



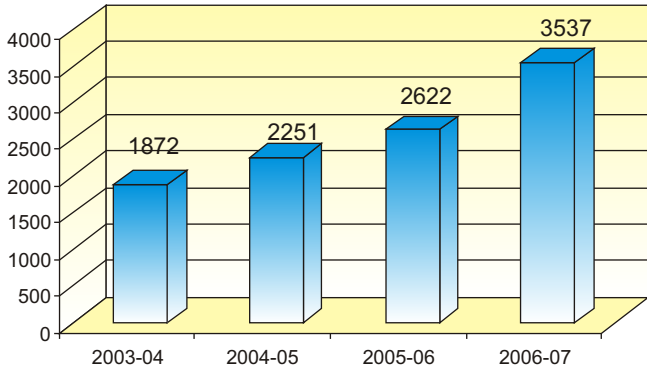
STEELCAST LIMITED

36th Annual Report

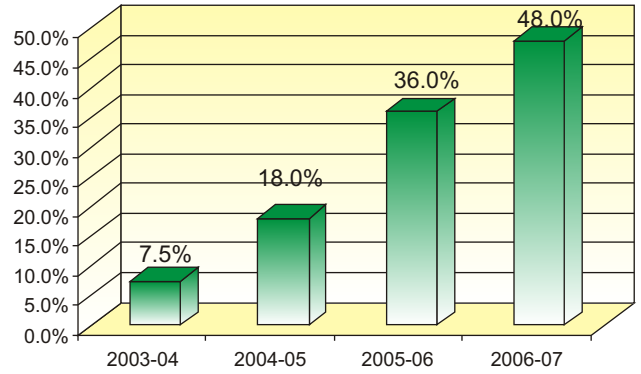
2006-07



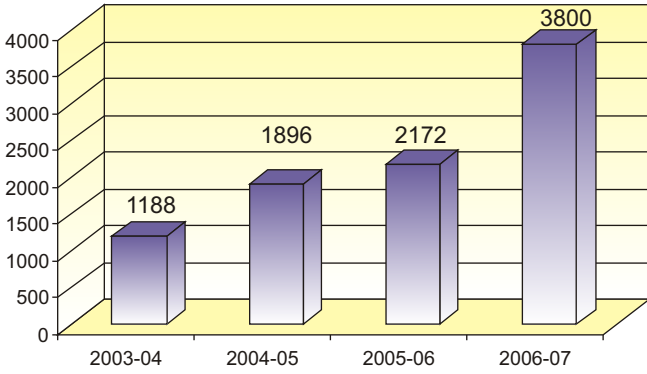
Gross Block of Fixed Assets
(Rs. Lacs)



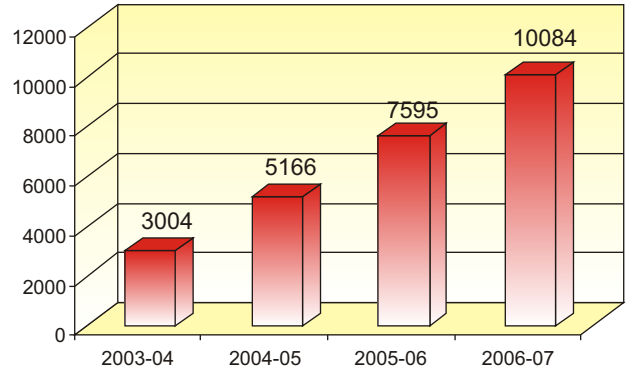
Dividend on Equity Shares



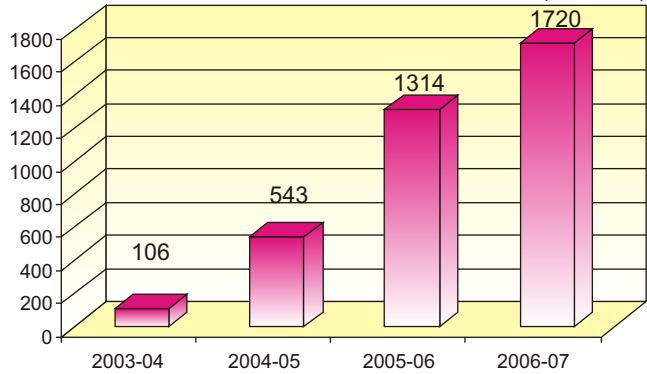
Export earnings (FOB)
(Rs. Lacs)



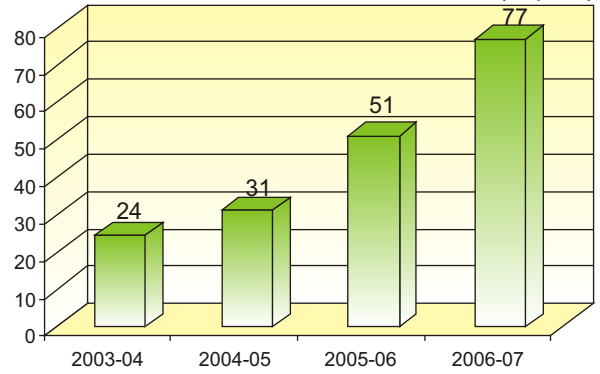
Sales and Operational Income
(Rs. Lacs)



Profit Before Tax (PBT)
(Rs. Lacs)



Book Value Per Share
(Rupees)



5 YEARS' HIGHLIGHTS

(All Values in Rs. Lacs)

Sr. No.	Item		Financial Year				
			2002-03	2003-04	2004-05	2005-06	2006-07
1	Net Sales/Income from Operations		2,917.91	3,004.19	5,166.00	7,599.91	10,084.12
2	Other Income		21.67	19.95	16.26	21.37	19.17
3	Total Income (1+2)		2,939.58	3,024.14	5,182.26	7,621.28	10,103.29
4	Expen- diture	a) (Increase)/Decrease in Stock in trade.	70.07	(192.21)	(10.36)	(70.61)	(417.61)
		b) Consumption of Materials.	1,101.75	1,466.44	2,621.57	3,674.11	5,320.68
		c) Power, Fuel & Water Charges	516.68	523.46	651.89	836.53	1,159.00
		d) Personnel Cost	363.28	385.56	447.51	620.83	719.00
		e) Other Expenses	592.79	610.36	802.69	1,058.59	1,284.96
		f) Total Expenditure (a to e)	2,644.57	2,793.61	4,513.30	6,119.45	8,066.03
5	Interest (Net)		79.99	63.56	64.77	89.21	144.18
6	Profit Before Depreciation and Tax (3-4-5)		215.02	166.97	604.19	1,412.62	1,893.08
7	Depreciation		124.91	61.42	60.75	99.03	173.17
8	Profit Before Tax (6-7)		90.11	105.55	543.44	1,313.59	1,719.91
9	Provision for Income Tax including Fringe Benefit Tax & Deferred Tax		22.44	35.48	210.63	439.13	601.97
10	Prior Period Adjustment		(0.11)	(0.11)	(18.48)	(3.55)	13.53
11	Net Profit after Tax (8-9-10)		67.56	69.96	314.33	870.91	1,131.47
12	Paid-up Equity Share Capital (Face Value Rs. 10 each)		359.46	359.46	360.00	360.00	360.00
13	Reserves excluding revaluation reserves.		503.75	510.76	753.01	1,475.52	2,404.83
14	Earning Per Share (EPS)		1.88	1.95	8.73	24.19	31.43

STEELCAST LIMITED

BOARD OF DIRECTORS	Shri V. B. Buch	
	Shri R. V. Gandhi	
	Shri R. V. Shah	
	Shri A. R. Shah	
	Shri M. F. Tamboli	(Chairman)
	Shri T. Kumar	(Vice Chairman)
	Shri Chetan M. Tamboli	(Managing Director)

BANKERS	Bank of India
	Standard Chartered Bank

AUDITORS	Sanghavi & Company
	Chartered Accountants

REGISTERED OFFICE & WORKS	Ruvapari Road, Bhavnagar, Gujarat, India 364 005.
	Phone : (91) (278) 251 9062
	Fax : (91) (278) 242 0589 / 251 9831 (91) (278) 251 3342
	E-mail : info@steelcast.net
	Website: www.steelcast.net

COMPANY ID NO.	L2731OGJ1972PLC002033
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ISIN	INE124E01012
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SCRIP CODE AT BSE	513517
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STEELCAST LIMITED

Ruvapari Road, Bhavnagar, Gujarat 364 005.

Members of the Company are hereby given notice for the 36th Annual General Meeting, the schedule of which and the business to be transacted therein, are given below:

Day and Date : **Friday, June 15, 2007**

Time : **1600 Hrs**

Venue : **Hotel Vrindavan Plaza, Sir Pattani Road, Bhavnagar 364 001**

Ordinary Business:

1. To consider and adopt the Balance Sheet as at March 31, 2007 and Profit & Loss Account for the year ended on that date and the report of the Board of Directors and Auditors thereon.
2. To declare dividend for the Financial Year 2006-07.
3. To appoint a Director in place of Shri M F Tamboli, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri T Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Sanghavi & Co., Chartered Accountants, Bhavnagar as Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

Registered Office:
Ruvapari Road,
Bhavnagar, Gujarat 364 005.
Date: 27.4.2007

BY ORDER OF THE BOARD OF DIRECTORS
(U V Bhatt)
COMPANY SECRETARY

Notes:

1. A member entitled to attend and vote at the above meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. To ensure correct identity of the members for the smooth conduct of the General Meeting, each Member and Proxy Holder attending the meeting is expected to bring with him/her an appropriate ID document like a Driving license, Passport, Voter ID Card etc.
3. Register of Members shall remain closed from 08.6.2007 to 15.6.2007 (both days inclusive).
4. Dividend on equity shares of the Company, as declared by the Company, will be paid to those shareholders whose names stand registered on the Company's Register of Members as Beneficiary Owners as on close of 7.6.2007 as per the list provided by National Securities Depository Ltd (NSDL) and Central Depositories Services Ltd (CDSL) in respect of the shares held in electronic form and as Members in the Register of Members of the Company after giving effect to valid transfers in physical form lodged with the Company **before 7.6.2007**.
5. Members are requested to notify change of address, if any.
6. Members desiring any information pursuant to an item on the Agenda are requested to write in advance so as to reach to the Company at least 48 hours before the date of the meeting so as to enable the Management to keep the information available at the meeting.

