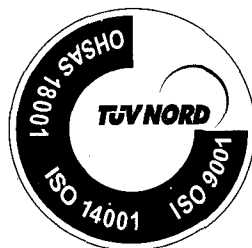




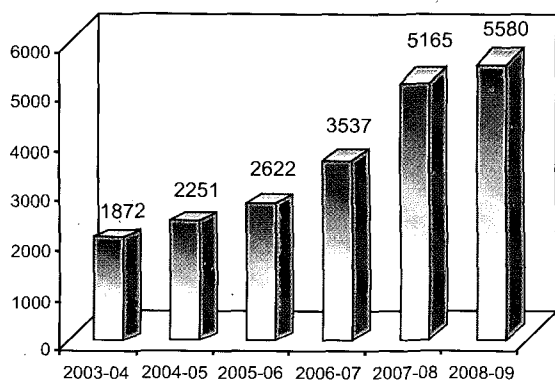
STEELCAST LIMITED

38th Annual Report

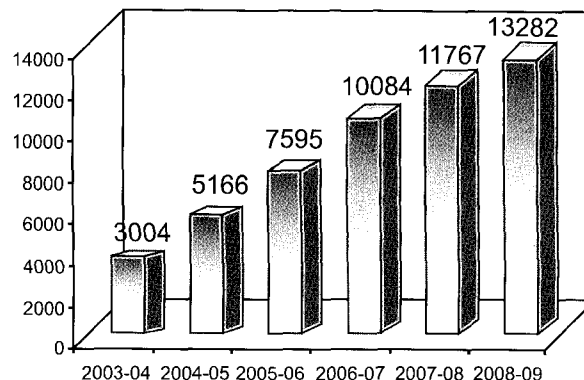
2008-09



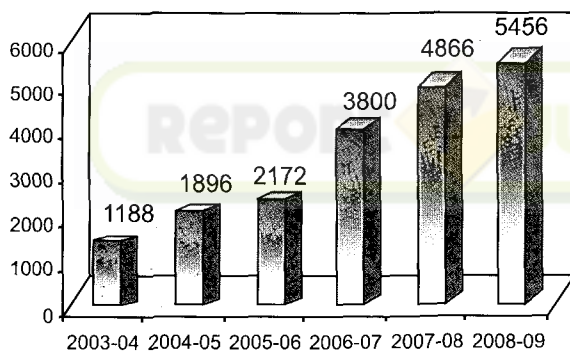
**Gross Block of Fixed Assets
(Rs. in Lacs)**



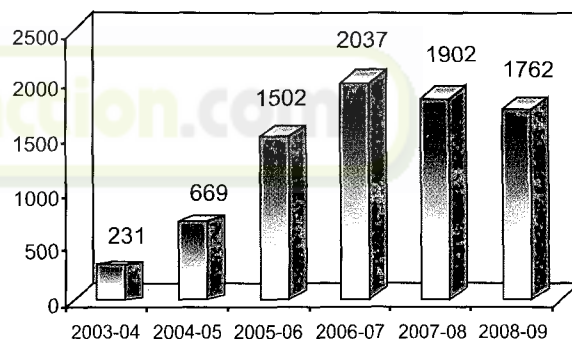
**Sales and Operational Income
(Rs. in Lacs)**



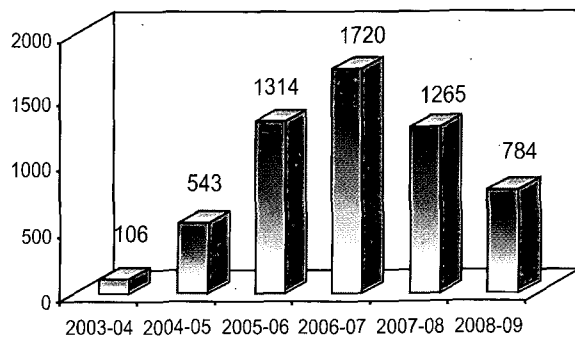
**Export Earnings (FOB)
(Rs. in Lacs)**



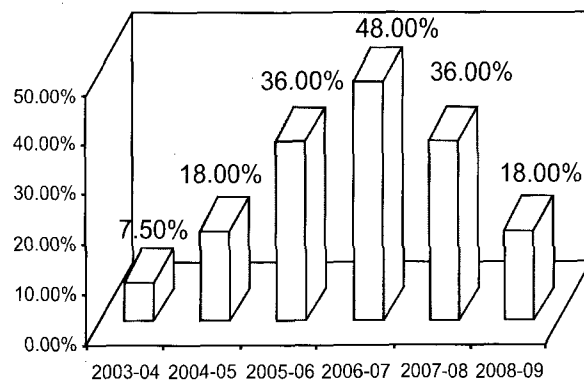
**Operating Profit (EBIDTA)
(Rs. in Lacs)**



