



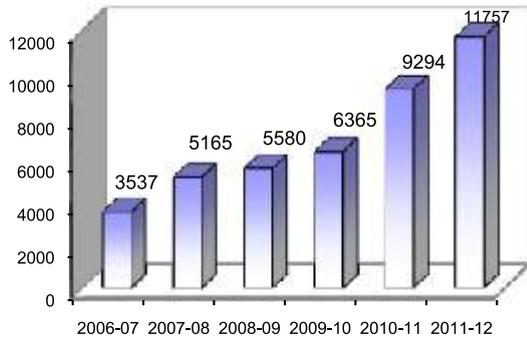
STEELCAST LIMITED

41st Annual Report

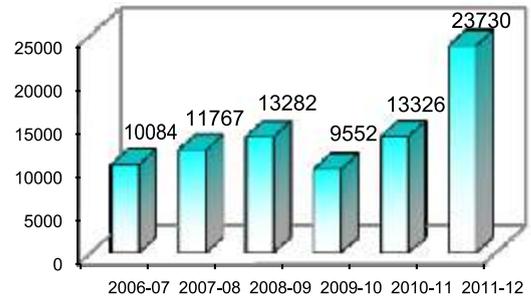
2011-12



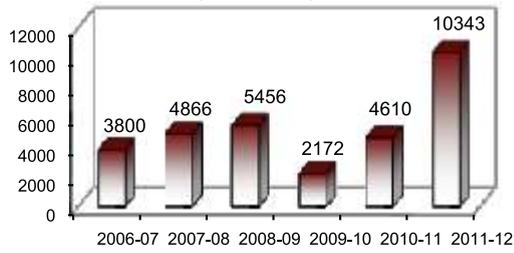
Gross Block of Fixed Assets
(` in Lacs)



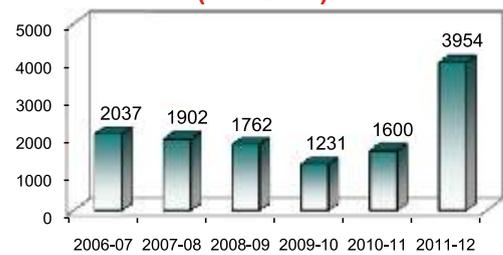
Sales and Operational Income
(` in Lacs)



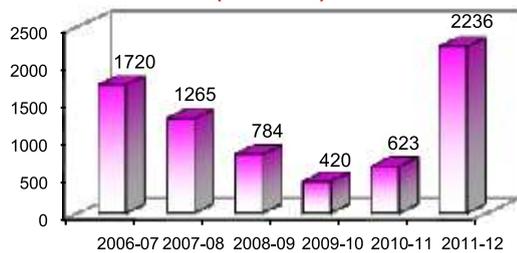
Export Earnings (FOB)
(` in Lacs)



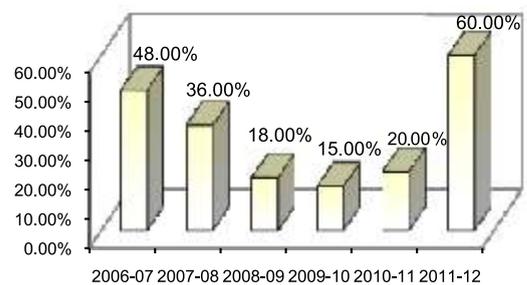
Operating Profit (EBIDTA)
(` in Lacs)



Profit Before Tax (PBT)
(` in Lacs)



Dividend on Equity Share



STEELCAST LIMITED**BOARD OF
DIRECTORS**

Shri V B Buch
Shri Rajendra V Gandhi
Shri R V Shah
Shri A R Shah
Shri Rajesh R Gandhi
Mrs. Manali C Tamboli
Shri Vaughn W Makary
Shri T Kumar
Shri Chetan M Tamboli

Whole Time Director
Chairman & Managing Director

CHAIRMAN EMERITUS

Shri Manmohan F Tamboli

BANKERS

Bank of India
Standard Chartered Bank

AUDITORS

Sanghavi & Company
Chartered Accountants

**REGISTERED OFFICE
& WORKS**

Ruvapari Road
Bhavnagar, Gujarat-364005, India
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

ISIN

INE124E01012

SCRIP CODE AT BSE

513517

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SIGNIFICANT FINANCIAL INDICATORS FOR LAST TEN YEARS

(All Values in Rs. Lacs)
(Except Sr. No. 8 to 12)

Sr. No.	Aspect	As at the end of 31st March									
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1	Total Income	2939.58	3022.07	5,182.25	7,621.28	10,103.28	11,786.95	13,283.27	9,566.27	13,379.89	23,797.66
2	Operating Profit	295.01	228.46	668.96	1,501.83	2,037.26	1,901.80	1,759.09	1,231.18	1,599.73	3,954.04
3	Profit After Tax	67.67	70.07	332.81	874.46	1,117.94	804.88	511.16	278.44	432.59	1,411.01
4	Net Worth	868.23	875.24	1,117.05	1,840.19	2,769.49	3,415.46	3,723.00	4,086.49	4,520.13	5,961.96
5	Total Borrowed Funds	778.35	903.51	1,323.37	1,930.57	3,050.22	4,776.05	4,344.77	3,975.82	6,497.48	8,485.44
6	Fixed Assets (Net)	322.69	444.26	835.66	1,127.01	2,181.16	3,397.67	3,749.52	3,707.44	6,261.42	7,922.27
7	Net Current Assets	1312.23	1385.02	1,715.90	2,729.29	3,780.76	5,039.05	4,698.72	4,739.34	4,425.42	6,466.61
8	Book Value Per Share (Rs.)	24	24	31	51	77	95	103	108	114	143
9	Earning Per Share (Basic)	1.88	1.95	8.73	24.19	31.43	21.85	10.65	7.64	11.33	37.27
10	Dividend (%)	0.00	7.50	18.00	36.00	48.00	36.00	18.00	15.00	20.00	60.00
11	Debt Equity Ratio	0.90	1.03	1.18	1.05	1.10	1.40	1.17	0.97	1.44	1.42
12	Operating Profit to Sale (%)	10.04	7.56	12.91	19.71	20.16	16.16	13.24	12.87	11.96	16.62

STEELCAST LIMITED

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

Notice of 41st Annual General Meeting

NOTICE is hereby given that the Forty-First Annual General Meeting of the Members of STEELCAST LIMITED will be held on Monday, 16th July, 2012 at 1600 Hrs. at Nilambag Palace Hotel, Bhavnagar 364 001, Gujarat, to transact the following business:

Ordinary Business:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2012, the Profit & Loss Account for the year ended 31st March, 2012 and the Report of the Board of Directors' and Auditors' thereon.
2. To declare dividend on equity shares for the year ended 31st March, 2012.
3. To appoint a Director in place of Mr. Rajesh R Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Apurva R Shah, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Rajendra V Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint M/s. Sanghavi & Co., Chartered Accountants, Bhavnagar, as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

Special Business:

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 13, 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") or any other law for the time being in force (including any statutory modification or re-enactment thereof) and the provisions of the Articles of Association of the Company and subject to such approval(s), permission(s), sanction(s), confirmation(s), as may be required under any law for the time being in force, the consent of the Company be and is hereby accorded for sub-division of each existing equity share of face value of Rs.10/- of the Company, into 2 (Two) equity shares of Rs.5 /- (Rupees Five) each.

RESOLVED FURTHER THAT the content of the existing Clause V of the Memorandum of Association be and is hereby substituted in the manner as set out below:

"The Authorised Share Capital of the Company is INR 10,00,00,000 (Rupees Ten Crore) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs.5 (Rupees Five) each."

RESOLVED FURTHER THAT the existing share certificate(s) in relation to the equity share capital held in physical form be cancelled and new share certificate(s) be issued in respect of the equity shares held by the members of the Company consequent upon the sub-division of the equity shares as aforesaid and in case of shares held in dematerialized form, the sub-divided equity shares be credited to the respective demat accounts of the beneficiaries in lieu of the existing shares held by them.

RESOLVED FURTHER THAT the holder(s) of the convertible warrant(s) who is/are entitled to receive one share of Rs. 10/- each against convertible warrant of Rs. 10/- each shall now be entitled to receive 2 (Two) equity shares of Rs.5/- (Rupees Five) each on conversion of warrant of

Rs. 10/- each into equity shares.

RESOLVED FURTHER THAT the Board of Directors of the Company ("the Board, which expression shall also include a duly constituted Committee thereof) be and is hereby authorised to do all acts, deeds and things and to delegate all or any of the powers vested in the Board to any Director(s) or Officer(s) of the Company as may be required to give effect to the above resolution."

8. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") or any other law for the time being in force (including any statutory modification or re-enactment thereof), the existing Article No. 4 of the Articles of Association of the Company be and is hereby altered by substituting it with the following new Article:

4. The Authorized Share Capital of the Company is Rs.10,00,00,000/- (Rupees Ten Crore) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs.5 (Rupees Five) each, with a power to the Company to increase, reduce or modify the capital and to divide all or any of the Shares in the capital of the Company, for the time being, and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by the Company in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner and by such persons as may, for the time being be permitted under the provisions of the Articles of Association of the Company or legislative provisions for the time being in force in that behalf.

RESOLVED FURTHER THAT the Board of Directors of the Company ("the Board", which expression shall also include a duly constituted Committee thereof) be and is hereby authorised to do all such acts, deeds and things and to delegate all or any of the powers vested in the Board to any Director(s) or Officer(s) of the Company as may be required to give effect to the above resolution."

9. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT in supersession of the resolution passed by the members of the Company at the Extraordinary General Meeting held on 18th November, 2011, the consent of the Company be and is hereby accorded under the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company to borrow from time to time all such sum or sums of money as the Directors may deem appropriate and upon such terms and conditions as they may think fit for the purpose of business of the Company, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), if any, may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors and outstanding at any point of time shall not exceed the sum of Rs.200 Crores (Rupees Two Hundred Crores only).

RESOLVED FURTHER THAT the Board of Directors or Committee thereof authorized by the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

10. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Article 158 and 159 of the Articles of Association of the Company and upon the recommendation of the Board of Directors made at their meeting held on June 05, 2012 (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board of Directors formed for the time being to exercise the powers conferred on the Board of Directors in this behalf) and pursuant to the applicable provisions of the Companies Act, 1956, and in accordance with the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the Regulations") and subject to such necessary approvals, permissions and sanctions, as may be required and subject to such terms and conditions as may be specified while according such approvals, a sum of Rs.4,55,40,000/- (Rupees Four Crore Fifty Five Lacs Forty Thousand) out of the sum standing to the credit of Share Premium Account, forming part of General Reserves of the Company, be and is hereby capitalized and utilized for allotment of 1 (one) Bonus equity share of Re.5/- (Rupees Five) credited as fully paid up for every 1 (one) eligible existing fully paid (subdivided) equity share of Re.5/- (Rupees Five) held by the members and accordingly the Board, be and is hereby authorized to appropriate the said sum for distribution to and amongst the members of the Company whose names appear in the Register of Members or as the beneficial owner(s) of the equity shares of the Company, in the records of the Depositories, at the close of business on such date (hereinafter referred to as "the Record Date" to be hereafter fixed by the Board and on the basis and that the Bonus Shares so distributed shall, for all purposes, be treated as an increase in the nominal amount in the Capital of the Company, held by each such member and not as income.

RESOLVED FURTHER THAT the new equity shares shall be allotted subject to the Memorandum and Articles of Association of the Company and shall in all respects rank pari passu with the existing subdivided fully paid-up equity shares of the Company, with a right, to participate in dividend in full that may be declared after the date of allotment of these shares as the Board may be determine.

RESOLVED FURTHER that out of the above shares, 792,000 Equity Shares of Rs.5/- each shall be kept in reserve, being proportion of fully convertible warrants pending conversion into Equity Shares, to be allotted to the holder(s) of the warrants at the time of conversion of said warrants into Equity Shares.

RESOLVED FURTHER THAT the Board be and is hereby authorized to capitalize the required amount out of the Company's General Reserve Account/Securities Premium Account or such other accounts as are permissible to be utilized for the purpose, and that the said amount be transferred to the Share Capital Account and be applied for issue and allotment of the said equity shares as Bonus Shares credited as fully paid up.

