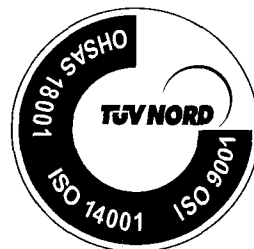




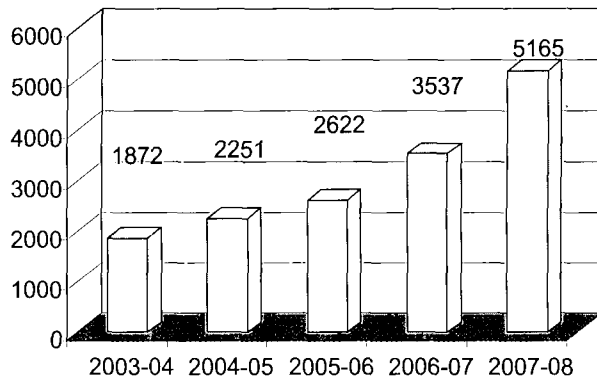
STEELCAST LIMITED

37th Annual Report

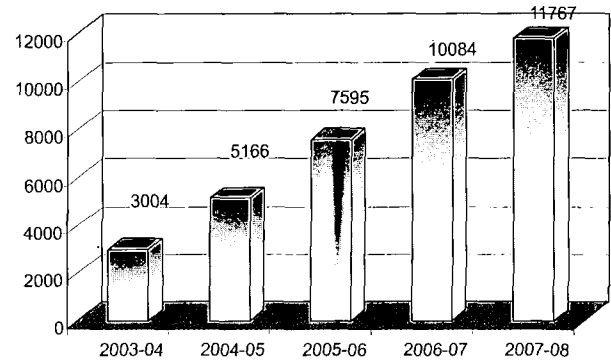
2007-08



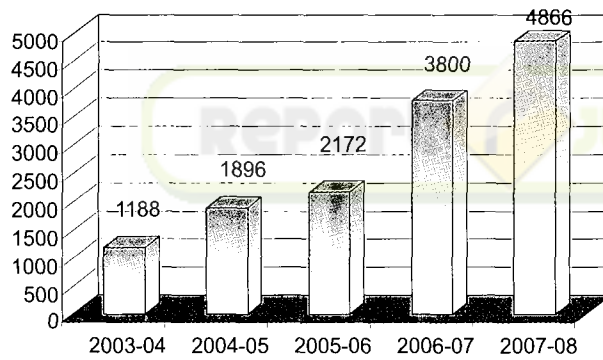
Gross Block of Fixed Assets
(Rs. in Lac)



Sales and Operational Income
(Rs. in Lac)

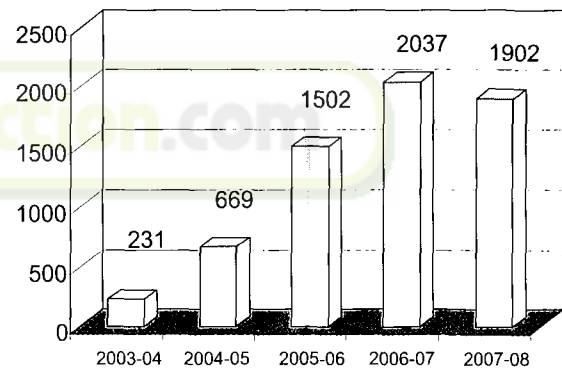


Export Earning (FOB)
(Rs. in Lac)

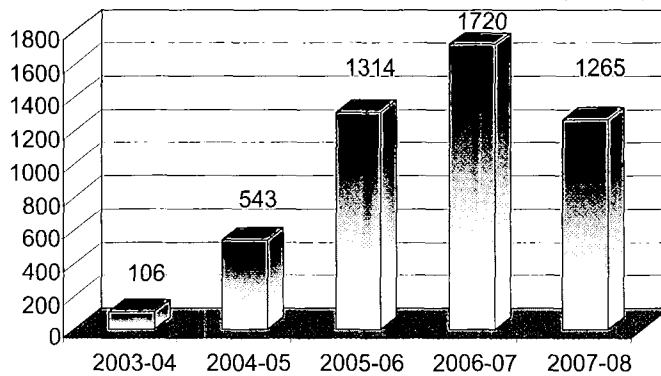


Operating Profit (EBIDTA)