**Profit Before Tax (PBT)
(Rs. in Lacs)**



Dividend on Equity Share



SIGNIFICANT FINANCIAL INDICATORS FOR LAST FIVE YEARS

(All Values in Rs. Lacs)

Sr. No.	Aspect	As at the end of 31st March				
		2005	2006	2007	2008	2009
1	Total Income	5,182.25	7,621.28	10,103.28	11,786.95	13,286.39
2	Operating Profit	668.96	1,501.83	2,037.26	1,901.80	1,762.21
3	Profit After Tax	332.81	874.46	1,117.94	804.88	512.79
4	Net Worth	1,117.05	1,840.19	2,769.49	3,415.46	3,723.00
5	Borrowed Funds	1,323.37	1,930.57	3,050.22	4,776.05	4,344.77
6	Fixed Assets (Net)	835.66	1,127.01	2,181.16	3,397.67	3,749.52
7	Net Current Assets	1,715.90	2,729.29	3,780.76	5,039.05	4,698.72
8	Book Value Per Share (Rs.)	31	51	77	95	103
9	Earning Per Share	8.73	24.19	31.43	21.85	10.65
10	Dividend (%)	18.00	36.00	48.00	36.00	18.00
11	Debt Equity Ratio	1.18	1.05	1.10	1.40	1.17
12	Operating Profit to Sale (%)	12.95	19.78	20.20	16.16	13.26



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 T Kumar	Chairman
Shri C M Tamboli	Vice Chairman & Managing Director
Mrs. M C Tamboli	Appointed w.e.f. 16.5.2009
Shri M F Tamboli	Chairman Emeritus

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

CONTENTS

1 Notice.....	4
2 Directors' Report.....	6
3 Corporate Governance Report.....	11
4 Compliance Certificate	18
5 Auditors' Report.....	22
6 Balance Sheet.....	25
7 Profit & Loss Account.....	26
8 Cash Flow Statement.....	27
9 Schedules.....	28
10 Notes on Accounts.....	34



Manmohan F. Tamboli
CHAIRMAN EMERITUS

June 10, 2009

Dear Shareholders,

I am addressing this communication to you in the nature of a farewell letter. After putting in about half a century of service into this Company, I relinquished my position as a Whole Time Director & Chairman of the Board effective from January 1, 2009.

I am very pleased to pass on the baton into the able hands of Mr. T. Kumar (who has been with this Company for nearly 41 years) as Chairman & Whole Time Director and Mr. Chetan M. Tamboli as Vice Chairman & Managing Director. I recall having been a Co-founder of this organization as a Partnership Firm, with a meagre partnership capital of Rs.3 lacs, which commenced operations on a tiny 2000 sq. yard plot in 1960. It is indeed gratifying that your Company has now grown to a net worth of about Rs. 372.30 million, and is presently a foremost leader in the field of Steel Castings, exporting nearly half the output to Multinationals all over the world, and also having won numerous awards of Best Supplier/Best Foundry/Export Excellence etc., both from the customers and Governmental authorities.

Steelcast now provides direct or indirect employment to nearly 1,000 persons/families.

All these would not have been possible without the dedicated efforts of all the employees, dynamic leadership of the Management Staff, support of Banks, Financial Institutions, Local Authorities and Government, able guidance of a very competent Board of Directors and the blessings of all of you, dear Shareholders.

I retire with a great sense of fulfillment and confidence that this Company, which has seen its way through many ups and downs in the market, will continue to prosper and make big strides in the future years too.

Thanking you,

Sincerely yours,

Manmohan F. Tamboli



STEELCAST LIMITED

Ruvapari Road, Bhavnagar, Gujarat 364 005.