RESOLVED FURTHER THAT no letter of allotment shall be issued in respect of the said bonus shares and that the bonus shares aforesaid shall be credited to the beneficiary accounts of the shareholders who hold shares in electronic mode with their respective Depository Participants within the stipulated time as may be allowed by the appropriate authorities and in the case of shareholders who hold the shares in physical form, the share certificates in respect thereof shall be delivered within such time as may be allowed by the appropriate authorities.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the bonus shares so allotted on the Stock Exchanges where the securities of the Company are listed as per the provisions of the Listing Agreements with the Stock Exchanges concerned, the Regulations and other applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution and for removal of any doubts or difficulties, the Board be and is hereby authorised to do, perform and execute all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, expedient, usual or proper and to settle any question or doubt that may arise in

relation thereto or as the Board in its absolute discretion may think fit and its decision shall be final and binding on all members and other interested persons and to do all acts connected herewith or incidental hereto."

Registered Office:

Ruvapari Road,
Bhavnagar, 364 005,
Gujarat, India.

Date: June 05, 2012

Place : Bhavnagar

By Order of the Board of Directors

(Chetan M Tamboli)

Chairman & Managing Director

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a Proxy to attend and vote on a poll instead of himself / herself and the Proxy need not be a member of the Company. The instrument appointing a Proxy should however be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.
2. The Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956, relating to Special Business to be transacted at the Meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from June 20, 2012 to June 21, 2012 (both days inclusive) for the purpose of payment of dividend, if any, approved by the Members.
4. The dividend, as recommended by the Board, if approved at the Annual General Meeting, will be paid after 23rd July, 2012 to those Members whose names are registered on the Company's Register of Members:
 - a) as Beneficial Owners as at the end of business on June 19, 2012 as per lists to be furnished by National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) in respect of the shares held in electronic form, and
 - b) as Members in the Register of Members of the Company after giving effect to all valid share transfers in physical form which are lodged with the Company or its Registrar & Transfer Agent (RTA) viz. MCS Limited, "Shatdal" Opp.Bata Showroom, Ashram Road, Ahmedabad 380 009, on or before June 19, 2012.
5. Pursuant to the provisions of Section 205A of the Companies Act, 1956, dividend for the financial year 2004-05 and the dividends for the subsequent years, which remain unpaid or unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund (IEPF). Shareholders who have so far not encashed the dividend warrant(s) for the financial year 2004-05 are requested to make their claim to the Secretarial Department at the Registered Office of the Company or the office of the RTA on or before 19th July, 2012, failing which, the unpaid / unclaimed dividend amount will be transferred to the IEPF. In terms of the provisions of Section 205C of the Companies Act, 1956, and no claim shall lie with respect to unclaimed dividend once it is transferred by the Company to IEPF.
6. In terms of circulars issued by the Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. transfer of shares, deletion of name, transmission of shares and transposition of shares. Shareholders are requested to furnish a copy of PAN card for all the abovementioned transactions.
7. To ensure correct identity of the members for the smooth conduct of the Annual General Meeting, each Member and Proxy Holder attending the meeting is expected to bring with him/her an appropriate

photo ID document like a Driving License, Passport, and Voter ID Card.

Members are requested to

- (a) Notify the change in address if any, with PIN Code numbers immediately to the Company. (In case of shares held in physical mode)
 - (b) Bring their copy of the Annual Report and Attendance Slip with them at the Annual General Meeting.
9. Members having any questions on accounts are requested to send their queries at least 10 days in advance to the Company at its Registered Office address to enable the Company to collect the relevant information.

EXPLANATORY STATEMENT

[Pursuant to section 173 (2) of the Companies Act, 1956]

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

Item No. 7

Over a period of time the share price of the Company has shown an improvement reflecting the performance of the Company. The sub-division of equity shares has been proposed with a view to improve the liquidity of the Company's shares in the stock market. The Board of Directors of the Company in its meeting held on June 05, 2012, considered it desirable to sub-divide the nominal value of the equity share capital of the Company from Rs.10/- per share to Rs.5/- per share as proposed in the resolution.

The aforesaid sub-division would require substitution of existing Capital Clause V of the Memorandum of Association of the Company by a new Clause V as detailed in the resolution.

Accordingly, the Board recommends the resolution as set out in Item no.7 for approval of the shareholders as an Ordinary Resolution.

The Directors of the Company are deemed to be concerned or interested in the resolution only to the extent of shares held by them in the Company.

Item No. 8

Due to aforesaid sub-division of equity shares, existing Article No. 4 of the Articles of Association of the Company, relating to share capital, needs to be altered.

Accordingly, the Board recommends the resolution as set out in Item no.8 for approval of the shareholders as a Special Resolution.

The Directors of the Company are deemed to be concerned or interested in the resolution only to the extent of shares held by them in the Company.

Item No.9

The members had accorded their consent to the Board of Directors of the Company by passing resolution at the Extraordinary General Meeting of the Company held on 18th November, 2011, for borrowing money up to a limit of Rs.100 crores (Rupees One Hundred Crores only). In view of the increasing activities and operations and considering the expansion programs of your Company, it is thought fit to increase the limit to Rs.200 crores (Rupees Two Hundred Crores). The long term funding requirements of the Company have continued to grow, particularly in view of the significantly improved performance and the projected growth of the Company's business. The Board of Directors therefore, seeks the approval of the members to raise aggregate limit of borrowings upto Rs.200 Crores (Rupees Two Hundred Crores only).

Board of Directors recommends the resolution in Item No.9 of the Notice for the approval of the Members as an

Ordinary Resolution.

None of the Directors of the Company is concerned or interested in the Resolution under item no.9

Item No.10

The Company's performance has considerably improved during the financial year 2011-12 and very good results have been reported. In view of the expansion and envisaged profitability and in view of the comfortable reserves position, the Board of Directors at its meeting held on June 05, 2012 has recommended capitalization of reserves to the extent of Rs. 4,55,40,000/- (Rupees Four Crores Fifty Five Lacs Forty Thousand) by way of Bonus Shares in the proportion of 1:1 (i.e. one fully paid bonus share of face value of Rs. 5/- each for every eligible existing fully paid (sub-divided) equity shares of Rs. 5/- each) held by the members as on the Record Date to be hereafter decided by the Board or a Committee thereof.

The Company satisfies the conditions of and requirements for, issue of Bonus Shares contained in Chapter IX of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as presently in force.

Board of Directors recommends the resolution in Item No.10 of the Notice for the approval of the Members as an Ordinary Resolution.

None of the Directors of the Company are in any way interested in the Resolution, except to the extent of their shareholding and the shareholding of their relatives in the Company.

Registered Office:

Ruvapari Road,
Bhavnagar, 364 005,
Gujarat, India.

Date: June 05, 2012

Place : Bhavnagar

By Order of the Board of Directors

(Chetan M Tamboli)

Chairman & Managing Director

DIRECTORS' REPORT

Dear Shareholders,

The Directors of your Company are pleased to present the 41st Annual Report and the Audited Accounts for the financial year ended on March 31, 2012.

1. FINANCIAL RESULTS:

(Rupees in Lacs)

Sr. No.	Particulars	2011-12	2010-11
1	Sales	23,730	13,326
2	Other Income	67	54
3	Total Income	23,797	13,380
4	Profit Before Depreciation & Tax (PBDT)	3,014	1,136
5	Less: Depreciation	778	513
6	Profit Before Taxation (PBT)	2,236	623
7	Less: Taxation (all Taxes)	825	190
8	Profit After Taxation (PAT)	1,411	433
9	Add: Balance brought forward from last year	150	125
10	Amount Available for Appropriation	1,561	558
	Appropriations:		
	(a) Interim Dividend	83	-
	(b) Proposed Dividend	166	76
	(c) Corporate Dividend Tax	40	13
	(d) General Reserve	1072	319
	(e) Balance to be carried forward	200	150
	Total	1561	558

2. **SALIENT FEATURES OF COMPANY'S WORKING DURING THE YEAR:** During the Financial Year 2011-12, the Company has scaled new heights in terms of Sales, Profits, Networth and Assets. Turnover for the year was Rs. 237.30 Crores against Rs.133.26 Crores in the previous year. Exports were higher by 123% at Rs. 105.47 Crores. Profit after tax for the year was Rs. 14.11 Crores as against Rs. 4.33 Crores.
3. **EXPORTS:** During the year, the Company's exports increased by 123% compared to previous Financial Year. In absolute terms, the FOB value of exports was nearly at Rs. 103.43 Crores compared to Rs. 46.10 Crores in the previous year.
4. **EQUITY INFUSION THROUGH PREFERENTIAL ALLOTMENT STRENGTHENED BALANCE SHEET:** Your Company issued and allotted 594,000 warrants to the Promoter Group Company on a preferential basis on 18th November, 2011, on receipt of Rs.1,60,38,000 as 25% application money. The Promoter Group further infused Rs.1,60,38,000 (being balance 75% amount payable on conversion of 198,000 warrants into equity shares on 21st March, 2012. As a result, the paid-up capital of your Company increased from Rs. 3,96,00,000 to Rs.4,15,80,000 on allotment of 198,000 equity shares.
5. **DIVIDEND:** Your Directors are pleased to recommend a final dividend of Rs.4 per Equity share of Rs.10/- each (i.e.40%), subject to approval of the shareholders at the ensuing Annual General Meeting. The Company had earlier distributed an Interim dividend of Rs.2 per Equity share in

March 2012. The total dividend for the year ended March 31, 2012 would accordingly be Rs.6 per Equity share as against the total dividend of Rs.2 per Equity share for the year ended March 31, 2011.

6. INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956.

A. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO:

The Information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 217(1) (e) of the Companies Act, 1956, is set out in a separate statement annexed to this Report (Annexure-A) and forming part of this Report.

B. PARTICULARS OF 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 a separate statement annexed to this Report (Annexure-B) and forms part of this Report.

C. DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- (ii) 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 that period;
- (iii) 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; and
- (iv) the Directors have prepared the annual accounts of the Company on a 'going concern basis'.

7. QUALITY: Towards improvement in product quality, the Company has commissioned a modern Automated No-Bake Fast Loop Moulding Line for production of high quality steel castings, at very high productivity. Moreover, a well equipped in-house Research and Development centre has been established for improvement of product quality, which would match international standards.

8. INSURANCE: All assets of the Company, including Building, Plant & Machinery, Stocks etc., wherever necessary and to the extent required, have been adequately insured.

9. DIRECTORS: Mr. Rajesh R Gandhi, Mr. Apurva R Shah and Mr. Rajendra V Gandhi, Directors of the Company, retire by rotation, and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

10. HUMAN RESOURCES: Your Company believes that people are its biggest strength in line with its vision to create a world-class organization. During the year under review, your Company organised various training programmes at all level. Further, People processes such as talent/career management, productivity improvement, communication and providing quality of life to employees are constantly reviewed. Various initiatives have been taken to provide growth opportunities to employees.

11. **AUDITORS' REPORT:** The observations made in the Auditor's Report are self-explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.
12. **CORPORATE GOVERNANCE:** Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Report on Corporate Governance, as stipulated under Clause 49 of the Listing Agreement with the BSE Limited, is presented in separate section and forming part of the Annual Report. Your Company's Statutory Auditors' Certificate confirming compliance with Clause 49 of the Listing Agreement is annexed to this Report as Annexure-C and forming part of the Directors' Report.
13. **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:** Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the BSE Limited, is presented in separate section and forming part of the Annual Report.
14. **COMPLIANCE CERTIFICATE:** Pursuant to the provisions of section 383A of the Companies Act, 1956, a certificate of compliance by a Practicing Company Secretary is attached herewith forming part of this report.
15. **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 website of the Company. Affirmation of compliance with the said Code by all concerned as certified by the Chief Executive Officer is available elsewhere in this report.
16. **CEO CERTIFICATION:** Pursuant to the provisions of the clause 49 of the listing agreement, the CEO Certification for preparation of financial statements etc is available elsewhere in this report.
17. **SEGMENT REPORTING:** The Company is engaged in the Castings business only and therefore there is only one reportable segment in accordance with the Accounting Standard on Segment Reporting, AS-17.
18. **COST AUDITORS:** As directed by the Central Government and pursuant to Section 233B of the Companies Act, 1956, the Company has appointed, subject to the approval of the Central Government, M/s. S K Rajani & Co; Cost Accountants, as Cost Auditors to carry out Cost Audit of the Company for the financial year 2011-12.
19. **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.
20. **ACKNOWLEDGEMENT:** Yours Directors take this opportunity to express their sincere appreciation for the excellent support and co-operation extended by the shareholders, customers, suppliers, bankers and other business associates. Your Directors gratefully acknowledge the on-going co-operation and support provided by the Central and State governments and all Regulatory bodies.

