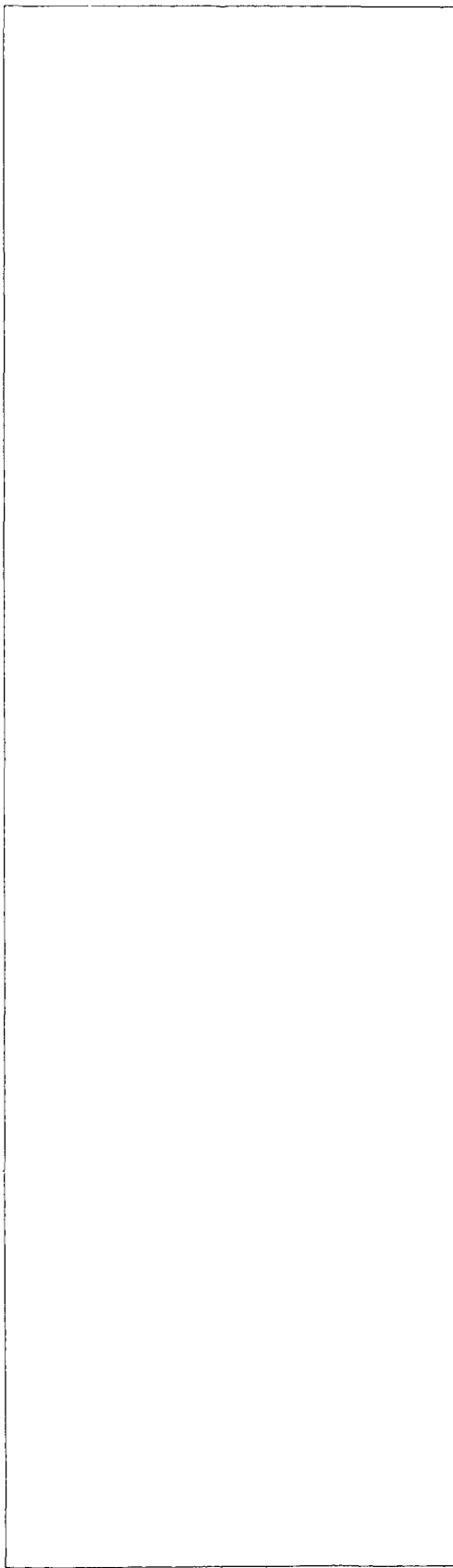
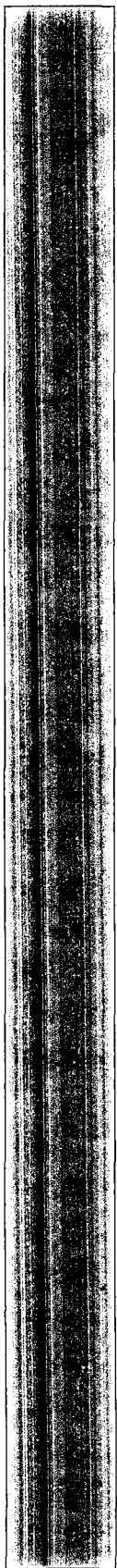




AN ISO 9001 COMPANY

19th ANNUAL REPORT 2003-2004



CREATIVE CASTINGS LIMITED

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	:	ATUL LAKHANI ASSOCIATES
		Chartered Accountants,
		408-409 Suvidha Complex,
		Talao Road, Junagadh - 362 001.

REGISTRAR & TRANSFER AGENT	:	INTIME SPECTRUM REGISTRY LTD.
		C-13, Pannalal Silk Mills Compound,
		L. B. S. Marg, Bhandup (w),
		Mumbai-400 078.
		Phones : 2592 3837, Fax : 25672693 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 **19th 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 31st July, 2004 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, 2004** 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 M. P. THUMMAR** who retires by rotation and, being eligible, offers himself for reappointment.
- (4) To appoint a Director in place of **SHRI DHIRUBHAI H. DAND** 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 2004-2005 at the remuneration as may be decided by the Board of Directors"

BY ORDER OF THE BOARD
For Creative Castings Ltd.

PLACE : JUNAGADH

DATED : 28/06/2004

(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 VALIED 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 24th, July, 2004 to 31st July, 2004. 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 31st July, 2004. 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 Act, 2000, it is mandatory for our Company to obtain a compliance Certificate from Company Secretary in wholetime practice. The Board of Directors, therefore, recommend Mr. Chetan D. Shah to be appointed for obtaining Compliance Certificate for the year 2004-05. None of the Directors are interested in the above Resolution.

BY ORDER OF THE BOARD
For Creative Castings Ltd

PLACE : JUNAGADH

DATED : 28/06/2004

(Dhirubhai H. Dand)
CHAIRMAN

DIRECTORS' REPORT

To the members,

your Directors have pleasure in presenting the **19th Annual Report** together with the Audited Accounts of the Company for the Year ended 31st March 2004.

FINANCIAL RESULTS

	For the Year 2003-2004. Rs.	For the Year 2002-2003. Rs.
Gross Profit before Interest, Depreciation and Taxation	10056312	14850155
Less: Interest	743182	1066766
	-----	-----
Profit before Depreciation	9313130	13783389
Less : Depreciation	2099154	2041705
	-----	-----
Profit before Tax	7213976	11741684
Less : Provision for Taxes	-----	-----
- Current Tax	2050000	3575000
- Deferred Tax	278370	290162
	-----	-----
	2328370	3865162
Profit after Tax	4885606	7876522
Less : Prior period item	151723	0
	-----	-----
	4733883	7876522
Surplus B/F From last year	5551533	4891261
	-----	-----
Profit available for appropriation	10285416	12767783
APPROPRIATIONS:		
1) Proposed Dividend @27.50% (Previous year 40%)	3575000	5200000
2) Prov. for tax on the above dividend.	458047	666250
3) General Reserve	700000	1000000
	-----	-----
Balance C/F to next year....	5552369	5901533
	=====	=====

PERFORMANCE

The performance of the company during the year under review has remained satisfactory considering stiff competition in the market and the basic raw material price increases. Though the overall production and turnover was marginally up, but the profit margin has been reduced during the year under review. The main reasons for reduction of profit margin was due to :

- * Unprecedented increase in cost of inputs like Steel Scrap, Nikle, Ferro-moly etc.
- * Relative increase in the prices have not been given by the customers though we have requested everyone for price revision from April-2003.
- * Substantial reduction in export incentive DEPB, with effect from February 2004.
- * Appreciation of the Indian Ruppe vis-a-vis the US Dollar during the last one year.

The net turnover during the year 2003-04 was Rs. **1303.90** Lacs in comparision of Rs. **1209.97** Lacs for the year 2002-03. The net profit of the Company for the year has been reduced substantially from Rs. **78.77** Lacs to Rs. **47.34** Lacs for the year under reievw. The main reasons for reductions of profit was higher cost of raw materials it was **38.46 %** during the year 2003-04 in comparisone of Raw material cost of **31.58%** during the year 2002-03. The increase in the raw material cost was almost **7%** of the net turnover during the year under reievw.

