



AN ISO 9001 COMPANY

19th ANNUAL REPORT 2003-2004

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CREATIVE CASTINGS LIMITED

BOARD OF DIRECTORS	:	Shri Dhirubhai H. Dand	Chairman
		Shri M. P. Thummar	Managing Director
		Shri N. C. Vadgama	Director
		Shri R. N. Bambhania	Director
		Shri S. M. Thanki	Director
		Shri V. R. Vaishnav	Director

AUDITORS	:	ATUL LAKHANI ASSOCIATES
		Chartered Accountants,
		408-409 Suvidha Complex,
		Talao Road, Junagadh - 362 001.

REGISTRAR & TRANSFER AGENT	:	INTIME SPECTRUM REGISTRY LTD.
		C-13, Pannalal Silk Mills Compound,
		L. B. S. Marg, Bhandup (w),
		Mumbai-400 078.
		Phones : 2592 3837, Fax : 25672693 Email : isrl@intimespectrum.com

BANKERS	:	STATE BANK OF SAURASHTRA
		Circle Chowk,
		JUNAGADH - 362 001.

REGISTERED OFFICE & WORKS	:	102, G.I.D.C., Phase -II,
		Dolatpara,
		JUNAGADH - 362 003.
		Phones : (0285) 2660224, 2660254, 2660040
		Fax : (0285) 2661348 E-Mail : creativecast@sify.com Website : www.creative-cast.com

CONTENTS	:	1. Notice	01
		2. Directors' Report	02
		3. Compliance Certificate	06
		4. Auditors' Report	08
		5. Balance Sheet	11
		6. Profit & Loss Account	12
		7. Schedules	13
		8. Notes on Account	19
		9. Balance Sheet Abstract	25
		10. Cash Flow Statement	26

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the **19th Annual General Meeting** of the members of **M/s.CREATIVE CASTINGS LIMITED** will be held at the Registered Office of the Company situated at 102, G.I.D.C., Phase-II, Rajkot Road, Dolatpara, Junagadh - 362003. on **Saturday, the 31st July, 2004 at 11.00 a.m.** to transact the following Business.

ORDINARY BUSINESS

- (1) To receive, consider and adopt the Audited Balance sheet as at **31st March, 2004** and the Profit & Loss Account for the year ended on that date and the Reports of Directors' and Auditors' thereon.
- (2) To declare Final dividend on Equity Shares.
- (3) To appoint a Director in place of **SHRI M. P. THUMMAR** who retires by rotation and, being eligible, offers himself for reappointment.
- (4) To appoint a Director in place of **SHRI DHIRUBHAI H. DAND** who retires by rotation and, being eligible, offers himself for reappointment.
- (5) To appoint Auditors to hold Office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

To pass with or without modification following Resolution as an Ordinary Resolution :

" To Appoint Mr. Chetan D. Shah, Company Secretary in whole time practice to issue a Compliance Certificate for the year 2004-2005 at the remuneration as may be decided by the Board of Directors"

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BY ORDER OF THE BOARD
For Creative Castings Ltd.

PLACE : JUNAGADH

DATED : 28/06/2004

NOTES

(Dhirubhai H. Dand)
CHAIRMAN

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALIED AND EFFECTIVE MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING.
- (2) The Register of Members and the Share Transfer Books of the Company will remain closed from the 24th, July, 2004 to 31st July, 2004. both days inclusive.
- (3) If the Final Dividend on shares as recommended by the Board of Directors is declared at the Meeting, payment thereof will be made to those members whose names appear on the Company's Register of Members on 31st July, 2004. MEMBERS ARE REQUESTED TO NOTIFY IMMEDIATELY ANY CHANGE IN THEIR ADDRESSES to the Registrar and share transfer Agent, INTIME SPECTRUM REGISTRY LIMITED, MUMBAI.
- (4) Members who require any further information as regards accounts are requested to write to the company at an early date, so as to enable the management to keep the information ready.

EXPLANATORY STATEMENT IN PURSUANCE OF SEC.173(2) OF THE COMPANIES ACT,1956 :

As per the Companies Act, 2000, it is mandatory for our Company to obtain a compliance Certificate from Company Secretary in wholetime practice. The Board of Directors, therefore, recommend Mr. Chetan D. Shah to be appointed for obtaining Compliance Certificate for the year 2004-05. None of the Directors are interested in the above Resolution.

BY ORDER OF THE BOARD
For Creative Castings Ltd

PLACE : JUNAGADH

DATED : 28/06/2004

(Dhirubhai H. Dand)
CHAIRMAN

DIRECTORS' REPORT

To the members,

your Directors have pleasure in presenting the **19th Annual Report** together with the Audited Accounts of the Company for the Year ended 31st March 2004.