Your Directors place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company. Their dedicated efforts and enthusiasm have been pivotal to your Company's growth.

For and on behalf of the Board of Directors

Bhavnagar
June 05, 2012

(Chetan M. Tamboli)
Chairman & Managing Director

ANNEXURE 'A' TO THE DIRECTORS' REPORT:

Information under Section 217(1) (e) of Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

(A) Conservation of Energy:Research and Development (R & D):**(a) Energy Conservation measures implemented in the recent past:**

Installing Energy Efficient Flameless Induction Furnace instead of Arc Furnace for melting operations, with an investment of Rs. 105.90 Lacs.

Installation of 20 Ton Double Door Heat Treatment Furnaces for improving fuel efficiency for normalizing operation having substantially lower KWH/ ton of casting, with an investment of Rs. 115.27 Lacs.

Modification of Heat Treatment furnaces for improving fuel efficiency, with an investment of Rs. 3.02 Lacs.

Installing energy efficient Screw Compressors in place of reciprocating compressors, with an investment of Rs. 33.24 Lacs.

Modifications & Installation of Continuous Sand Mixers in place of batch mixers having substantially lower KWH/ ton of mixed sand compared to conventional batch mixer, with an investment of Rs. 30.17 Lacs.

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

Installation of Continuous Mixer, Double Door Heat Treatment Furnace, Energy Efficient Induction Furnace, Screw Compressors etc.

Total estimated investment Rs. 255.00 Lacs

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

The above measures taken/ being taken will contribute towards substantial reduction in consumption of energy. The actual impact of reduction can be arrived at after operating these equipments for sufficient length of time.

(B) Technology absorption:Research and Development (R&D):**1. Specific areas in which R&D under progress carried out by the Company:**

- a) Development of Cold Box (ISOCURE) Process.
- b) New metallurgy development equivalent to AS 1444 Gr.4330 for new generation Shovels.
- c) Optimization of Rare earth element treatment for improving quality of metal.
- d) Development of AAR Side Frame and Bolster with more than 75 % yield.
- e) Development of new technique for treating liquid metal for reduction/ elimination of nitrogen.
- f) Development of new lining practice to enhance lining life for melting furnace.
- g) Development of jet type agitating system during heat treatment for better hardenability.

2. Benefits derived as a result of the above R&D:

R & D work is in progress. Likely benefits would be several crores of additional business.

3. Future plan of action:

- a) Development of LPG gas as a substitute fuel of LDO/ FO in heat treatment furnace and ladle firing unit for substantially improving quality of heat treatment.

- b) Development of suitable induction hardening technique to achieve surface as well as depth hardness in horn area of track shoes, especially in un-machined areas.
- c) Development of blended sand (70 % fresh sand + 30 % mechanically reclaim sand) as a substitute of 100 % fresh sand in PUNB moulding practice.
- d) Technology development to avoid/ reduce surface decarburization during Heat Treatment of steel.

4. Expenditure on R&D:

- a) Capital : Rs 4,474,837.00
- b) Recurring : Rs 12,064,832.00
- c) Total : Rs 16,539,669.00
- d) Total R&D expenditure as a percentage of total turnover : 0.70%.

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 employees 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 development, Cost reduction, Process Development, Import substitution, etc have resulted in saving of Rs. 63.48 Lacs during the year 2011-12.

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:

Foreign Exchange Earnings in US\$ Million:	20.76
Foreign Exchange Outgo in US\$ Million (For Capital items):	0.10
Foreign Exchange Outgo in US\$ Million (For Revenue items):	2.50

Activities relating to exports; initiatives taken to increase exports; developments of new

Export markets for products and services and export plans:

- 1. Intensive contacts to existing and new customers in USA, Germany, Spain, Japan, UK etc.
- 2. Advance development of samples in view of anticipated orders of new products from existing and new customers.
- 3. In-house Machine Shop with latest CNC machine installed for affecting faster deliveries at reduced cost.

ANNEXURE 'B' TO DIRECTORS' REPORT:

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

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. Chetan M Tamboli	Chairman & Managing Director	12,053,425	M.B.A. (Finance)	29	10.8.1983	53	Tata Economic Consultancy services
2. Mr. T Kumar	Whole Time Director	4,382,722	B.Tech (Hons.) M.E. (Foundry)	49	3.6.1968	71	Electrosteel Castings Ltd., Kolkata Methods Engineer

ANNEXURE 'C' TO THE DIRECTORS' REPORT:**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,
The members,
Steelcast Limited.

We have examined the compliance of conditions of Corporate Governance by Steelcast Limited for the year ended 31st March, 2012 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.

For, Sanghavi & Company
Chartered Accountants,
FRN: 109099W

Place: Bhavnagar
Date: June 05, 2012

Manoj Ganatra
Partner
Membership No. 043485

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

The Philosophy of the Company on 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 compliance with the Code of Corporate Governance. Company's own policies and expectations include ethical conduct, protection of health, safety and environment and commitment to employees.

In terms of Clause 49 of the Listing Agreement executed with stock exchange, the details of compliance by the company for the year ended on March 31, 2012 are mentioned hereunder:

I. Board of Directors:

(A) Composition of the Board:

The Company has a balanced Board, comprising Executive and Non-Executive Directors which includes independent professionals. Your Company's Board comprises of 5 Independent Directors, 2 Non-Independent Non-Executive Directors and 2 Executive Directors including the Chairman.

None of the Directors is a director in more than 15 Companies, nor a member of more than 10 Committees, nor act as Chairman of more than 5 Committees across all Companies in which they are Directors. The Non-Executive Directors including Independent Directors on the Board are experienced, competent and renowned persons in their respective fields.

The names of the Directors on the Board, categorizing them into Executive, Non-Independent 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 at the last Annual General Meeting are given below:

Sr. No.	Name	Executive/ Non-Independent Non-Executive /Independent	Number of Board Meetings attended out of eight meetings held in 2011-12	Whether attended last AGM	Number of other Directorships		Number of outside Committees	
					Public	Private	Member	Chairman
1	Mr. V B Buch	Independent	5	Yes	2	-	1	-
2	Mr. R V Gandhi	Independent	5	Yes	3	2	4	-
3	Mr. A R Shah	Independent	4	Yes	5	1	5	1
4	Mr. R V Shah	Independent	8	Yes	-	3	-	-
5	Mr. R R Gandhi	Independent	6	No	4	5	4	-
6	Mrs. Manali C Tamboli	Non-Independent Non-Executive	8	Yes	2	1	-	-
7	Mr. V W Makary	Non-Independent Non-Executive	3	Yes	-	-	-	-
8	Mr. T Kumar	Whole Time Director	7	Yes	-	-	-	-
9	Mr. Chetan M Tamboli	Managing Director	8	Yes	5	1	-	-

Note: Mr. Chetan M Tamboli and Mrs. Manali C Tamboli are related as husband and wife respectively. No other Director is related to any other Director on the Board.

(B) Non-Executive Director's Compensation and Disclosure:

Sitting fees for attending meeting of Board/Committee is paid as per the provision of Articles of Association of the Company/Companies Act, 1956. There was no commission paid to Non-Executive and Independent Directors during the financial year 2011-12. Details of sitting fees paid to such Directors are given separately in this section of Annual Report.

(C) Function and Procedure of Board:

Board meets regularly to make and review policies. Board's role, functions and responsibility are well defined. All relevant information as required under the Listing Agreement with the Stock Exchange is regularly placed before the Board. Board reviews compliance reports of all laws as applicable to the Company. The details of Board Meetings held during the financial year 2011-12 are as under:

Sr.No.	Date of Board Meeting	Place
1	8th May, 2011	Bhavnagar
2	28th May, 2011	Bhavnagar
3	19th July, 2011	Bhavnagar
4	16th August, 2011	Bhavnagar
5	19th October, 2011	Bhavnagar
6	30th November, 2011	Bhavnagar
7	4th February, 2012	Bhavnagar
8	21st March, 2012	Bhavnagar

(D) Code of Conduct:

The Board of Directors has laid down a Code of Conduct (copy available on Company's website) applicable to all Board Members and Senior Executives of the Company. All the Board Members and Senior Management Personnel have confirmed compliance with the Code. A declaration by the Managing Director affirming compliance with the Code of Conduct by Board Members and Senior Management Executives is annexed at the end of the Report.

II. AUDIT COMMITTEE**(A) Qualified Independent Audit Committee:**

Your Company has an Audit Committee at the Board level with the powers and a role that are in accordance with Clause 49 of the Listing Agreement. The Committee acts as a link between the Management, the Statutory and Internal Auditors and the Board of Directors. The Scope of the functioning of the Audit Committee is to review, from time to time, the internal control procedures and accounting policies of the Company and oversight of the Company's financial reporting process, so as to ensure that the financial statements are correct, sufficient and credible and also such other functions as are recommended from time to time by SEBI, Stock Exchanges and under the Companies Act, 1956.

(B) Meetings of the Audit Committee:

The Audit Committee meets regularly as stipulated in the Listing Agreement. The Managing Director is a permanent invitee to the meetings of the Committee. The Statutory and Internal Auditors of the Company are also invited to the Audit Committee Meetings. During the financial year 2011-12, the Audit Committee met 4 times. The details of composition of the Audit Committee, meetings held and attended are as under:

Sr No	Name of Director	Category	Position in the Audit Committee	No. of Meetings Held	No. of Meetings Attended
1	Mr. Rajendra V Gandhi	Independent Director	Chairman	5	4
2	Mr. A R Shah	Independent Director	Member & Alternate Chairman	5	3
3	Mr. R V Shah	Independent Director	Member	5	5
4	Mr. Rajesh R Gandhi*	Independent Director	Member	5	-

* Appointed as a member of the Audit Committee w.e.f. 8th May, 2012.

OTHER COMMITTEES**REMUNERATION COMMITTEE:**

Sr No	Name	Category	Position in the Committee
1	Mr. V B Buch	Independent Director	Chairman
2	Mr. Rajendra V Gandhi	Independent Director	Member & Alternate Chairman
3	Mr. A R Shah	Independent Director	Member
4	Mr. R V Shah	Independent Director	Alternate Member

During the Financial Year 2011-12, the Committee met one time on May 28, 2011

SHAREHOLDERS' & INVESTORS' COMPLAINT REDRESSAL COMMITTEE:

Sr No	Name	Category	Position in the Committee
1	Mr. R V Shah	Independent Director	Chairman
2	Mr. Chetan M Tamboli	Executive Director	Member
3	Mr. T Kumar	Executive Director	Member

During the Financial Year 2011-12, the Committee has not met as there were no material complaints or grievances received.

III. SUBSIDIARY COMPANIES

Your Company has no subsidiary Company.

IV. DISCLOSURES**(A) Basis of Related Party Transactions:**

1. There was no transaction of any material nature with Directors or management or their subsidiaries or relatives during the year, except for payment to Mr. Manmohan F Tamboli, Mentor & Management Advisor and under Technical Assistant Agreement to Mr. V W Makary as mention elsewhere.
2. During last three years neither SEBI nor any Stock Exchange has imposed any penalty or strictures against the Company.

(B) Disclosure of Accounting Treatment:

The Company has followed all relevant Accounting Standards while preparing the financial statements.

(C) 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 processes relating to minimizing the above risks have already been put in place at different levels of management. The management of the Company reviews the risk management processes and implementation of risk mitigation plans. The processes are continuously improved.

(D) Proceeds from Public Issues, Right Issues, Preferential Issues etc.:

The Company discloses to the Audit Committee, the uses/applications of proceeds/funds raised from rights/preferential issue etc. as part of quarterly review of financial results.