Registered Office:
Ruvapari Road,
Bhavnagar, Gujarat 364 005.
Date: 27.4.2007

BY ORDER OF THE BOARD OF DIRECTORS
(U V Bhatt)
COMPANY SECRETARY

DIRECTORS' REPORT

To: Members

Your Directors have pleasure in presenting the Thirty Sixth Annual Report and Audited Statement of Accounts of the Company for the period ended March 31, 2007.

1. FINANCIAL RESULTS :

The following are the working results:

(Rupees in Lacs)

Particulars	2006-07	2005-06
Sales	10,084	7,595
Other Income	19	21
Total income	10,103	7,616
Profit Before Depreciation & Tax (PBDT)	1,893	1,413
Less: Depreciation	173	99
Profit Before Taxation (PBT)	1,720	1,314
Less: Taxation (all Taxes)	602	439
Profit After Taxation (PAT)	1,118	874
Add: Balance brought forward from last year	75	35
Add: Prior Period Adjustments	14	-4
Amount Available for Appropriation	1,206	906
Appropriations:		
(a) Proposed Dividend including Interim Dividend	173	130
(b) Corporate Dividend Tax		
(c) General Reserve	29	18
Balance to be carried forward	829	683
Total	175	75

2. SALIENT FEATURES OF COMPANY'S WORKING DURING THE YEAR:

- a) The Company has crossed a landmark figure of Rs 100 Crore in sales and operational income.
- b) Rise in income over 32% and rise in Profit Before Tax over 30% compared to previous year.
- c) Keeping in view the positive macro economic scenario and the consequent market opportunity available to us, the Company has made investments in the areas of Capacity Expansion, Energy Conservation, Research and Development, Pollution Control etc. so as to increase the capacity to 10,000 tons per year by end of 2006-07.
- d) Capital Expenditure for the next Financial Year 2007-08 has already been initiated and expected to be completed by September, 2007 and effective October, 2007, the resultant installed capacity would be 13,000 tons per year.
- e) Continuous attention to energy conservation, improved product mix and efforts put in by the management and employees towards cost reduction have also significantly contributed to improved performance.
- f) The Company has developed many intricate items as required by customers. Product Development and Process Improvement continue.

3. DIVIDEND:

Your Directors recommend payment of dividend on Equity Capital @ 48% for the year ended March 31, 2007 subject to approval of shareholders at the ensuing Annual General Meeting.

4. EXPORTS:

The focus on exports is continued and share of exports in the total sales is in excess of 39% and the Company has made Export Sales in excess of Rs. 3,900 lacs which is an all time high.

5. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

EARNINGS & OUTGO:

Details relating to above aspects as required by (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are annexed hereto and form part of this report.

6. DISCLOSURE CONCERNING EMPLOYEES:

As required under the provisions of Sub-section (2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, the name and other particulars of employees are set out in the annexure included in this report.

7. QUALITY:

High quality standards are maintained in all areas and review of the same is also made constantly in view of the rapid changes that are taking place in the global markets.

9. INSURANCE:

All the properties and insurable assets of the Company, including Building, Plant & Machinery, Stocks etc., wherever necessary and to the extent required, have been adequately covered.

10. DIRECTORS:

Shri M F Tamboli and Shri T Kumar retire by rotation and being eligible offer themselves for re-election.

11. PERSONNEL

The industrial relations during the year have been cordial and we expect to continue the same in future also.

12. AUDITORS' REPORT:

The Notes contained in the Auditors' Report being self-explanatory do not require additional comment.

13. CORPORATE GOVERNANCE:

Pursuant to the clause 49 of the Listing Agreements with the Stock Exchanges, a report on Corporate Governance as well as a Management Discussion and Analysis Report of the Company is enclosed and forms a part of this Report.

14. CODE OF CONDUCT:

As required by clause 49 of the listing agreement, the Board of Directors have evolved a Code of Conduct for each member of the Board and members of the Senior Management Team. The Code is available on the web site of the Company. Affirmation of compliance with the said Code by the Chief Executive Officer is available elsewhere in this report.

15. CEO/CFO CERTIFICATION:

Pursuant to the provisions of the Clause 49 of the listing agreement, the CEO/CFO Certification is available elsewhere in this report.

16. DIRECTORS' RESPONSIBILITY STATEMENT:

It is hereby confirmed that:

- a. in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 of the company for the year under review;
- c. 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;
- d. the directors have prepared the annual accounts for the year ended 31st March, 2007 on a going concern basis.

17. SEGMENT REPORTING:

The Company is engaged in the Casting business only and therefore there is only one reportable segment in accordance with the Accounting Standard on Segment Reporting, AS-17.

18. AUDITORS:

The Auditors, M/s. Sanghavi & Co., Chartered Accountants, Bhavnagar, retire and being eligible, offer themselves for reappointment. The members are requested to pass the necessary resolution in this regard.

19. APPRECIATION:

The Directors thank the Bankers and various Departments of the Government for their co-operation, and also record their appreciation for the efforts put in by the employees.

Registered Office:

Ruvapari Road,
Bhavnagar, Gujarat 364 005.
Date: 27.4.2007

ON BEHALF OF THE BOARD OF DIRECTORS

(M F Tamboli)
CHAIRMAN

ANNEXURE TO DIRECTORS' REPORT:**ANNEXURE I TO DIRECTORS' REPORT:**

Information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

(A) Conservation of Energy:

(a) Energy Conservation measures implemented in the recent past:

- i) Replacing reciprocating compressor by energy efficient screw compressor.
- ii) Up gradation of 4 nos. existing Heat Treatment Furnaces for automatic fuel control.
- iii) Replacing 250 kgs Induction Furnace by more efficient 500 kgs. Induction Furnace.
- iv) Modification in 1500 KW Induction Furnace.
- v) Installation of 4 additional Energy Efficient Heat Treatment Furnaces.

Total Investment : Rs 1,92,77,000/-

(b) Additional Investments and proposals, if any, being implemented by reduction of consumption of energy:

- i) Energy efficient Core Shooters
- ii) Replacing conventional batch mixer by highly energy efficient continuous mixer.
- iii) Energy efficient 1500 KW Induction Furnace.

Total Investment : Rs 1,76,92,000/-

(c) Impact of measures at (a) and (b):

- i) For (a) above : Rs 35,32,000/-
- ii) For (b) above : Rs 35,00,000/-

(B) Technology absorption:

Research and Development (R&D):

1. Specific areas in which R&D carried out by the Company:
 - a) MAGMA Soft Version 4.4 with Magma Steel Module
 - b) Constant pressure/Constant flow rate CO2 supply system
2. Benefits derived as a result of the above R&D:

R&D work is in progress. Likely benefits would be Rs 23,70,000/- per year.
3. Future plan of action:
 - a) Development of castings through No-Bake Moulding Process.
 - b) Development of metallurgy for high impact strength at Sub-Zero temperature.
 - c) Development of process for replacement of Silicate Bonded Sand.
4. Expenditure on R&D:

a) Capital	:	Rs 43,07,000/-
b) Recurring	:	Rs 16,20,000/-
c) Total	:	Rs 59,27,000/-
d) Total R&D expenditure as a percentage of total turnover	:	0.60%.

Technology absorption, adaptation and innovation:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation. The Company has in place well developed programmes of:
 - a) Continuous Improvement Plan (CIP)
 - b) Product Development
 - c) Process Development
 - d) Materials Development

Through vigorous employee participation, developing new technology, adapting new Technology and creative innovations are continuously happening.

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc. Savings of over Rs 19 Million have been achieved during 2006-07.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:
 - a) Technology imported : No
 - b) Year of import : Not applicable
 - c) Has technology been fully absorbed : Not applicable
 - d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action : Not applicable

C) Foreign Exchange earnings and outgo:

- (a) Activities relating to exports; initiatives taken to increase exports; developments of new Export markets for products and services and export plans:
 1. Extensive visits to existing and new customers in USA, Germany, Spain, Japan UK etc.
 2. Sample development started in advance for items having high potentials.
 3. Located one Agent for promoting our products in Japan.
 4. A new Web Site with extensive information on our products already launched.
 5. In-house Machine Shop with latest CNC machine installed for affecting faster deliveries at reduced cost.
 6. In 2006-07, we made an export turnover in excess of Rs 3,900 Lacs and in 2007-08 we expect to do significantly better.
 7. We expect many more new products from existing and new customers.