DIVIDEND

The Board of Directors had recommended Dividend of Rs.2.75 (Tax Free) per Equity share for the Year ended on 31st March, 2004. (Previous year Rs.4.00 (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 2004-2005 and Company has taken all remedial measures for cost cutting and taken steps to incerase 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

Considering the over all recessionary trend prevailing in the world wide market and due to USA - IRAQ War in the year under review , Export business has been affected during the year under review. Due to company's best possible efforts company has been able to book valuable Exports orders from April 2004 onwards and are hopeful for better Export performance during the current financial year.

Company is facing tuff competition in the global market from China and Other Countries. Company's policy to maintain harmoneous relationship with the buyers, giving better quality products with a compitative market price and timely execution of orders company is hopeful to bring good Export orders in the current financial Year 2004-05. CCL has established its name in U.S.A., U.K. and European Countries which will be helpful in getting better Export business.

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 or loss 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 **M.P.THUMMAR** & Shri **DHIRUBHAI H. DAND**. Directors of the Company are liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

AUDITORS

ATUL LAKHANI ASSOCIATES, Chartered Accountants, retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting. and they have shown their unwillingness to continue as a auditor of the company and submitted " No objection certificate" for appointment of the another auditor. The board of directors of the company has taken on record the resignation letter of retiring auditor and noted the valuable services rendered by ATUL LAKHANI ASSOCIATES during the tenure of auditors of the company.

SUBHASH AKBARI & CO. Chartered Accountants, has given their consent to act as a auditor of the company and 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
DATED : 28/06/2004.

(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.31327017/- (Previous Year Rs.26914156/-). The total Foreign exchange used by way of Purchase of Consumable & Spares Rs. 166326/- (Previous Year Rs. -NIL-) , Sales promotional expense Rs. 45530 (Previous Year Rs. -NIL-) & for ISO Registration fees Rs. -NIL- (Previous Year Rs. 31595).

FOR AND ON BEHALF OF THE BOARD

PLACE : JUNAGADH
DATED : 28/06/2004.

(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, 2004.

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 five times on 23rd June 2003, 29th July 2003, 24th October 2003, 18th January 2004, 28th March 2004 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, 2003 was held on 11th August, 2003 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, 2004 of Company's share transfer registrar M/s. Intime Spectrum Registry Ltd., there was no pending transfer as on 31st March, 2004.
 - (ii) has deposited the whole amount of Final 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. 02-12-2003
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, 2004.
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. 10375 as security from its employees during the financial year 2003-04.
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 : 28/06/2004.

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 2003-04 (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, 2004.

1. Annual return u/s 159 For the Annual General Meeting dated 11th August, 2003 filed with registrar of Companies on dated 07.10.03.
2. Balance sheet u/s 220 For the year ended on 31st March, 2003 filed with registrar of Companies on 18.08.2003.

AUDITORS' REPORT

To
The Members of
Creative Castings Ltd.,
Junagadh

We have audited the attached Balance Sheet of Creative Castings Limited as at 31st March, 2004 and also Profit & Loss Accounts for the year ended on that date annexed thereto and Cash Flow Statement for the Year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

we conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as follows :

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we give in the annexure a Statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the Annexure referred in paragraph (1) above, we report that :
 - (a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper Books of Account as required by law have been kept by the company so far as appears from examination of the books.
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with Books of Account.
 - (d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the accounting standards referred to in Sub. Section (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors, as on 31.03.2004, and taken on record by the Board of Directors, We report that none of the directors is disqualified as on 31.03.2004 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) in our opinion and to the best of our information and according to the explanation given to us, the said Financial Statements read together with the significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required, and present a true and fair view in conformity with accounting principles generally accepted in India :
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2004.
 - (ii) In the case of the Profit & Loss Account, of the PROFIT for the year ended on that date. and
 - (iii) in the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

(A. A. LAKHANI)

PROPRIETOR

FOR & ON BEHALF OF

ATUL LAKHANI ASSOCIATES

CHARTERED ACCOUNTANTS.

PLACE : JUNAGADH

DATE : 28/06/2004

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph (1) of our Report of even date

- i a). The Company has maintained proper records to show full particulars including quantitative details and situations of Fixed Assets (other than in respect of tools, dies, furniture & fixture).
- b) As per the information and explanations given to us, the Fixed Assets of the Company have been physically verified by the Management at reasonable intervals and no serious discrepancies between the book records and physical verification were noticed.
- c) During the year, the Company has not disposed off any substantial / major part of Fixed Assets.
- ii a) As per the information and explanations given to us, the Inventories have been physically verified by the Management at reasonable intervals during the year.
- b) In our opinion and as per the information and explanations given to us the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) The Company has maintained proper records of Inventories. According to the information and explanations given to us, no material discrepancies were noticed on physical verification.
- iii a) As per information furnished, the Company has not taken any Loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. There is one company covered in the register maintained u/s. 301 of the companies Act, 1956 to which the company has granted loan. The maximum amount involved during the year was Rs. 1100000/- and the year end balance of loan granted to this company was Rs. 1100000/-
- b) In our opinion and according to information and explanations given to us, the rate of interest and other terms and conditions on which loan have been granted to company listed in the register maintained u/s. 301 of the companies Act, 1956 are not prima facie, prejudicial to the interest of the company.
- c) The company is regular in repaying the principal amount as stipulated and has been regular in the payment of interest.
- d) There is no over due amount of loan granted to company listed in the register maintain u/s. 301 of companies Act. 1956.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of Inventory and Fixed Assets and for the Sale of Goods. During the course of Audit, no major weakness has been noticed in the internal controls.
- v) a) Based on the audit procedures applied by us and according to the information and explanations provided by the Management, we are of the opinion that the transactions that needed to be entered into the register maintained under Sec. 301 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions were made in pursuance of contracts or arrangements entered in the register maintained under Sec. 301 and exceeding the value of Rs. 5.00 Lacs in respect of any party during the year have been made at prices which are prima facie reasonable having regard to prevailing market prices at the relevant time.
- vi) As the Company has not accepted any deposits from the public, within the meaning of provisions of Sec. 58 A and 58 AA of the Companies Act, 1956 and rules made thereunder, clause (vi) of the order is not applicable.
- vii) In our opinion, the company has an Internal Audit system commensurate with the size of the Company and nature of its business