(E) Remuneration of Directors:

The Company has a standard remuneration policy for the Executive Directors, which is periodically reviewed by the Remuneration Committee. Non-Executive Directors are presently paid a sitting fee of Rs. 10,000/- per Board Meeting, Rs. 10,000/- per Audit Committee Meeting, Rs. 5,000/- per Remuneration Committee Meeting and Rs. 2,000/- per Shareholders' & Investors' Complaints Redressal Committee Meeting attended.

The Details of remuneration paid/payable to the Directors for the financial year 2011-12 are as follows:

(All values are in Rupees)

Name of the Director	Salary, Allowance, Perquisites and other benefits	Performance-linked Income/Bonus Paid/ Commission Payable	Sitting Fees Paid
Whole Time Directors			
Mr. Chetan M Tamboli	32,59,467	87,93,958	-
Mr. T Kumar	19,72,037	24,10,685	-
Others			
Mr. V B Buch	-	-	55,000
Mr. Rajendra V Gandhi	-	-	95,000
Mr. A R Shah	-	-	70,000
Mr. R V Shah	-	-	1,30,000
Mr. Rajesh R Gandhi	-	-	60,000
Mr. V W Makary	-	-	30,000
Mrs. Manali C Tamboli	-	-	80,000

No Director is related to any other Director on the Board, except Mr. Chetan M Tamboli and Mrs. Manali C Tamboli, who are husband and wife respectively.

(F) Management:

The Management Discussion and Analysis Report is prepared in accordance with the requirements laid out in Clause 49 of the Listing Agreement and forms part of this Annual Report.

(G) Shareholders:

Your Company has a "Shareholders' & Investors' Complaint Redressal Committee" comprising of Mr. R V Shah, Mr. Chetan M Tamboli and Mr. T Kumar as the Members. Mr. R V Shah, an Independent Director, is the Chairman of the Committee. The Company's shares are compulsorily traded and delivered in the dematerialized form on Stock Exchange. Details of number of shares transferred during the year, time taken for effecting these transfers and the number of shares transfer are given in the Shareholder Information section of this Annual Report. The Company has provided the details of Directors seeking re-appointment in the Notice of the Annual General Meeting attached with the Annual Report. 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 Qualification	Number of other Directorships
1	Mr. Rajesh R Gandhi	24.7.1958	28.6.2008	1. Administration & Finance 2. Statutory Compliance 3. M I S 4. Public Relations	B. Com	9
2	Mr. Apurva R Shah	5.1.1970	18.6.2003	1. Finance 2. Accounts 3. Taxation	C.A. CMA, MBA	6
3	Mr. Rajendra V Gandhi	17.12.1949	28.10.2002	1. Finance 2. Production 3. Marketing & Sales 4. Administration	B. Tech. (Metallurgical Engineering)	5

V. CEO/CFO CERTIFICATION:

The CEO/CFO certification of the financial statement and the Cash Flow Statement for the year ended on March 31, 2012, is enclosed separately at the end of this Report.

VI. REPORT ON CORPORATE GOVERNANCE:

This Corporate Governance Report forms part of the Annual Report. Certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchange also forms part of this Annual Report.

VII. COMPLIANCE:

The company has obtained a certificate from the Auditors and Practicing Company Secretaries regarding compliance of conditions of Corporate Governance as stipulated and forming part of this report.

GENERAL BODY MEETINGS:

Location, date and time of Annual General Meetings (AGMs) and Extraordinary General Meetings (EGMs) held during the last three years are given below:

Financial Year	AGM/EGM	Location	Date	Time
2010-11	EGM	Regd. Office, Bhavnagar, Gujarat	18th November, 2011	1100 Hours
2010-11	AGM	Nilambag Palace Hotel, Bhavnagar, Gujarat	19th July, 2011	1630 Hours
2009-10	AGM	Nilambag Palace Hotel, Bhavnagar, Gujarat	14th July, 2010	1600 Hours
2008-09	AGM	Nilambag Palace Hotel, Bhavnagar, Gujarat	8th August, 2009	1600 Hours

Postal Ballot:

During the year, no resolution has been passed through postal ballot by the shareholders.

Any resolution which is required to be conducted through postal ballot will be conducted as per prevailing law.

MEANS OF COMMUNICATION:

The Company has a practice to publish quarterly results in leading newspapers of the Country and also to put the same on its website. Moreover, a direct communication is made to the shareholders by Managing Director as and when required. Further, there is separate General Shareholder Information section in this Annual Report and forms part of it.

CEO CERTIFICATION

To

**The Board of Directors,
STEELCAST LIMITED,**

I hereby certify that:

- (a). I have reviewed the financial statements and the cash flow statement for the Financial Year ended 31st March, 2012 and that to the best of my 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 my 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) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I 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 Company.
- (d) I 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.

(Chetan M Tamboli)

Chief Executive officer

Place: Bhavnagar

Date: June 05, 2012

DECLARATION

DECLARATION OF COMPLIANCE WITH THE GENERAL CODE OF CONDUCT OF THE COMPANY

In the above regard, I declare as follows:

1. The Company does have a General 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 and all the members of the Senior Management of the Company have individually submitted statements of affirmation of compliance with the Code of Conduct for the financial year ended 31st March, 2012.

(Chetan M Tamboli)

Chairman & Managing Director

Place:Bhavnagar

Date:June 05, 2012

Company CIN : L27310GJ1972PLC002033
Authorised Share Capital : Rs. 10,00,00,000/-
Paid up Capital : Rs. 4,15,80,000/-

COMPLIANCE CERTIFICATE

To
The Members
STEEL CAST LTD.
Bhavnagar.

I have examined the registers, records, books and papers of **STEELCAST LTD.** As required to be examined under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the Financial year ended on 31st March, 2012. 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 officials 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 there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government.
3. The Company being a public limited company, comments are not required. However, the company's capital is more than a minimum required.
4. The Board of Director duly met 8 times respectively on 08.05.2011, 28.05.2011, 19.07.2011, 16.08.2011, 19.10.2011, 30.11.2011, 04.02.2012 and 21.03.2012 in respect of which meeting proper notices were given and the proceedings were properly recorded and signed in the Minutes Books maintained for the purpose. No circular resolutions were passed by the Company during the year.
5. The Company has closed its Register of Members during the year in compliances of the Companies Act, 1956 from 12.07.2011 to 19.07.2011 and also fixed record date on 30.03.2012 for the purpose of payment of interim dividend.
6. The annual General Meeting for the Financial year ended on 31.03.2011 was held on 19.07.2011 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. The company held one Extra Ordinary General Meeting on 18.11.2011 during the year 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.
8. The Company has not advance any loan to its directors or persons or firms or companies referred to under Section 295 of the Act is not applicable.
9. The Company has not entered any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
11. During the year under review, the company has appointed Mr. Manmohanbhai F. Tamboli, (being relative of directors) with the approval of the members at the general meeting, as the Mentor & Management Advisor falling within the purview of Section 314 of the Act.

12. The Company has issued 1100 duplicate share certificates during the financial year.
13.
 - (i) During the year the Company has allotted 5,94,000 warrants convertible into 5,94,000 equity shares in compliances of Section 81(1A) of the Companies Act, 1956 and SEBI (Issue Of Capital and Disclosure Requirements) Regulations, 2009. The Company has issued 1,98,000 equity shares on conversion of 1,98,000 warrants during the year. The Company, being a listed company, has appointed MCS Limited as their Share Transfer Registrar to look after the share transfer procedure and other share related matters.
 - (ii) The Company has declared dividend at the Annual General Meeting and also paid interim dividend during the financial year .
 - (iii) The Company has posted warrant to all the members of the company for the payment of dividends declared during the financial year and the unpaid dividend was transferred to Unpaid Dividend Account within prescribed time.
 - (iv) The Company has transferred Rs. 1,49,191/- being amount of unpaid dividends and the interest accrued thereon which have remained unclaimed or unpaid for period of Seven years to Investor Education and Protection Fund during the year.
 - (v) The Company has duly complied with the requirement of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and additional director appointed in the previous year was appointed as director under section 257 during the year at the annual general meeting of the company.
15. The Company has appointed Managing Director and Whole Time Director under the provision of section 269 of the Act.
16. The Company has not appointed any sole selling agents during the year.
17. The Company has made application with the Regional Director for the approval of the proposed appointment of the relative of director as the management advisor to the company under section 297. However, as per order issued by the regional director, the said appointment was not falling within the preview of section 297.
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 there under.
19. The company has issued 198000 equity shares during the financial year upon conversion of warrants out of 594000 warrants convertible into equity shares issued by the company during the year .
20. The Company has not bought back any shares during the year.
21. There was no redemption of preference shares or debentures during the year.
22. There were no transactions necessitating the company to keep in abeyance right to dividend, right shares and bonus shares, pending registration of transfer of shares.
23. The Company has not invited / accepted any deposit including any unsecured loans falling within the purview of Section 58A of the Act during the financial year. However, the company has filed Statement in lieu of Advertisement with the Registrar of Companies, during the year.
24. The amount borrowed by the company during the financial year together with the moneys borrowed are within the limit as prescribed under Section 293(1)(d) of the Act.
25. The Company has not made any loan or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum of Association with respect to Situation Clause 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 of Association with respect to

Object Clause of the Company during the year under scrutiny.

28. The Company has not altered the provisions of the Memorandum of Association with respect to Name Clause of the Company during the year under scrutiny.
29. The Company has altered the provisions of the Memorandum of Association with respect to Share Capital of the Company during the year and increased the authorized capital of the Company to Rs. 10.00 crores.
30. The Company has altered its Articles of Association during the year under scrutiny to reflect the alteration of the capital of the company.
31. As per information given to us, there was no prosecution initiated against or show cause notices received by the Company during the financial year, for offences under the Act.
32. As per information given to us, the Company has not received any money as security from its employees during the financial year.
33. As informed to us, the company has not constituted Provident Fund Trust for its employees and as such Section 418 of the Act is not applicable to the company.

Place : Anand

Signature :

Date : 23.05.2012

Name: For D. G. Bhimani & Associates

(Dinesh G. Bhimani)

C.P. No. 6628

ANNEXURE A

Registers maintained by the Company

Sr. No.	Name of Register	Section
1	Register of Members	150
2	Minutes Book containing minutes of Board Meeting and General Meeting	193
3	Books of Accounts	209
4	Register of Directors, etc.	303
5	Register of Directors Shareholding	307
6	Register of Charges	143
7	Register of share transfer	---

ANNEXURE B**Forms and returns filed by the Company**

Sr. No.	Form No.	Filed under section	For	Date of Filing	Whether filed within time	If delay
1	Form 23AC and 23ACA	220	31.03.2011	29.12.2011*	Yes	--
2	Form 66	383A	19.07.2011	13.08.2011	Yes	--
3	Form 20B	160	19.07.2011	17.09.2011	Yes	--
4	Form 8	125	02.02.2012	27.02.2012	Yes	--
5	Form 8	125	02.02.2012	27.02.2012	Yes	--
6	Form 8	125	04.02.2012	15.02.2012	Yes	--
7	Form 8	125	30.11.2011	29.12.2011	Yes	--
8	Form 8	125	19.10.2011	14.11.2011	Yes	--
9	Form 8	125	16.08.2011	05.09.2011	Yes	--
10	Form 23	192	16.08.2011	19.09.2011	No	YES
11	Form 23	192	18.11.2011	10.12.2011	Yes	--
12	Form 62	58A	19.07.2011	13.08.2011	Yes	--
13	Form 1INV	Rule 3	12.09.2011	15.09.2011	Yes	--
14	Form 2	75	21.03.2012	28.03.2012	Yes	--
15	Form 5	97	18.11.2011	17.12.2011	Yes	--
16	Form 25C	269	01.09.2011	13.09.2011	Yes	--
17	Form 25C	269	01.09.2010	17.05.2011	No	YES
18	Form 32	303	16.08.2011	23.08.2011	Yes	--
19	Form 32	303	16.08.2011	10.09.2011	Yes	--
20	Form 32	303	19.07.2011	13.08.2011	Yes	--
21	Form 32	303	28.10.2010	10.08.2011	No	YES
22	Form 32	303	20.11.2010	17.05.2011	No	YES

Place : Anand
Date : 23.05.2012

Signature :
Name: For D. G. Bhimani & Associates
(Dinesh G. Bhimani)
C.P. No. 6628

