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30th ANNUAL REPORT 2001-2002



Welcast Steels Limited



BOARD OF DIRECTORS

Mr. Vinod Narain - Chairman
Mr. D.P. Dhanuka
Mr. R.P. Agarwal
Mr. Bhadresh K. Shah
Mr. Balakrishna F. Shah
Mr. A.S. Mehta
Mr. Pradip R. Shah
Mr. Paryank R. Shah

COMPANY SECRETARY

Mr. Kenith N. Jain

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


WILCAST STEELS LIMITED
30TH ANNUAL GENERAL MEETING

Date	21st August 2002
Day	Wednesday
Time	4.00 P.M.
Place	HOTEL "GRAND ASHOK" Kumarakrupa, High Grounds Bangalore -1
Book Closure (Dates)	8th to 22nd August 2002 (Both days inclusive)

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NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of **Welcast Steels Limited** will be held at Hotel "GRAND ASHOK" Kumarakrupa, High Grounds, Bangalore -560 001 at 4.00 PM on Wednesday, the 21st Day of August 2002 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 2002 together with the report of the Auditors thereon.
- (2) To declare dividend
- (3) To appoint a Director in place of Mr. Vinod Narain, who retires by rotation and who, being eligible, offers himself for reappointment.
- (4) To appoint a Director in place of Mr. D.P.Dhanuka, who retires by rotation and who, being eligible, offers himself for reappointment.
- (5) To appoint a Director in place of Mr. Pradip R. Shah, who retires by rotation and who, 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.

Place : Bangalore
Date : 26.06.2002

By order of the Board of Directors

KENITH N. JAIN
Company Secretary

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 8th to 22nd of August 2002 (Both Days Inclusive).
- c) The Dividend, when declared, will be paid on or before 19th September 2002 to those members whose names appear in the Register of members as on 21st August 2002.
- d) The Dividend will be taxable in the hands of the recipient in accordance with the Finance Act, 2002 and the Company will be obliged to deduct income-tax at source from the dividend where dividend amount exceeds Rs. 1000/-. No income-tax will be deducted at source from dividend payable to individual resident shareholders if Form 15 G in duplicate is submitted to the Company on or before August 21, 2002.



DIRECTORS' REPORT

Your Directors present the Thirtieth Annual Report together with Audited Accounts of the Company for the year ended 31st March 2002.

FINANCIAL RESULTS

Particulars	2001-02 Rs. in Lacs	2000-01 Rs. in Lacs
Gross Revenue	1,889.50	2,409.60
Gross Profit	224.62	206.88
Less		
Financial Charges	39.47	28.78
Depreciation for the year (NET of withdrawal from revaluation reserve)	62.89	30.90
Profit after Interest and Depreciation	122.26	147.20
Provision for tax		
Current Taxation for the year	22.81	46.82
Deferred taxation for the year	19.85	-
Post-tax profit	79.60	100.38
Add Taxation adjustments of earlier year	2.66	(0.05)
Total	82.26	100.33
Add – Carried over credit balance in P & L a/c	322.76	255.08
Resultant profit against which the following adjustments are made/recommended :	405.02	355.41
Transfer to General Reserve	5.97	15.06
Dividend on equity shares	12.77	15.96
Tax on dividend	-	1.63
Balance to be carried forward a sum of	386.28	322.76

REVIEW OF PERFORMANCE

1. PRODUCTION

During the year under review, the Company achieved a production of 7,644 tonnes of Grinding Media, higher by 11.40% over the previous year's production of 6,862 tonnes. The Company has thus almost reached its rated capacity.

2. EXPANSION PROJECT

In view of assured higher domestic market share and export potential the Company has programmed to increase its capacity to approx. 14,500 tonnes per annum at a budgeted cost of Rs.7.60 Crores.

3. DIVIDEND

Keeping in view the satisfactory financial results, your Directors are pleased to recommend Dividend @ 20%.

4. SALES & PROSPECTS

The company sold 7,453 tonnes, almost its entire produce of the year amounting to 7644 tonnes. Quality and service being Company's slogan, it is confident of improving its sales performance in the coming year.

