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28th

**ANNUAL
REPORT
1999-2000**



Welcast Steels Limited



WELCAST STEELS LIMITED

BOARD OF DIRECTORS

Mr. Vinod Narain - Chairman
Mr. D.P. Dhanuka
Mr. R.P. Agarwal
Mr. Balakrishna F. Shah
Mr. Bahram N. Vakil
Mr. A.S. Mehta
Mr. Pradip R. Shah
Mr. Paryank R. Shah

AUDITORS

M/s. Dagliya & Co.
Chartered Accountants
L Block
Unity Building Annexe,
J.C. Road,
Bangalore - 560 002

BANKERS

Canara Bank,
Bangalore.

REGISTERED OFFICE & FACTORY

Plot No. 15, Phase - 1
Peenya Industrial Area,
Bangalore - 560 058


WELCAST STEELS LIMITED
28TH ANNUAL GENERAL MEETING

Date	29th September 2000
Day	Friday
Time	4.00 P.M.
Place	Welcast Steels Ltd., Plot No. 15, Phase - 1 Peenya Industrial Area, Bangalore - 560 058.
Book Closure (Dates)	12th to 30th September 2000 (Both days inclusive)

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**NOTICE**

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of Welcast Steels Limited, will be held at the registered office of the Company at Plot No. 15, Phase - 1, Peenya Industrial Area, Bangalore - 560 058. at 16.00 hrs on Friday, the 29th Day of September 2000 to transact the following business :

- (1) To receive, consider and adopt the Directors' Report, Audited Balance Sheet, of the Company and Profit and Loss Account for the year ended on 31st March 2000 together with the report of the Auditors thereon.
- (2) To appoint a Director in place of Mr. Vinod Narain, who retires by rotation and being eligible, offers himself for reappointment.
- (3) To appoint a Director in place of Mr. D.P. Dhanuka, who retires by rotation and being eligible, offers himself for reappointment.
- (4) To appoint a Director in place of Mr. R.P. Agarwal, who retires by rotation and being eligible, offers himself for reappointment.
- (5) To appoint auditors in place of retiring auditors and to fix their remuneration. M/s. Dagliya & Co. the retiring Auditors, who being eligible, offer themselves for reappointment.

Place: Bangalore

By order of the Board of Directors

VINOD NARAIN

Chairman

Date : 29/06/2000

NOTES :

- a) Every Member who is entitled to attend and vote may appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
- b) The Register of Members and the share transfer books of the Company will remain closed from 12th to 30th of September 2000 (both days inclusive).

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DIRECTORS' REPORT

Your Directors present the Twenty-Eighth Annual Report together with Audited Accounts of the Company for the year ended 31st March 2000.

FINANCIAL RESULTS

Particulars	1999-00 Rs. in Lacs	1998-99 Rs. in Lacs
Gross Revenue	1,906.72	1,512.30
Gross Profit	278.70	245.75
Less		
Financial Charges	38.86	44.77
Depreciation for the year (Net of withdrawal from revaluation reserve)	44.62	50.26
Profit after Interest and Depreciation	195.22	150.72
Provision for tax	62.26	58.00
Post-tax profit	132.96	92.72
Add Taxation adjustments of earlier year	9.55	—
Total	142.51	92.72
Add – Carried over credit balance in P & L a/c	112.57	57.19
Resultant profit against which the following adjustments are made/recommended :	255.08	149.91
Transfer to General Reserve	—	23.18
Dividend on equity shares	—	12.76
Tax on dividend	—	1.40
Balance to be carried forward a sum of	255.08	112.57

REVIEW OF PERFORMANCE

PRODUCTION

During the year under review, the Company has achieved a production of 6,373 tonnes of Grinding Media and Castings, which is higher by 32.22% over the previous year's production of 4,820 tonnes.

DIVIDEND

After detailed discussion the Directors unanimously opined that in view of the large expansion envisaged for better financial health of the Company, the dividend be skipped for the year 1999 - 2000.

