



AN ISO 9001 COMPANY

20th ANNUAL REPORT 2004-2005

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CREATIVE CASTINGS LIMITED

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| | | | |
|---------------------------|---|------------------------|-------------------|
| 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 | : | SUBHASH AKBARI & CO. |
| | | Chartered Accountants, |
| | | 223 Shikhar Complex, |
| | | Jayshree Talkies Road, JUNAGADH |
| | | Phone : 0285 - 26 23 479 |

| | | |
|---------------------------------------|---|--------------------------------------|
| REGISTRAR & TRANSFER AGENT | : | INTIME SPECTRUM REGISTRY LTD. |
| | | C-13, Pannalal Silk Mills Compound, |
| | | L. B. S. Marg, Bhandup (w), |
| | | Mumbai-400 078. |
| | | Phones : 5555 5454, Fax : 5555 5353 |
| | | 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 |

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NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the **20th 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 **30th July , 2005 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,2005** 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 N. C. VADGAMA** who retires by rotation and, being eligible, offers himself for reappointment.
- (4) To appoint a Director in place of **SHRI R. N. BAMBHANIA** 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 2005-2006 at the remuneration as may be decided by the Board of Directors"

BY ORDER OF THE BOARD
For Creative Castings Ltd.

PLACE : JUNAGADH

DATE : 28/06/2005

(Dhirubhai H. Dand)
CHAIRMAN

NOTES

- (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 VALID 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 23rd, July, 2005 to 30th July, 2005. 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 30th July, 2005. 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 (amendment) Act, 2000, it is mandatory for our Company to obtain a compliance Certificate from Company Secretary in whole time practice. The Board of Directors, therefore, recommend Mr. Chetan D. Shah to be appointed for obtaining Compliance Certificate for the year 2005-06. None of the Directors are interested in the above Resolution.

BY ORDER OF THE BOARD
For Creative Castings Ltd

PLACE : JUNAGADH

DATE : 28/06/2005

(Dhirubhai H. Dand)
CHAIRMAN

DIRECTORS' REPORT

To the members,

your Directors have pleasure in presenting the **20th Annual Report** together with the Audited Accounts of the Company for the Year ended 31st March 2005.

FINANCIAL RESULTS

| | For the Year 2004-2005 <u>Rs.</u> | For the Year 2003-2004. <u>Rs.</u> |
|------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| Gross Profit before Interest, Depreciation and Taxation | 16116925 | 10056312 |
| Less: Interest | 863052 | 743182 |
| | ----- | ----- |
| Profit before Depreciation | 15253873 | 9313130 |
| Less : Depreciation | 1964262 | 2099154 |
| | ----- | ----- |
| Profit before Tax | 13289611 | 7213976 |
| Less : Provision for Taxes | ----- | ----- |
| - Current Tax | 4742000 | 2050000 |
| - Deferred Tax | 3682 | 278370 |
| | ----- | ----- |
| | 4745682 | 2328370 |
| Profit after Tax | 8543929 | 4885606 |
| Less : Prior period item | 140196 | 151723 |
| | ----- | ----- |
| | 8403733 | 4733883 |
| Surplus B/F From last year | 5552369 | 5551533 |
| | ----- | ----- |
| Profit available for appropriation | 13956102 | 10285416 |
| APPROPRIATIONS: | | |
| 1) Proposed Dividend @40.00% (Prior year 27.50%) | 5200000 | 3575000 |
| 2) Prov. for tax on the above dividend. | 710654 | 458047 |
| 3) General Reserve | 900000 | 700000 |
| | ----- | ----- |
| Balance C/F to next year.... | 7145448 | 5552369 |
| | ===== | ===== |

**PERFORMANCE**

The performance of the company during the year under review has remained very good as compared to previous year. The overall production and turnover was increased substantially up, and the profit margin has also increased during the year under review.

The net turnover during the year 2004-05 was **Rs. 1751.04** Lacs in comparison of **Rs. 1303.90** Lacs for the year 2003-04. The net profit of the Company for the year was **Rs. 84.04** Lacs in comparison of **Rs. 47.34** Lacs for the year 2003-04.

DIVIDEND

The Board of Directors had recommended Interim Dividend of **Rs.1.50** (Tax Free) per Equity share for the year ended on 31st March, 2005. They have further recommended **Rs. 2.50** in addition to Interim Dividend (Tax Free) for the year 2004-05 totaling to **Rs. 4.00** per share as final dividend (Previous year **Rs.2.75** (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 2005-2006 and Company has taken all remedial measures for cost cutting and taken steps to increase 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

The increasing and uncertain metal market, the cost of the input is increasing beyond expectation. The steep competition from China and other countries also forces company to work on minimum margin. Considering this, the company's policy would be to maintain harmonious relationship with the buyers, giving better quality product with competitive market price and timely delivery of the ordered item, the company is hopeful to maintain the growth with good export orders in the current financial year 2005-06. This would be possible as the reputation of the company in overseas market is good.

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 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 **N. C. VADGAMA** & Shri **R. N. BAMBHANIA**. Directors of the Company are liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

AUDITORS

SUBHASH AKBARI & CO, Chartered Accountants, retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting. and being eligible offer themselves for re-appointment. We recommend their re-appointment. 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
DATE : 28/06/2005.

(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.57108133/- (Previous Year Rs.31327017/-). The total Foreign exchange used by way of Purchase of Consumable & Spares Rs. -NIL- (Previous Year Rs. 166326/-), Sales promotional expense Rs. -NIL- (Previous Year Rs. 45530), Membership fees Rs. 4256/- (Previous Year Rs. -NIL-)

FOR AND ON BEHALF OF THE BOARD

PLACE : JUNAGADH

DATE : 28/06/2005.

(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, 2005.

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 six times on 28th June 2004, 31st July 2004, 30th September 2004, 30th October 2004, 23rd January 2005, 13th March 2005 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, 2004 was held on 31st July, 2004 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 pervue 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, 2005 of Company's share transfer registrar M/s. Intime Spectrum Registry Ltd., there was no pending transfer as on 31st March, 2005.
 - (ii) has deposited the whole amount of Final dividend and interim 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. 15-12-2004

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, 2005.
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. 21580 as security from its employees during the financial year 2004-05.
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 : 28/06/2005.

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 2004-05 (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, 2005.

1. Annual return u/s 159 For the Annual General Meeting dated 31st July, 2004 filed with registrar of Companies on dated 06-09-2004
2. Balance sheet u/s 220 For the year ended on 31st March, 2004 filed with registrar of Companies on 23-08-2004.
3. Compliance certificate u/s. 383A For the year ended on 31st March, 2004 filed with registrar of Companies on 23-08-2004.
4. Form no. 8 & 13 u/s. 125 dated 28-06-2004 filed with registrar of Companies on 20-07-2004.
5. Form no. 8 & 13 u/s. 125 dated 13-12-2004 filed with registrar of Companies on 04-01-2005.
6. Form no. 8 & 13 u/s. 125 dated 17-03-2005 filed with registrar of Companies on 01-04-2005.