ANNEXURE II TO DIRECTORS' REPORT:

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forming part of the Directors' Report for the year ended 31.3.2007:

Name of the Employee	Designation/ Nature of duties	Remu- neration (Rupees)	Qualification	Expe- rience (Years)	Date of com- mencement of employ- ment	Age (Years)	Particulars of last employ- ment/ Employer, last post and period for which post held
1. Mr. M F Tamboli	Chairman	2,657,642	Intermediate	47	9.11.1967	73	—
2. Mr. T Kumar	Vice Chairman	3,348,254	B. Tech (Hons) M.E. (Foundry Engg.)	44	3.6.1968	67	Methods Engineer in Electorsteel Castings Ltd., Kolkata from 1963 to 1968.
3. Mr. C M Tamboli	Managing Director	5,043,471	M.B.A. (Finance)	24	10.8.1983	48	—

CORPORATE GOVERNANCE REPORT

The Company has been adhering to the principles of Corporate Governance since more than three decades by conducting its affairs in a transparent manner with regularity, responsibility and accountability.

In accordance with clause 49 of the Listing Agreement with the stock exchanges, the details of compliance by the company for the year ended on March 31, 2007 are mentioned hereunder:

Philosophy of the Company on Code of Corporate Governance:

The Philosophy of the Company on Code of Corporate Governance lies in its concern to protect interests of various stakeholders, fair dealings with all and active contribution to the Society at large, while enhancing the wealth of shareholders. The processes of Company are directed to achieve the purpose of complying with the code of Corporate Governance. Company's own policies and expectations include ethical conduct, health and safety, commitment to employees and environment protection. The philosophy of the Company relating to quality is reflected in its Quality Policy Statement, which reads as follows:

“The hallmark of Steelcast Limited is to produce goods with excellent performance and at reasonable prices. Our most important criterion of quality is the satisfaction of our customers, both with quality and service. We aim at maintaining their full confidence in Steelcast Limited as a reliable quality supplier through our quality systems.”

Board of Directors:

At **Steelcast**, its seven-member Board of Directors comprises:

Three Executive Directors, including the Chairman.

Four Non-Executive and Independent Directors.

None of the Directors on the Board is a member of more than 10 Committees, or Chairman of more than 5 Committees (as specified in clause 49) considering all the companies in which he holds a directorship. The required disclosures with respect to the committee positions have been made by all the Directors.

The names of Directors on the Board, categorizing them into Executive, Non-Executive and Independent Directors, the number of Directorships and Committee Memberships held by them in other Companies, their attendance at the Board Meetings held during the year and also last Annual General Meeting are given below:

Name	Number of Board Meetings attended out of five meetings held in 2006-07	Whether attended last AGM	Number of other Director-ships		Number of outside Committees	
			Public	Private	Member	Chairman
Non-Executive & Independent:						
Shri V B Buch	5	Yes	4	-	1	1
Shri R V Gandhi	4	Yes	3	3	4	2
Shri A R Shah	2	Yes	6	1	4	-
Shri R V Shah	5	Yes	-	4	-	-
Executive:						
Shri M F Tamboli	5	Yes	-	1	-	-
Shri T Kumar	5	Yes	1	-	-	-
Shri C M Tamboli	5	Yes	2	1	-	-

Information in cases of appointment or re-appointment of Directors as required under Listing Agreement is as under:

Sr No	Name	Date of Birth	Date of Appointment as Director	Expertise in specific functional areas	Educational Qualifications	Number of other Directorship
1	Shri M F Tamboli	3.2.1934	11.2.1972	-Administration -Statutory Compliance -Management Information Systems -Public Relations	Intermediate	1
2	Shri T Kumar	9.7.1940	22.9.1979	-General Management -Technology -Research & Development -Finance -Company Law -Labour Laws	B. Tech. (Hons) (Mettalurgical Engg.) M.E. (Foundry)	1

Number of Board Meetings held and the dates thereof:

During the Financial Year 2006-07, five Board Meetings were held as under:

Sr No	Date of Meeting
1	23.4.2006
2	16.5.2006
3	14.7.2006
4	31.10.2006
5	27.1.2007

The Company has a system of providing information to the Board as required under Annexure I to Clause 49.

AUDIT COMMITTEE:

Presently, the composition of the Audit Committee is as under:

Sr No	Name	Category	Position in the Committee
1	Shri R V Gandhi	Non-Executive Independent Director	Chairman
2	Shri A R Shah	Non-Executive Independent Director	Alternate Chairman
3	Shri R V Shah	Non-Executive Independent Director	Member

During the Financial Year 2006-07, the Committee met four times as follows:

Sr No	Date of Meeting
1	16.5.2006
2	14.7.2006
3	31.10.2006
4	27.1.2007

REMUNERATION COMMITTEE:

Presently, the composition of the Remuneration Committee is as under:

Sr No	Name	Category	Position in the Committee
1	Shri V B Buch	Non-Executive Independent Director	Chairman
2	Shri R V Gandhi	Non-Executive Independent Director	Alternate Chairman
3	Shri A R Shah	Non-Executive Independent Director	Member

During the Financial Year 2006-07, the Committee met once on 16.5.2006.

Details of remuneration to Executive Directors are as under:

(All values are in Rupees)

Description	M F Tamboli (Chairman)	T. Kumar (Vice Chairman)	C M Tamboli (Managing Director)
Salary	555,000	1,056,000	940,000
Perquisites & Allowances	103,756	127,143	167,487
Deferred Benefits (PF & Superannuation etc.)	180,350	346,575	298,913
Commission	1,818,536	1,818,536	3,637,071
Total	2,657,642	3,348,254	5,043,471

Remuneration Policy of Non-Executive Directors:

Non-Executive Directors are presently paid a sitting fee of Rs. 10,000/- per Board meeting, Rs. 10,000/- per Audit Committee Meeting, Rs. 4,000/- per Remuneration Committee Meeting and Rs. 1,000/- per Shareholders' & Investors' Complaints Redressal Committee Meeting attended. During the Financial Year 2006-07, the details of sitting fees paid to Non-Executive Directors for attending the Board & other Committee Meetings are as under:

Sr No	Name	Sitting Fees, Rs.
1	Shri V B Buch	37,000
2	Shri R V Gandhi	62,000
3	Shri R V Shah	65,000
4	Shri A R Shah	22,000

SHAREHOLDERS' & INVESTORS' COMPLAINTS REDRESSAL COMMITTEE:

Presently, the composition of the Committee is as under:

Sr No	Name	Category	Position in the Committee
1	Shri R V Shah	Non-Executive Independent Director	Chairman
2	Shri T Kumar	Executive Director	Member
3	Shri C M Tamboli	Executive Director	Member

GENERAL BODY MEETINGS

Location, date and time of General Meetings held during the last three years are as per the details given below:

Financial Year	Location of the meeting	AGM/EGM	Date	Time
2003-04	Hotel Nilambag Palace, Bhavnagar	AGM	31.7.2004	1600 Hours
2004-05	As above	AGM	15.6.2005	1600 Hours
2005-06	As above	AGM	14.7.2006	1600 Hours

Last year, no Special Resolutions was passed by Postal Ballot. This year no resolution is proposed to be taken up by Postal Ballot.

DISCLOSURES

- There was no transaction of any material nature with Directors or management or their subsidiaries or relatives during the year.
- During last three years neither SEBI nor any Stock Exchange has imposed any penalty or strictures against the Company.
- RISK MANAGEMENT:**
The management of the Company has identified some of the major areas of concern having inherent risk viz., Foreign Currency Fluctuation, Client Concentration, Technology Risks and Credit Control. The process relating to minimizing the above risks has already been initiated at the different levels of management and the same is expected to be further strengthened in the Financial Year 2007-08.

MEANS OF COMMUNICATION:

The practice of the Company is to publish quarterly results in leading newspapers of the Country and to put the same on its website. Moreover, a periodic communication is made with the shareholders by Managing Director. The Management Discussion and Analysis is annexed herewith and forms a part of this Annual Report.

GENERAL SHAREHOLDER INFORMATION

Sr. No.	Particulars	Details				
		Date	Time	Venue		
1	Annual General Meeting (as indicated in the Notice)	15.6.2007	1600 Hours	Hotel Vrindavan Plaza, Sir Pattani Road, Bhavnagar 364 001		
2	Financial Calendar: From 1st April to 31st March					
3	Date of Book Closure	From		To		
		8.6.2007		15.6.2007		
4	Dividend Payment Date: Immediately after conclusion of Annual General Meeting.					
5	Listing on Stock Exchange (s)	Name of Stock Exchange	Stock Code	ISIN	Listing Fees paid upto	
		The Bombay Stock Exchange Limited	513517	INE124E01012	31.3.2008	
6	Registrar & Share Transfer Agent	Address		Telephone	e-mail	
		M/s MCS Limited, 101, First Floor, Shatdal Complex, Opp: Bata Show Room, Ahmedabad 380 009.		26581296, 26582878	mcsamd@reliancemail.net	
7	Address for Correspondence	Name of contact person	Designation	Address	Telephone	e-mail
		Mr. U V Bhatt	Company Secretary	Ruvapari Road, Bhavnagar 364 005	2519062	uvb@steelcast.net

MARKET PRICE DATA

(As per records of Bombay Stock Exchange Limited in respective month of the Financial Year 2006-07)