SHAREHOLDERS' INFORMATION

Sr. No.	Particulars	Details				
1	Financial Calendar: From 1st April to 31st March					
2	Annual General Meeting (as indicated in the Notice)	Date	Time	Venue		
		July 16, 2012	1600 Hours	Hotel Nilambag Palace, Bhavnagar		
3	Date of Book Closure (both days inclusive)	From		To		
		June 20, 2012		June 21, 2012		
4	Dividend Payment Date: after 23 rd July, 2012.					
5	Listing on Stock Exchange (s)	Name of Stock Exchange	Stock Code	ISIN	Listing Fees paid upto	
		BSE Limited	513517	INE124E01012	31st March, 2013	
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.		079-26581296, 079-26582878	mcsamd@reliancemail.net	
7	Address for Correspondence	Name of contact person		Address	Telephone	e-mail
		Mr. S K Shah		Steelcast Limited Ruvapari Road, Bhavnagar 364 005	0278- 2519062	sks@steelcast. net

MARKET PRICE DATA:

(As per records of BSE Limited in respective month of the Financial Year 2011-12)

Month	Open, Rs.	High, Rs.	Low, Rs.	Close, Rs.	Volume (Number of Shares)
April-11	90.00	96.50	76.00	90.00	25,656
May-11	90.05	95.00	87.00	90.15	14,110
June-11	90.05	95.00	86.50	93.65	83,862
July-11	90.30	128.00	80.10	115.15	1,03,796
August-11	115.00	115.00	74.20	96.00	33,252
September-11	98.00	117.00	93.00	101.80	22,737
October-11	101.75	120.00	99.00	117.30	95,467
November-11	118.00	126.00	105.20	112.00	30,800
December-11	106.45	113.00	90.00	95.00	25,181
January-12	96.00	147.50	95.00	146.00	50,236
February-12	150.00	185.00	132.80	154.55	1,95,718
March-12	151.35	184.50	151.30	172.10	80,394

SHARE TRANSFER SYSTEM:

Shares Transfer 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 2011-12, the shares transfers were effected as under:

Transfer Period (in days)	No. of Transfers	No. of shares
1 to 30	27	2,800
Total	27	2,800

DISTRIBUTION OF SHAREHOLDING AS ON 31st March, 2012:

No of equity shares	No of shareholders	% of shareholders	No of shares held	% of shareholding
1 to 500	3,798	91.23	440,637	10.60
501 to 1000	157	3.77	123,515	2.97
1001 to 2000	94	2.26	141,956	3.41
2001 to 3000	35	0.84	90,332	2.17
3001 to 4000	17	0.41	59,666	1.43
4001 to 5000	13	0.31	63,153	1.52
5001 to 10000	16	0.38	117,541	2.83
10001 to 50000	21	0.50	465,321	11.19
50001 to 100000	2	0.05	179,780	4.32
100001 & above	10	0.24	2,476,099	59.55
Total	4,163	100.00	4,158,000	100.00

CATEGORIES OF SHAREHOLDING AS ON 31st March, 2012:

Sr. No.	Category of shareholder	Number of Shareholders	Number of Shares held	Number of shares held in dematerialized form	% of Share holding	% of Share holding
1.0	Shareholding of Promoter and Promoter Group	10	1,921,010	1,921,010	46.20	0.24
2.1	Institutions	1	100	-	0.002	0.02
2.2.1	Bodies Corporate	105	243,128	242,428	5.84	2.52
2.2.2	Individuals	3,716	1,611,746	1,045,520	38.76	89.26
2.2.3	NRIs and Overseas Corporate Bodies	227	304,385	169,885	7.32	5.45
2.2.4	HUF	104	77,631	77,531	1.87	2.50
Total Public Shareholding		4,153	2,236,990	1,535,364	53.79	99.75
Grand Total (1.0) + (2.0)		4,163	4,158,000	3,456,374	100.00	100.00

DEMATERIALIZATION OF SHARES AS ON 31st March, 2012:

3,456,374 shares of the Company were dematerialized as on 31st March, 2012, which constitute 83.13% of the total paid-up share capital of the Company.

AFFIRMATIVE ACTION INITIATIVES BY THE COMPANY FOR THE YEAR 2011-12 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	Done
3	Voluntary Coaching of Students	Done
4	To adopt Primary School with Predominant SC/ST population	Done
5	Scholarship for Entrance Examinations for Prestigious courses	Under Consideration
6	Finance Training in CII Programmes	Under Consideration

CASTE/CATEGORYWISE EMPLOYEES SUMMARY:

Type of Employees		Number of Persons					% Distribution					
		GEN	SC	ST	OBC	Total	GEN	SC	ST	OBC	Total	
A	Employee	Executive Staff	24	0	0	2	26	92.31	0.00	0.00	7.69	100.00
		Senior Staff	56	0	0	21	77	72.73	0.00	0.00	27.27	100.00
		Junior Staff	84	2	0	56	142	59.15	1.41	0.00	39.44	100.00
		Workmen	98	15	0	535	648	15.12	2.31	0.00	82.56	100.00
	Sub Total - A		262	17	0	614	893	29.34	1.90	0.00	68.76	100.00
B	Internal Contractors' Labours		11	9	1	355	376	2.93	2.80	0.27	94.41	100.00
	Sub Total - B		11	9	1	355	376	2.93	2.80	0.27	94.41	100.00
	Total - (A + B)		273	26	1	969	1269	21.51	2.39	0.08	76.36	100.00

MISSION ON SUSTAINABLE GROWTH: The Company signed the "CII – Code for Ecologically Sustainable Business Growth" under the Mission on Sustainable Growth (MSG) initiative of CII.

PLANT LOCATION(S):

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**(A) Industry Structure and developments:**

Beside inflationary pressure, the financial year 2011-12 witnessed development in the world economy/markets. Economy of US and EU were affected more than the Asians ones from global recession. Various Governments have reviewed their trade policies to overcome the situation. Indian Economy was also somewhat affected by global recession resulting in a slightly slower growth. The stimulus packages introduced by various countries in the world helped the world economy to significantly revive. The domestic industries in India grew better than the world market due to growth in Indian GDP by around 7%. World demand for construction machinery is projected to expand @6.5% per annum through 2015, to \$171 billion, in line with the 2005-2010 rate of increase. Steel foundries are thus likely to have better opportunities.

(B) Opportunities and Threats:**I. Opportunities the business environment offers:**

- (a) The revival in global economy in general would offer better business opportunities in the near future. The increase in the Government spending towards various infrastructure sectors is likely to create a rise in the demand in several sectors of the economy, of which the company would be a beneficiary.
- (b) The company has incurred major capital expenditure in the financial year 2011-12. Also, successfully commissioned Automated No-Bake Fast Loop Moulding Line, which world over is acknowledged for production of high quality steel castings. This would help to capture higher market shares.

II. Threats

- (a) Fluctuation in exchange rate may affect adversely.
- (b) Heavy fiscal deficit combined with supply side constraints have resulted in severe inflationary pressures, compelling RBI to tighten monetary policy and increase interest rates. If continued, this can adversely affect growth and profitability.

(C) Risks Management:

Your Company continuously monitors and revisits the risks associated with its business. It has institutionalized the procedure for identifying, minimizing and mitigating risks and the same are reviewed periodically. The Company's structured Risk Management process attempts to provide confidence to the stakeholders that the Company's risks are known and well managed. The risk management framework ensures compliance with the requirements of amended clause 49 of listing agreement.

Risk Management comprises three key components which are as below:

- (i) Risk identification
- (ii) Risk assessment and mitigation
- (iii) Risk monitoring and assurance

Your Company has identified the following aspects as the major risks for its operations:

- (i) Uncertain economic scenario
- (ii) Financial due to volatility in forex market.

The risk mitigation plans are reviewed regularly by the Audit Committee of your Company.

(D) Outlook:

The recovery in demand from construction and mining industries at domestic and overseas market appears well founded. The medium and long-term outlook for the sectors to which your Company caters appears positive. Company has a well laid out growth pipeline and most of expansion projects are on track

to deliver an industry leading growth. Despite inflationary pressures, the world economy in general and Indian economy in particular still have good growth potential. The market trend during the Financial Year 2012-13 seems to be favorable.

(E) Internal Control Systems and their adequacy:

Your Company has in place internal control systems and procedures commensurate with the size and nature of its operations. Internal control processes which consist of adopting appropriate management systems and implementing them are followed. These are aimed at giving the Audit Committee a reasonable assurance on the reliability of financial reporting and statutory & regulatory compliances, effectiveness and efficiency of your Company's operations. The Internal Control Systems are reviewed periodically and revised to keep in tune with the changing business environment.

(F) Financial performance with respect to the Operational Performance:

The Company has witnessed a robust increase in quantity of production by 49.61%. Sales increased by 78% and Profit After Tax by 226% due to favourable market conditions. Your Company captured new markets. Also, the Company's share in overseas market increased significantly.

The Company has:

- i) completed the committed CAPEX for the year 2011-12 without any deferment.
- ii) met all its financial commitments with its bankers and has not resorted to any Corporate Debt Restructuring.
- iii) shown high standards of ethical business practices.

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

The Company had more than 893 employees on its rolls as on 31st March, 2012. This intellectual resource is integral to the Company's ongoing operations and enables it to deliver superior performance year after year. An effective HR policy has been established keeping in view the improvement in the economy, to take advantage of the market turn around and to increase the capacity utilization. The Company recruited additional key middle & senior level positions during the year. Industrial relations during the year have been cordial and are expected to continue the same way in future also.

AUDITORS' REPORT

To,
The Members of
Steelcast Limited

We have audited the attached Balance Sheet of **Steelcast Limited** as at 31st March 2012 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 2012 from being appointed as director under clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
 - (vi) Reference is invited to note no. 26 regarding change in accounting policy in respect of long-term monetary items and its consequent effect on the profit for the year as well as fixed asset as on the balance sheet date;
 - (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 2012;
 - (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
FRN: 109099W

MANOJ GANATRA
Partner
Membership No. 043485

Bhavnagar
5th June, 2012

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 2012.

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 the 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 The Companies (Cost Accounting Records) Rules 2011 have been applicable to the Company w.e.f. the financial year 2011-2012. The company has appointed a Cost Accountant and is in the process fo

compliance with the said rules.

9 In respect of statutory and other dues:

- a. The Company has generally 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 *except for a few instances of tax deducted at source, where payments are made beyond due dates.*
- b. There are no amounts which are not deposited on account of dispute except for the followings:

Nature of Payment	Rs.	Forum where dispute is pending
Value Added Tax	605,580	The Dy. Commissioner of Commercial Tax

- 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 except for allotment of 198,000 equity shares to a director interested company against conversion of warrants issued to them on preferential basis in accordance with the guidelines issued by the Securities and Exchange Board of India in this regard.
- 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
FRN: 109099W

Bhavnagar
5th June, 2012

MANOJ GANATRA
Partner
Membership No. 043485

BALANCE SHEET AS AT 31st MARCH 2012

(Amounts in Indian `)

Particulars	Note No.	31st March 2012		31st March 2011	
EQUITY AND LIABILITIES ::					
Shareholders' Funds					
Share Capital	2	42,046,500		40,066,500	
Reserves and Surplus	3	543,457,474		411,947,285	
Money Received against Share Warrants	4	10,692,000	596,195,974	0	452,013,785
Non-Current Liabilities					
Long-term Borrowings	5	339,588,952		221,866,207	
Deferred Tax Liabilities (net)		88,400,000		48,400,000	
Long-term Provisions	6	4,133,322	432,122,274	3,059,289	273,325,496
Current Liabilities					
Short-term Borrowings	7	441,195,502		359,619,413	
Trade Payables		163,300,782		95,922,558	
Other Current Liabilities	8	139,150,182		101,997,932	
Short-term Provisions	9	28,496,828	772,143,294	14,754,477	572,294,380
Total...			1,800,461,542		1,297,633,661
ASSETS ::					
Non-Current Assets					
Fixed Assets					
Tangible Assets					
	10	782,202,552		612,965,739	
		81,697		111,300	
		9,942,890		13,064,921	
		792,227,139		626,141,960	
Non-current Investments					
	11	226,725		226,725	
Long-term Loans and Advances					
	12	30,399,589		16,047,499	
Other Non-current Assets					
		0	822,853,453	0	642,416,184
Current Assets					
Current Investments					
		0		0	
Inventories					
	13	305,230,910		221,790,410	
Trade Receivables					
	14	435,265,219		292,926,939	
Cash and Bank Balances					
	15	92,356,015		52,679,545	
Short-term Loans and Advances					
	16	49,784,124		34,771,193	
Other Current Assets					
	17	94,971,821	977,608,089	53,049,390	655,217,477
Total...			1,800,461,542		1,297,633,661

As per our report of even date

The accompanying notes 1 to 40 are an integral part of these financial statements.