FINANCIAL RESULTS

	For the Year 2003-2004. Rs.	For the Year 2002-2003. Rs.
Gross Profit before Interest, Depreciation and Taxation	10056312	14850155
Less: Interest	743182	1066766
	-----	-----
Profit before Depreciation	9313130	13783389
Less : Depreciation	2099154	2041705
	-----	-----
Profit before Tax	7213976	11741684
Less : Provision for Taxes	-----	-----
- Current Tax	2050000	3575000
- Deferred Tax	278370	290162
	-----	-----
	2328370	3865162
Profit after Tax	4885606	7876522
Less : Prior period item	151723	0
	-----	-----
	4733883	7876522
Surplus B/F From last year	5551533	4891261
	-----	-----
Profit available for appropriation	10285416	12767783
APPROPRIATIONS:		
1) Proposed Dividend @27.50% (Prior year 40%)	3575000	5200000
2) Prov. for tax on the above dividend.	458047	666250
3) General Reserve	700000	1000000
	-----	-----
Balance C/F to next year....	5552369	5901533
	=====	=====

PERFORMANCE

The performance of the company during the year under review has remained satisfactory considering stiff competition in the market and the basic raw material price increases. Though the overall production and turnover was marginally up, but the profit margin has been reduced during the year under review. The main reasons for reduction of profit margin was due to :

- * Unprecedented increase in cost of inputs like Steel Scrap, Nikle, Ferro-moly etc.
- * Relative increase in the prices have not been given by the customers though we have requested everyone for price revision from April-2003.
- * Substantial reduction in export incentive DEPB, with effect from February 2004.
- * Appreciation of the Indian Ruppe vis-a-vis the US Dollar during the last one year.

The net turnover during the year 2003-04 was Rs. **1303.90** Lacs in comparision of Rs. **1209.97** Lacs for the year 2002-03. The net profit of the Company for the year has been reduced substantially from Rs. **78.77** Lacs to Rs. **47.34** Lacs for the year under reievw. The main reasons for reductions of profit was higher cost of raw materials it was **38.46 %** during the year 2003-04 in comparisone of Raw material cost of **31.58%** during the year 2002-03. The increase in the raw material cost was almost **7%** of the net turnover during the year under reievw.

DIVIDEND

The Board of Directors had recommended Dividend of Rs.2.75 (Tax Free) per Equity share for the Year ended on 31st March, 2004. (Previous year Rs.4.00 (Tax Free) per Equity Share) and the said Dividend shall be paid to those members whose names appear on the register of member of the company on record date.

OPERATION

Your Directors are hopeful for the better performance for the current Financial year 2004-2005 and Company has taken all remedial measures for cost cutting and taken steps to incerase better sales realisation and Company has taken all steps to improve its export sales which will be in the benefit of the Company.

FUTURE STRATEGY

Considering the over all recessionary trend prevailing in the world wide market and due to USA - IRAQ War in the year under review , Export business has been affected during the year under review. Due to company's best possible efforts company has been able to book valuable Exports orders from April 2004 onwards and are hopeful for better Export performance during the current financial year.

Company is facing tuff competition in the global market from China and Other Countries. Company's policy to maintain harmoneous relationship with the buyers, giving better quality products with a compitative market price and timely execution of orders company is hopeful to bring good Export orders in the current financial Year 2004-05. CCL has established its name in U.S.A., U.K. and European Countries which will be helpful in getting better Export business.

DIRECTORS' RESPONSIBILITY STATEMENT :

In terms of Section 217 (2AA) of the Companies Act, 1956, the Directors would like to state that :

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give 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 the year under review.

- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The directors have prepared the Annual Accounts on a going concern basis.

DIRECTORS

Shri **M.P.THUMMAR** & Shri **DHIRUBHAI H. DAND**. Directors of the Company are liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

AUDITORS

ATUL LAKHANI ASSOCIATES, Chartered Accountants, retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting. and they have shown their unwillingness to continue as a auditor of the company and submitted " No objection certificate" for appointment of the another auditor. The board of directors of the company has taken on record the resignation letter of retiring auditor and noted the valuable services rendered by ATUL LAKHANI ASSOCIATES during the tenure of auditors of the company.

SUBHASH AKBARI & CO. Chartered Accountants, has given their consent to act as a auditor of the company and they have furnished a Certificate to the effect that their appointment, if made, will be in accordance with the limits specified in Section 224 (1B) of the Companies Act, 1956.

COMPLIANCE CERTIFICATE

Compliance certificate u/s 383A of the Companies Act, 1956 has been obtained from Mr. Chetan D.Shah, Practicing Company Secretary and the same has been annexed herewith.

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

The requirements for disclosure of particulars with respect to conservation of energy is not applicable to the Company. A statement giving details of Technology Absorption, Foreign Exchange Earnings and outgo in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and forms part of this Report.

PARTICULARS OF THE EMPLOYEES'

Since No Employee has received remuneration in Excess of limit mentioned under Section 217(2A) of the Companies Act, 1956 The particulars required under Section 217 (2A) of the Companies Act, 1956. read with the companies (particulars of Employees) Rules 1975, need to be not furnished.

INDUSTRIAL RELATIONS

The Industrial Relations between the Management and Employees of the Company at all levels continued to be extremely cordial during the entire year.

APPRECIATION

Your Directors are grateful for the support and co-operation given by the Shareholders, Government Authorities, Company's Bankers, Insurance company, Employees, Customers & Suppliers.

