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31<sup>st</sup>

**ANNUAL  
REPORT  
2002-2003**



**Welcast<sup>®</sup> Steels Limited**



**WELCAST STEELS LIMITED**

**BOARD OF DIRECTORS**

Mr. Vinod Narain - Chairman  
Mr. D.P. Dhanuka  
Mr. R.P. Agarwal  
Mr. Bhadresh K. Shah  
Mr. A.S. Mehta  
Mr. Pradip R. Shah  
Mr. Paryank R.Shah (Resigned w.e.f. 02.06.03)  
Mr. Balakrishna F. Shah (Resigned w.e.f. 11.03.03)

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**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**
**31ST ANNUAL GENERAL MEETING**

Date	30th September 2013
Day	Tuesday
Time	4.00 PM
Place	THE CAPITOL HOTEL No. 3, Raj Bhavan Road Bangalore - 560 001
Book Closure (Dates)	16th to 30th September 2013 (Both days inclusive)

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## NOTICE

**NOTICE** is hereby given that the first Extraordinary General Meeting of Members of Sansco Services Limited (The Company) shall be held on 13 Rajbhogon Purnima, the period of 15 days before the date of the meeting, at the registered office of the Company to transact the following business:-

- (i) To receive, consider and adopt the Interim Report of the Accounts of the Company for the year ending 31st March 2003, together with the report of the Auditors thereon;
- (ii) To declare dividend;
- (iii) To appoint a Director in place of Mr. B. K. Mohapatra, who retires by rotation and who offers himself for reappointment;
- (iv) To appoint a Director in place of Mr. A. K. Mohapatra, who retires by rotation and who offers himself for reappointment;
- (v) To appoint auditors in place of retiring auditors and to fix their remuneration (Mr. Jagdish Chandra, retiring Auditors, who being English, offer themselves for reappointment).

Place : Bangalore  
Date : 04.07.2003

By Order of the Board of Directors

**VINOD NARAIN**  
Chairman



## 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 16-09-2003 to 30-09-2003 (both days inclusive).
- C) The dividend, when declared, will be paid on or before 29th October 2003 to those members whose names appear in the register of member as on 30th September 2003.



## DIRECTORS' REPORT

Your Directors present the thirty first Annual Report together with Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2003.

### FINANCIAL RESULTS

Particulars	2002-03 Rs. in Lacs	2001-02 Rs. in Lacs
Gross Revenue	<b>3,176.45</b>	1,959.03
Gross Profit	<b>301.20</b>	215.52
Less:		
Financial Charges	<b>55.14</b>	30.37
Depreciation for the year (Net of withdrawal from revaluation reserve)	<b>165.44</b>	62.89
Profit after Interest and Depreciation	<b>80.62</b>	122.26
Provision for tax		
Current Taxation for the year	<b>11.00</b>	22.81
Deferred taxation for the year	<b>18.74</b>	19.85
Post-tax profit	<b>50.88</b>	79.60
Add Taxation adjustments of earlier year	<b>—</b>	2.66
Total	<b>50.88</b>	82.26
Add – Carried over credit balance in P & L a/c	<b>386.28</b>	322.76
Resultant profit against which the following adjustments are made/recommended :	<b>437.16</b>	405.02
Transfer to General Reserve	<b>Nil</b>	5.97
Dividend on equity shares	<b>6.38</b>	12.77
Tax on dividend	<b>0.96</b>	—
Balance to be carried forward a sum of	<b>429.82</b>	386.28

### REVIEW OF PERFORMANCE

#### 1. PRODUCTION

As reported last year the Company's increase in production capacity of 14500 tons has been achieved during the year under review. The Company has thus been able to produce 12204 tons of Grinding Media during the year as compared to 7644 tons in the previous year registering an increase of 60%.

#### 2. EXPANSION

The Company having attained the production capacity of 14500 tons planned last year has plans of increasing it further to 29,000 tons p.a. In view of the scarcity of electrical energy in the State, the Company has planned to install a captive power plant of 5.1 MVA to make up the energy shortfall.

#### 3. DIVIDEND

After evaluating the financial health of the Company and its financial commitment towards investment in increasing the productive capacity, your Directors are pleased to recommend a dividend of 10% this year.

#### 4. SALES & PROSPECTS

As assured last year the Company improved its sales performance by selling 12284 tons of Grinding Media as against 7453 tons during previous year. Future prospects being promising the Company proposes to further improve its sales performance during the coming year.

#### 5. EXPORTS

Plans are afoot to recapture the export market. The results will be evident from the coming year.

#### 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 R&D division of the Company focused its attention mainly on developing innovative manufacturing techniques to further improve quality and reduce rejection. Promising results have already been achieved and further efforts are on to improve overall performance.

### 8. EMPLOYEE RELATIONS

The relationship with the employees remained cordial. The previous labour agreement which ended on 31<sup>st</sup> day of December 2002 is being negotiated and an amicable settlement is expected shortly.

### DIRECTORS

Messrs R.P. Agarwal and A.S. Mehta retire by rotation and are eligible for re-appointment.

During the year Shri Paryank Shah and Shri Balakrishna. F Shah, Directors resigned w.e.f 02.06.2003 and 11.03.2003 respectively for personal reasons.

The board take note of services rendered by both of them.

### 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 31<sup>st</sup> March 2003, 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 31<sup>st</sup> March, 2003 on a going concern basis.

### GENERAL

1. 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

2. Particulars as required under listing agreement Clause 49 is furnished as Annexure-I to this report and form a part thereof.
3. Certificate from a Company Secretary under proviso to section 383A of the Companies Act, 1956 is attached as Annexure II to this report.
4. 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 : 04.07.2003

For and on behalf of the Board of Directors

**VINOD NARAIN**  
**Chairman**



## ANNEXURE-I 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 Director's Report for the year ended 31.3.2003.

### I. CONSERVATION OF ENERGY

Consumption of power per unit of production has been brought down by implementing strict controls to conserve energy.

