



# STEELCAST LIMITED

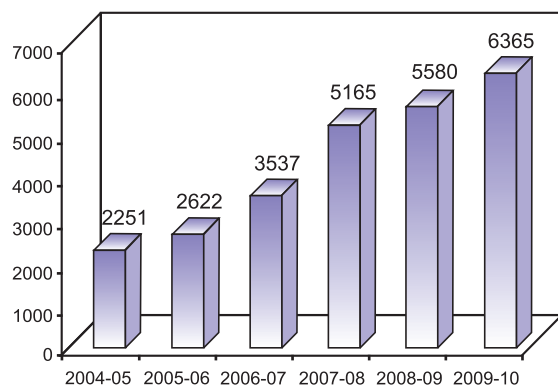
39th Annual Report

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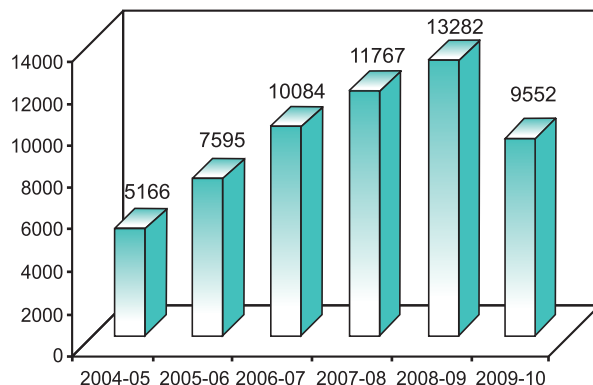
2009-10



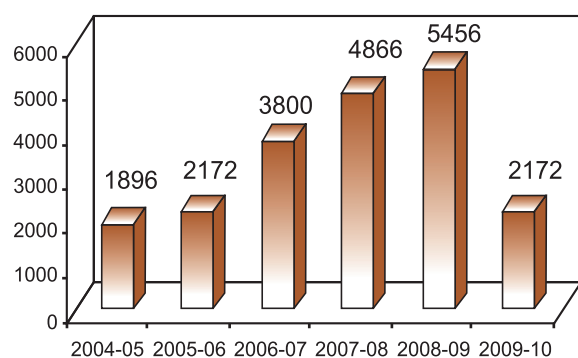
**Gross Block of Fixed Assets  
(Rs. in Lacs)**



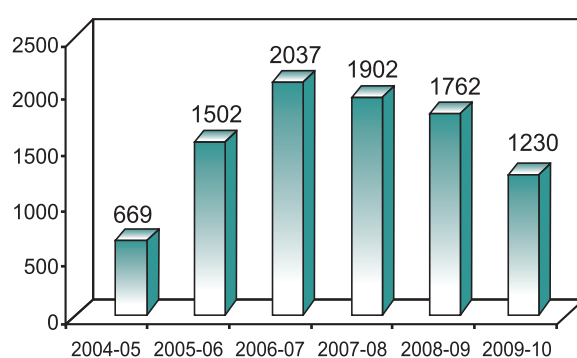
**Sales and Operational Income  
(Rs. in Lacs)**



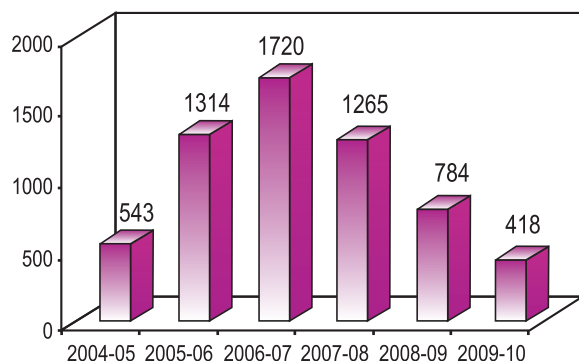
**Export Earnings (FOB)  
(Rs. in Lacs)**