Month	Open, Rs.	High, Rs.	Low, Rs.	Close, Rs.	Volume, Number of Shares
April, 2006	216.00	272.00	213.55	246.50	169,611
May, 2006	252.00	323.00	212.00	247.25	366,340
June, 2006	250.00	272.00	180.00	243.20	144,298
July, 2006	250.00	255.00	200.00	227.65	81,679
August, 2006	230.00	278.95	220.00	248.40	79,906
September, 2006	254.00	286.00	226.05	282.10	136,462
October, 2006	289.00	299.90	266.10	272.15	59,456
November, 2006	274.95	310.00	262.05	267.45	133,393
December, 2006	279.00	279.95	240.00	258.05	56,592
January, 2007	256.00	299.90	255.10	283.80	121,554
February, 2007	286.00	325.00	253.00	258.55	120,767
March, 2007	260.00	264.85	214.00	260.00	44,055

SHARE TRANSFER SYSTEM

Share Transfers in physical form are processed by our Registrar & Share Transfer Agent, M/s MCS Limited, Ahmedabad and are given effect to within the prescribed period of 30 days from the date receipt of duly completed share transfer forms. During the Financial Year 2006-07, the share transfers were effected as under:

Transfer Period (in days)	No. of Transfers	No. of shares
1 to 30	159	19,800
Total	159	19,800

DISTRIBUTION OF SHAREHOLDING AS ON 31.3.2007

No of equity shares	No of shareholders	% of shareholders	No of shares held	% of shareholding
1 to 500	4,448	91.00	550,981	15.31
501 to 1,000	205	4.19	161,715	4.49
1001 to 2,000	112	2.29	170,870	4.75
2,001 to 3,000	40	0.82	104,942	2.92
3,001 to 4,000	21	0.43	76,428	2.12
4,001 to 5,000	7	0.14	33,285	0.92
5,001 to 10,000	25	0.51	180,089	5.00
10,001 & above	30	0.61	2,321,690	64.49
Total	4,888	100.00	3,600,000	100.00

SHAREHOLDING PATTERN AS ON 31.3.2007

Sr. No.	Category of shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares
1.0	Shareholding of Promoter and Promoter Group	8	1,310,410	1,310,410	36.40
2.0	Public Shareholding				
2.1	Institutions	3	800	100	0.02%
2.2	Non-Institutions				
2.2.1	Bodies Corporate	105	187,720	187,020	5.21%
2.2.2	Individuals	4,425	1,724,709	899,793	47.91%
2.2.3	NRIs and Overseas Corporate Bodies	269	309,638	160,938	8.60%
2.2.4	HUF	78	66,723	66,723	1.85%
	Total Public Shareholding	4,880	2,289,590	1,314,574	63.60%
	Grand Total (1.0) + (2.0)	4,888	3,600,000	2,624,984	100.00%

DEMATERIALISATION OF SHARES AS ON 31.03.2007:

As on March 31, 2007, 2,624,984 shares of the Company were dematerialized, which constitute 72.92% of the total paid-up share capital of the Company.

AFFIRMATIVE ACTION INITIATIVES BY THE COMPANY FOR THE YEAR 2007-08 FOR UPLIFTMENT OF PEOPLE BELONGING TO SCHEDULED CASTE AND/OR SCHEDULED TRIBE (SC/ST):

Sr. No.	Area	Remarks
1	Adopting Code of Conduct evolved by CII	Already done
2	Creating Entrepreneurs	3 Persons
3	Voluntary Coaching of Students	20 Students
4	Scholarship for Entrance Examinations for Prestigious courses	2 Students
5	Finance Training in CII Programmes	20 Persons/Students
6	To adopt Primary School with Predominant SC/ST population	Under Consideration

CAST/CATEGORYWISE EMPLOYEES SUMMARY

Type of Employees			Number of Persons				% Distribution					
			GEN	SC	ST	OBC	Total	GEN	SC	ST	OBC	Total
A	Employee	Executive Staff	27	0	0	0	27	100.00	0.00	0.00	0.00	100.00
		Senior Staff	46	2	0	12	60	76.67	3.33	0.00	20.00	100.00
		Junior Staff	62	1	0	23	86	72.09	1.16	0.00	26.74	100.00
		Workmen	49	2	0	186	237	20.68	0.84	0.00	78.48	100.00
Sub Total - A			184	5	0	221	410	44.88	1.22	0.00	53.90	100.00
B	Internal Contractors		13	6	2	144	165	7.88	3.64	1.21	87.27	100.00
	Labours		13	6	2	144	165	7.88	3.64	1.21	87.27	100.00
	Sub Total – B		13	6	2	144	165	7.88	3.64	1.21	87.27	100.00
Total – A + B			197	11	2	365	575	34.26	1.91	0.35	63.48	100.00

PLANT LOCATION(S):

The Company's only Factory is situated at Ruvapari Road, Bhavnagar, Gujarat 364 005.

DECLARATION

Name : Chetan M Tamboli Date: April 23, 2007
 Position : CEO & Managing Director

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY (By the Chief Executive Officer of the Company)

In the above regard, I declare as follows:

1. The Company does have a Code of Conduct approved by its Board of Directors, which is posted on its website www.steelcast.net
2. All the members of the Board of Directors and all the members of the Senior Management of the Company have individually submitted statements of affirmation of compliance with the Code of Conduct as applicable to the Financial Year ended on March 31, 2007.

Sd/-
 (Signature of declarant)

CEO/CFO certification:

To the Board of Directors,
 STEELCAST LIMITED,
 Ruvapari Road,
 Bhavnagar 364 005.

We hereby certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the Financial Year 2006-07 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we hereby disclose to the Auditors and the Audit Committee that there have been no deficiencies in the design or operation of internal controls, prevailing in the Country.
- (d) We hereby certify that:
- (i) There have been no significant changes in internal control during the year;
 - (ii) There have been no significant changes in accounting policies during the year and
 - (iii) No instances of fraud were observed in the Company by the management or an employee having a significant role in the company's internal control system.

Sd/-
(C M Tamboli)
CHIEF EXECUTIVE OFFICER

Sd/-
(S K Purohit)
CHIEF FINANCIAL OFFICER

Place: Bhavnagar
Date: 22.4.2007

CERTIFICATE

To,
The members of Steelcast Limited.

We have examined the compliance of conditions of Corporate Governance by Steelcast Limited for the year ended 31st March, 2007 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreements.

We state that no investors' grievance(s) is/are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Bhavnagar
Date : 27.4.2007

**For and on behalf of
Sanghavi & Company,
Chartered Accountants,**

**Manoj Ganatra
Partner
Membership No. 043485**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**A) Industry Structure & Developments:**

Double digit growth in the Steel Foundry Industry and similar growth rates in most of the end user industries are expected to be sustained during 2007-08. Further, sharp increase in the cost of inputs is likely to be felt in the short and medium term.

B) Opportunities, Threats, Risks and Concerns:**1. Opportunities the business environment offers:**

- a) Moving up the value chain by installing an in-house state of art Machine Shop equipped with CNC Machines for finished machining, and adding further facilities such as Induction Hardening, Fabrication for Sub-Assemblies etc. for value additions.
- b) Improvement in the infrastructure in the Plant, thereby increasing the productivity.
- c) Significant potential exists to tap various other Earth Moving Equipment Manufacturers worldwide, thereby widening our customer base, and thus reducing the present risk of high concentration of business in this sector.
- d) Securing higher volumes of orders and creating additional capacity to execute the same.
- e) Improving the product mix further, using the present favourable market which opens choices to us.

2. Threats:

- a) Major additional steel castings capacities are coming up in view of present strong market and the existing foundries are also expanding their capacities.
- b) Removal of reduction in export incentives by the Government (However, the Company's dependence on such incentives is no longer high).

3. Risks and Concerns:

- a) Heavy dependence on supplies to earth moving segment in Domestic and Export markets. The dependence today is 80% and this market is prone to sharp swings.
- b) Unfavourable geographical location of the Company, leading to higher cost of transportation of both inputs and products.
- c) High cost of power.
- d) Steep increase in Interest cost.
- e) Higher Personnel cost
- f) Shortage of high quality manpower.

C) Outlook for 2007-08:

The market uptrend seen in 2006-07 is likely to continue in 2007-08. The present order book position is comfortable. The Company's last phase of capacity expansion is over and we may see an increase in the output.

D) Internal Control Systems and their adequacy:

We have strong integrated systems, created and tailor made in-house, adequate for our class of business.

E) Financial Performance with respect to the Operational Performance:

Better financial performance in 2006-07 resulted mainly from better operational performance. Physical production improved by more than 20%. Overall increase in productivity is over 13%. Moreover, the Company's well established Cost Reduction and Energy Conservation programmes have also aided in better financial performance, apart from better price realization.

F) Material developments on the Human Resources/Industrial Relations front, including Number of people employed:

Long term agreements have been concluded with all the concerned levels of employees. We have been having excellent co-operation and support from the entire hierarchy of personnel, resulting in improvement in productivity during the current year over the previous years. We have also instituted schemes which reward employees at all levels, based on the Company's overall performance, as measured by several pre-set performance parameters, These schemes have been extremely helpful in converging the interest of the Company and its employees. Consequently, employees' earnings have significantly increased over last financial year. At present, the Company directly employs 410 persons, apart from providing indirect employment to many.