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

For and on Behalf of the Board of Directors

MANOJ GANATRA
Partner
Membership No. 043485

T KUMAR
Whole Time Director

CHETAN M TAMBOLI
Chairman & Managing Director
and Chief Executive Officer

Bhavnagar
5th June 2012

Bhavnagar
5th June 2012

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2012

(Amounts in Indian `)

Particulars	Note No.	2011-2012	2010-2011
REVENUE :			
Revenue from Operations	18	2,373,022,492	1,332,561,232
Other Income	19	6,743,452	5,427,550
Total Revenue		<u>2,379,765,944</u>	<u>1,337,988,782</u>
EXPENSES :			
Cost of Materials Consumed	20	767,394,049	436,706,286
Purchases of Stock-in-Trade			
Changes in Inventories	21	(38,432,476)	(27,447,303)
Employee Benefits Expense	22	172,463,292	120,705,132
Finance Costs	23	93,964,077	46,398,007
Depreciation and Amortization		77,820,762	51,269,568
Other Expenses	24	1,082,936,302	648,051,694
Total Expenses		<u>2,156,146,006</u>	<u>1,275,683,384</u>
Profit before exceptional and extraordinary items and tax		223,619,938	62,305,398
Exceptional Items		-	-
Extraordinary Items		-	-
Profit Before Tax		223,619,938	62,305,398
Current tax		54,854,325	12,400,000
MAT Credit Entitlement		(13,054,325)	-
Earlier Years' Tax		718,560	(1,854,039)
Deferred Tax		40,000,000	8,500,000
		<u>82,518,560</u>	<u>19,045,961</u>
Net Profit for the year		141,101,378	43,259,437
Face Value per Equity Share		10.00	10.00
Earnings per Equity Share			
Basic		37.27	11.33
Diluted		36.72	11.33

As per our report of even date

The accompanying notes 1 to 40 are an integral part of these financial statements.

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

For and on Behalf of the Board of Directors

MANOJ GANATRA
Partner
Membership No. 043485

T KUMAR
Whole Time Director

CHETAN M TAMBOLI
Chairman & Managing Director
and Chief Executive Officer

Bhavnagar
5th June 2012

Bhavnagar
5th June 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

(` in lacs)

	2011-2012	2010-2011
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax And Extraordinary Items	2236.20	623.05
Adjustments for -		
Depreciation	778.21	512.70
Loss (Profit) on sale of fixed assets	2.97	(0.87)
Loss (Profit) on sale of Investment	-	(7.25)
Dividend	(0.05)	(0.05)
Interest	712.78	423.92
	1,493.91	928.45
Operating Profit Before Working Capital Changes	3,730.11	1,551.50
Adjustments for -		
Trade and Other Receivables	(2,238.24)	(1,145.21)
Inventories	(834.41)	(587.41)
Trade and Other Payables	1,008.10	414.42
	(2,064.55)	(1,318.20)
Cash Generated From Operations	1,665.56	233.30
Direct Taxes Paid	(462.35)	(86.76)
	(462.35)	(86.76)
NET CASH FROM OPERATING ACTIVITIES	1,203.21	146.54
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(2,447.02)	(3,067.40)
Purchase of Investments	-	(2.24)
Sale of Fixed Assets	4.99	1.60
Sale of Investment	-	21.75
Interest Received	13.77	6.55
Dividend Received	0.05	0.05
	0.05	0.05
NET CASH USED IN INVESTING ACTIVITIES	(2,428.21)	(3,039.69)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issuance of Share Capital (incl. premium)	213.84	89.77
Proceeds from issue of Share Warrants	106.92	-
Proceeds from Long Term Borrowings (net)	1,177.23	1,239.44
Proceeds from Short Term Borrowings (net)	815.77	1,282.22
Interest Paid	(726.55)	(430.47)
Dividend Paid	(78.71)	(53.22)
	(78.71)	(53.22)
NET CASH USED IN FINANCING ACTIVITIES	1,508.50	2,127.74
Net Increase in Cash and Cash Equivalents	283.50	(765.41)
Cash And Cash Equivalents as at beginning of the year	406.00	1,171.41
Cash And Cash Equivalents as at end of the year	689.50	406.00
Cash and Cash Equivalents		
Cash and Bank Balances	923.56	526.80
Statutory restricted accounts	(234.06)	(120.80)
	689.50	406.00

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

MANOJ GANATRA
Partner
Membership No. 043485

Bhavnagar
5th June 2012

For and on Behalf of the Board of Directors

T KUMAR
Whole Time Director

Bhavnagar
5th June 2012

CHETAN M TAMBOLI
Chairman & Managing Director
and Chief Executive Officer

NOTE NO. 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 prescribed under the Companies (Accounting Standards) Rules, 2006 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 which are higher than the rates specified in the schedule XIV to the Companies Act.

INVESTMENTS:

Long-term investments are stated at cost. Provision, if any, is made for permanent diminution in the value of investments. Current investments are stated at lower of cost or market value. 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 AND CUSTOM 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 of goods and fixed assets are accounted for net of excise cenvat credit availed. Custom duty paid on import of materials is dealt with in respective materials accounts.

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 and foreign currency loans 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.

Following the Companies (Accounting Standards) (Second Amendment) Rules, 2011, exchange rate differences, so far as they relate to the acquisition of depreciable assets, have been adjusted to the cost of such assets and are adjusted over the balance life of the assets.

EMPLOYEE BENEFITS:Post-employment benefit plans

- i. Defined Contribution Plan: Contribution for provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner. Contribution for Superannuation in respect of certain employees of the company is made in accordance with the scheme with Life Insurance Corporation of India.

- ii. **Defined Benefit Plan:** The liabilities in respect of gratuity and leave encashment are determined using Projected Unit Credit Method with actuarial valuation carried out as at balance sheet date. Actuarial gains and losses are recognized in full in the profit and loss account for the period in which they occur. Contributions in respect of gratuity are made to the Group Gratuity Scheme with Life Insurance Corporation of India. Employee benefits recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of respective fund.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employee renders the service.

BORROWING COSTS:

Net cost of borrowed funds for the projects are capitalized and included in the cost of fixed assets till its completion and other borrowing costs are recognized as expenses in the period in which they are incurred.

TAXATION:

Provisions are made for current income tax based on tax liability computed in accordance with relevant tax rates and tax laws.

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.

EARNING PER SHARE:

Basic Earning Per Share (EPS) is computed by dividing the net profit for the year attributable to the equity shareholders, by weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding at the year-end.

PROVISION AND CONTINGENCIES:

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Note No. 2

2.1 SHARE CAPITAL

	31st MARCH 2012	31st MARCH 2011
Authorised :		
10,000,000 (6,000,000) Equity Shares of ` 10 each	100,000,000	60,000,000
	<u>100,000,000</u>	<u>60,000,000</u>
Issued, Subscribed and Paid up :		
4,158,000 (3,960,000) Equity Shares of ` 10 each	41,580,000	39,600,000
Shares Forfeited Account	466,500	466,500
	<u>42,046,500</u>	<u>40,066,500</u>
a. Of the Total share capital 2,004,000 Equity shares were issued as fully paid up bonus shares		
b. Equity shares issued as fully paid up bonus shares or otherwise than by cash during the preceding five years : NIL.		

2.2 SHARE CAPITAL RECONCILIATION

Particulars	Equity Shares	
	No. of Shares	
Shares outstanding at the beginning of the year	3,960,000	39,600,000
Shares issued during the year	198,000	1,980,000
Shares bought back during the year	-	-
Shares outstanding at the end of the year	4,158,000	41,580,000

2.3 Shares held by each shareholder holding more than five per cent shares

Name of Shareholder	31st March 2012		31st March 2011	
	No. of Shares	% of holding	No. of Shares	% of holding
M F Tamboli	120	0.003	338,020	8.536
Hansaben M Tamboli	160	0.004	311,860	7.875
Chetan M Tamboli (HUF)	208,830	5.022	208,830	5.273
Manali C Tamboli	257,370	6.190	257,370	6.499
Tamboli Investment Pvt. Ltd.	490,800	11.804	490,800	12.394
Chetan M. Tamboli	738,930	17.771	89,330	2.260

Note No. 3

Reserves and Surplus

Particulars	31st MARCH 2012	31st MARCH 2011
a. Securities Premium Account		
Balance at the beginning of the year	70,833,000	60,663,000
Received during the year	19,404,000	10,170,000
Balance at the end of the year	90,237,000	70,833,000
b. General Reserve		
Balance at the beginning of the year	326,114,285	294,226,095
Transfer from surplus	107,106,189	31,888,190
Balance at the end of the year	433,220,474	326,114,285
c. Surplus		
Balance at the beginning of the year	15,000,000	12,500,000
Net Profit for the current year	141,101,378	43,259,437
Interim dividend	(8,316,000)	-
Transfer to general reserve	(107,106,189)	(31,888,190)
Proposed dividend	(16,632,000)	(7,632,986)
Corporate dividend tax	(4,047,189)	(1,238,261)
Balance at the end of the year	20,000,000	15,000,000
	543,457,474	411,947,285

Note No. 4
Money Received Against Share Warrants

Particulars	31st MARCH 2012	31st MARCH 2011
The company has, during the financial year, issued 594,000 convertible equity share warrants of 10 each to a body corporate under the promoters' group on a preferential basis at a premium of 98 per warrant. These warrants are convertible within 18 months from the date of issue.	10,692,000	-
	<u>10,692,000</u>	<u>-</u>

Note No. 5
Long Term Borrowings

Particulars	31st MARCH 2012	31st MARCH 2011
a. Secured		
Term loans from banks (in foreign currency accounts)	152,640,000	-
Term loans from banks (in rupee accounts)	156,314,880	221,866,207
Term loans from Others (in rupee accounts)	25,900,000	-
Hire purchase finance	4,734,072	-
	<u>339,588,952</u>	<u>221,866,207</u>
Notes :		
1. Terms Loan (In Rupees Account) from Bank of India is against first pari passu charge on gross block of the fixed assets and second charge on current assets of the Company and further guaranteed by one of the directors.		
2. Terms Loan (In Foreign Currency Accounts) from Standard Chartered Bank is against first pari passu charge on gross block of fixed assets and second charge on current assets of the Company and further guaranteed by one of the directors.		
3. Term Loan from other is against Hypothecation of plant & equipment purchased from the finance.		
Period of default	N.A.	-
Amount	NIL	-
	<u>339,588,952</u>	<u>221,866,207</u>

Note No. 6
Long Term Provisions

Particulars	31st MARCH 2012	31st MARCH 2011
Provision for leave encashment	4,133,322	3,059,289
	<u>4,133,322</u>	<u>3,059,289</u>

Note No. 7
Short Term Borrowings

Particulars	31st MARCH 2012	31st MARCH 2011
a. Secured		
Working capital finance from banks (in foreign currency accounts)	192,872,089	-
Working capital finance from Banks (in rupee accounts)	248,323,413	359,619,413
	<u>441,195,502</u>	<u>359,619,413</u>
Notes :		
1. Working Capital Finance (In Rupee Account) from Bank of India is against first pari passu charge on Inventory and Book Debts and second Charge on gross block of fixed assets of the Company and further guaranteed by one of the Directors.		
2. Working Capital Finance (In foreign currency Account) from Standard Chartered Bank is against first pari passu charge on Inventory and Book Debts and second Charge on gross block of fixed assets of the Company and further guaranteed by one of the Directors.		
Period of default	N.A.	-
Amount	NIL	-
	<u>441,195,502</u>	<u>359,619,413</u>

