

PEGASUS CASTALLOY LIMITED

Report  Junction.com

Casting the future

**TWELTH
ANNUAL REPORT
2001-2002**

PEGASUS CASTALLOY LIMITED**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. Harolikar	(Nominee of SICOM Ltd)
Mr. S. C. Khanna	(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.
E-mail : pegasus@vsnl.in

SHARE TRANSFER AGENTS :

MONDKAR COMPUTERS PVT LTD
21, Shakil Niwas,
Mahakali Caves Road,
Andheri, (E) Mumbai.
Tel.: 022 - 825 76 41 / 836 97 04
E-mail : mcplrt@bom7.vsnl.net.in

Contents

	Page No. (s)
• Notice	2
• Notes	3
• Director's Report	4-8
• Auditor's Report	9-10
• Balance Sheet	11
• Profit & Loss Account	12
• Schedules Forming Part of the Balance Sheet and Profit & Loss Account	13-17
• Notes to Accounts	18-23
• Balance Sheet Abstract & Company's General Business Profile	24
• Cash Flow Statement	25

PEGASUS CASTALLOY LIMITED

NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the members of the Company will be held on 30th September, 2002 at Survey No 1426, Village Shikrapur, Taluka Shirur, Dist. Pune (Maharashtra) at 1.30pm to transact the following business;

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2002, 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 Mr. Andre Cousteix, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in the place of Mr. V. Gandikota, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint auditors and fix their remuneration.

Place : Shikrapur
Date : 29-07-2002

**ON BEHALF OF THE BOARD OF
DIRECTORS**

Shailendrajit Rai
Chairman & Managing Director

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 The Register of Members and the Share Transfer Books of the Company will remain closed from 25th to 30th September 2002 (both days inclusive).

Place : Shikrapur

Date : 29-07-2002

**ON BEHALF OF THE BOARD OF
DIRECTORS**

Shailendrajit Rai
Chairman & Managing Director

Report  junction.com

PEGASUS CASTALLOY LIMITED**DIRECTOR'S REPORT**

To the members,

Your Directors are pleased to present the Twelfth Annual report and audited accounts for the year ended 31st March 2002.

FINANCIAL RESULTS

	FOR THE YEAR ENDED 31-03-2002 <u>Rs. In Lacs</u>	FOR THE YEAR ENDED 31-03-2001 <u>Rs. In Lacs</u>
SALES & OTHER INCOME	1755.05	1763.20
OPERATING PROFIT BEFORE FINANCIAL EXPENSES, DEPRECIATION & PRILIMINARY EXPENSES	373.60	339.35
FINANCIAL EXPENSES	126.78	119.88
GROSS PROFIT	246.82	219.47
LESS : DEPRECIATION	130.96	101.70
LESS : PRELIMINARY EXPENSES	1.91	1.91
PROFIT BEFORE TAXATION	113.95	115.86
PROVISION FOR TAXATION	30.34	19.00
PROFIT AFTER TAXATION	83.60	96.86
DIVIDEND – INTERIM	0.00	0.00
DIVIDEND – FINAL	30.00	30.00
PROVISION FOR TAX ON DIVIDEND	--	3.06

DIVIDEND

Your directors have recommended a dividend of 10%, subject to deduction of Tax at source wherever applicable.

YEAR IN RETROSPECT

The company recorded a turnover of Rs.1755.05 lacs as against Rs.1763.21 lacs for the previous year. The turnover is lower on account of increase in conversion income. In spite of higher provision for depreciation, and increasing costs, the company could sustain the profitability due to its efforts to control costs and better utilisation of available resources.

The Company has consolidated its position in manufacturing Cylinder Heads for 2 and 3 wheelers with Four Stroke engines. The Company has widened its Clintie in the field of this product to different models of major OEMs of motor cycles, prominent among them being Bajaj Auto Ltd, Kinetic Engineering Ltd., Yamaha Motor India Pvt Ltd., TVS, and LML Ltd.

PEGASUS CASTALLOY LIMITED**DIRECTOR'S REPORT**

During the year the Company has set up the facility for manufacturing shocker tubes. Your Directors are confident that this product will be successfully developed and it would contribute to the profitability of the Company in the ensuing years..

FUTURE OUTLOOK

In today's time when change is the only constant, for every business to succeed, it is imperative to be on the forefront and redefine the business realities and potentials in its area of specialisation. Taking cognizance of such developments, your Company is poised to enhance its operations in terms of manufacturing components for the growing motor cycle market.. The Company has received significant orders from Honda Motor Co., TVS, Piaggio, Lombardini and others.

After elaborate and extensive techno-commercial meetings, necessary steps are being taken to set up a Ten crore project/Product Line to manufacture and machine Intake Manifolds for Maruti Udyog Ltd for its Alto and WagonR models.

Technical Know-How arrangement is being made with Hekekai Kouki of Japan, who are the present manufacturers of these components for Suzuki Motor Company.

FINANCE

Your Directors are glad to report that Enkei Corporation, Japan, with whom the Company has Technical Know-How arrangement have shown interest in subscribing to Equity of your Company. For obtaining necessary approval of the members, Extra Ordinary General Meeting is being convened. If members agree, it is proposed to allot 19,00,000 Equity shares of Rs 10 each at such premium as the members would decide. The funds would be used for financing the Company's on going project of Intake Manifold and long term working capital requirement. There will be no change in the management.

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.

None of the employees of the company was in receipt of remuneration exceeding Rs. 2 lakhs per month or Rs. 24 lakhs per annum. Hence, details as required under Section 217(2A) of the Companies Act 1956 read with the Companies (particulars of employees) Rules 1975 are not given.

DIRECTORS

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

DIRECTOR'S REPORT

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- i. That in the preparation of the annual accounts, the applicable accounting standard had been followed alongwith proper explanation relating to material departures;
- ii. 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;
- iii. 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;
- iv. 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 Bombay and Ahmedabad Stock Exchanges. The Company has paid Annual Listing Fees upto the year 2001-2002.

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

Your Directors place on record their gratitudes to the Company's bankers and the financial institutions 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

Date : 29-07-2002

ON BEHALF OF THE BOARD OF DIRECTORS

Shailendrajit Rai

Chairman & Managing Director

ANNEXURE TO THE DIRECTOR'S REPORT DATED 29th JULY 2002

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.

- 1 Two holding furnaces were converted from 42KW rating to 36KW rating by reducing the number of coils.
- 2 The circuit design of the furnaces was changed to enable the same to function on half load after achieving set temperature, thus reducing the consumption of energy in significant measure.
- 3 APFC (Automatic Power Factor Controller) unit was used for Capacitor Bank to control the power factor and maximum demand as well.
- 4 Most of the indication lamps were changed from conventional lamps to LED (Light Emmiting Dio) lamps.
- 5 Ceramic boards were used in all LPDC furnaces in place of conventional brick lining.

Impact of the measures taken (1) to (5).

The energy consumption per unit of output has shown considerable improvement.

B) PROPOSALS:

The Cross function team of the relevant areas is constantly working to conserve energy by improving design of mounting system, changing the design of the equipments wherever possible and necessary.

C) TECHNOLOGY ABSORPTION, ADOPTATION AND INNOVATION

1. Efforts in brief made towards technology absorption and innovation.
-The company has absorbed technology received.
2. Benefit derived as a result of the above efforts e.g.product Improvement, cost reduction,product development,import substitution etc.
The Company has started manufacturing four stroke cylinder head for two wheelers with new improved technology on machines developed with imported technology. This resulted into improved quality of castings and import substitution.