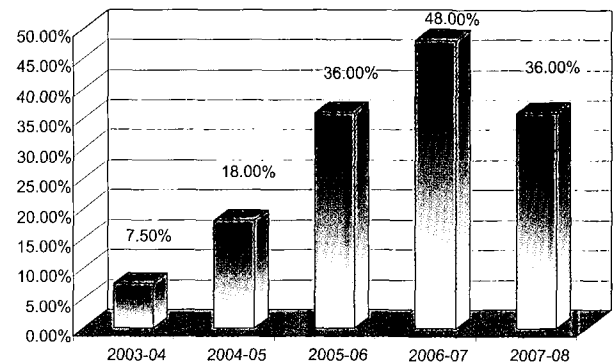
(Rs. in Lac)



Profit Before Tax (PBT)
(Rs. in lac)



Dividend on Equity Shares





Significant Financial Indicators for last five years

Years Ended 31st March					(Rs. In Lac)	
		2004	2005	2006	2007	2008
Total Income		3,022.07	5,182.25	7,621.28	10,103.28	11,786.95
Operating Profit		230.56	668.96	1,501.83	2,037.26	1,901.80
Profit after Tax		69.96	332.81	874.46	1,117.94	804.88
Net Worth		875.24	1,117.05	1,840.19	2,769.49	3,415.46
Borrowed Funds		903.51	1,323.37	1,930.57	3,050.22	4,776.05
Fixed Assets (Net)		444.26	835.66	1,127.01	2,181.16	3,397.67
Net Current Assets		1,385.02	1,715.90	2,729.29	3,780.76	5,039.05
Book Value per share (Rs.)		24.00	31.00	51.00	77.00	99.00
Earning per Share (Rs.)		1.94	9.24	24.29	31.05	21.85
Dividend (%)		7.50	18.00	36.00	48.00	36.00
Ratios:						
Debt Equity		1.03	1.18	1.05	1.10	1.40
Operating profit to sales		7.68%	12.95%	19.76%	20.20%	16.16%



STEELCAST LIMITED

BOARD OF DIRECTORS

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

BANKERS

Bank of India
 Standard Chartered Bank

AUDITORS

Sanghavi & Company
 Chartered Accountants

REGISTERED OFFICE & WORKS

Ruvapari Road
 Bhavnagar, Gujarat-364005, India
 Phone : (91) (278) 2519062
 Fax : (91) (278) 2420589/2519831
 (91) (278) 2513342
 E-mail : info@steelcast.net
 Website : www.steelcast.net

COMPANY ID NO

L2731OGJ1972PLC002033

ISIN

INE124E01012

SCRIP CODE AT BSE

513517

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STEELCAST LIMITED

Ruvapari Road, Bhavnagar, Gujarat 364 005.

Members of the Company are hereby given notice for the 37th Annual General Meeting, the schedule of which and the business to be transacted therein, are given below:

Day and Date : September 9th 2008
Time : 4.30 p.m.
Venue : Nilambag Palace Hotel, Bhavnagar

Ordinary Business:

1. To consider and adopt the Balance Sheet as at March 31, 2008 and Profit & Loss Account for the year ended on that date and the report of the Board of Directors and Auditors thereon.
2. To declare dividend for the Financial Year 2007-08.
3. To appoint a Director in place of Shri R V Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Sanghavi & Co., Chartered Accountants, Bhavnagar as Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

Special Business:

5. 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 provision of section 257 and other applicable provisions, if any, of the Companies Act, 1956, Shri Rajesh R Gandhi be and is hereby appointed as Director of the Company liable to retire by rotation."