AUDITORS' REPORT

To
The Members of
Steelcast Limited

We have audited the attached Balance Sheet of **Steelcast Limited** as at 31st March 2007 and also the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. 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 the 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose 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 to in paragraph (1) above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (iv) In our opinion, the Balance Sheet, Profit & Loss account and Cash Flow Statements dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956, to the extent applicable.
 - (v) Based on the written representations made by the directors of the company and according to the information and explanations given to us, no director is disqualified as on 31st March 2007 from being appointed as director under clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March 2007;
 - (b) In the case of the Profit & Loss Account, of the **PROFIT** for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **SANGHAVI & COMPANY**
Chartered Accountants

MANOJ GANATRA
Partner
Membership No. 043485

Bhavnagar
27th April 2007

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in paragraph 1 of the report of even date of the Auditors to the members of **STEELCAST LIMITED** on the accounts for the year ended 31st March 2007.

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

1. In respect of fixed assets:
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. As explained to us, fixed assets are physically verified by the management at reasonable intervals in a phased manner in accordance with a programme of physical verification. Discrepancies noticed on such verification, which were not material, have been properly dealt with in the accounts.
 - c. There was no substantial disposal of fixed assets during the year.
2. In respect of inventories:
 - a. The inventories were physically verified by the management at reasonable intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The Company has not taken any loans, secured or unsecured, from the parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. 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 and services. During the course of our audit, no major weakness has been noticed in the internal controls.
5. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956:
 - a. Based on the audit procedures applied by us and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section.
 - b. According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are prima facie, reasonable having regard to the prevailing market prices at the relevant time, wherever such comparison is possible.
6. The company has not accepted any deposits within the meaning of section 58A and 58AA of the Companies Act 1956 and the rules framed there under.
7. In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.
8. As informed to us, the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
9. In respect of statutory and other dues:
 - a. The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues, to the extent applicable, with the appropriate authorities during the year.

b. The following are the amounts which are not deposited on account of dispute:

Nature of Payment	Rs.	Forum where dispute is pending
Service Tax	306,234	CESTAT
Excise Duty	395,319	CESTAT

- 10 The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current or in the immediately preceding financial year.
- 11 Based on our audit procedures and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks. The Company has not obtained any borrowings by way of debentures.
- 12 The Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the company.
- 14 The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- 15 According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
- 16 The term loans taken have been applied for the purpose for which it was raised.
- 17 According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, funds raised on short-term basis, prima facie, have not been used during the year for long-term investment.
- 18 The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act 1956.
- 19 The Company did not have any outstanding debentures during the year.
- 20 The Company has not raised any money through a public issue during the year.
- 21 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For SANGHAVI & COMPANY
Chartered Accountants

MANOJ GANATRA
Partner
Membership No. 043485

Bhavnagar
27th April 2007

BALANCE SHEET AS AT 31st MARCH 2007

Amount in Rupees

	SCH	31st MARCH 2007		31st MARCH 2006	
SOURCES OF FUNDS ::					
SHAREHOLDERS' FUNDS :					
Share Capital	A	36,466,500		36,466,500	
Reserves & Surplus	B	<u>240,482,520</u>	276,949,020	<u>147,552,244</u>	184,018,744
DEFERRED TAX LIABILITIES (Net) :			24,223,284		13,056,958
LOAN FUNDS :					
Secured Loans	C	305,022,162		193,057,070	
Unsecured Loans		<u>-</u>	<u>305,022,162</u>	<u>-</u>	<u>193,057,070</u>
			<u>606,194,466</u>		<u>390,132,772</u>
APPLICATION OF FUNDS ::					
FIXED ASSETS :					
Gross Block	D	353,731,506		262,239,019	
Less: Depreciation		<u>150,893,663</u>		<u>150,527,489</u>	
		202,837,843		111,711,530	
Capital Work in Progress		<u>15,278,070</u>	218,115,913	<u>989,569</u>	112,701,099
INVESTMENTS :	E		10,002,825		4,502,825
CURRENT ASSETS, LOANS AND ADVANCES :					
Current Assets :					
a) Inventories		165,409,527		97,182,337	
b) Sundry Debtors		295,295,748		178,025,656	
c) Cash & Bank Balances		20,450,449		39,600,455	
d) Other Current Assets		23,902,667		17,396,118	
e) Loans & Advances		<u>44,372,079</u>		<u>29,681,155</u>	
		549,430,470		361,885,721	
Less : Current Liabilities and Provisions	G	<u>171,354,742</u>		<u>88,956,873</u>	
Net Current Assets			<u>378,075,728</u>		<u>272,928,848</u>
			<u>606,194,466</u>		<u>390,132,772</u>
NOTES ON ACCOUNTS	N		-		-

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

For and On Behalf of the Board

MANOJ GANATRA
Partner

S K PUROHIT
Chief Financial Officer

M F TAMBOLI
Executive Chairman

C M TAMBOLI
Managing Director and
Chief Executive Officer

Bhavnagar
27th April 07

Bhavnagar
27th April 07

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2007

Amount in Rupees

	SCH	2006-2007	2005-2006
INCOME ::			
Sales and Operational Income	H	1,008,411,669	759,511,434
Other Income	I	1,916,571	2,137,040
TOTAL		1,010,328,240	761,648,474
EXPENDITURE ::			
Change in Inventory	J	(41,761,467)	(7,061,415)
Materials and Manufacturing Expenses	K	722,404,126	510,176,242
Administrative and Other Expenses	L	125,959,742	107,099,178
Borrowing Cost	M	14,418,072	10,172,421
Depreciation		17,317,001	9,903,037
TOTAL		838,337,474	630,289,463
Profit Before Taxation		171,990,766	131,359,011
Less :Provision for Income Tax -Current		48,500,000	41,000,000
Provision for Income Tax - Deferred		11,166,326	1,922,774
Provision for Fringe Benefit Tax		530,319	990,068
Profit After Taxation		111,794,121	87,446,169
Prior Period Adjustments (net)		1,352,891	(354,897)
		113,147,012	87,091,272
Add : Balance brought forward from the last year		7,500,000	3,500,000
Amount Available for Appropriation		120,647,012	90,591,272
APPROPRIATIONS :			
a) Interim Dividend		-	4,320,000
b) Proposed Dividend		17,280,000	8,640,000
c) Corporate Dividend Tax		2,936,736	1,817,640
d) General Reserve		82,930,276	68,313,632
		103,147,012	83,091,272
Balance Carried to Balance Sheet		17,500,000	7,500,000
Earning Per Share (Basic/Diluted)		31.43	24.19
Nominal Value of Share		10.00	10.00
NOTES ON ACCOUNTS	N		

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

For and On Behalf of the Board

MANOJ GANATRA
Partner

S K PUROHIT
Chief Financial Officer

M F TAMBOLI
Executive Chairman

C M TAMBOLI
Managing Director and
Chief Executive Officer

Bhavnagar
27th April 07

Bhavnagar
27th April 07

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2007

(Rs in lacs)

	2006-2007	2005-2006
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax And Extraordinary Items	1,719.91	1,313.59
Adjustments for -		
Depreciation	173.17	99.03
Loss (Profit) on sale of fixed assets	(13.73)	(2.52)
Loss (Profit) on sale of investments	0.00	0.16
Prior Period Adjustments	13.53	(3.55)
Dividend Received	(0.05)	(0.05)
Interest	135.23	80.99
	308.15	174.06
Operating Profit Before Working Capital Changes	2,028.06	1,487.65
Adjustments for -		
Trade and Other Receivables	(1,397.81)	(698.50)
Inventories	(667.49)	(244.41)
Trade Payables	730.97	11.58
	(1,334.33)	(931.33)
Cash Generated From Operations	693.73	556.32
Interest Paid	(138.01)	(89.21)
Direct Taxes Paid	(516.17)	(415.07)
	(654.18)	(504.28)
NET CASH FROM OPERATING ACTIVITIES	39.55	52.04
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(1,243.88)	(394.46)
Purchase of Investments	(55.00)	(45.00)
Sale of Fixed Assets	30.29	6.60
Interest Received	2.78	8.22
Dividend Received	0.05	0.05
	0.05	0.05
NET CASH USED IN INVESTING ACTIVITIES	(1,265.76)	(424.59)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issuance of Share Capital	0.00	0.00
Proceeds from Long Term Borrowings (net)	152.54	387.84
Proceeds from Short Term Borrowings (net)	965.82	219.36
Dividend Paid	(83.65)	(104.02)
	(83.65)	(104.02)
NET CASH USED IN FINANCING ACTIVITIES	1,034.71	503.18
Net Increase in Cash and Cash Equivalents	(191.50)	130.64
Cash And Cash Equivalents as at beginning of the year	396.00	265.36
	396.00	265.36
Cash And Cash Equivalents as at end of the year	204.50	396.00

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

MANOJ GANATRA
Partner

S K PUROHIT
Chief Financial Officer

For and On Behalf of the Board

M F TAMBOLI
Executive Chairman

C M TAMBOLI
Managing Director and
Chief Executive Officer

Bhavnagar
27th April 07

Bhavnagar
27th April 07

SCHEDULE - D FIXED ASSETS

ASSETS	< GROSS BLOCK >			< DEPRECIATION >			< NET BLOCK >			
	AS AT 01-04-2006	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	AS AT 31-03-2007	UP TO 31-03-2006	FOR THE YEAR	ON DEDUCTIONS- ADJUSTMENT	TOTAL DEPRECIATION	AS AT 31-03-2006	AS AT 31-03-2007
FREEHOLD LAND	1,189,468	3,365,063	-	4,554,531	-	-	-	-	1,189,468	4,554,531
LEASEHOLD LAND	185,858	-	185,857	185,858	185,857	-	-	185,857	1	1
BUILDINGS	50,901,674	10,272,080	-	61,173,754	22,323,661	2,375,530	-	24,699,191	36,474,563	36,474,563
PLANT & MACHINERY	193,590,484	93,184,830	17,011,966	269,763,348	118,235,048	13,154,869	15,800,197	115,589,719	154,173,629	154,173,629
VEHICLES	3,710,065	1,999,349	1,575,856	4,133,558	1,590,980	488,323	1,138,929	940,373	3,193,185	3,193,185
FURNITURE & FIXTURES	2,358,567	48,488	-	2,407,055	2,191,664	13,066	-	2,204,730	202,325	202,325
OFFICE EQUIPMENT	10,302,903	1,230,001	19,500	11,513,404	6,000,279	1,285,213	11,700	7,273,792	4,239,612	4,239,612
TOTAL	262,239,019	110,099,811	18,607,322	353,731,508	150,527,489	17,317,001	16,950,827	150,893,664	202,837,845	111,711,530
PREVIOUS YEAR ::	225,072,055	38,959,042	1,792,078	262,239,019	142,007,925	9,903,037	1,383,473	150,527,489	111,711,530	83,064,130