FOR AND ON BEHALF OF THE BOARD

PLACE : JUNAGADH
DATED : 28/06/2004.

(Dhirubhai H.Dand)
CHAIRMAN

ANNEXURES TO THE DIRECTORS' REPORT

Annexure - (I) to the Directors' Report

Disclosure required under the Companies (Disclosure of particulars in the report of Directors) Rules, 1988.

1. CONSERVATION OF ENERGY

Your company has accorded high priority to the conservation of energy and have taken steps by introducing new technology of insulation to conserve heat loss in various furnaces used for shell baking and heat-treatment. As regards saving of electricity loss, company has installed capacitors so as to maintain overall power-factor nearing unit.

2. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

Your company operates on in house - technology developed for the products.

3. RESEARCH & DEVELOPMENT

Your company has adopted various steps with regards to develop new composition of metals, improve upon grain structure and control of the inclusion rating by introducing use of latest melting and metal purifying practices

4. FOREIGN EXCHANGE EARNINGS & OUTGO

Foreign Exchange Earnings on account of Export is equivalent to Rs.31327017/- (Previous Year Rs.26914156/-). The total Foreign exchange used by way of Purchase of Consumable & Spares Rs. 166326/- (Previous Year Rs. -NIL-) , Sales promotional expense Rs. 45530 (Previous Year Rs. -NIL-) & for ISO Registration fees Rs. -NIL- (Previous Year Rs. 31595).

FOR AND ON BEHALF OF THE BOARD

PLACE : JUNAGADH
DATED : 28/06/2004.

(Dhirubhai H.Dand)
CHAIRMAN

Compliance Certificate U/S. 383A

To,
The Members
CREATIVE CASTINGS LIMITED.

I have examined the registers, records, books and papers of CREATIVE CASTINGS LIMITED as required to be maintained under the Companies Act, 1956, and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2004.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year;

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met five times on 23rd June 2003, 29th July 2003, 24th October 2003, 18th January 2004, 28th March 2004 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members and complied with provision of section 154 of the Act.
6. The annual general meeting for the financial year ended on 31st March, 2003 was held on 11th August, 2003 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes book maintained for the purpose.
7. No extra ordinary meeting was held during the financial year under review.
8. The company has not given any loans to its directors or persons or firms or companies referred to under section 295 of the Act, during the year under review.
9. The Company has entered in to contract falling within the purview of section 297 of the act, and complied with the provisions of section 297.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. The Company :
 - (i) As per the letter dated 5th April, 2004 of Company's share transfer registrar M/s. Intime Spectrum Registry Ltd., there was no pending transfer as on 31st March, 2004.
 - (ii) has deposited the whole amount of Final dividend declared during the financial year in a separate Bank Account.
 - (iii) has posted all the dividend warrants to the member of the Company as within due time during the financial year.
 - (iv) was not required to transfer any amounts to Investor protection and education fund.
 - (v) has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. The re-appointment of directors were duly made at the Annual General Meeting.
15. The Company has not appointed any Managing Director/Whole time director/Managers during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.

17. As informed the company is not required to obtain any approval from Central Government, Regional Director or Registrar of Companies except U/S 297 from Regional Director which was already obtained on Dt. 02-12-2003
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any Shares, debentures or other securities during the financial year.
20. The Company has not bought back any Shares during the financial year.
21. There was no redemption of preference shares during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has not made any borrowing during the financial year ended 31st March, 2004.
25. The company has not made loans and advances or given guarantee or provided security to other bodies corporate during the financial year under review and consequently no entry have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association during the year under scrutiny.
31. As informed there was no prosecution initiated against or show cause notices received by the company and no fines and penalties or any other punishment imposed on the Company during the financial year, for offenses under the Act.
32. The Company has received Rs. 10375 as security from its employees during the financial year 2003-04.
33. As informed the Company has not established any provident fund u/s 418 of the Companies Act. 1956 and hence not applicable.

Place : RAJKOT
Date : 28/06/2004.

CHETAN D. SHAH
Company Secretary
C.P. NO. 3930

ANNEXURE - A

Registers as maintained by the Company : STATUTORY REGISTERS

(1) Register of Charges u/s 143, (2) Copies of instruments creating charges u/s 136, (3) Register of Members and Index of members, (4) Register and Returns u/s 163, (5) Minutes books of Board meeting and general meeting for the year 2003-04 (6) Books of Accounts u/s 209, (7) Register of Directors, Managing Directors, Manager and Secretary u/s 303, (8) Register of Directors Share holding u/s 307, (9) Register of firms/company in which directors are interested u/s 301

ANNEXURE - B

Form and Returns as filed by the Company with the Registrar of Companies. and regional director during the financial year ending on 31st March, 2004.

1. Annual return u/s 159 For the Annual General Meeting dated 11th August, 2003 filed with registrar of Companies on dated 07.10.03.
2. Balance sheet u/s 220 For the year ended on 31st March, 2003 filed with registrar of Companies on 18.08.2003.