Note No. 8
Other Current Liabilities

Particulars	31st MARCH 2012	31st MARCH 2011
Current maturities of long-term debt	67,760,000	68,263,268
Interest accrued but not due on borrowings	1,601,659	-
Advances from customers	6,732,125	4,091,671
Statutory liabilities	6,480,654	4,662,009
Unclaimed dividends	2,889,049	3,127,298
Other liabilities	41,091,565	17,441,592
Group Gratuity Premium Payable	3,282,530	3,548,368
Super Annuation Contribution Payable	996,600	863,726
Interim Dividend Payable	8,316,000	-
	<u>139,150,182</u>	<u>101,997,932</u>

Note No. 9
Short Term Provisions

Particulars	31st MARCH 2012	31st MARCH 2011
Provision for bonus	8,192,488	4,280,116
Provision for Leave encashment	974,214	1,603,114
Proposed dividend	16,632,000	7,632,986
Corporate dividend tax	2,698,126	1,238,261
	<u>28,496,828</u>	<u>14,754,477</u>

Note No. 10 Fixed Assets

Assets	Gross Block			Accumulated Depreciation				Net Block	
	As at 01.04.2011	Additions	Deductions	As at 31.03.2012	Up to 31.03.2011	For the Year	On Deductions	As at 31.03.2012	As at 31.03.2011
Tangible Asset									
Freehold Land	56,925,091	1,778,416	-	58,703,507	-	-	-	-	56,925,091
Leasehold Land	18,899,441	2,370,950	-	21,270,391	1,409,584	701,487	-	2,111,071	17,489,857
Buildings	106,494,623	72,776,146	-	179,270,769	38,889,460	4,276,719	-	43,166,179	67,605,163
Plant & Equipment	717,415,789	157,671,054	707,113	874,379,730	256,951,439	69,504,858	370,730	326,085,567	460,464,350
Vehicles	9,260,749	8,124,886	613,846	16,771,789	5,921,784	1,889,423	164,140	7,647,067	3,338,965
Furniture & Fixtures	5,300,571	635,456	-	5,936,027	2,934,495	324,532	-	3,259,027	2,366,076
Office Equipment	14,221,493	4,466,862	194,200	18,494,155	9,424,655	1,114,741	184,491	10,345,903	4,776,237
Total	928,517,757	247,823,770	1,515,159	1,174,826,368	315,531,417	77,811,760	719,361	392,614,814	612,965,739
Intangible Asset									
Computer Software	872,872	-	-	872,872	782,173	9,002	-	800,177	111,300
Total	929,390,629	247,823,770	1,515,159	1,175,699,240	316,313,590	77,820,762	719,361	393,414,991	613,077,039
Capital Work In Progress	13,064,921	9,942,890	13,064,921	9,942,890	-	-	-	-	13,064,921
Total	942,455,550	257,766,660	14,580,080	1,185,642,130	316,313,590	77,820,762	719,361	393,414,991	626,141,960

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
Limited Life Assets (depending upon the number of years of normal useful life of assets)	

Number of years of normal useful life	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 Years
Rate of Depreciation, %	67.00	40.00	30.00	22.00

Note No. 11
Non-current Investments

Particulars	31st MARCH 2012	31st MARCH 2011
Quoted; at cost :		
a. Investments in Equity Shares :		
4,000 Equity shares of Electrosteel Casting Limited of 1 each	2,825	2,825
	<u>2,825</u>	<u>2,825</u>
Unquoted; at cost :		
b. Investments in Joint Ventures :		
Capital contribution in Steelcast LLC-USA US \$ 5,000	223,900	223,900
	<u>223,900</u>	<u>223,900</u>
	<u>226,725</u>	<u>226,725</u>
Aggregate market value of quoted investments	<u>80,800</u>	<u>125,200</u>

Note No. 12
Long-term Loans and Advances

Particulars	31st MARCH 2012	31st MARCH 2011
Unsecured (considered good, unless otherwise stated)		
Capital advance	27,979,649	14,979,644
Security deposits	484,935	474,935
Loans to staff (including officers of the company Rs, 833,635 (536,170))	1,935,005	592,920
	<u>30,399,589</u>	<u>16,047,499</u>

Note No. 13
Inventories

Particulars	31st MARCH 2012	31st MARCH 2011
(as taken certified and valued by the management)		
Raw materials (at cost)	58,054,329	46,849,405
Work in progress (at estimated cost)	158,130,852	124,698,496
Finished goods (at lower of cost or net realizable value)	13,607,008	8,606,888
Stores & spares (at cost)	75,438,721	41,635,621
	<u>305,230,910</u>	<u>221,790,410</u>

Note No. 14
Trade Receivables

Particulars	31st MARCH 2012	31st MARCH 2011
Unsecured (considered good, unless otherwise stated)		
Over six months	4,776,464	188,587
Others	430,488,755	292,738,352
	<u>435,265,219</u>	<u>292,926,939</u>
includes :	More than Six Months	Others
due from a joint venture company	<u>0</u>	<u>59,529,721</u>

Note No. 15
Cash and Bank Balances

Particulars	31st MARCH 2012	31st MARCH 2011
I. Cash and Cash Equivalents		
a. Balances with Banks :		
Current accounts	47,512,671	39,642,105
Short term deposits	19,800,000	0
Cheques on hand	0	0
	<u>67,312,671</u>	<u>39,642,105</u>
b. Cash on Hand	1,629,753	957,452
	<u>68,942,424</u>	<u>40,599,557</u>
II. Other Bank Balance		
Dividend accounts	11,205,501	3,127,050
Margin money accounts		
Term deposits with more than 12 months maturity	6,784,599	-
Other term deposits	5,423,491	8,952,938
	<u>23,413,591</u>	<u>12,079,988</u>
	<u>92,356,015</u>	<u>52,679,545</u>
Term deposits of Rs. 122 (89.53) lacs are under lien with banks against letter of credits and bank guarantees		

Note No. 16
Short-term Loans and Advance

Particulars	31st MARCH 2012	31st MARCH 2011
Unsecured (considered good, unless otherwise stated)		
Trade advance to suppliers. (including to companies or firms in which some of the directors are interested Nil)	30,273,375	17,857,000
Loans and advance to staff. (including officers of the company Rs. 581,040 (Rs. 238,660))	1,763,542	687,126
Prepaid expenses.	4,440,211	4,421,667
Advance payments of income tax (net of provisions)	6,262,490	5,133,343
Other loans and advances.	7,044,506	6,672,057
	<u>49,784,124</u>	<u>34,771,193</u>

Note No. 17
Other Current Assets

Particulars	31st MARCH 2012	31st MARCH 2011
Input credits receivable.	57,328,700	30,723,458
DEPB and duty draw back claim receivable	37,643,121	22,325,932
	<u>94,971,821</u>	<u>53,049,390</u>

Note No. 18
Revenue from Operations

Particulars	2011-2012		2010-2011	
Sale of Products				
Export sales	1,054,711,275		472,950,041	
Domestic sales	1,402,099,994		911,934,800	
	<u>2,456,811,269</u>		<u>1,384,884,841</u>	
Less : Excise duty	136,315,492	2,320,495,777	86,180,602	1,298,704,239
Other Operating Revenue				
Export incentives and credits	60,696,384		31,525,514	
foreign currency fluctuation				
gain / (loss)	(8,169,669)	52,526,715	2,331,479	33,856,993
		<u>2,373,022,492</u>		<u>1,332,561,232</u>

Note No. 19
Other Income

Particulars	2011-2012		2010-2011	
Dividend receipts	5,170		5,125	
Interest receipts	3,044,446		2,633,921	
Insurance claims receipts	12,455		675,927	
Profit on sale of fixed assets (net)	-		86,889	
Profit on sale of investments	-		725,000	
Prior Period Income	3,681,381		573,571	
Sundry balance written back	-		727,117	
		<u>6,743,452</u>		<u>5,427,550</u>

Note No. 20
Cost of Materials Consumed

Particulars	2011-2012		2010-2011	
Raw Materials Consumed				
Opening stock	46,849,405		16,084,401	
Purchase and direct expenses	778,598,973		467,471,290	
	<u>825,448,378</u>		<u>483,555,691</u>	
Closing stock	58,054,329	767,394,049	46,849,405	436,706,286
		<u>767,394,049</u>		<u>436,706,286</u>

Note No. 21
Changes in Inventories

Particulars	2011-2012		2010-2011	
Opening Stock				
Finished Goods	8,606,888		18,480,824	
Work in progress	124,698,496	133,305,384	87,377,257	105,858,081
Closing Stock				
Finished Goods	13,607,008		8,606,888	
Work in progress	158,130,852	171,737,860	124,698,496	133,305,384
		<u>(38,432,476)</u>		<u>(27,447,303)</u>

Note No. 22
Employee Benefit Expenses

Particulars	2011-2012	2010-2011
Salaries, wages, allowance and bonus	150,248,820	102,894,897
Contribution to employee benefit funds	16,226,995	13,501,705
Staff welfare expenses	5,987,477	4,308,530
	<u>172,463,292</u>	<u>120,705,132</u>
'Includes Directors' remuneration	<u>16,436,147</u>	<u>6,198,907</u>

Note No. 23
Finance Costs

Particulars	2011-2012	2010-2011
Interest		
Working capital finance	39,089,560	26,293,551
Term loans	34,903,116	17,835,412
Others	264,016	897,192
Loss / (gain) on foreign currency borrowings	17,438,964	423,713
Other borrowing cost	2,268,421	948,139
	<u>93,964,077</u>	<u>46,398,007</u>

Note No. 24
Other Expenses

Particulars	2011-2012	2010-2011
Manufacturing Expenses		
Power, Fuel & Water Charges	324,643,608	191,552,767
Machinery repairs and maintenance	11,079,470	8,960,116
Stores & Spares	425,784,913	267,252,358
Other expenses	202,659,580	113,420,481
	<u>964,167,571</u>	<u>581,185,722</u>
Selling and Distribution Expenses		
Sales commission	25,140,269	10,628,599
Export freight and insurance	26,590,035	15,843,005
Sales promotion expenses	376,595	1,131,089
Export market development expenses	2,601,943	1,632,703
Other selling expenses	22,619,061	13,317,656
	<u>77,327,903</u>	<u>42,553,052</u>
Administrative and Other Expenses		
Traveling expenses	3,358,407	2,957,832
Rent	30,000	117,150
Rates and taxes	991,375	784,320
Insurance premiums	615,530	570,909
Building and other repairs	3,078,699	2,582,127
Advertisement expenses	768,522	456,401
Director's sitting fees	520,000	285,000
Legal and professional fees	14,073,174	8,318,913
Payments to auditors	363,000	169,000
Bank discount, commission and other charges	5,661,048	3,022,108
Donations	4,361,660	261,333
Loss on sale of fixed assets (net)	296,792	-
Sundry balances written off	161,411	-
General expenses	7,161,210	4,787,827
	<u>41,440,828</u>	<u>24,312,920</u>
	<u>1,082,936,302</u>	<u>648,051,694</u>

25. During the financial year 2011-12, the Company had issued 594,000 convertible equity warrants of ₹ 10/- each to M/s. Rushil Industries Limited, a Body Corporate under the Promoters' Group on preferential basis at a premium of ₹ 98 per warrant. Against the said warrants, 198,000 shares have been allotted during the current financial year 2011-12 and share capital of the Company has been increased to that extent.
26. Pursuant to the Companies (Accounting Standards) (Second Amendment) Rules, 2011, the Company has, w.e.f. 1st April 2011 exercised the option of deferring the charge to the profit & loss account arising on exchange rate differences in respect of long-term monetary items. As a result of such exchange rate differences, so far as they relate to the acquisition of depreciable assets, have been adjusted to the cost of such assets and would be adjusted over the balance life of the assets. Accordingly, the Company has capitalized exchange rate difference gain of ₹ 176,567 pertaining to the current financial year in respect of its foreign currency loans.
- This change in accounting policy has resulted in the profit for the year as well as fixed assets as at the balance sheet date being lower by ₹ 176,567.
27. Balances with sundry debtors, sundry creditors and for advances are subject to confirmations.
28. 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.
29. The company has not received information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year-end together with interest paid/payable under this account have not been given.
30. 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.
31. **Contingent Liabilities:**
- (i) In respect of Service tax: ₹ 75,000 (75,000)
 - (ii) In respect of disputed stamp duty: ₹ 24,551 (24,551)
 - (iii) In respect of Central Sales Tax in respect of non collection of C forms: ₹ 13,197,369 (3,686,641).
 - (iv) 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.
 - (v) In respect of disputed Value Added Tax Liabilities: ₹ 605,580 (605,580).
32. Deferred tax liabilities of ₹ 40,000,000 (8,500,000) 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 ₹ 88,400,000 are as

under:

Particulars	
Depreciation	81,835,992
Reversal of MAT Credit	13,054,325
Disallowances u/s 43B of the Income Tax Act & Others	(6,490,317)
Total...	88,400,000

33. 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.