- viii) The Central Government has not prescribed for the maintenance of cost records u/s 209 (1) (d) of the Companies Act, 1956 for any of the products of the company.
- ix)a) According to information and explanations given to us and the records examined by us, the company has generally been regular in depositing with appropriate authorities undisputed dues including provident fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, sales-Tax, Wealth-Tax, custom Duty, Excise Duty, Cess and other Statutory dues wherever applicable. According to information and explanations given to us, no undisputed arrears of Statutory dues were outstanding as at 31st March-2004 for a period of more than six months from the date they became payable.
- b) According to the records of the company, the dues of Income tax which have not been deposited on account of dispute and the forum where the dispute is pending are as under :
- | PARTICULARS | FINANCIAL YEAR | FORUM WHERE DISPUTE IS PENDING | AMOUNT |
|----------------|-------------------|--------------------------------|------------|
| 1) Income tax, | 1998-99 & 2000-01 | Commissioner (A) | 13.64 Lacs |
- x) There are no accumulated losses of the Company as on 31st March-2004. The Company has not incurred any Cash losses during the financial year covered by our Audit and the immediately preceding financial year.
- xi) Based on our audit procedure and on the basis of information and explanation given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to Banks. The Company has no borrowings from financial institutions or by way of debentures.
- xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and / or Advances on the basis of security by way of pledge of Shares, Debentures and other securities.
- xiii) Clause (xiii) of the Order is not applicable to the Company as the Company is not a Chit fund Company or Nidhi/ Mutual Benefit Fund/ Society.
- xiv) Clause (xiv) of the Order is not applicable to the Company as the Company is not dealing or trading in Shares, Securities, Debentures and other Investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company has applied term loan raised during the year for the purpose for which that term loan was raised.
- (xvii) According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on and over all basis, funds raised on short term basis have prima facie not been used during the year for long term investment and vice versa.
- (xviii) The Company has not made any Preferential Allotment of Shares during the year.
- (xix) Clause (xix) of the Order is not applicable to the Company as the Company has not issued any Debentures.
- (xx) The Company has not raised any money by Public Issues during the year.
- (xxi) As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

PLACE : JUNAGADH
DATED : 28/06/2004

(A. A. LAKHANI)
PROPRIETOR
FOR & ON BEHALF OF
ATUL LAKHANI ASSOCIATES
CHARTERED ACCOUNTANTS

BALANCE SHEET AS AT 31/03/2004

PARTICULARS	Sch No.	AS AT 31/03/2004	AS AT 31/03/2003
SOURCES OF FUNDS :			
Share Holders Funds :			
Capital	01	13000000	13000000
Reserves & Surplus	02	51691100	51340264
		-----	-----
		64691100	64340264
LOAN FUNDS :			
Secured loans	03	18783712	11460922
Unsecured loans	04	879167	1763287
		-----	-----
		19662879	13224209
		2832603	2554233
		-----	-----
DEFERRED TAX LIABILITY (See Note No. 11)			
		-----	-----
		87186582	80118706
		=====	=====
APPLICATION OF FUNDS :			
Fixed Assets	05		
Gross Block		47752168	45022366
Less : Depreciation		27429348	24980194
		-----	-----
		20322820	20042172
INVESTMENTS			
	06	4835514	5621616
CURRENT ASSETS LOANS AND ADVANCES :			
Inventories	07	18562291	15589900
Sundry Debtors	08	45285304	43077945
Cash & Bank Balances	09	13791813	10113717
Loans & Advances	10	11435148	13755389
		-----	-----
		89074556	82536951
LESS:CURRENT LIABILITIES AND PROVISIONS :			
	11		
Liabilities		23013261	21393997
Provisions		4033047	6724036
		-----	-----
		27046308	28118033
		-----	-----
		62028248	54418918
MISC.EXPENSES TO THE EXTENT NOT W/O OR ADJUSTED :			
Preliminary & Share Issue Exp.		0	36000
		-----	-----
		87186582	80118706
		=====	=====
NOTES ON ACCOUNT :	17		

AS PER OUR REPORT OF EVEN DATE ANNEXED HERETO

FOR : CREATIVE CASTINGS LIMITED

(A. A. LAKHANI)
PROPRIETOR
FOR & ON BEHALF OF
ATUL LAKHANI ASSOCIATES
CHARTERED ACCOUNTANTS

PLACE : JUNAGADH
DATE : 28/06/2004

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

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31/03/2004

PARTICULARS	SCH. No.	FOR THE YEAR ENDED 31/03/2004	FOR THE YEAR ENDED 31/03/2003
INCOME :			
Sales (Gross)	12	138593276	129558373
Less : Excise Duty recovered on Sales		8203735	8561367
		-----	-----
Other Income	13	130389541	120997006
		2326541	1399491
		-----	-----
		132716082	122396497
Increase (decrease) in Finished Goods & Stock in Process	14	2778656	(830213)
		-----	-----
TOTAL Rs.		135494738	121566284
		=====	=====
EXPENDITURE :			
Manufacturing & Other Expenses	15	125265829	106408143
Interest		743182	1066766
Hire Charges		172597	177744
Depreciation		2099154	2041705
Loss on Sales of Assets		0	130242
		-----	-----
		128280762	109824600
Profit for the Year Before Tax		7213976	11741684
LESS : Provision for Taxation - Current Tax		2050000	3575000
- Deferred Tax (See Note No. 11)		278370	290162
		-----	-----
Profit after Taxation Provision		4885606	7876522
LESS : Prior Period Item		151723	0
		-----	-----
		4733883	7876522
Balance B./F. from last year (Refer Schedule No. 2)		5551533	4891261
		-----	-----
TOTAL Rs.		10285416	12767783
		=====	=====
APPROPRIATION:			
Proposed Dividend		3575000	5200000
Provision for Tax on the above Dividend		458047	666250
General Reserve		700000	1000000
		-----	-----
		5552369	5901533
		=====	=====
NOTES ON ACCOUNT :	17		

AS PER OUR REPORT OF EVEN DATE ANNEXED HERETO

FOR : CREATIVE CASTINGS LIMITED

(A. A. LAKHANI)
 PROPRIETOR
 FOR & ON BEHALF OF
 ATUL LAKHANI ASSOCIATES
 CHARTERED ACCOUNTANTS
 PLACE : JUNAGADH
 DATE : 28/06/2004.

