

# **PEGASUS CASTALLOY LIMITED**

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**NINETH  
ANNUAL REPORT  
1998-99**

## PEGASUS CASTALLOY LIMITED

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### BOARD OF DIRECTORS

Mr. Shailendrajit Rai	Chairman & Managing Director
Mr. Andre Cousteix	
Mr. Patrick Cousteix	
Ms. Marcelle Cousteix	
Mr. Roger Macrill	
Mr. V. Gandikota	
Mr. A. D. Harollikar	(Nominee of SICOM Ltd.)
Mr. Kundan Kumar Jha	(Alternate to Mr. Patrick Cousteix)

### BANKERS :

Bank of Maharashtra  
Industrial Finance Branch, Pune

### AUDITORS :

M/s Engineer & Mehta

### REGISTERED OFFICE :

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

### WORKS :

Gat 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 Ninth Annual General Meeting of the members of the Company will be held on Tuesday, the 28th September 1999, at Karnataka Sangha, Dr. M.Visveshwaraya Mandir, off T. H. Kataria Marg, Mahim, Mumbai, 400016, at 10.30 A.M. to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 1999, Profit and 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 the place of Mr. Andre Cousteix, who retires by rotation and being eligible offers himself for reappointment
4. To appoint a Director in the place of Mr. Roger Macrill, 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 modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT consent of the members be and is hereby accorded for shifting the Registered Office of the Company from Udyog Mandir Compound, 7/C, Bhagoji Keer Marg, Mogul Lane, Mahim, Mumbai -400 016 to Gat No. 1426, Village Shikrapur, Taluka Shirur, Dist. Pune, Maharashtra, with effect from 1st October, 1999."

7. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"In supercession to the Resolution passed by the members of the Company in their Extra Ordinary General Meeting held on 01/12/1994, it is RESOLVED THAT the consent of the Company be and is hereby accorded pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company to borrow from time to time any sum or sums of money which, together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves i.e. to say reserves not set apart for any specific purpose, provided that the total amount of moneys borrowed by the Company shall not at any time exceed the limit of Rs. 15.00 Crores."

ON BEHALF OF THE BOARD OF DIRECTORS

**Shailendrajit Rai**  
Chairman & Managing Director

Place : Shikrapur

Date : 28th June, 1999.

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 remain closed from 22nd September 1999 to 28th September 1999. (both days inclusive)

**PEGASUS CASTALLOY LIMITED**

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES Act, 1956****ITEM NO. 6**

The Company has full fledged Office premises at it's factory at Gat No. 1426, Village Shikrapur, Taluka Shirur, Dist. Pune, Maharastra. All the departments of the Company except Secretarial Department is located at Fackry Office. For synchronising the working, it is advisable that the Registered Office should also be shifted to Shikrapur, Dist. Pune. According to the Companies Act, 1956, for shifting the Registered Office out of the city limit, members' approval by Special Resolution is required.

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

**ITEM NO. 7**

The members in their Extra Ordinary General Meeting held on 01/12/1994 had authorised the Board of Directors to borrow funds from time to time not exceeding in aggregate Rs. 10 crores. The Company has undertaken a project for expanding its capacity for manufacture of Cylinder Heads for newly developed four stroke engines for two wheelers. For this purpose, the Company may have to borrow funds from financial institutions in which case the aggregate borrowing may exceed the existing permitted limit of Rs. 10.00 Crores. In accordance with Section 293 (1) (d) of the Companies Act, 1956 for borrowing exceeding the aggregate of the paid-up capital and free reserves, members' approval by Ordinary Resolution is required. The Board of Directors, therefore, recommend the resolution as stated in Item No. 7 of the Notice.

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

**ON BEHALF OF THE BOARD OF DIRECTORS**

**Shailendrajit Rai**

*Chairman & Managing Director*

Place : Shikrapur  
Date : 28th June, 1999.

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

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

To the Members,

Your Directors have pleasure in presenting to you the Ninth Annual Report and audited accounts for the year ended 31st March, 1999.

**FINANCIAL RESULTS**

	For the year ended 31.03.1999 (Rs. in Lacs)	For the year ended 31.03.1998 (Rs. in Lacs)
Sales & Other Income .....	1910.08	1370.93
Operating Profit before Interest and Depreciation .....	284.31	237.43
Financial Expenses .....	96.69	102.89
Gross Profit .....	187.63	134.65
Less : Depreciation .....	71.76	52.40
Less : Preliminary Expenses .....	1.91	1.91
Profit before Taxation .....	113.96	80.24
Provision for Taxation .....	11.96	8.37
Profit after Taxation .....	101.99	71.86
Proposed Dividend .....	30.00	30.00
Provision for Tax on Proposed Dividend .....	3.30	3.00
Prior Period Adjustments .....	12.85	(0.49)

**DIVIDEND**

Your Directors are pleased to recommend Dividend at the rate of 10% on the Equity Shares. If approved at the forthcoming Annual General Meeting, the dividend will be free of tax in the hands of the Members.

**PERFORMANCE**

Turnover for the year under review was Rs. 1910.08 lacs, compared to Rs. 1370.93 lacs in the previous year, an increase of 39.35%.

The Company recorded a pre-tax profit of Rs. 113.96 lacs for the year under review, an increase of 42% compared to that of previous year. This has been possible due to the efforts made towards cost reduction and fund management. Your Directors are pleased to report that during the year, the Company commenced manufacturing of aluminium Castings for newly developed four stroke engines for two wheelers out of the imported machineries. The Company has received encouraging response from the present and potential customers for these cylinder heads.

**CURRENT OUTLOOK**

The Company has diversified in the manufacture of castings for four stroke engines used for two wheelers. Your Directors expect that this will result in better performance in the current year.

**Y2K COMPLIANCE**

The Company has under taken effective steps to make all its systems Y2K compliant by September, 1999. Your Directors do not foresee any effect on any operations of the Company. The cost implication, if any, are being evaluated.

**PEGASUS CASTALLOY LIMITED****ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE**

Information on conversation of energy , technology absorption and 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) Rule, 1988 is annexed hereto and forms part of this report.

**EMPLOYEES**

Relations with all the employees remained satisfactory throughout the year. None of the employees of the Company was in receipt of remuneration exceeding Rs.50,000/- per month or Rs. 6,00,000/- per annum. Hence, details as required under Section 217(2A) of the Companies Act, 1956 with the Companies (Particulars of Employees) Rules, 1975 are not given.

**DIRECTORS**

Mr. A. J. Patuck resigned from the Board of Directors with effect from 25/01/1999. Mr. V. Gandikota was appointed as Director in the vacancy caused by the resignation of Mr. A. J. Patuck. Mr. A. J. Patuck was associated with the Company since its inception. The Board places on record its deep appreciation for valued services and guidance rendered by Mr. A. J. Patuck during his tenure.

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

**AUDITORS**

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

**ACKNOWLEDGMENT**

Your Directors wish to express their gratitude for the continued cooperation, support and assistance provided by all the valued customers, employees, shareholders, bankers and financial institutions.

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ON BEHALF OF THE BOARD OF DIRECTORS

**Shailendrajit Rai**

*Chairman & Managing Director*

Place : Shikrapur

Date : 28th June, 1999