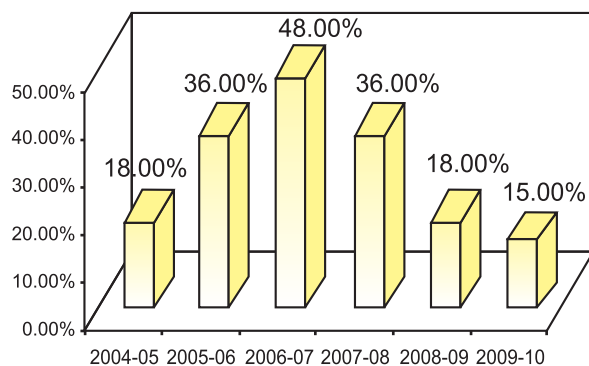
**Operating Profit (EBIDTA)  
(Rs. in Lacs)**



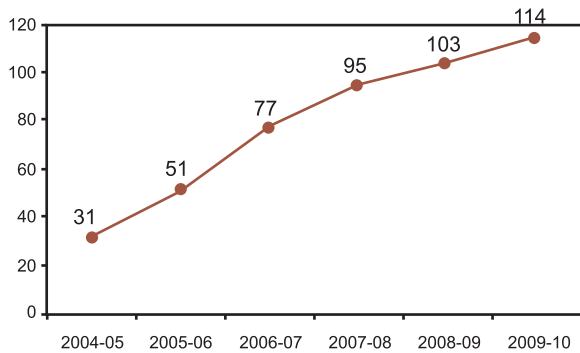
**Profit Before Tax (PBT)  
(Rs. in Lacs)**



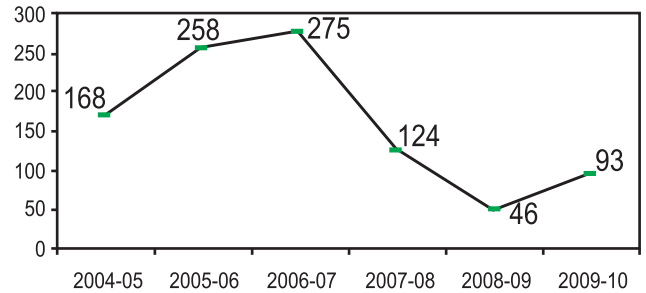
**Dividend on Equity Share**



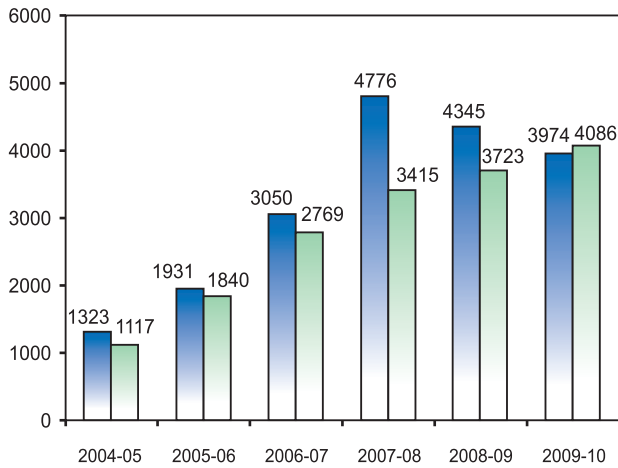
**Book Value Per Share  
(Rs.)**



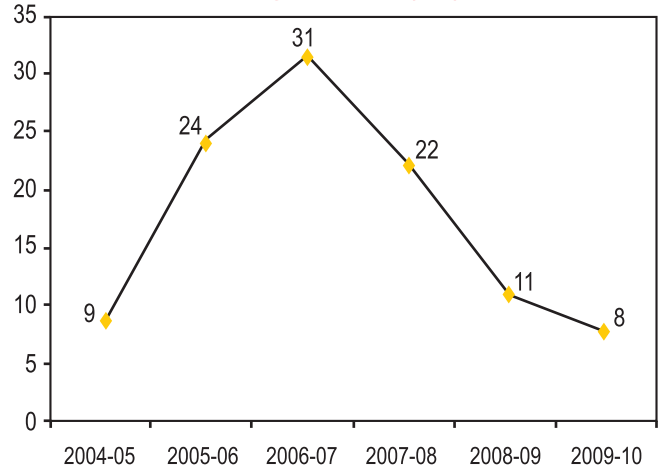
**Market Price per Share  
(As on close of 31st March of respective year)  
(Rs.)**