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

SCHEDULES TO BALANCE SHEET

PARTICULARS	AS AT 31/03/2004	AS AT 31/03/2003
SCHEDULE NO. 1 SHARE CAPITAL		
AUTHORISED :		
3000000 Equity Shares each of Rs.10/- (P.Y. 3000000 Equity Share each of Rs.10/-)	30000000	30000000
ISSUED SUBSCRIBED & PAID-UP		
1300000 Equity Share of Rs.10/- each fully paid-up (P.Y.1300000 Eq.Share of Rs.10/- each fully paid up)	13000000	13000000
TOTAL RS.	13000000	13000000
SCHEDULE NO. 2 RESERVES & SURPLUS		
(A) RESERVES		
1. General Reserve		
As per Last Balance Sheet	35438731	34438731
Add : Trans. from P. & L. A/c.	700000	1000000
	36138731	35438731
2. Share Premium	10000000	10000000
TOTAL (A)	46138731	45438731
(B) SURPLUS		
Profit & Loss Account		
Balance as per Last Years	5901533	4891261
Less : Goodwill amortised *	350000	0
	5551533	4891261
Add : Balance of Profit for the Year	836	1010272
	5552369	5901533
* See note No.13 of Schedule No.17		
TOTAL (A+B)	51691100	51340264
SCHEDULE NO. 3 SECURED LOANS		
(A) TERM LOANS :		
KOTAK Mahindra Primus Ltd.	104297	290914
I.C.I.C.I.BANK LIMITED	1171750	1617355
(Secured againts Hypo. of cars)		
TOTAL (A)	1276047	1908269
(B) WORKING CAPITAL LOAN :		
From State Bank of Saurashtra	17507665	9552653
TOTAL (B)	17507665	9552653
TOTAL (A+B)	18783712	11460922

Borrowing under item "B" above is secured againts Hypo. of all the stocks, Bills Discounted and Book Debts and againts the first Equitable Mortgage of land, Building and Plant & Machinery and also Againts the personal guarantees of all the Directors.

SCHEDULE NO. 4 UNSECURED LOANS
31/03/2004
31/03/2003
Rs.
Rs.
TERM LOAN :
Sales Tax Deferred Payment Loan
879167
1763287
TOTAL Rs.
879167
1763287
SCHEDULE NO. 5 FIXED ASSET

SR. NO.	NATURE OF ASSETS	GROSS BLOCK				DEPRECIATION				NETBLOCK	
		OPENING BLANCE 01/04/03	ADDITION DURING THE YEAR	DEDUCTION ON A/C OF SALES/ ADJUST-MENT	TOTAL AS AT 31/03/04	PROVIDED UP TO 01/04/03	PROVIDED DURING THE YEAR	PROVIDED AS PER ACCOUNTING STANDARD *	BALANCE AS AT 31/03/04	BALANCE AS AT 31/03/04	BALANCE AS AT 31/03/03
1.	Goodwill	350000	0	0	350000	0	0	350000	350000	0	350000
2.	Lease Hold Land	489706	0	0	489706	0	0	0	0	489706	489706
3.	Factory Building	9029212	663215	0	9692427	2922118	323727	0	3245845	6446582	6107094
4.	Plant & Machinery	16858554	1431430	0	18289984	12137981	555303	0	12693284	5596700	4720573
5.	Plant & Mach. (100% Dep.)	129823	0	0	129823	129823	0	0	129823	0	0
6.	Ele. Installation	2072863	22270	0	2095133	2072862	2303	0	2075165	19968	1
7.	Lab. Equipment	224871	0	0	224871	224870	0	0	224870	1	1
8.	Measuring Instruments	319408	12356	0	331764	272483	34304	0	306787	24977	46925
9.	Dies & Patents	1802571	0	0	1802571	1501996	51308	0	1553304	249267	300575
10.	Furniture, Fixtures	1719813	152109	0	1871922	823500	118493	0	941993	929929	896313
11.	Vehicle-Car	4358602	384157	0	4742759	873205	450562	0	1323767	3418992	3485397
12.	Computer	1678637	49800	0	1728437	1530985	155725	0	1686710	41727	147652
13.	Disel Rickshaw	89000	0	0	89000	64757	10066	0	74823	14177	24243
14.	Scooter & Motor Cycle	112402	0	0	112402	59591	10678	0	70269	42133	52811
15.	Intercom System	239776	4465	0	244241	205792	25255	0	231047	13194	33984
16.	Copier Machine	173455	0	0	173455	48267	8239	0	56506	116949	125188
17.	Fax Machine	91965	10000	0	101965	33112	4843	0	37955	64010	58853
18.	Spectrometer	1743589	0	0	1743589	1490352	180287	0	1670639	72950	253237
19.	Disel Generator Set	3538119	0	0	3538119	588500	168061	0	756561	2781558	2949619
	TOTAL	45022366	2729802	0	47752168	24980194	2099154	350000	27429348	20322820	20042172
	PREVIOUS YEAR TOTAL	42870097	4753423	2601154	45022366	24915401	2041705	1976912	24980194	20042172	17954696

* see note no. 13 of Schedule no.17

SCHEDULE NO. 6 INVESTMENT
LONG TERM INVESTMENT
31/03/2004
31/03/2003
Rs.
Rs.
(1) IN EQUITY SHARES :- UNQUOTED
Junagadh Vibhagiya N. S. Bank Eq. Share
1271
1271
Castech Foundries P. Ltd. 132000 Eq. Sh. of Rs. 10/-
1320000
1320000

2. INVESTMENTS (TRADE) QUOTED (FULLY PAID)	Nos. of Shares	Face value Rs.	31/03/2004 Rs.	31/03/2003 Rs.
A J brothers Ltd.	1900	10	28500	28500
Advance Micronic Device Ltd	900	10	36000	36000
Aegis Chem Ind. Ltd.	3000	10	124175	124175
Aequint Exports Ltd.	3800	10	38000	38000
Ahmedabad Gases Ltd	2900	10	29000	29000
Asahi Fibers Ltd.	3000	10	30000	30000
Austin Engg. Co. Ltd.	35000	10	904990	904990
Bagri Minerals & Chem. Ltd.	1300	10	13000	13000
Bharat Earth Movers Ltd.	500	10	82500	82500
Bhupendra Cap. & Finance Ltd	1700	10	68000	68000
Classic Global Secu. Ltd	600	10	9000	9000
Cosboard Industries Ltd.	1400	10	19600	19600
Damania Capital Markets Ltd	6200	10	186000	186000
Emmessar Chem. Indu. Ltd	600	10	6000	6000
Fine Drugs & Chem. Ltd.	600	10	6000	6000
Garnet Construction Ltd.	2400	10	24000	24000
Garvee Granite Ltd	23800	10	238000	238000
Goldiam International Ltd (P.Y. 600 Shares)	0	0	0	30000
Gujarat Lease Financing Ltd	2000	10	184085	184085
G.M. Brew. Ltd.	3000	10	60600	60600
Hindustan Agrigen.ind. Ltd	400	10	4000	4000
I.F.C.I.Ltd (P.Y. 1000 Shares)	100	10	3436	34360
Indo Credit Capital Ltd	1200	10	12000	12000
Indo-duch protines Ltd	500	10	5000	5000
KEC International Ltd.(P.Y. 1000 Shares)	0	0	0	55580
Kongarar Textiles Ltd	600	10	27000	27000
Lakshmi overseas ind. Ltd	1600	10	80000	80000
Mangalya Softech Ltd	2400	10	24000	24000
Midpoint Soft. & ele.sys.Ltd	1500	10	15000	15000
Nagpur Engineering Co. Ltd	400	10	32000	32000
Recon Limited	700	10	70000	70000
Reliance Industries Ltd.(P.Y. 1150 Shares)	850	10	238850	281000
Rose Labs Ltd	600	10	6000	6000
Shaw-Wallace Gelatines Ltd.	200	10	6900	6900
Shree Karthik Papers Ltd	1500	10	15000	15000
Source Financial Serv. Ltd	5000	10	135000	135000
State Bank of India Ltd.	1250	10	350000-0	350000
Sterlite Industries Ltd.	500	10	152431	152431
Supriya Pharmaceuticals Ltd	500	10	10000	10000
Thambbi Morden Spng.Mill	600	10	30000	30000
Tisco Limited (P.Y. 950 Shares)	0	10	0	138124
Tisco Limited (P.Y. 2000 Shares)	116	10	25676	515000
Tina Electronic Ltd	700	10	7000	7000
Valley Abrasives Ltd.	1500	10	15000	15000
Vatsa Industries Ltd.	30000	10	162500	162500
TOTAL RS.			4835514	5621616