Rates of Depreciation:

Factory and Office Buildings	5.00
Residential Buildings	3.00
Plant & Machinery	
Single Shift	7.50
Double Shift	9.00
Triple Shift	11.00
Vehicles	20.00
Furniture & Fixtures	10.00
Office Equipment	10.00
Computers	25.00

SCHEDULE - E INVESTMENTS		31st MARCH 2007		31st MARCH 2006	
Quoted :					
400 Fully paid up Equity Shares of Rs. 10/- each of Electrosteel Castings Ltd.		2,825		2,825	
Market Value of Quoted Investments Rs. 152,160 ; (147,300)		<u>2,825</u>		<u>2,825</u>	
Unquoted : (Long-term)					
10,00,000 (450,000) Fully paid up Equity Shares of Rs. 10/- each of Janus Cyberserve Limited (an Associate Company)		10,000,000		4,500,000	
		<u>10,002,825</u>		<u>4,502,825</u>	
SCHEDULE - F CURRENT ASSETS LOANS AND ADVANCES		31st MARCH 2007		31st MARCH 2006	
I. CURRENT ASSETS					
1. Inventories					
(As taken, valued and certified by the Management)					
a) Stores & Spares (At cost)		32,781,441		20,662,001	
b) Raw Materials (At cost)		40,958,971		26,612,688	
c) Semi-finished Goods (At estimated cost)		87,374,110		46,946,535	
d) Finished Goods (at lower of the cost or net realisable value)		4,295,005		2,961,113	
		<u>165,409,527</u>		<u>97,182,337</u>	
2. Sundry Debtors					
(Unsecured Considered Good)					
Over six months		7,577,366		5,047,998	
Others		287,718,382		295,295,748	
		<u>295,295,748</u>		<u>172,977,658</u>	
				<u>178,025,656</u>	
3. Cash & Bank Balances					
Cash on Hand		736,106		449,655	
Balance with Schedules Banks :					
a. In Current Accounts		2,783,534		27,574,175	
b. Dividend Accounts		885,395		611,062	
c. Fixed Deposit Accounts		16,045,414		10,965,563	
(pledged with a bank against Guarantees and LC Margin Money)		<u>20,450,449</u>		<u>39,600,455</u>	
4. Other Current Assets					
Balances with Excise Authorities in Current Account		23,227		68,595	
DEPB Claims Receivable		2,332,166		6,339,565	
Excise Cenvat Credits Receivable		21,547,274		23,902,667	
		<u>23,902,667</u>		<u>10,987,958</u>	
		<u>505,058,391</u>		<u>332,204,566</u>	

SCHEDULE - F CURRENT ASSETS LOANS AND ADVANCES (Contd....)		31st MARCH 2007	31st MARCH 2006
II. LOANS AND ADVANCES			
(Unsecured considered Good)			
Advances to Suppliers for Goods and Services		7,686,515	602,765
Advances to Suppliers for Capital Items		18,745,450	19,089,810
Loans and Advances to Employees [including to officers Rs. 198,130 (56,335)]		791,352	301,125
Prepaid Expenses		2,077,111	1,614,988
Advance Payment of Taxes (net of provisions)			
Income Tax			-
Fringe Benefit Tax	166,112	166,112	-
Sundry Deposits		7,452,092	3,887,349
Loans to others		2,033,242	-
Other Advances		5,420,205	4,185,118
		44,372,079	29,681,155
		549,430,470	361,885,721
SCHEDULE - G CURRENT LIABILITIES AND PROVISIONS		31st MARCH 2007	31st MARCH 2006
I. Current Liabilities			
Sundry Creditors		117,917,896	50,693,060
Advances from Customers		3,226,246	4,025,722
Statutory Liabilities		3,229,858	5,160,923
Interest Accrued but not Due		617,317	-
Investors Education & Protection Fund:			
Unclaimed Dividend		885,995	611,062
Other Liabilities		18,231,350	11,265,166
		144,108,662	71,755,932
II. Provisions			
Provision for Bonus		3,819,266	3,617,799
Provision for Leave Encashment		2,769,476	2,081,228
Provision for Taxation (net of payments)			
Income Tax	440,602		1,563,991
Fringe Benefit Tax	-	440,602	86,163
Proposed Dividend		17,280,000	8,640,000
Corporate Dividend Tax		2,936,736	1,211,760
		27,246,080	17,200,941
		171,354,742	88,956,873
SCHEDULE - H SALES AND OPERATIONAL INCOME		2006-2007	2005-2006
Sales	1,089,970,146		839,058,879
Less: Excise Duty	95,639,736	994,330,410	86,506,132
Exchange Rate Difference (net)		3,689,137	(479,733)
DEPB Credit and Export Incentives on Exports		10,392,122	7,438,420
		1,008,411,669	759,511,434
SCHEDULE - I OTHER INCOME		2006-2007	2005-2006
Dividend Income		5,050	5,000
Interest Received		277,976	821,953
Profit on Sale of Assets (net)		1,372,553	251,769
Sundry Balances written back		-	845,162
Miscellaneous Income		260,992	213,156
		1,916,571	2,137,040

SCHEDULE - J CHANGE IN INVENTORY		2006-2007	2005-2006	
Closing Stock :				
Finished Goods	4,295,005		2,961,113	
Semi-finished Goods	87,374,110	91,669,115	46,946,535	49,907,648
Less : Opening Stock :				
Finished Goods	2,961,113		3,182,776	
Semi-finished Goods	46,946,535	49,907,648	39,663,457	42,846,233
		(41,761,467)		(7,061,415)
SCHEDULE - K MATERIALS AND MANUFACTURING EXPENSES		2006-2007	2005-2006	
Raw Material Consumed :				
Opening Stock	26,612,688		16,136,587	
Add : Purchases	370,678,277		260,113,800	
	397,290,965		276,250,387	
Less : Closing Stock	40,958,971	356,331,994	26,612,688	249,637,699
Manufacturing Expenses :				
Stores Consumed	175,735,398		117,978,500	
Other Manufacturing Expenses	69,768,656		54,898,050	
Power, Fuel and Water Charges	115,899,763		83,653,458	
Machinery Repairs	4,668,315	366,072,132	4,008,535	260,538,543
		722,404,126		510,176,242
SCHEDULE - L ADMINISTRATIVE AND OTHER EXPENSES		2006-2007	2005-2006	
Personnel Costs :				
Salaries, Wages	27,672,103		23,758,315	
Bonus and Other Emoluments	35,682,035		30,183,728	
Contribution to Provident Fund, ESI				
Gratuity, and superannuation Funds	6,221,372		6,324,368	
Employees' Welfare Expenses	2,324,938	71,900,448	1,817,102	62,083,513
Sales and Distribution Costs :				
Sales Commission	2,863,721		2,492,516	
Sales Promotion Expenses	1,050,825		645,499	
Export Sales Commission	10,840,472		5,734,738	
Export Market Development (including Directors' travelling Rs. 784,950 (1,012,483))	2,124,102		1,836,996	
Other Sales Expenses	20,235,874	37,114,994	12,058,712	22,768,461

SCHEDULE - L					
ADMINISTRATIVE AND OTHER EXPENSES (Contd....)		2006-2007		2005-2006	
Establishment Cost :					
Travelling [Including Directors' travelling Rs. 1,197,739 (958,702)]		2,328,256			3,503,502
Rent		30,000			30,000
Rates and Taxes		272,162			213,155
Insurance		753,485			600,389
Repairs to Building		1,095,149			1,088,547
Payments to Auditors		122,500			93,051
Directors' Sitting Fees		186,000			156,000
Legal & Professional Fees		2,039,732			4,374,764
Bank Discount and Commission		2,961,330			4,579,288
Advertisement Expenses		334,204			220,040
Loss on Investments		-			16,160
Bad Debts/Old Balances Written Off (net)		295,211			553,426
Donations		2,457,106			2,383,500
Wealth Tax		162,361			-
General Expenses	3,906,804	16,944,300	4,435,382		22,247,204
		125,959,742			107,099,178
SCHEDULE - M BORROWING COST		2006-2007		2005-2006	
Interest					
Term Loans	5,973,057		4,044,248		
Banks (net)	8,542,375		4,573,370		
Others	53,055	14,568,487	302,896		8,920,514
Exchange Rate Difference on Foreign Currency Loans		(150,415)			1,251,907
		14,418,072			10,172,421

SCHEDULE – N
NOTES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2007

- a. Figures in the brackets are the figures for the previous year, unless otherwise stated.
- b. All the amounts are stated in Indian Rupees, unless otherwise stated.
- c. Previous year's figures are regrouped and rearranged, wherever necessary.

1. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING:

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 and are based on the historical cost convention on an accrual basis.

USE OF ESTIMATES:

The preparation of financial statement in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

FIXED ASSETS:

Fixed Assets are stated at cost less depreciation. Depreciation up to 1997-98 is provided on Straight Line Method at the rates and in the manner specified in schedule XIV in accordance with the provisions of section 205 (2) (b) of the companies Act, 1956. From the year 1998-99, the company has, on the basis of periodic technological evaluation, re-determined the useful life of the assets and depreciation thereon is provided accordingly at the rates stated in the schedule D to the accounts, which are higher than the rates specified in the schedule XIV to the Companies Act.

INVESTMENTS:

Investments are stated at cost. Dividends are accounted for as and when the right to receive the same is established.

INVENTORIES:

Raw materials and Stores & Spares are valued at cost on weighted average basis. Semi-finished goods are valued at estimated cost. Finished goods are valued at lower of the cost or net realizable value. Inventories are stated as taken, valued and certified by the management.

SALES:

Sales comprise sale of goods and other related charges net of trade discount.

EXCISE DUTY:

Excise Duty in respect of goods manufactured by the company is, according to the method consistently followed by the company, accounted for at the time of removal of goods from the factory for sale. However, excise duty payable on the closing stock of finished goods is provided for in the accounts. Purchases are accounted for net of excise cenvat credit availed.

RESEARCH & DEVELOPMENT:

Revenue expenditure on Research & Development is charged against the profit of the year in which it is incurred. Capital expenditure on Research & Development is shown as an addition to Fixed Assets and depreciated on the same basis as other assets.

FOREIGN CURRENCIES:

Foreign currency transactions are accounted for at the rates prevailing on the date of transaction. Differences arising out of foreign exchange rates are dealt with in the profit & loss account. Current assets and current liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at the closing rates and profit or loss arising therefrom is dealt with in the profit & loss account.

PROVISION FOR RETIREMENT BENEFITS:

Liabilities in respect of retirement benefits to the employees are provided for based on the Group Gratuity Scheme and Superannuation Scheme with the Life Insurance Corporation of India. Liabilities in respect of leave encashment benefits to the employees are provided based on the leave balance and the salary of the respective employee as on the balance sheet date.

INCOME TAX:

Provision for income tax is based on the assessable profits computed in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

2. Balances with Sundry Debtors, Sundry Creditors and for Advances are subject to confirmations.
3. Interest on Term Loans and to banks as stated in Schedule-M is net of interest receipts from others Rs. 2,181,708 (1,188,833).
4. As the company's business activity, in the opinion of the management, falls within a single primary segment subject to the same risks and returns, the disclosure requirements of Accounting Standard (AS) – 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India are not applicable.
5. On the basis of the details ascertained by the management, sundry creditors include Rs. 7,814,552 (3,838,570) amount due to Small-Scale Industrial (SSI) undertakings. Outstanding dues to SSI units exceeding Rs. 1.00 lac and outstanding for more than 30 days from becoming due as on the balance sheet date was Nil.
6. In the opinion of the Directors, the current assets, loans and advances are approximately of the value as stated in the balance sheet, if realized in the ordinary course of the business. The provision of all known liabilities is adequate and not in excess of the amount reasonably required.
7. Provision for Income Tax is stated net of advance tax payments Rs. 102,982,336 (53,358,967) including current year's advance tax payments of Rs. 48,032,621 (39,491,736). Advance payment for Fringe Benefit Tax is stated net of provisions Rs. 1,433,774 (Previous year: provision is stated net of advance payments Rs. 989,815)
8. Contingent Liabilities
 - (i) Guarantees given by the bank and counter guaranteed by the company: Rs. 34,373,811 (33,574,394)
 - (ii) In respect of Service tax: Rs. 657,670 (657,670)
 - (iii) In respect of disputed stamp duty: Rs. 24,551 (24,551)
 - (iv) In respect of disputed excise duty: Rs. 395,319 (395,319)
 - (v) Claims against the Company, not acknowledged as debt: Rs. 571,224 (571,224)
 - (vi) In respect of Central Sales Tax Rs 16,192,254 (5,685,654)
 - (vii) Some retrenched employees of the company have preferred an appeal for their reinstatement, liability of which is unascertainable pending decision of the higher court. The company, however, does not expect any liability to arise on this account as the said retrenchment was lawfully made as per the order of the Dy Commissioner of Labour, Government of Gujarat and Gujarat Industrial Tribunal.
 - (viii) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs 82,070,171.
9. Deferred tax liabilities of Rs, 11,166,326 (1,922,774) arising during the year, a major component of which is due to timing difference related to depreciation charged in the accounts and as claimed under the Income Tax Act, is debited to the profit & loss account. Details of the balance of Rs. 24,223,284 are as under:

Particulars	Rs.
Depreciation	25,155,490
Disallowances u/s 43B of the Income Tax Act	(932,206)
Total...	24,223,284

10. The management of the Company has, during the year, carried out technological evaluation for identification of impairment of assets, if any, in accordance with the Accounting Standard (AS) – 28 issued by the Institute of Chartered Accountants of India. Based on the judgment of the management and as certified by the Directors, no provision for impairment is found to be necessary in respect of any of the assets.

11. Payments to Auditors:

Particulars	2006-2007	2005-2006
Audit Fees	85,000	60,000
In other capacity	37,500	33,051

12. Personnel costs include managerial remuneration as under:

Particulars	2006-2007	2005-2006
Salary	2,551,000	2,473,300
Perquisites and Allowances	398,386	318,468
Contribution to PF and other Funds	825,838	778,039
Commission	7,274,143	4,890,904
Total...	11,049,367	8,460,711

13. Computation of net profit in accordance with section 198 read with section 349 and 350 of the companies Act, 1956:

Particulars	Rs.
Profit Before Tax as per Accounts	171,990,766
Add: Managerial Remuneration	11,049,367
Add: Directors' sitting Fees	186,000
Less: Profit on sale of Assets	1,372,553
	181,853,581

Commission @ 1% or 2% of the above, as the case may be, to three whole-time directors, aggregating to Rs. 7,274,143.

14. Related Party Disclosures:

a. Associates:

- Shri F P Tamboli Charitable Trust
- Janus Cyberserve Limited

b. Key Management Personnel:

- Mr. M F Tamboli
- Mr. C M Tamboli
- Mr. T Kumar

	Nature of Transactions:	Rs.
	Associates:	
1	Donations	1,750,000
2	Investment in Equity Shares	10,000,000
	Key Management Personnel:	
3	Remuneration	11,049,367

Details of balances outstanding as on 31st March 2007:

	Associates	Key Management Personnel
Other Liabilities	-	7,274,143
Other Advances (Share Application Money)	1,000,000	

15. QUANTITATIVE INFORMATION

(As certified by the Management)

a. Installed Capacity and Actual Production: (in MTs)

	Installed Capacity	Actual Production
Steel Casting	10,000 (7,800)	7,844 (6,476)
(Net of Rejections)		

Note: Installed capacity is dependent on product mix and specification of castings and therefore, actual production cannot be directly compared with the installed capacity.

b. Raw Material Consumed:

	Qty in MTs	Rs.
Steel Scrap	9,218 (7,503)	184,908,366 (129,737,814)
Ferro Alloys	681 (690)	171,423,628 (119,695,021)
Total...	9,899 (8,193)	356,331,994 (249,432,835)

c. Sales and Stocks of Finished Goods:

	Qty in MTs	Rs.
Sales (Castings)	7,838 (6,471)	994,330,410 (752,552,747)
Opening Stock	36 (31)	2,961,113 (3,182,776)
Closing Stock	42 (36)	4,295,005 (2,961,113)

d. Value of Consumption of Imported Materials and percentage of each to total consumption:

	Imported		Indigenous	
	Rs.	%	Rs.	%
Raw Materials	139,016,076 (106,150,000)	39.01 (42.56)	217,315,918 (143,282,835)	60.99 (57.44)
Stores and Spares	6,306,279 (3,571,019)	3.59 (3.03)	169,429,119 (114,407,481)	96.41 (96.97)

e. Value of Imports on CIF basis:

	2006-2007	2005-2006
Raw Materials	116,123,009	92,991,547
Stores & Spares	4,905,552	1,950,792

f. Expenditure in Foreign Currency: (Payment Basis):

	2006-2007	2005-2006
Export Sales Commission	8,839,405	5,340,028
Travelling Expenses	519,122	672,579
Membership & Subscription	19,791	20,593
Export Sales Promotion	62,717	-

g. Earnings in Foreign Currency:

	2006-2007	2005-2006
Exports (FOB basis)	380,017,909	217,183,012

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACT, 1956**

I REGISTRATION DETAILS:

Registration No (CIN)	:	L27310GJ1972PLC002033
State Code	:	4
Balance Sheet Date	:	31.03.2007

II CAPITAL RAISED DURING THE YEAR:

(Rs in Lacs)

Public Issue	:	Nil
Right Issue	:	Nil
Bonus issue	:	Nil
Private Placement	:	Nil

III POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS:

Total Liabilities	:	6,061.94
Total Assets	:	6,061.94

Sources of Funds

Paid up Capital		364.67
Reserves & Surplus		2,404.83
Deferred Tax Liabilities		242.23
Secured Loans		3,050.22
Unsecured Loans		-