Members of the Company are hereby given notice for the 38th Annual General Meeting, the schedule of which and the business to be transacted therein, are given below:

Day and Date : Saturday, August 8, 2009
 Time : 1600 Hrs
 Venue : Nilambag Palace Hotel, Bhavnagar

Ordinary Business:

1. To consider and adopt the Balance Sheet as at March 31, 2009 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 2008-09.
3. To appoint a Director in place of Mr. R V Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. A R Shah, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Sanghavi & Co., Chartered Accountants, Bhavnagar as Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

Special Business:

6. 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, Mrs. Manali C Tamboli be and is hereby appointed as Director of the Company liable to retire by rotation."

Registered Office:

Ruvapari Road,
 Bhavnagar, Gujarat 364 005.
 Date: 16.5.2009 & 16.6.2009

BY ORDER OF THE BOARD OF DIRECTORS

(C M Tamboli)
 VICE CHAIRMAN & 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 1.8.2009 to 8.8.2009 (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 31.7.2009 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 1.8.2009**.
5. The explanatory statement pursuant to section 173 (2) of the Companies Act, 1956, relating to Special Business at item 6 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.

Registered Office :

Ruvapari Road,
Bhavnagar, Gujarat 364 005.
Date: 16.5.2009 & 16.6.2009

BY ORDER OF THE BOARD OF DIRECTORS

(C M Tamboli)
VICE CHAIRMAN & MANAGING DIRECTOR

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. 6:

Ordinary Resolution as mentioned in item No. 6 relates to appointment of Mrs. Manali C Tamboli as a Director of the Company, liable to retire by rotation. Mrs. Manali C Tamboli has been appointed as an Additional Director of the Company by the Board of Directors at its meeting held on May 16, 2009. The term of appointment of Mrs. Manali C Tamboli as an Additional Director will expire on the day of ensuing 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 Mrs. Manali C Tamboli as a candidate for the office of Director of the Company.

Mrs. Manali C Tamboli holds Bachelors degree in Arts (Major in Psychology) from Mumbai University and she is a Director in Rushil Industries Limited and Tamboli Investments Private Limited. She was Sole Proprietor of Rushil Securities which was actively engaged in sub-broking activities of Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange Ltd. (NSE), during the period 2000 to 2007.

The approval of the shareholders to the above appointment being required by law, the matter is being placed for your consideration.

The Board of Directors recommends the resolution for your approval. Except Mrs. Manali C Tamboli and Mr. C M Tamboli, none of the other Directors is concerned or interested in the above resolution.



DIRECTORS' REPORT

To: Members

Your Directors have pleasure in presenting the Thirty-eighth Annual Report and Audited Statement of accounts of the Company for the period ended March 31, 2009.

1. FINANCIAL RESULTS :

The following are the working results:

(Rupees in Lacs)

Particulars	2008-09	2007-08
Sales	13,282	11,767
Other Income	4	20
Total income	13,286	11,787
Profit Before Depreciation & Tax (PBDT)	1,199	1,548
Less: Depreciation	415	283
Profit Before Taxation (PBT)	784	1,265
Less: Taxation (all Taxes)	271	460
Profit After Taxation (PAT)	513	805
Add: Balance brought forward from last year	--	175
Add: Prior Period Adjustments	1	(18)
Less: Exceptional items	131	--
Amount Available for Appropriation	383	962
Appropriations:		
(a) Proposed Dividend	65	130
(b) Corporate Dividend Tax	11	22
(c) General Reserve	182	810
Balance to be carried forward	125	--
Total	383	962

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

During the financial year 2008-09, the Company witnessed a revenue growth of 13% over the previous year. However, the net profit after tax has witnessed a reduction by 36%. The drop in profit has been on account of the following reasons:

- a) Exchange rate difference due to depreciation of Rupee resulting into higher import cost and higher outflow on Foreign Currency Loan repayments.
- b) Lower volumes in Q3 & Q4 of 2008-09 due to overall slow down in global economy.
- c) Deferred dispatches by the customers due to overall slow off take from their customers.
- d) Certain high quality products sold to the domestic and export customers have faced quality issues at their end and necessary steps have been taken by us to either give free replacements or adequate compensations in Q4 of 2008-09.
- e) Certain customers cancelled firm Purchase Orders placed on us. As per the prudent financial policy of the Company, any disputes with the customers or any excess stock of castings, or castings made without order, are always valued at scrap value. Efforts are on with the customers for reinstating the cancelled orders, where required even by giving discounts. The value of the castings already produced against such orders will be recognized as and when they become saleable.