NOTES:-

I. Aggregate of quoted Inve. (cost)	3514243	4300345
Market Value	1389511	2083560
II. Aggregate of unquoted Inve. (cost)	1321271	1321271

SCHEDULE NO. 7 INVENTORIES

	31/03/2004	31/03/2003
	Rs.	Rs.
1. Raw & Process Material	2811328	2108397
2. Stock in Process	8239559	6343920
3. Finished Goods	5362321	4479304
4. Stores & Spares	1731277	2174967
5. Other Misc. Items	417806	483312
TOTAL Rs.	18562291	15589900

* The above inventories are taken, valued and certified by the management.

SCHEDULE NO. 8 SUNDRY DEBTORS
UNSECURED CONSIDERED GOOD

(a) Under Six Months Old	41308564	39093366
(b) Over Six Months Old	3976740	3984579
TOTAL Rs.	45285304	43077945

SCHEDULE NO. 9 CASH AND BANK BALANCES :

1. With Schedule Banks in Current A/c.	6056967	2824224
2. Cash on Hand	58155	21721
3. Cheques for Collection A/c.	1517890	1274742
4. Chq. on Hand & remittance in Transit	6158801	5993030
TOTAL Rs.	13791813	10113717

SCHEDULE NO. 10 LOANS AND ADVANCES :
UNSECURED CONSIDERED GOODS

1. Sundry Deposits *	1224290	1019575
2. Advances to Staff	407570	477022
3. Advances for Raw Materials	1265077	2945229
4. Advances for Expenses	600824	524143
5. Advances recoverable in cash or in kind or for value to be received	2844436	4148938
6. Disputed Income tax relating to earlier Years paid under Protest	1662167 - 0	1196165
7. Advances for Capital Goods	245000	75000
8. Inter Corporate Advances	3137282	2921300
9. Advance Income Tax **	48502	448017
TOTAL Rs.	11435148	13755389

* Sundry Depo. with Govt. and local authorities Rs. 766420 (PY. Rs. 762615/-)

** Net of I.T. Provision.

SCHEDULE NO. 11 CURRENT LIABILITIES & PROVISIONS
(A) CURRENT LIABILITIES :

1. Sundry Creditors for Capital Goods	3890	0
2. Sundry Creditors	22859099	21245623
3. Other liabilities	45451	34917
4. Advance from Customers	104821	113457
TOTAL (A)	23013261	21393997

	31/03/2004 Rs.	31/03/2003 Rs.
(B) PROVISIONS :		
1. Proposed Dividend	3575000	5200000
2. Income Tax *	0	857786
3. Tax on Proposed Dividend	458047	666250
TOTAL (B)	4033047	6724036
TOTAL (A+B)	27046308	28118033

* Net of Advance Income Tax & T.D.S.

SCHEDULES TO PROFIT AND LOSS ACCOUNT

PARTICULARS	FOR THE YEAR ENDED 31/03/2004	FOR THE YEAR ENDED 31/03/2003
-------------	----------------------------------	----------------------------------

SCHEDULE NO. 12 SALES :

SALES OF MANUFACTURED GOODS :

1. Domestic	109545022	107072792
LESS : Sales Return (Domestic)	4293466	7261377
	105251556	99811415
2. Export	31327017	26914156
3. Sales/Use of DEPB Licences- at realisable Value	2014703	2832802
TOTAL Rs.	138593276	129558373

SCHEDULE NO. 13 OTHER INCOME :

1. Intercompany Int. received	312000	312000
2. Insurance Claim received	115788	168850
3. Dividend Income	22900	16825
4. Profit on Sale of Assets/Shares	448336	175000
5. Income Tax refund received	0	10516
6. Interest Received on I.T. Refund	49713	7560
7. Foreign Exchange Rate Diff.	0	26104
8. Sales Tax Refund	1358048	0
9. Other Misc. Income	19756	682636
TOTAL Rs.	2326541	1399491

SCHEDULE NO.14 INCREASE(DECREASE)IN FINISHED GOODS & SEMI FINISHED GOODS

(A) FINISHED GOODS :

Opening Stock	4479304	3908367
Closing Stock	5362321	4479304
	883017	570937

(B) SEMI FINISHED GOODS :

Opening Stock	6343920	7745070
Closing Stock	8239559	6343920
	1895639	(1401150)
TOTAL Rs.	2778656	(830213)

SCHEDULE NO. 15 MANUFACTURING & OTHER EXPENSES :

PARTICULARS	FOR THE YEAR ENDED 31/03/2004	FOR THE YEAR ENDED 31/03/2003
1. Raw Materials Consumed		
As per Schedule - 16	50143271 ✓	38216361
2. Power, fuel & Water Consumed	22455507 ✓	21132755
3. Stores & Spares Consumed	7512704 ✓	7161752
4. PAYMENT TO EMPLOYEES		
(a) Salary, Wages & Bonus	14849566 ✓	14271109
(b) Contribution to P. F. & Family Pension Fund	1389366 ✓	1326850
(c) Employees welfare exp.	419752 ✓	297063
	-----	-----
	16658684	15895022
5. Director's Remuneration & Bonus	399858 ✓	479769
6. Laboratory Chemicals & equipments consumed	83066	95184
7. Products development exp.	2132599	1749353
8. Other manufacturing exp.	13067213 ✓	10316065
9. Bank Charges	485396	369854
10. Licence and other fees	119500	139179
11. Printing & Stationery	329058	199809
12. Postage, Telephone & Fax Exp.	532025	600652
13. Transportation Outward (Local)	744740	507019
14. Clearing forwarding, Freight & Shipping Exp.	1732821	1697503
15. REPAIRS		
(a) To Machinery	837970 ✓	603842
(b) To Building	172122 ✓	80507
(c) To Others	37611	39980
	-----	-----
	1047703	724329
16. Travelling Exp. By Directors	39312	84800
17. Travelling Exp. By Others	365841	488883
18. Insurance	587657 ✓	512172
19. Packing Expenses	1432338	1184194
20. Security Service charges	252344	234434
21. Cars Running & Maintenance Exp.	629667	454848
22. Legal & Professional Charges	342228	489325
23. Sales Tax	2525856 ✓	2819801
24. Misc. expenses	1610441	819080
25. Preli, & Share Issue Exp. W/O	36000	36000
	-----	-----
TOTAL	125265829	106408143
	=====	=====

SCHEDULE NO. 16 RAW MATERIALS CONSUMED :

OPENING STOCK		2108397	2446746
Add : (a) Purchases	49928378		36908137
(b) Transportation Inward	861487		921972
(c) Cartage Inward	56337		47903
	-----	50846202	37878012
		-----	-----
		52954599	40324758
LESS : CLOSING STOCK		2811328	2108397
		=====	=====
TOTAL Rs.		50143271	38216361
		=====	=====

SCHEDULE NO. 17

SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2004.