Application of Funds

Net Fixed Assets	:	2,181.16
Investments	:	100.03
Net Current Assets	:	3,780.76
Miscellaneous Expenditure	:	-

IV PERFORMANCE OF THE COMPANY:

Total Income		10,103.28
Total Expenditure		8,383.37
Profit Before Tax		1,719.91
Profit After Tax		1,117.94
Earnings per Share (Rs)		31.43
Dividend Rate (%)		

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY:

(as per monetary terms)

Item Code	:	NA
Product Description	:	Steel
Castings		

Signatures to Schedule A to N

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

For and On Behalf of the Board

MANOJ GANATRA
Partner

S K PUROHIT
Chief Financial Officer

M F TAMBOLI
Executive Chairman

C M TAMBOLI
Managing Director and
Chief Executive Officer

Bhavnagar
27th April 07

Bhavnagar
27th April 07

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STEELCAST LIMITED

Regd. Office: Ruvapari Road, Bhavnagar, Gujarat, India 364 005

PROXY FORM

I/We..... residing at
..... being member(s) of the abovenamed Company, with my/our shareholding details
as shown below, hereby appoint, residing at
..... or failing him/ her,
..... residing at
..... as my/our Proxy to attend and vote on my/our behalf at the Thirtysixth
Annual General Meeting of the Company, to be held on Friday, June 15, 2007 at 1600 hours and at any adjournment thereof.

Number of Equity Shares held		
Folio Number		
If Demat Shares	DP ID	
	Client ID	

Signed on this day of..... 2007

Signature across Revenue
the stamp

Affix
Rs. 1.00
Revenue
Stamp

- Note :
1. The Proxy Form must be returned so as to reach the Registered Office of the Company not less than FORTYEIGHT HOURS before the scheduled time for holding the aforesaid meeting.
 2. A Proxy need not be a member of the Company.

STEELCAST LIMITED

Regd. Office: Ruvapari Road, Bhavnagar, Gujarat, India 364 005

ATTENDANCE FORM

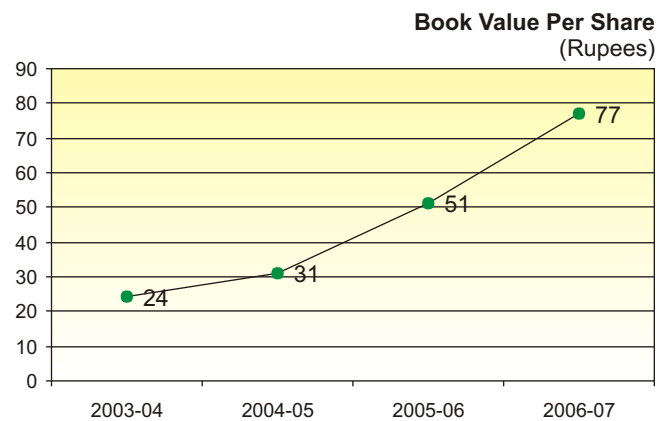
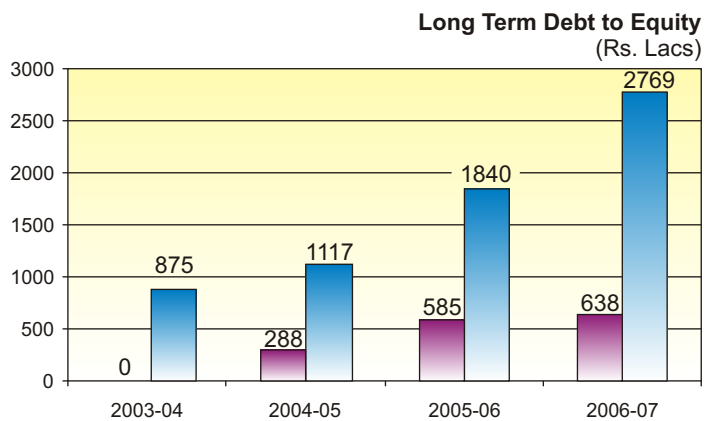
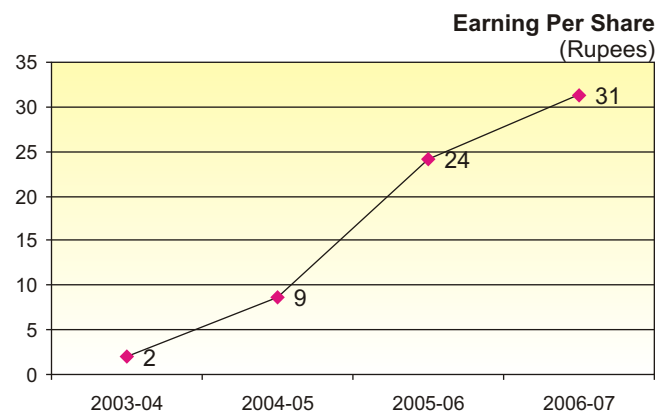
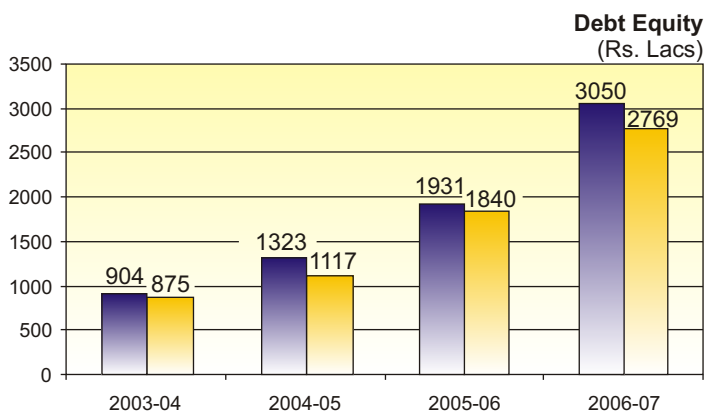
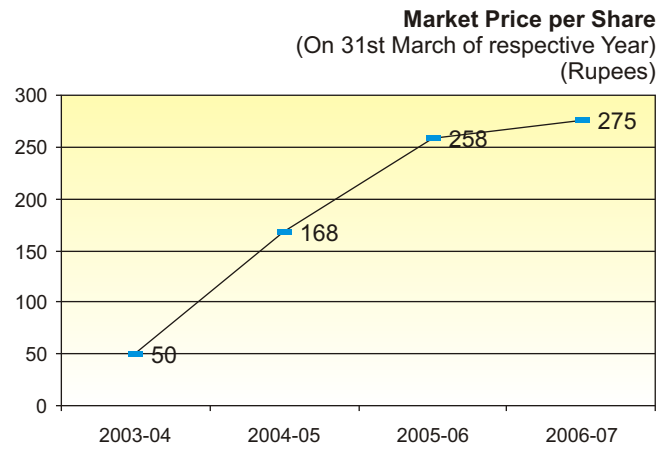
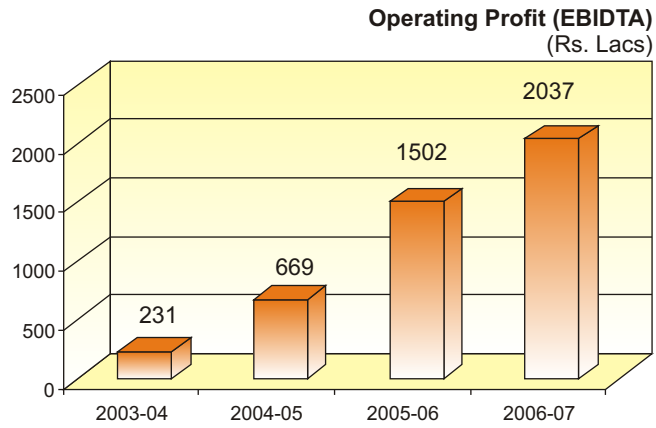
Name of Shareholder		
Number of Equity Shares held		
Folio Number		
If Demat Shares	DP ID	
	Client ID	

I hereby record my presence at the Thirtysixth Annual General Meeting of the Company at Hotel Vrindavan Plaza, Sir Pattani Road, Bhavnagar, at 1600 hours on June 15, 2007.

Signature of the attending Member/Proxy	
--	--

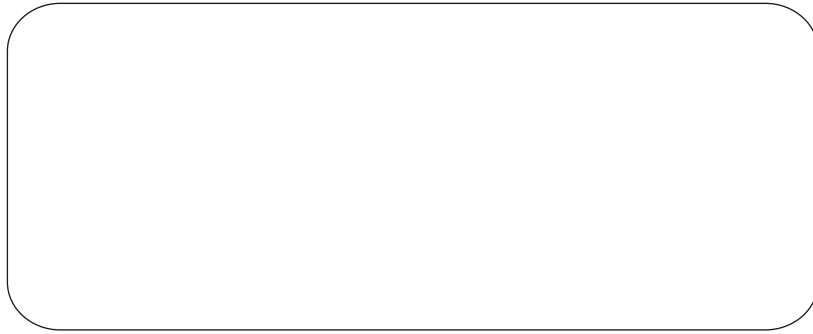
- Notes :
1. A Shareholder/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.
 2. He/She is advised to bring along a copy of the Annual Report to the meeting for reference.

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BOOK - POST

To,



If underdeliverable please return to :
STEELCAST LIMITED
Ruvapari Road, Bhavnagar
Gujarat, INDIA 364 005.