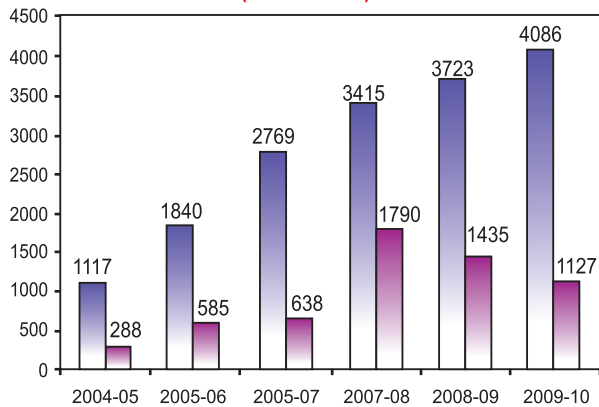
**Debt to Net Worth (Rs. in Lacs)**



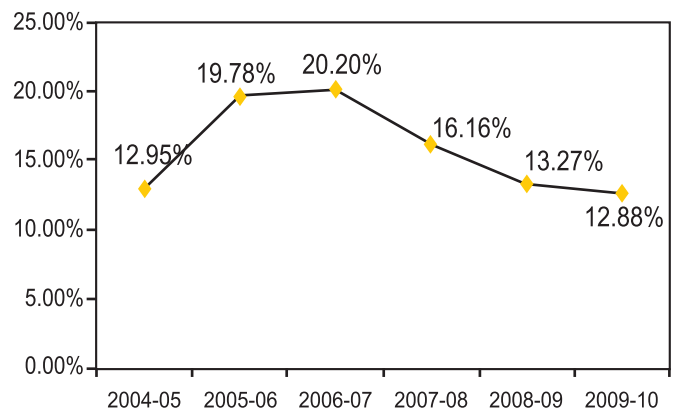
**Earning Per Share (Rs.)**



**Long Term Debt to Net Worth  
(Rs. in Lacs)**

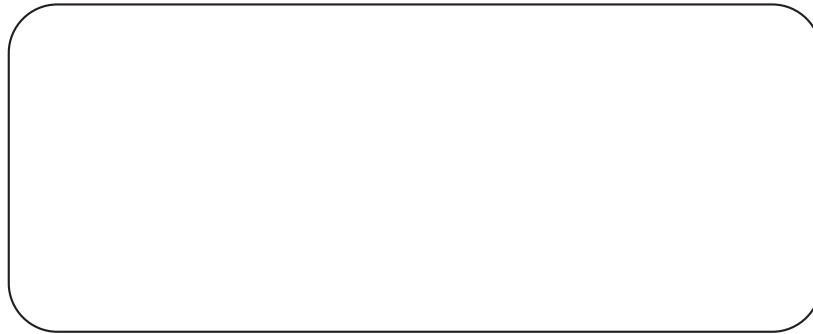


**EBIDTA**



**BOOK-POST**

**To,**



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

## 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  
Shri C M Tamboli  
Mrs. M C Tamboli

Chairman  
Vice Chairman & Managing Director

### CHAIRMAN EMERITUS

Shri M 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](mailto:info@steelcast.net)  
Website : [www.steelcast.net](http://www.steelcast.net)

### COMPANY ID NO

L2731OGJ1972PLC002033

### ISIN

INE124E01012

### SCRIP CODE AT BSE

513517

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**SIGNIFICANT FINANCIAL INDICATORS FOR LAST FIVE YEARS**

(All Values in Rs. Lacs)