SALES & PROSPECTS

The Company's sales figures for the year show an improvement. The Company sold 6,786 tonnes of Grinding Media and Castings during the year as compared to 5,055 tonnes during the previous year, recording an improvement of 34.24%.

EXPORT

The exports during the year increased to 1,869 tonnes (Rs. 623.73 lacs) as against 755 tonnes (Rs. 253.70 lacs) during the previous year.

AWARDS- ISO CERTIFICATION

The Company has been awarded ISO 9002 certification by Lloyd's Register Quality Assurance during the year. This award will help the Company in building further confidence in its customers for the quality of its products.



DIRECTORS' REPORT (Contd..)

FINANCE

The liquidity position of the Company remained satisfactory. Canara Bank extended its full co-operation to the Company.

SCIENTIFIC RESEARCH

R&D section has been busy in developing special grades of cost effective Grinding media for Iron Ore Industry, which could replace the existing forged type grinding media. Samples developed have been supplied for trials. In addition efforts to develop new grades for specific applications in the international market are continuing.

EMPLOYEE RELATIONS

The relationship with the employees remained cordial. The earlier 3 years agreement with the Employees' Union ended on 31st December 1999. Negotiations are progressing and an amicable settlement is shortly expected.

DIRECTORS

Messrs Vinod Narain, R.P. Agarwal and D.P. Dhanuka retire by rotation and are eligible for reappointment.

GENERAL

Your Directors regret to inform the members of the sad demise of the founder chairman Mr. Harish Mahindra on 4th December 1999. Mr. Harish Mahindra had been associated with your company since its incorporation in the year 1972 until he retired in 1996. His knowledge and counsel has been of immense value to your board. The board has placed on record its deep appreciation of his valuable service of the company.

Information required under section 217 (2-A) of the Companies Act of 1956 :-

Number of employees employed by the Company during the financial year under review drawing a remuneration in aggregate of not less than Rs. 600,000/- per annum or Rs. 50,000/- per month — Nil.

Particulars as required under listing agreement Clause 43 & 49 are furnished as Annexure – II to this report and form a part thereof.

The relevant notes on the accounts and accounting policy contained elsewhere in this Annual Report are self explanatory with regard to the observations of the Auditors.

Place: Bangalore
Date : 29-06-2000

For and on behalf of the Board of Directors

VINOD NARAIN
Chairman



ANNEXURE - I TO DIRECTORS' REPORT

Particulars as per the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31-3-2000

I. CONSERVATION OF ENERGY

Effective steps were taken to conserve exercising energy by strict control at every consumption point.

1) POWER AND FUEL CONSUMPTION	1999-00	1998-99
Electricity		
i) Units Purchased	52,93,900	4,440,660
Total Amount (Rs.)	19,853,143	17,841,869
Rate / unit (Rs.)	3.75	4.02
ii) Own generation - Diesel Generator		
Units generated	23,56,348	2,139,953
Units generated per litre of Diesel	3.01	3.13
Cost / unit (Rs.)	4.27	3.19
2) CONSUMPTION PER UNIT OF PRODUCTION (PRODUCT - GRINDING MEDIA / CASTINGS)		
Electricity Units	1,351	1,332

II. RESEARCH AND DEVELOPMENT

1. SPECIFIC AREAS IN WHICH R&D CARRIED OUT BY THE COMPANY

- a) Development of special grades of Grinding Media for Iron Ore grinding.
- b) Standardisation of process developed to reduce wear rates and increase toughness to meet international standards.

2. BENEFITS DERIVED

- a) Good potential for getting business from Iron Ore Industry.
- b) Higher export market.

3. FUTURE PLAN OF ACTION

- a) To develop Grinding Media for superfine grinding of cement.
- b) To develop and adopt new manufacturing process for reduction of pollution.

III. TECHNOLOGY ABSORPTION AND INNOVATION

1. EFFORTS MADE

- a) Standardisation of special heat treatment process.
- b) Implementation of new patterns for productivity.

2. BENEFITS

- a) Manufacture of international quality Grinding Media.
- b) Higher productivity.