Report Junction.com

Registered Office:
Ruvapari Road,
Bhavnagar, Gujarat 364 005.
Date: 28.06.2008

BY ORDER OF THE BOARD OF DIRECTORS
(C M TAMBOLI)
MANAGING DIRECTOR

Notes:

1. A member entitled to attend and vote at the above meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. To ensure correct identity of the members for the smooth conduct of the General Meeting, each Member and Proxy Holder attending the meeting is expected to bring with him/her an appropriate ID document like a Driving license, Passport, Voter ID Card etc.
3. Register of Members shall remain closed from 02.09.2008 to 09.09.2008 (both days inclusive).
4. Dividend on equity shares of the Company, as declared by the Company, will be paid to those shareholders whose names stand registered on the Company's Register of Members as Beneficiary Owners as on close of 01.09.2008 as per the list provided by National Securities Depository Ltd (NSDL) and Central Depositories Services Ltd (CDSL) in respect of the shares held in electronic form and as Members in the Register of Members of the Company after giving effect to valid transfers in physical form lodged with the Company **before 02.09.2008**.
5. The explanatory statement pursuant to section 173 of the Companies Act, 1956, relating to Special Business at item 5 of the Notice is annexed hereto.
6. Members are requested to notify change of address, if any.
7. Members desiring any information pursuant to an item on the Agenda are requested to write in advance so as to reach to the Company at least 48 hours before the date of the meeting so as to enable the Management to keep the information available at the meeting.



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 / Special Resolution mentioned in the accompanying Notice and should be taken as forming part of the Notice.

Item No. 5.

Shri Rajesh R Gandhi has been appointed as an Additional Director of the Company by the Board of Directors at its meeting held on June 28, 2008. The term of appointment of Shri Rajesh R Gandhi as an Additional Director will expire on the day of ensuring Annual General Meeting. Pursuant to Provisions of Section 257 of the Companies Act, 1956 the company has received a notice from one of the members of the company signifying his intention to propose Shri Rajesh R Gandhi as a candidate for the office of Director of the Company.

Shri Rajesh R Gandhi is the Managing Director of M/s. Vadilala Industries Ltd., Ahmedabad, and holding directorship in other reputed Public Companies. He has a wide ranging experience in the fields of Finance, Trade, Commerce and industry. It will be in the interest of the Company that Shri Rajesh R Gandhi be appointed as Director of the Company.

The Directors recommended the appointment of Shri Rajesh R Gandhi as a Director of the Company.

Except Shri Rajesh R Gandhi, none of the Directors of the Company is concerned or interested in the passage of this resolution

Registered Office:

Ruvapari Road,
Bhavnagar, Gujarat 364 005.

BY ORDER OF THE BOARD OF DIRECTORS

(C M TAMBOLI)
MANAGING DIRECTOR

Date: 28.06.2008



DIRECTORS' REPORT

To: Members

Your Directors have pleasure in presenting the Thirty Seventh Annual Report and Audited Statement of Accounts of the Company for the period ended March 31, 2008.

1. FINANCIAL RESULTS :

The following are the working results:

(Rupees in Lacs)

Particulars	2007-08	2006-07
Sales	11,767	10,084
Other Income	20	19
Total income	11,787	10,103
Profit Before Depreciation & Tax (PBDT)	1,548	1,893
Less: Depreciation	283	173
Profit Before Taxation (PBT)	1,265	1,720
Less: Taxation (all Taxes)	460	602
Profit After Taxation (PAT)	805	1,118
Add: Balance brought forward from last year	175	75
Less: Prior Period Adjustments	(18)	14
Amount Available for Appropriation	962	1,206
Appropriations:		
(a) Proposed Dividend including Interim Dividend	130	173
(b) Corporate Dividend Tax	22	29
(c) General Reserve	810	829
Balance to be carried forward	-	175
Total	962	1206

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

During the financial year 2007-08, the company witnessed a revenue growth of 17% and production growth of 7% over the previous year. However the net profit after tax has witnessed a reduction by 31%. The drop in profit has been on account of inability to increase prices in the domestic market and a depreciated dollar affecting the export revenues/margins. Although demand for steelcastings continues to grow, the competitive landscape has seen the entry of new manufacturers. The resultant capacity increase has had a negative impact on ability to seek price increases from customers and the raw materials prices.

