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29<sup>th</sup>

**ANNUAL  
REPORT  
2000-2001**



**Welcast Steels Limited**



## **WILCAST STEELS LIMITED**

### **BOARD OF DIRECTORS**

Mr. Vinod Narain - Chairman  
Mr. D.P. Dhanuka  
Mr. R.P. Agarwal  
Mr. Balakrishna F. Shah  
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**

**29TH ANNUAL GENERAL MEETING**

Date	.....	30th August 2001
Day	.....	Thursday
Time	.....	4.00 P.M.
Place	.....	"THE CAPITOL" HOTEL No. 3, Raj Bhavan Road Bangalore - 560 001
Book Closure (Dates)	.....	24th to 31st August 2001 (Both days inclusive)

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## NOTICE

**NOTICE** is hereby given that the Twenty Ninth Annual General Meeting of Welcast Steels Limited will be held at "The Capitol" Hotel, No. 3, Raj Bhavan Road, Bangalore - 560 001 at 16.00 hrs on Thursday, the 30<sup>th</sup> Day of August 2001 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 2001 together with the report of the Auditors thereon.
- (2) To declare dividend
- (3) To appoint a Director in place of Mr. A.S. Mehta, who retires by rotation and being eligible, offers himself for reappointment.
- (4) To appoint a Director in place of Mr. Balakrishna F. Shah, who retires by rotation and being eligible, offers himself for reappointment.
- (5) To appoint a Director in place of Mr. Paryank R. Shah, who retires by rotation and being eligible, offers himself for reappointment.
- (6) 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.
- (7) Special business :

To consider and, if thought fit, to pass the following resolution as a special resolution  
 "Resolved that, in supercession of resolution under section 293(1)(d) of the Companies Act, 1956, passed in the Nineteenth Annual General Meeting of the Company held on 25th day of September 1991, consent of the Company be and is hereby accorded to the Board of Directors to borrow from time to time all such moneys as they deem requisite for the purpose of business of the company notwithstanding that, moneys to be borrowed together with moneys already borrowed by the company will exceed the aggregate of the paid up capital of the company and its free reserves, provided that the total borrowings by the Board of Directors in this regard shall not exceed a sum of Rs. 25 Crores. (Rs. 250 million)"

Place: Bangalore

By order of the Board of Directors  
**VINOD NARAIN**  
*Chairman*

Date : 30/06/2001

### EXPLANATORY STATEMENT :

(as required u/s 173(2) of the Companies Act, 1956).

#### item 7 of the Notice :

A resolution under section 293(1)(d) of the Companies Act, 1956, was passed by the members at their Nineteenth Annual General Meeting held on 25th day of September 1991 wherein the Board of Directors of your company were authorised to borrow moneys, for the purpose of your Company's business, upto a limit of Rs. 5.00 Crores (Rs. 50 million).

Considering the loan requirements that may arise in future, the above resolution is now being proposed for consideration of the members.

### 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 24th to 31st of August 2001 (both days inclusive).
- c) The Dividend, when declared, will be paid on or before 28th September 2001 to those members whose names appear in the Register of members as on 30th August 2001.



## DIRECTORS' REPORT

Your Directors present the Twenty Ninth Annual Report together with Audited Accounts of the Company for the year ended 31st March 2001.

### FINANCIAL RESULTS

Particulars	2000-01 Rs. In Lacs	1999-00 Rs. in Lacs
Gross Revenue	2,409.60	1,906.72
Gross Profit	206.88	278.70
Less		
Financial Charges	28.78	38.86
Depreciation for the year (Net of withdrawal from revaluation reserve)	30.90	44.62
Profit after Interest and Depreciation	147.20	195.22
Provision for tax	46.82	62.26
Post-tax profit	100.38	132.96
Add Taxation adjustments of earlier year	(0.05)	9.55
Total	100.33	142.51
Add – Carried over credit balance in P & L a/c	255.08	112.57
Resultant profit against which the following adjustments are made/recommended :	355.41	255.08
Transfer to General Reserve	15.06	–
Dividend on equity shares	15.96	–
Tax on dividend	1.63	–
Balance to be carried forward a sum of	322.76	255.08

### REVIEW OF PERFORMANCE

#### PRODUCTION

During the year under review, the Company produced 6,862 tonnes of Grinding Media and Castings as compared to 6,373 tonnes in the previous year, registering an increase of about 8%.