5. EXPORTS

Due to Company's inability to meet foreign buyers' pressing demand of liberal credit facilities and its order books being full with the domestic market, the Company's exports during the year were negligible.

6. FINANCE

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



DIRECTORS' REPORT (Contd..)

7. SCIENTIFIC RESEARCH

The Company's R&D Section mainly devoted its attention on fine tuning the technical know-how for manufacturing highly wear and corrosion resistant grinding media for mineral processing industries. Adoption of state-of-the art technologies to meet customer satisfaction continued to be the major area of thrust.

8. EMPLOYEE RELATIONS

The relationship with the employees remained cordial.

DIRECTORS

Messrs Vinod Narain, D.P.Dhanuka and Pradip R.Shah, retire by rotation, and being eligible, offer themselves for re-appointment.

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 2002, 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, 2002 on a going concern basis.

GENERAL

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

Number of employees employed by the Company during the financial year under review drawing a remuneration in aggregate of not less than Rs.Twenty Four Lakhs per annum or Rs.Two Lakhs per month-NIL.

Particulars as required under Clause 49 of listing agreement are furnished as 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 : 26.06.2002

For and on behalf of the Board of Directors

VINOD NARAIN
Chairman



ANNEXURE TO DIRECTORS' REPORT

Particulars as per the Companies (Disclosures of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31.3.2002.

I. CONSERVATION OF ENERGY

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

1. POWER AND FUEL CONSUMPTION

Electricity

	2001-02	2000-01
i) Units Purchased	1,00,47,030	75,52,540
Total Amount in Rs.	3,78,37,903	2,87,99,781
Rate / Unit (Rs.)	3.77	3.81
ii) Units generated	3,92,907	8,27,179
Unit generated / liter of Diesel	2.92	2.97
Cost / unit (Rs.)	5.85	5.05

2. CONSUMPTION PER UNIT OF PRODUCTION (PRODUCT : GRINDING MEDIA/CASTINGS)

Electricity Units	1,373	1,337
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II RESEARCH AND DEVELOPMENT

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

- Process / Chemical Composition modifications for reducing the wear rate of grinding media for use in mineral processing industries.
- Yield Improvement.
- Pollution Control.

2. BENEFITS DERIVED

- Due to better performance of grinding media, increase in business from mineral processing industries.
- Reduction in manufacturing costs.
- Improvement in working environment.

3. FUTURE PLAN OF ACTION

- Introduction of new moulding technology for achieving zero defect.
- Adoption of special quality control techniques.

III TECHNOLOGY ABSORPTION AND INNOVATION

1. EFFORTS MADE

- High yield patterns introduced.
- Heat Treatment cycles for special grade of grinding media standardised.



DIRECTORS' REPORT (Contd..)

2. BENEFITS

- a) Cost Reduction.
- b) New grades of grinding media developed to meet customer requirements.

3. PARTICULARS OF TECHNOLOGY IMPORTED DURING THE LAST 5 YEARS - NIL

4. EXPENDITURE ON R&D	Rs. In Lacs
a) Capital	NIL
b) Revenue	1.54
Total	1.54
Total R&D Expenditure as a percentage of total turnover (%)	0.08

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO Rs. in Lacs

1. EARNINGS

Foreign exchange earned	27.30
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2. OUTGO

a) CIF Value of Imports	Nil
b) Expenditure in Foreign Currency on:	
i) Dividend Payment	3.00
ii) On Subscription	0.04

V. PARTICULARS IN COMPLIANCE WITH THE LISTING AGREEMENT

CLAUSE 49

- a) The security of the Company is not suspended from trading in any stock exchanges wherever it is listed.
- b) Name and address of the Stock Exchanges where the securities are listed.

1) Bangalore Stock Exchange Ltd., Stock Exchange Towers No.51, 1 st Cross, J. C. Road, Bangalore - 560 027.	2) The Stock Exchange- Mumbai, Phiroze Jeejeebhoy Towers, 25 th Floor, Dalal Street, Mumbai - 400 001.
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The Company has paid the listing fees for the financial year 2002-2003 to all the Stock Exchanges wherever its securities are listed.