A. SIGNIFICANT ACCOUNTING POLICIES :-**1. BASIS OF ACCOUNTING**

The Accounts have been prepared primarily on the basis of historical cost except where specifically stated.

2. FIXED ASSETS & DEPRECIATION

Fixed assets are stated at cost less depreciation. Cost of acquisition or construction is inclusive of duties taxes and other incidental expenses.

Depreciation on assets is provided on the basis of Straight Line Method at the rates prescribed in schedule XIV of the Companies Act, 1956, as revised by Notification GSR No 756E Dtd 16/12/1993.

3. INVENTORIES

Basis of valuation

Raw materials	: At Cost or net realisable value whichever is lower
Semi finished goods	: At Cost or net realisable value whichever is lower
Stores & spares	: At Cost or net realisable value whichever is lower
Packing materials	: At Cost or net realisable value whichever is lower
Finished goods	: At Cost or net realisable value whichever is lower

4. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year end and not covered by forward exchange contract are translated at year end rates and those covered by forward exchange contract are translated at the rate ruling at the date of transaction as increased or decreased by the proportionate difference between forward rate and exchange rate on the date of transaction, such difference having been recognised over the life of the contract.

5. RETIREMENT BENEFIT

The company has taken group gratuity policy from Life Insurance Corporation of India for gratuity payable to the employees of the company as and when due. Contribution made in this respect has been charged to Profit & Loss Account.

6. WRITE OFF OF MISCELLANEOUS EXPENDITURES

Share Issue expenses are written off over a period of 10 years.

7. DIVIDEND PROPOSED

Dividend proposed by the Board of Directors as appropriation of profits are provided for in the Books of account, pending approval of the share-holders at the Annual General Meeting.

8. CONTINGENT LIABILITIES

Contingent liabilities not provided for in the accounts are shown separately in notes on accounts.

9. INVESTMENTS

Investments are classified in to long term investment. Investment are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long term investment.

10. EXPORT INCENTIVES

Export Incentives relating to DEPB Licenses are accounted on mercantile basis at realisable value.

11. TAXATION

The deferred tax assets and deferred tax liability is calculated by applying tax rate and tax rules that have enacted or substantially enacted by the Balance Sheet date. Deferred tax liability arising mainly on account of timing differences of Depreciation. At each balance sheet, the carrying amount of deferred tax liability are reviewed.

12. INTANGIBLE ASSETS AMORTISED

Goodwill is amortised over the use ful life not exceeding 10 Years.

B. NOTES ON ACCOUNT.
1. CONTINGENT LIABILITIES

- (i) The claim of one of the parties in respect of damages is not accepted. The matter is under dispute in the court and the amount is not ascertainable as the matter is Sub-Judice. One of the erstwhile customers of the Company has filed a civil suit against the Company at the Bombay High Court in 1988 and seeking the return of dies, moulds, designs, etc. together with damages valued at Rs.40 lacs plus interest @ 6% per annum from the date of suit. The claim is not accepted by the Company.
- (ii) I.T. Liability pertaining to previous Assessments amounting to Rs. 30.26 lacs (Previous year Rs. 21.96 lacs). The said is being disputed by the company. Paid under protest Rs.16.62 lacs (previous year Rs.11.96 lacs).
- (iii) Bank guarantees outstanding as at 31st March, 2004, for which the company has given counter guarantees amounting to Rs. 135000/- (Previous year Rs.11250/-)

2. Provision for current taxes represents estimated liability having regard to the profit adjusted for appropriate reliefs, allowances, etc. under the Income tax Act / Rules.

Deferred Tax is calculated at current statutory Income Tax rate and is recognised on timing differences between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent year.

3. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated in the balance sheet if realised in the ordinary course of business.
4. The provision for all known liabilities is adequate and not in excess of the amount reasonably required.
5. The remuneration paid to the Managing Director of the Company including bonus and perquisites amounts to Rs. 399858/- (Previous year Rs.479769/-)
6. Depreciation on the assets has been provided on Straight Line Method as per the revised guidelines and rates prescribed by the Company Law Board in Schedule XIV of the companies act, 1956 by the Ministry of Law, Justice & Company affairs, Department of the Company affairs. New Delhi. The Provision of Depreciation for multiple shifts wherever applicable as per records and as advised has been made on the basis of actual shiftwise utilisation of the respective eligible assets.
7. Confirmation of debit/credit balances have not been received and hence these balances are subject to adjustment, if any.
8. Additional information pursuant of paragraph 3(i),(ii), 4B, 4C and 4D of Part-II of Schedule IV of the Companies Act,1956.

(a) Information for each class of goods manufactured during the year.

CLASS OF GOODS	LICENCE CAPACITY		INSTALLED CAPACITY		ACTUAL PRODUCTION	
	2003-04	2002-03	2003-04	2002-03	2003-04 In M.T.	2002-03 In M.T.
Steel & Alloy Steel Castings	----- SEE NOTE BELOW-----				390.434	381.577

No license is required for the industrial Unit of the Company under Licensing Policy of the Central Government vide its

notification No.201/E dtd.18.03.1985 and as amended from time to time, however, the industrial unit of the company is registered by the Department of Industrial Development Secretariat for Industrial Approvals and has been allotted the Registration No.R-714(91) dtd.16.7.1991, and further amended as per registration no.5209/SIA/IMO/95 dated 13.10.1995. The licensed capacity of the Unit 325 M.T p.a. is approved by the aforesaid authority, however, the annual installed capacity of the existing plant and machinery on the basis of normal product mix is 600 M.T. The installed Capacity is certified by the management on which the auditors have placed reliance without any verification, being a technical matter.

(b) Information in regard to opening stock, closing stock and sales of goods manufactured.

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2004		FOR THE YEAR ENDED 31ST MARCH 2003	
	Qty. in M.T	Value in Rs.	Qty. in M.T.	Value in Rs.
Opening Stock	18.881	4479304	15.677	3908367
Closing Stock	20.185	5362321	18.881	4479304
Sales	*374.813	136578573	*357.254	126725571

* Net of party rejection.

