSUMPTION

## 1. ELECTRICITY

		For the year ended <u>31.03.1998</u>	For the year ended <u>31.03.1997</u>	
a.	Purchased quantity	Units	21,91,775	26,04,128
	Total Amount	Rs.	85,07,900	86,89,579
	Average rate per unit	Rs.	3.88	3.34
b.	Generated Quantity	Units	26,920	40,460
	Total amount	Rs.	1,85,477	2,11,859
	Average rate per unit	Rs.	6.89	5.24

## 2. LDO / FURNACE OIL

Quantity	Litre	3,08,000	4,15,000
Total Amount	Rs.	19,21,910	21,63,970
Average rate per litre	Rs.	6.24	7.14

## B. CONSUMPTION PER UNIT OF PRODUCTION \*

1.	Electricity	Units	12.01	16.59
2.	L.D.O. / Furnace Oil	Litre	1.69	2.60

\* The Company is producing a variety of castings and the consumption of Electricity and Fuel for the same is not uniform. Hence allocation of energy per unit of production may not be relevant.