The export presence of the company continues to grow with exports contributing to 43% share in the total revenue. Given below is the growth in export revenue for the last 5 years.

Year Ended	F O B Value (Rs. In Lac)
31 st March 2004	1187.48
31 st March 2005	1895.62
31 st March 2006	2171.87
31 st March 2007	3800.17
31 st March 2008	4865.81

In recognition of its export, company has continued to receive during the year awards from export promotion council and trade association

3. DIVIDEND:

Your Directors recommend payment of dividend on Equity Capital @ 36.00% for the year ended March 31, 2008 subject to approval of shareholders at the ensuing Annual General Meeting.



4. EXPORTS:

The focus on exports is continued and share of exports in the total sales is in excess of 43% and the Company has made Export Sales in excess of Rs. 4866/- lacs which is an all time high.

5. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

EARNINGS & OUTGO:

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

6. DISCLOSURE CONCERNING EMPLOYEES:

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

7. QUALITY:

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

8. INSURANCE:

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

9. DIRECTORS:

Shri R V Shah retires by rotation and being eligible offer himself for re-election.

9.1 Shri Rajesh R Gandhi who has been appointed by the Board of Directors as Additional Director, hold Office upto the date of ensuing Annual General Meeting. The company has received notice under section 257 of the Companies Act, 1956 from some member proposing candidature of Shri Rajesh R Gandhi for directorship of the Company Members may consider appointing him as Director liable to retire by rotation

10. PERSONNEL

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

11. AUDITORS' REPORT:

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

12. CORPORATE GOVERNANCE:

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

13. CODE OF CONDUCT:

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

14. CEO/CFO CERTIFICATION:

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



15. DIRECTORS' RESPONSIBILITY STATEMENT:

It is hereby confirmed that:

- a. in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared the annual accounts for the year ended 31st March, 2008 on a going concern basis.

16. SEGMENT REPORTING:

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

17. 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.

18. APPRECIATION:

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

Registered Office:
Ruvapari Road,
Bhavnagar, Gujarat 364 005.
Date: 28.06.2008

ON BEHALF OF THE BOARD OF DIRECTORS
(M F Tamboli)
CHAIRMAN

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

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

(A) Conservation of Energy:

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

- i) Installation of Continuous Mixture 3TPH
- ii) Installation of Continuous Mixture 15TPH
- iii) Installation of Flameless induction furnace 3.5 T
- iv) Thristerised P/D Controller for Cone Shooter
- v) Power factor equipment Penal

Total Investment : Rs 1,85,18,000/-

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

- i) Recuperator/Heating for Furnace Oil supply
- ii) Evaporator /Heating System for CO₂ Gas
- iii) Automatic Power Factor Furment Panel
- iv) Energy Efficient server compressor

Total Investment : Rs 1,650,000.00

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

- i) For (a) above : Rs 46,29,500.00
- ii) For (b) above : Rs 4,12,500.00

(B) Technology absorption:

Research and Development (R&D):

1. Specific areas in which R&D carried out by the Company:
 - a) Induction Hardening of earth-moving equipments parts
 - b) High intricacy casting through No Bake process
2. Benefits derived as a result of the above R&D:
R&D work is in progress. Likely benefits would be Rs 44,91,000/- per year.
3. Future plan of action:
 - a) Development of castings through No-Bake Moulding Process.
 - b) Development of metallurgy for high impact strength at Sub-Zero temperature.
 - c) Development of process for replacement of Shell Hoded Casting
4. Expenditure on R&D:
 - a) Capital : Rs 9,536,000.00
 - b) Recurring : Rs 4,385,000.00
 - c) Total : Rs13,921,000.00
 - d) Total R&D expenditure as a percentage of total turnover : 1.18%.

Technology absorption, adaptation and innovation:

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

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