(c) Information in regard to the raw-materials and bought out components consumed during the year.

(A) Raw materials and bought out component Consumed.

PARTICULARS	Qty. in M.T	Value in Rs.	Qty. in M.T.	Value in Rs.
Metal scraps	457.571	27809446	425.697	19835785
Ferro-Alloys	50.828	12827479	55.891	10506581
Colloidal Silica	136.080	2526306	119.700	2274206
Miscellaneous	----	6980040	----	5599789
		<u>50143271</u>		<u>38216361</u>

(B) Value of Raw materials and Components consumed.

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2004		FOR THE YEAR ENDED 31ST MARCH 2003	
	% of total Consumption	Value in Rs.	% of total Consumption	Value in Rs.
Imported at landed Cost	----	----	----	----
Indigenously obtained	100.00 %	50143271	100.00 %	38216361
	100.00 %	50143271	100.00 %	38216361

(C) Value of Stores & Spares Consumed:

PARTICULARS	% of total Consumption	Value in Rs.	% of total Consumption	Value in Rs.
Imported at landed Cost	2.45 %	183965	----	----
Indigenously obtained	97.55 %	7328739	100.00 %	7161752
	100.00 %	7512704	100.00 %	7161752

(d) The company has not carried out any trading activities during the year.

(e) Information in regard to C.I.F. Value of Imports.

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2004.	FOR THE YEAR ENDED 31ST MARCH 2003.
	Value in Rs.	Value in Rs.
i) Raw-Materials	Nil	Nil
ii) Components & Spare Parts	166326	Nil
iii) Capital Goods	Nil	Nil

(f) Remuneration to Auditors

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2004	FOR THE YEAR ENDED 31ST MARCH 2003
FOR AUDIT FEES	27000	27000

(g) Information in regard to earning in Foreign Exchange.

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2004		FOR THE YEAR ENDED 31ST MARCH 2003	
	Qty. in M.T	Value in Rs.	Qty. in M.T.	Value in Rs.
i) Export of Goods calculated on F.O.B.basis	2.649	1395571	0.990	580379
ii) Export of Goods Calculated on C.I.F. basis (including Tool development charges Rs.1503744 /-) (P.Y.Rs.1498940 /-)	83.169	29931446	64.993	26333777
Total :-	85.818	31327017	65.983	26914156

(h) Information in regard to expenditure in Foreign Currency by way of Sales promotion Exp. Rs.45530/- (previous year Rs.-NIL-) and for ISO Registration fee Rs. -NIL- (Previous Year Rs. 31595/-)

9. (a) Sundry Creditors include Rs.23.99 lacs (Previous Year Rs.4.46) due to Small Scale Industrial undertaking, the same is disclosed on the basis of information available with the company regarding status of suppliers as defined under clause (j) of Section 3 of the "Industries (development and Regulation) Act, 1951".

(b) The name of the Small Scale Industrial under taking to whom the company owes a sum exceeding Rs. 1 lakh which is outstanding for more than 30 days on 31st March, 2004 are

(a) RADIO TECH

(b) D. K. ENGG.CO.

(c) AUM ENGINEERS

(d) GUJARAT FOUNDRY FLUX CO.

(e) BHAVNAGAR REFRE.& CERAMICMENU. CO.

(f) BHARAT ABRASIVES & CHEM. IND.

(g) SIL - POND CHEMICALS

(h) DIPAK MINERALS INDUSTRIES

10. GEOGRAPHICAL SEGMENTS :

(a) The following table shows the distribution of the company's sales by geographical market :

REVENUE	2003-04	2002-03
INDIA	107266259	102644217
OUTSIDE INDIA	31327017	26914156

138593276

129558373

(b) Assets base on geographical location :

	CARRYING AMOUNT OF SEGMENT ASSETS		ADDITION TO FIXED ASSETS AND INTANGIBLE ASSETS	
	2003-04	2002-03	2003-04	2002-03
WITHIN INDIA	105586645	97148750	2729802	4753423
OVERSEAS	8646245	11087989	-NIL-	-NIL-
	114232890	108236739	2729802	4753423

11. DEFERRED TAX LIABILITY:

Particulars	As at 31.03.2004	As at 31.03.2003
Difference between Book & Tax Depreciation	2832603	2554233

12. EARNING PER SHARE

	2003-04	2002-03
Basic earning per share	Rs. 3.64	6.06
Diluted Earning per share	Rs. 3.64	6.06
Nominal value per share	Rs. 10.00	10.00

Earning per share is calculated by dividing the Profit attributable to the Equity Shareholders by the number of Equity Share outstanding during the year. The number used in calculating basic and diluted earning per share, are as under.

	2003-04	2002-03
PROFIT AFTER TAXATION	Rs. 4733883	7876522
The number of shares outstanding during the year	Nos. 1300000	1300000

13. AMORTISATION OF INTANGIBLE ASSETS

In accordance with the accounting standard 26 "Intangible assets" issued by the Institute of Chartered Accountants of India, intangible assets are amortised as follows :

The cost of Goodwill of Rs. 3,50,000/- is amortised against the credit balance of profit and loss account as on 1st April 2003, since the period of 10 years from the date of its acquisition expired before the beginning of the year. Hitherto, such goodwill was not amortise

14. RELATED PARTY INFORMATION

Disclosure in respect of related parties (as defined in Accounting Standard 18), with whom transaction have taken place during the year are given below:

(1) RELATIONSHIP

(a) Enterprises where control of Key Management Personnel and/or their relatives exists.

- (i) CASTECH FOOUNDRIES PVT.LTD.
- (ii) AUM ENGINEERS
- (iii) SHRI RAM ENGINEERING
- (iv) BHARATKUMAR & BROTHERS
- (v) GANGA ENTERPRISE

(b) Key Management Personnel

(i) SHRI M. P. THUMMAR

(c) Relative of Key Management Personnel

(i) SHRI CHATURBHAI P. THUMMAR

(ii) SHRI RAJESHBHAI M. THUMMAR

(iii) SMT. RITABEN B. THUMMAR

(iv) SMT. BHAVISHABEN R. THUMMAR

Note : Related Party relationship is as identified by the company and relied upon by the auditors.

(2) TRANSACTION WITH RELATED PARTIES :

PARTICULARS	RELATED PARTIES					
	REFERRED IN		REFERRED IN		REFERRED IN	
	1(a) above		1(b) above		1(c) above	
	2003-04	2002-03	2003-04	2002-03	2003-04	2002-03
INCOME						
(1) Sales of goods	242037	78756	--	--	--	--
(2) Interest on Loan	132000	132000	--	--	--	--
EXPENSES						
(1) Purchase of Goods	8763511	5830111				
(2) Remuneration	--	--	447378	527289	898623	882335
(3) Jobwork	2507686	2473249	--	--	--	--
FINANCE & INVESTMENT						
(1) Intercompany Advance given	--	--	--	--	--	--
OUTSTANDING						
Payable	199990	1648468	--	--	--	--
Receivable	19158	104484				
Intercompany Advance	1100000	1100000	--	--	--	--

14. The figures of the Previous year have been re-grouped/re-arranged in view of the easy comparison with current year figures.

