

PEGASUS CASTALLOY LIMITED

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ELEVENTH ANNUAL REPORT 2000-2001

PEGASUS CASTALLOY LIMITED

BOARD OF DIRECTORS

Mr. Shailendrajit Rai
Mr. Andre Cousteix
Mr. Patrick Cousteix
Ms. Marcelle Cousteix
Mr. Roger Macrill
Mr. V. Gandikota
Mr. A. D. Harolikar
Mr. S. C. Khanna

Chairman & Managing Director

(Nominee of SICOM Ltd)
(Alternate to Mr. Patrick Cousteix)

BANKERS :

Bank of Maharashtra
Industrial Finance Branch, Pune

State Bank of India
Industrial Finance Branch, Pune

AUDITORS :

M/s Engineer & Mehta

REGISTERED OFFICE & WORKS :

Survey No.1426
Village Shikrapur,
Taluka Shirur,
Dist. Pune - 412 208.
Maharashtra
Tel: (02137) 72597/72642/72644
Fax: (02137) 72643.

SHARE TRANSFER AGENTS :

MONDKAR COMPUTERS PVT LTD
21, SHAKIL NIWAS
MAHAKALI CAVES ROAD,
ANDHERI (E)
MUMBAI.

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PEGASUS CASTALLOY LIMITED

NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the members of the Company will be held on 28th September 2001 at Survey No 1426, Village Shikrapur, Taluka Shirur, Dist. Pune (Maharashtra) at 1.30 p.m. to transact the following business;

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2001, Profit & 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 Ms. Marcelle Cousteix, who retires by rotation and being eligible offers herself 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.
6. To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:
" RESOLVED THAT pursuant to the provisions of Section 163 of the Companies Act, 1956 the Company hereby accounts its consent for keeping the Register of Members, index of Members and copies of all Annual Returns prepared under Section 159 of the Act together with copies of Certificate and documents required to be annexed thereto under Section 161 of the Act or any one or more of them at the office of the Company's Share Transfer Agents, M/s/ Mondkar Computers Pvt. Ltd. instead of being kept at the Registered office of the Company."

Place : Shikrapur

Date : 14-07-2001

ON BEHALF OF THE BOARD OF DIRECTORS

Shailendrajit Rai

Chairman & Managing Director

Registered Office :

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

PEGASUS CASTALLOY LIMITED

NOTES

1. A member entitled to attend and vote at the meeting, is entitled to appoint one 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 26th to 29th September 2001 (both days inclusive).



PEGASUS CASTALLOY LIMITED**DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting to you the Eleventh Annual report and audited accounts for the year ended 31st march 2001.

FINANCIAL RESULTS

	FOR THE YEAR ENDED 31-03-2001 RS. IN LACS	FOR THE YEAR ENDED 31-03-2000 RS. IN LACS
SALES & OTHER INCOME	1763.20	1900.86
OPERATING PROFIT BEFORE FINANCIAL EXPENSES, DEPRECIATION & PRILIMINARY EXPENSES	339.35	303.29
FINANCIAL EXPENSES	119.88	105.22
GROSS PROFIT	219.47	198.07
LESS : DEPRECIATION	101.70	81.84
LESS : PRELIMINARY EXPENSES	1.91	1.91
PROFIT BEFORE TAXATION	115.86	114.32
PROVISION FOR TAXATION	19.00	13.20
PROFIT AFTER TAXATION	96.86	101.12
DIVIDEND – INTERIM	0.00	30.00
DIVIDEND – FINAL	30.00	0.00
PROVISION FOR TAX ON DIVIDEND	3.06	3.30

DIVIDEND

Your directors have recommended a dividend of 10%.

PERFORMANCE

The company recorded a turnover of Rs.1758.42 Lacs as against Rs.1893.83 lacs for the previous year. The turnover is lower on account of increase in conversion income. In spite of recession in Certain segments of automobile industry and vulnerable industrial scenario, the company was able to record pre-tax profit of Rs.115.92 as against Rs.114.32 lacs in the previous year. The company could sustain the profitability due to its efforts to control and reduce costs, better utilization of facilities.

CURRENT OUTLOOK

The Indian Industry with no exception of automobile sector is in a phase of reconstruction and consolidation. The motorcycle market which is a very important segment of the company products, is experiencing significant growth. The company has created capacity to meet the requirements from different segments of its market. The company has been able to add new products and customers despite increased competition, enhanced quality requirements-notable among them are Yamaha Motors India, L & T John Deere, Lombardini India, Kinetic Engineering. The company has also added machining capacity, which will help increase its value addition. The directors are confident that company will be able to maintain its profitability inspite of a volatile and changing market.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Information on conservation 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 extremely cordial and satisfactory throughout the year.

A statement giving the details of employees who were in receipt of remuneration exceeding rupees one lac per month or Rupees twelve lacs per annum, is annexed and forms part of this report.

PEGASUS CASTALLOY LIMITED

DIRECTORS

To comply with the requirements of the Articles of Association of the Company and the Companies Act, 1956 Ms. Marcelle Cousteix and Mr. Roger Macrill would retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2001, the Board of Directors hereby states-

- That in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the directors had prepared the annual accounts on a going concern basis.

LISTING OF SHARES

The Company's Equity Capital is listed on the Mumbai and Ahmedabad Stock Exchanges. The Company has paid Annual Listing Fees upto the year 2000-2001.

As per directives issued by the Stock Exchange, Mumbai, the Company entered into necessary arrangement with the National Security Depository Ltd.(NSDL) and Central Depository Services Ltd. (CDSL) for dematerializing the Company's Shares w.e.f. 2nd May, 2001. The members can now trade in the shares of the Company in DMAT form also.

AUDITORS' REPORT

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

ACKNOWLEDGEMENT

Yours Directors place on record their gratitudes to the Company's bankers and the financial institution for their continued co-operation and support. Your Directors express their warm appreciation of the contribution made by the employees at all levels, the shareholders, customers, suppliers for their support and confidence in the company.

Place : Shikrapur

ON BEHALF OF THE BOARD OF DIRECTORS

Date : 14-07-2001

Shailendrajit Rai
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT (ANNEXURE 1)

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:

The company is committed to conserve energy and is making the best use of this scarce resource.

- Reduction in heat loss in LPDC Machines was achieved by replacing the original brick lining by ceramic insulation boards and also by providing Fibre glass insulation at Furnance top plates.
- Reduction in heat loss in heat treatment furnance was achieved by doing away with supporting anchors and providing highseal brick lining.
- Adaptation of two core sets on one single core cavity has resulted into optimum utilisation of energy and has reduced the number of heaters.

Impact of the measures taken (1) (2) and (3). The energy consumption per unit of output has shown considerable improvement.