#### 1. POWER AND FUEL CONSUMPTION

Electricity

	2002-03	2001-02
i) Units Purchased	1,56,41,270	1,00,47,030
Total Amount in Rs.	6,43,11,827	3,78,37,903
Rate / Unit (Rs.)	4.11	3.77
ii) Units generated	5,33,995	3,92,907
Unit generated / litre of Diesel	3.27	2.92
Cost / unit (Rs.)	5.97	5.85
2. CONSUMPTION PER UNIT OF PRODUCTION (PRODUCT : GRINDING MEDIA)		
Electricity Units	1,337	1,373

### II RESEARCH AND DEVELOPMENT

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

- New process for moulding for improvement of quality and increase in productivity.
- Introduction of special material patterns for quality improvement .
- Special process for quick cooling of sand.

#### 2. BENEFITS DERIVED

- Improvement in quality / increase in business volume
- Increase in productivity
- Reduction of Rejects/ cost saving

#### 3. FUTURE PLAN OF ACTION

- Development of heat treatment process for special applications of Grinding Media.
- Reduction of Pollution.

### III TECHNOLOGY ABSORPTION AND INNOVATION

#### 1. EFFORTS MADE

- Special moulding process implemented.
- Patterns of special material introduced.



## ANNEXURE-I TO DIRECTORS' REPORT (Contd..)

### 2. BENEFITS

- a) Better quality of material.
- b) Increase in productivity.

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

4. EXPENDITURE ON R&D	Rs. In Lacs
a) Capital	2.83
b) Revenue	1.90
Total	4.73
Total R&D Expenditure as a percentage of total turnover (%)	0.15

### IV. FOREIGN EXCHANGE EARNINGS AND OUTGO Rs. in Lacs

#### 1. EARNINGS

Nil

#### 2. OUTGO

a) CIF Value of Imports	161.73
b) Expenditure in Foreign Currency on-	
i) Dividend Payment	2.40
ii) Traveling	0.37

### 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<sup>st</sup> Cross, J. C. Road,  
Bangalore - 560 027.

**2) The Stock Exchange- Mumbai,**  
Phiroze Jeejeebhoy Towers,  
25<sup>th</sup> Floor, Dalal Street,  
Mumbai - 400 001.

The Company has paid the listing fees for the financial year 2003-2004 to all the Stock exchanges wherever its securities are listed.





## ANNEXURE-II TO DIRECTORS' REPORT

To,  
The Members  
WELCAST STEELS LIMITED

I have examined the registers, records, books and papers of **WELCAST STEELS LIMITED** as required to be maintained under the Companies Act, 1956, (the Act) 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, 2003. 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, Regional Director, Central Government, Company Law Board or other authorities 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 four times on 26.6.2002, 24.7.2002, 17.10.2002 and 4.2.2003 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company closed its Register of Members from 8.8.2002 to 22.8.2002 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.3.2002 was held on 21.8.2002 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary Meeting(s) was/were held during the financial year.
8. According to the information and explanations given to me, the company has not advanced loans to its directors and/or persons or firms or companies referred in the section 295 of the Act.
9. The company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. According to the information and explanations given to me, no appointment has been made necessitating the company to obtain necessary approvals from the Board of Directors, members and previous approval of the Central Government pursuant to section 314 of the Act wherever applicable.
12. The Board of Directors has approved/ratified the issue of duplicate share certificates.
13. The Company has:
  - i) delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
  - ii) deposited the amount of dividend declared in a separate bank account on 24.8.2002 which is within five days from the date of declaration of such dividend.
  - iii) paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been remained in the Unpaid Dividend Account of the Company with Canara Bank, IFB Branch, Bangalore.
  - iv) transferred the amounts in unpaid dividend account, for the financial year 1995-96 which have remained unclaimed or unpaid to Investor Education and Protection Fund on 6.8.2002, vide R.O.C. Receipt No.288577 dated 13.8.2002. There are no pending application money due for refund, matured deposit, matured debentures and the interest accrued thereon which are remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
  - v) duly complied with the requirements of section 217 of the Act.



## ANNEXURE-II TO DIRECTORS' REPORT (Contd..)

14. The Board of Directors of the Company is duly constituted and the appointment of Directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
15. There was no requirement of appointing of a Managing Director/ Whole-time Director/Manager under the provisions of section 269 read with Schedule XIII to the Act and approval of the Central Government.
16. According to the information and explanations given to me, the company has not appointed any sole-selling agent.
17. The Company has no requirement necessitating to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the year under scrutiny.
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 shares/debentures/other securities during the financial year.
20. The Company has not bought back shares during the financial year ending 31.03.2003.
21. The Company has no redeemable preference shares/debentures due for redemption during the year under scrutiny.
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. According to the information and explanations given to me, the Company has not accepted any deposits from the public during the year under review.
24. The amount borrowed by the Company from financial institutions, banks and others during the financial year ending 31.03.2003 are within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened Annual General Meeting held on 30.08.2001.
25. According to the information and explanations given to me, the company has not made loans and investments, or given guarantees or provided securities to other bodies corporate.
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 of it's Articles of Association during the financial year.
31. According to the information and explanations given to me, no prosecution initiated against or show cause notices received by the company for alleged offences under the Act and also the fines and penalties or any other punishment imposed.
32. According to the information and explanations given to me, the company has not received security from its employees during the year under certification.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Place : Bangalore  
Date : 04.07.2003

Signature: .....  
(A. ASWATHA RAJU)  
Name of Company Secretary  
C. P. No.: 5391