3. **EXPORTS:** The export presence of the Company continues to grow in 2008-09 with exports contributing more than 45% share in the total revenue. In absolute terms, the F.O.B. value of exports have been at Rs. 5,455.64 lacs, compared to Rs.4,865.81 in the previous year, showing a growth of more than 12%. Given below is the growth in export revenue for the last 6 years:

Year Ended	F.O.B. Value (Rs. in Lac)
March 31, 2004	1,187.48
March 31, 2005	1,895.62
March 31, 2006	2,171.87
March 31, 2007	3,800.17
March 31, 2008	4,865.81
March 31, 2009	5,455.64

In recognition of its export, the Company continues to receive Export Excellence/Silver Shield in the category of Star Performers Awards for the last 5 consecutive years from EEPIC India.

4. **DIVIDEND:** In light of the overall global slow down resulting into adverse affect on net profit of the Company, your Directors recommend payment of dividend on Equity Capital @ 18% for the year ended March 31, 2009, subject to approval of shareholders at the ensuing Annual General Meeting.
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:** In light of the quality problems faced in our products at customers' end, we have further tightened our internal acceptance standards in all areas of operations and regular review of the same is also done constantly.
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:**
- 9.1 Mr. R V Gandhi & Mr. A R Shah retire by rotation and being eligible offer themselves for re-election.
- 9.2 Mr. M F Tamboli, CHAIRMAN retired from the Company on December 31, 2008 on completing the age of 75 years after almost 50 years of service and he has been now designated as "CHAIRMAN EMERITUS" for a period of 5 years. Your Directors place on record their sincere appreciation for the outstanding contribution made by Mr. M F Tamboli in the growth of the Company since inception.
- 9.3 Mrs. Manali C Tamboli has been appointed by the Board of Directors as an Additional Director to hold office upto the date of ensuing Annual General Meeting. The Company has received a notice under section 257 of the Companies Act, 1956 from one of the members signifying his intention to propose Mrs. Manali C Tamboli as a candidate for the office of Director of the Company. Members may consider appointing her 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. **COMPLIANCE CERTIFICATE:** The Company has obtained Secretarial Compliance Certificate from Practicing Company Secretary u/s. 383A of the Companies Act, 1956. The said Certificate is attached herewith and forms part of this report.
13. **CORPORATE GOVERNANCE:** Pursuant to the clause 49 of the Listing Agreements with the Stock Exchanges, a report on Corporate Governance as well as a Management Discussion and Analysis Report of the Company is enclosed and forms a part of this report.
14. **CODE OF CONDUCT:** As required by clause 49 of the listing agreement, the Board of Directors have evolved a Code of Conduct for each member of the Board and members of the Senior Management Team. The Code is available on the web site of the Company. Affirmation of compliance with the said Code by the Chief Executive Officer is available elsewhere in this report.
15. **CEO CERTIFICATION:** Pursuant to the provisions of the clause 49 of the listing agreement, the CEO Certification is available elsewhere in this report.
16. **DIRECTORS' RESPONSIBILITY STATEMENT:** It is hereby confirmed that:
 - a. in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
 - b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for the year under review;
 - c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
 - d. The Directors have prepared the annual accounts for the year ended March 31, 2009 on a going concern basis.
17. **SEGMENT REPORTING:** The Company is engaged in the Casting business only and therefore there is only one reportable segment in accordance with the Accounting Standard on Segment Reporting, AS-17.
18. **AUDITORS:** The Auditors, M/s. Sanghavi & Co., Chartered Accountants, Bhavnagar, retire and being eligible, offer themselves for reappointment. The members are requested to pass the necessary resolution in this regard.
19. **APPRECIATION:** The Directors thank the Bankers and various Departments of the Government for their co-operation, and also record their appreciation for the efforts put in by the employees.

Registered Office:
 Ruvapari Road,
 Bhavnagar, Gujarat 364 005
 Date: 16.5.2009

ON BEHALF OF THE BOARD OF DIRECTORS

(T. Kumar)
 CHAIRMAN