15. The paises have been eliminated to the nearest rupee for convenience.

AS PER OUR REPORT OF EVEN DATE ANNEXED HERETO

FOR : CREATIVE CASTINGS LIMITED

(A. A. LAKHANI)
 PROPRIETOR
 FOR & ON BEHALF OF
 ATUL LAKHANI ASSOCIATES
 CHARTERED ACCOUNTANTS
 PLACE : JUNAGADH
 DATE : 28/06/2004.

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

BALANCESHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

AS PER SCHEDULE VI, PART(IV) OF THE COMPANIES ACT, 1956

I. REGISTRATION DETAILS

- Registration No.	8286/1985-86
- State Code	04
- Balance Sheet Date	31.03.2004

II. CAPITAL RAISED DURING THE YEAR

- Public Issue	--
- Right Issue	--
- Bonus Issue	--
- Private Placement	--

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMT. IN THOUSAND)

- Total Liabilities	114233
- Total Asset	114233
SOURCE OF FUNDS	
- Paid-up Capital	13000
- Reserves & Surplus	51691
- Secured Loans	18784
- Unsecured Loans	879
- Deferred Tax Liability	2833
APPLICATION OF FUNDS	
- Net Fixed Assets	20323
- Investments	4836
- Net Current Assets	62028
- Miscellaneous Expenditure	--
- Accumulated Losses	--

IV. PERFORMANCE OF THE COMPANY

- Total Income	135495
- Total Expenditure	128281
- Profit Before Tax	7214
- Profit After Tax	4734
- Earning Per Share (Rs.)	3.64
- Dividend Rate (%)	27.50%

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCT/ SERVICES OF THE COMPANY

(As per Monetary Terms)

- Item Code No.	331104000
- Product Description	Steel & Alloy Steel Investment Castings

AS PER OUR REPORT OF EVEN DATE ANNEXED HERETO

FOR : CREATIVE CASTINGS LIMITED
(A. A. LAKHANI)

PROPRIETOR

FOR & ON BEHALF OF

ATUL LAKHANI ASSOCIATES

CHARTERED ACCOUNTANTS

PLACE : JUNAGADH

DATE : 28/06/2004.

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

CREATIVE CASTINGS LIMITED

Regd. Office : 102, G.I.D.C. Phase-II, Dolatpara, JUNAGADH-362 003.

PROXY FORM

I/We _____ of _____
being a Member/Members of Creative Castings Limited hereby appoint
_____ of _____ or failing him
_____ of _____ as my/our

Proxy to vote for me/us and on my/our behalf at the 19th ANNUAL GENERAL MEETING of
the Company to be held on 31st July, 2004 at 11.00 a.m. and at any adjournment thereof.

Signed this _____ Day of _____ 2004.

Affax
30 Paise
Revenue

Ledger Folio No. : _____

No. of Share Held : _____

Signature of Member(s)

NOTE : The Proxy Form duly signed across the Revenue Stamp of 30 Paise should reach
the Company's Registered Office atleast 48 hours before the Meeting.

CREATIVE CASTINGS LIMITED

Regd. Office : 102, G.I.D.C. Phase-II, Dolatpara, JUNAGADH-362 003.

ATTENDANCE SLIP

I hereby record my presence at the 19th Annual General Meeting of the Company held at
the Registered Office of the Company on 31st July, 2004, at 11.00 a.m.

FULL NAME : _____

LEDGER FOLIO NO. : _____ Nos. of SHARES HELD _____

SIGNATURE OF MEMBER / PROXY _____

Note : only Member/Proxy are allowed to attend meeting.

CASH FLOW STATEMENT AS ON 31ST MARCH, 2004

AS PER CLAUSE 32 OF THE LISTING AGREEMENT

PARTICULARS	31st MARCH, 2004	31st MARCH, 2003
A. CASH FLOW FROM OPERATING ACTIVITIES	(Rs. IN LACS)	(RS.IN LACS)
Net profit Before Tax and Extraordinary Items	72.14	117.42
Adjustments for :		
Depreciation	20.99	20.42
Interest paid	7.43	10.67
Misc.expenditure W/O	0.36	0.36
Interest /Dividend Income	-3.85	-3.37
Loss (Profit) on Sales of Assets / Share	-4.48	-0.45
Prior period item	-1.52	0.00
	18.93	27.63
Operating Profit before Working capital change	91.07	145.05
Adjustment for :		
Trade & other Receivable	1.13	- 83.01
Inventories	-29.72	5.72
Trade Payable	16.19	40.83
Cash Generated From Operations	78.67	108.59
Interest paid	-7.43	- 10.67
Direct Taxes Paid	-29.07	- 27.17
Tax on Dividend paid	-6.66	0.00
Cash flow before Extraordinary Items	35.51	70.75
Extraordinary Items	0.00	0.00
NET CASH FROM OPERATING ACTIVITIES	35.51	70.75
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-27.30	- 47.53
Sales of Fixed Assets	0.00	6.69
Purchase (-) Sales(+) of Investment (Net)	12.34	0.13
Interest Received	3.62	3.20
Dividend Received	0.23	0.17
NET CASH USED IN INVESTING ACTIVITIES	-11.11	- 37.34
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds of long term borrowings	64.39	-16.11
Dividend paid	-52.00	0.00
NET CASH USED IN FINANCIAL ACTIVITIES	12.39	- 16.11
Net increase/decrease in Cash and Cash equivalents	36.79	17.30
Cash and Cash equivalents (Opening Balance)	101.14	83.84
Less: Cash and Cash equivalents (Closing Balance)	137.93	101.14
	36.79	17.30

Note : Figures in Negative (-) reflect outflow.

FOR AND ON BEHALF OF THE BOARD

PLACE : JUNAGADH

DATED : 28/06/2004.

(Dhirubhai H.Dand)

CHAIRMAN

AUDITOR'S REPORT

We have verified the attached Cash Flow Statement of **CREATIVE CASTINGS LTD. JUNAGADH.** derived from audited Financial Statements and the books and records maintained by the Companies for the year ended 31/03/2004 and 31/03/2003 and found the same in Agreement therewith.

(A. A. LAKHANI)

PROPRIETOR

FOR & ON BEHALF OF

ATUL LAKHANI ASSOCIATES

CHARTERED ACCOUNTANTS.

PLACE : JUNAGADH

DATE : 28/06/2004.



If not delivered, Please return to :

CREATIVE CASTINGS LIMITED

Regd. Office : 102, G.I.D.C. Phase-II, Dolatnara. JUNAGADH - 362 003.