#### DIVIDEND

Keeping in view the satisfactory financial results, your Directors are pleased to recommend Dividend @ 25%

#### SALES & PROSPECTS

There has been considerable improvement in sales during the year under review. The Company sold 8,339 tonnes of Grinding Media and Castings during the year as compared to 6,786 tonnes during the previous year, higher by about 23%. The sales revenue during the year was higher at Rs. 2,409.60 lacs as against Rs. 1,906.72 lacs during the previous year. The Sales prospects for the current year are also encouraging.

#### EXPORT

The Company continues to improve its export performance. It exported 2,734 tonnes of Grinding Media / Castings during the year as compared to 1,869 tonnes during the previous year. The revenue earned from foreign exchange during the year was equivalent to Rs. 966.89 lacs as against Rs. 623.73 lacs during the previous year.

#### FINANCE

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



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Place: Bangalore

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**VINOD NARAIN**  
*Chairman*

Date : 30/06/2001

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## **DIRECTORS' REPORT (Contd..)**

### **SCIENTIFIC RESEARCH**

With greater thrust on exports, the Company's R&D Section remained busy in developing suitable grades of grinding media for various applications in mineral processing industries abroad. The Company is able to face the challenge of stringent quality standards and performance norms prescribed by its foreign customers by relying on its well equipped R&D Cell.

### **EMPLOYEE RELATIONS**

The relationship with the employees remained cordial. The earlier 3 years agreement with the employees' union ended on 31st December 1999 and a fresh agreement which is valid upto 31st December 2002 has been signed.

### **DIRECTORS**

Messrs A.S. Mehta, Balakrishna F. Shah and Paryank R. Shah retire by rotation and are eligible for reappointment.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility statement, it is hereby confirmed :

- i) That in the preparation of the accounts for the financial year ended 31st March 2001, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) That 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 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 the year under review.
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have prepared the accounts for the financial year ended 31st March 2001 on a going concern basis.

### **GENERAL**

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. 12,00,000/- per annum or Rs. 1,00,000/- per month — Nil.

Particulars as required under listing agreement Clause 49 are furnished in Annexure 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 : 30-06-2001

For and on behalf of the Board of Directors

**VINOD NARAIN**  
**Chairman**



## ANNEXURE TO DIRECTORS' REPORT

### A. 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 31-3-2001

#### I. CONSERVATION OF ENERGY

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

1. POWER AND FUEL CONSUMPTION	2000-01	1999-00
Electricity		
i) Units Purchased	7,552,540	5,293,900
Total Amount (Rs.)	28,799,781	19,853,143
Rate / unit (Rs.)	3.81	3.75
ii) Units generated	827,179	2,356,348
Units generated per litre of Diesel	2.97	3.01
Cost / unit (Rs.)	5.05	4.27
2. CONSUMPTION PER UNIT OF PRODUCTION (PRODUCT - GRINDING MEDIA / CASTINGS)		
Electricity Units	1,337	1,351

#### II. RESEARCH AND DEVELOPMENT

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

- Development of patterns and process for manufacturing special grades of Grinding Media for superfine grinding of cement.
- Introduction and standardisation of new quality control equipments and procedures to meet the standards prescribed by customers abroad.
- Improvement in manufacturing process for reduction of pollution.

##### 2. BENEFITS DERIVED

- Commercial manufacturing and sale of special grades of grinding media for super fine grinding of cement.
- Satisfied overseas customers and improvement in exports.
- Reduction in Pollution.

##### 3. FUTURE PLAN OF ACTION

- To introduce fresh technology and to improve manufacturing process for increasing productivity and reduction of cost.
- Further reduction of Pollution.
- Develop new grades of Grinding Media for wider application.

#### III. TECHNOLOGY ABSORPTION AND INNOVATION

##### 1. EFFORTS MADE

- Special grades of grinding media developed were introduced for commercial production.
- High yield patterns developed.

##### 2. BENEFITS

- Supply of products for wider application and increase in sales volume.
- Reduction in manufacturing cost.