34. Payments to Auditors:

Particulars	2011-2012	2010-2011
Audit Fees	200,000	110,000
In other capacity	163,000	59,000

35. Related Party Disclosures:

a. Associates:

- Steelcast LLC - USA

b. (i) Key Management Personnel and Their Relatives:

- Mr. T Kumar
- Mr. C M Tamboli
- Mr. M F Tamboli
- Mrs. M C Tamboli
- Mr. R C Tamboli
- Mr. V W Makary

	Nature of Transactions:	2011-2012	2010-2011
	Key Management Personnel:		
1	Remuneration	16,436,147	6,198,907
2	Professional fees.	1,551,370	1,529,502
3	Directors Sitting Fees	80,000	30,000
4	Salaries & Allowances	135,400	0
5	Technical Fees	23,715,264	12,529,219

Details of balances outstanding as on 31st March 2012:

	Associates	Key Management Personnel
Other Current Liabilities	-	1,995,705
	-	(2,081,965)

36. Disclosure as per AS – 15 (Revised) on "Employee Benefit" for the year ended 31st March 2012:

	Gratuity Plan (2011-12)	Gratuity Plan (2010-11)
Change in the defined benefit obligations		
Defined benefit obligations as at 1st April	23,701,170	20,194,647
Service cost	2,003,514	1,312,192
Interest cost	1,896,094	1,615,572
Actuarial loss/(Gain)	1,985,295	4,118,315
Benefits paid	(2,382,384)	(3,539,556)
Defined benefit obligations as at 31st March (a)	27,203,689	23,701,170
Change in plan assets		
Fair Value of plan assets as at 1 st April	24,479,395	22,069,641
Expected return on plan assets	2,325,611	2,072,798
Contributions by employer	3,548,368	3,876,512
Actuarial Gain/(loss)	-	-
Benefits paid	(2,382,384)	(3,539,556)
Fair Value of plan assets as at 31 st March (b)	27,970,990	24,479,365
Present Value of unfunded obligations (a-b)	-	-
The net amount recognized in the statement of profit and loss for the year ended 31 st March 2012 is as follows:		
Current service cost	2,003,514	1,312,192
Interest cost	1,896,094	1,615,572
Expected return on plan assets	(2,325,611)	(2,072,798)
Net actuarial loss/(gain) recognized	1,985,295	4,118,315
Net amount recognized	3,559,292	4,973,281
Actual Return on Plan Assets		
The principal actuarial assumptions used as at 31 st March 2012 are as follows:		
Discount Rate	8.00%	8.00%
Expected rate of return on plan assets	9.25%	9.25%
Rate of increase in compensation levels	7.00%	7.00%

37. ADDITIONAL INFORMATION

(As certified by the Management)

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

	Installed Capacity	Actual Production
Steel Casting (Net of Rejections)	17,000 (13,000)	13,480 (9,010)

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 Materials Consumed:

	2011-2012	2010-2011
Steel Scrap	450,511,334	264,449,924
Ferro Alloys	316,882,715	172,256,362
Total...	767,394,049	436,706,286

c. Sales and Stocks of Finished Goods & Work in Progress:

Description	Opening Stock in `	Sales in `	Closing Stock in `
Finished Goods	8,606,888 (18,480,824)	2,320,495,777 (1,298,704,239)	13,607,008 (8,606,888)
Work in Progress	124,698,496 (87,377,257)	0 (0)	158,130,852 (124,698,496)

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

	Imported		Indigenous	
	`	%	`	%
Raw Materials	108,137,276 (31,068,191)	14.09 (7.11)	659,256,773 (405,638,095)	85.91 (92.88)
Stores and Spares	8,670,970 (11,055,665)	2.04 (4.14)	417,113,943 (256,196,693)	97.96 (95.86)

e. Value of Imports on CIF basis:

	2011-2012	2010-2011
Raw Materials	104,984,658	46,705,721
Stores & Spares	6,280,376	4,390,089

f. Expenditure in Foreign Currency (Accrual Basis):

	2011-2012	2010-2011
Export Sales Commission	23,115,684	8,865,529
Travelling Expenses	641,026	601,253
Membership & Subscription	152,450	11,301
Casting Repair Charges	5,616,766	13,374,130
Legal & Professional Fees	6,607,553	3,921,325
Technical Fees	23,715,264	12,189,586

g. Earnings in Foreign Currency:

	2011-2012	2010-2011
Exports (FOB basis)	1,034,344,349	460,957,113

38. Figures in the brackets are the figures for the previous year, unless otherwise stated.

39. All the amounts are stated in Indian Rupees, unless otherwise stated.

40. Previous year's figures are regrouped and rearranged, wherever necessary.

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

MANOJ GANATRA
Partner
Membership No. 043485

Bhavnagar
5th June 2012

For and on Behalf of the Board of Directors

T KUMAR
Whole Time Director

Bhavnagar
5th June 2012

CHETAN M TAMBOLI
Chairman & Managing Director
and Chief Executive Officer



STEELCAST LIMITED

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

PROXY FORM

I/We.....residing at.....
 being member(s) of the above named 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 Forty First Annual General Meeting of the
 Company, to be held on Monday, July 16, 2012, 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 2012

Signature across Revenue
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

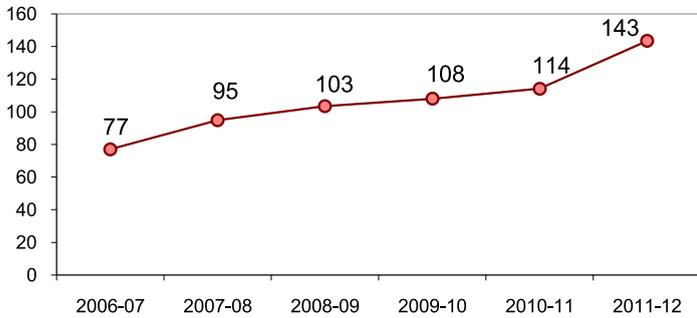
Name of Shareholder		
Number of Equity Shares held		
Folio Number		
If Demat Shares	DP ID	
	Client ID	

I hereby record my presence at the Forty First Annual General Meeting of the Company at Nilambag Palace Hotel, Bhavnagar at 1600 hours on July 16, 2012.

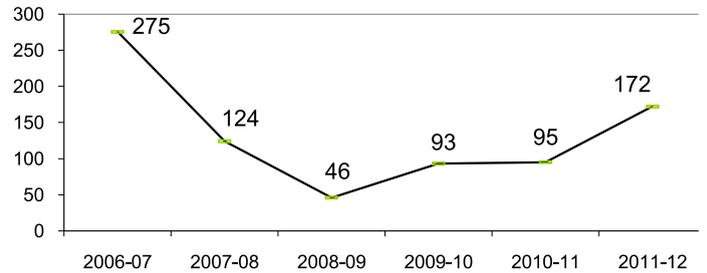
Signature of the attending Member/Proxy	
--	--

- Note :
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.

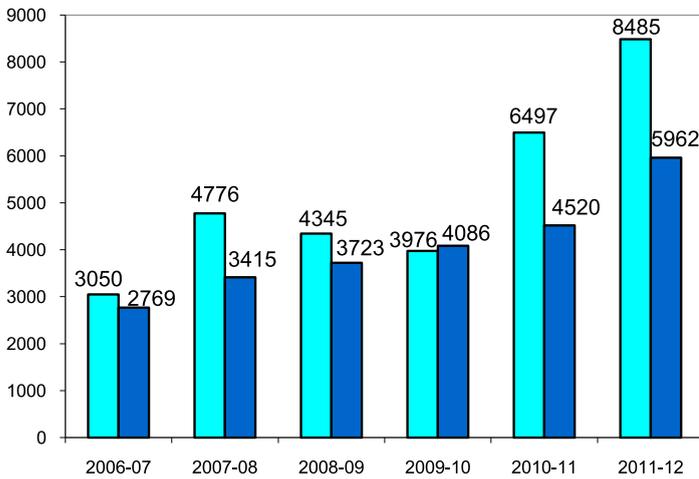
Book Value Per Share
(`)



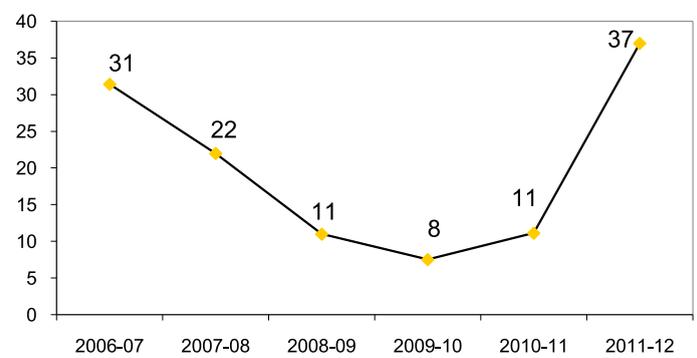
Market Price per Share
(As on close of 31st March of respective year)
(`)



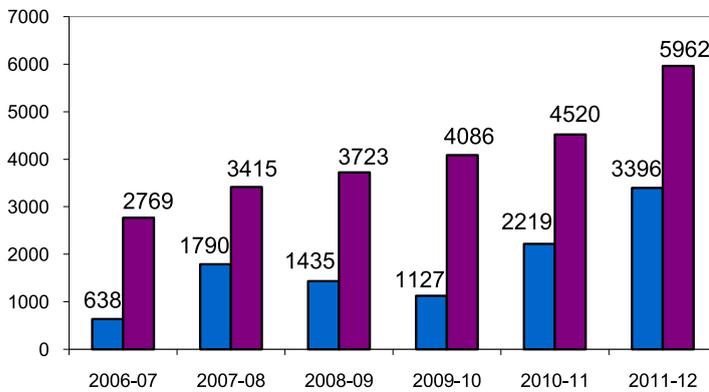
Total Debt to Net Worth (` in Lacs)



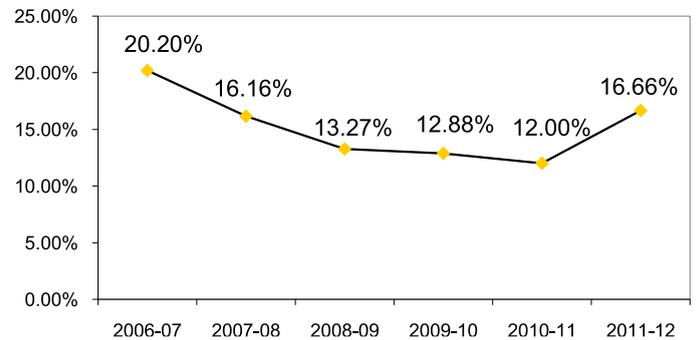
Earning Per Share (`)



Long Term Debt to Net Worth
(` in Lacs)

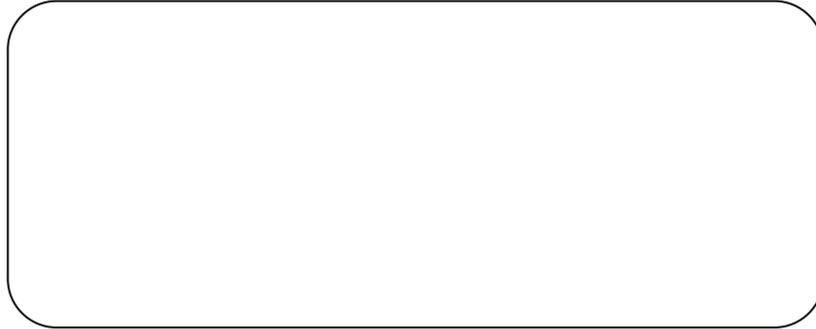


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Gujarat, INDIA .