Sr. No.	Aspect	As at the end of 31st March				
		2006	2007	2008	2009	2010
1	Total Income	7,621.28	10,103.28	11,786.95	13,283.27	9,566.27
2	Operating Profit	1,501.83	2,037.26	1,901.80	1,759.09	1,229.75
3	Profit After Tax	874.46	1,117.94	804.88	511.16	278.44
4	Net Worth	1,840.19	2,769.49	3,415.46	3,723.00	4,086.49
5	Borrowed Funds	1,930.57	3,050.22	4,776.05	4,344.77	3,973.78
6	Fixed Assets (Net)	1,127.01	2,181.16	3,397.67	3,749.52	3,707.44
7	Net Current Assets	2,729.29	3,780.76	5,039.05	4,698.72	4,737.29
8	Book Value Per Share (Rs.)	51	77	95	103	108
9	Earning Per Share (Basic)	24.19	31.43	21.85	10.65	7.64
10	Dividend (%)	36.00	48.00	36.00	18.00	15.00
11	Debt Equity Ratio	1.05	1.10	1.40	1.17	0.97
12	Operating Profit to Sale (%)	19.78	20.20	16.16	13.24	12.86

## STEELCAST LIMITED

Ruvapari Road, Bhavnagar, Gujarat 364 005.

Members of the Company are hereby given notice for the 39th Annual General Meeting, the schedule of which and the business to be transacted therein, are given below:

**Day and Date** : **Wednesday, July 14, 2010**  
**Time** : **1600 Hrs**  
**Venue** : **Nilambag Palace Hotel, Bhavnagar**

### Ordinary Business:

1. To consider and adopt the Balance Sheet as at March 31, 2010 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 2009-10.
3. To appoint a Director in place of Mr. C M Tamboli, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. V B Buch, 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 a **Special Resolution**:

"RESOLVED THAT pursuant to section 198, 269, 309, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956, as amended, the Company hereby accords its approval to the re-appointment of Shri T Kumar as a Whole Time Director with the existing designation of CHAIRMAN, for a further period of five years with effect from September 1, 2010, upon the remuneration comprising of:

- a) Salary of Rs. 110,000/- per month in the scale of Rs. 110,000-5,000-135,000 with future increments due on 1st September every year thereafter.
- b) Conveyance Allowance of Rs. 3,000 per month.
- c) Perquisites and Other terms and conditions, more particularly described in the draft agreement to be entered into between the Company and Shri T Kumar, placed before the meeting and duly initialed by the Chairman for the purpose of identification.
- d) Commission at the rate of 1% of the profit in any financial year, calculated as per the provisions of section 309 (5) of the Companies Act, 1956.

Provided that, where in any financial year during the currency of tenure of Shri T Kumar, the Company has no profits or its profits are inadequate, it may pay him remuneration by way of salary, allowances and perquisites stated hereinabove in accordance with the provisions of Schedule XIII to the Companies Act, 1956, as amended.

RESOLVED FURTHER THAT draft agreement to be entered into between the Company and Shri T Kumar, placed before the meeting and duly initialed by the Chairman for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary the terms and conditions of the aforesaid appointee, including the terms of remuneration payable to him, provided that the modified remuneration shall be within the ambit of the provisions of Schedule XIII

to the Companies Act, 1956, as amended.

RESOLVED FURTHER THAT Shri C M Tamboli, VICE CHAIRMAN & MANAGING DIRECTOR of the Company be and is hereby authorized to execute and sign the agreement, including any supplementary agreements as may be required at a future date, on behalf of the Company with Shri T Kumar and the common seal of the Company be affixed on the said agreement in his presence."

**Registered Office:**

Ruvapari Road,  
Bhavnagar, Gujarat 364 005.  
Date: 20.4.2010

BY ORDER OF THE BOARD OF DIRECTORS

(K K Mehta)  
GENERAL MANAGER (FINANCE)  
& COMPANY SECRETARY

**Notes:**

1. A member entitled to attend and vote at the above meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. To ensure correct identity of the members for the smooth conduct of the General Meeting, each Member and Proxy Holder attending the meeting is expected to bring with him/her an appropriate ID document like a Driving license, Passport, Voter ID Card etc.
3. Register of Members shall remain closed from 7.7.2010 to 14.7.2010 (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 6.7.2010** as per the list provided by National Securities Depository Ltd (NSDL) and Central Depositories Services Ltd (CDSL) in respect of the shares held in electronic form and as Members in the Register of Members of the Company after giving effect to valid transfers in physical form lodged with the Company **before 7.7.2010**.
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: 20.4.2010

BY ORDER OF THE BOARD OF DIRECTORS

(K K Mehta)  
GENERAL MANAGER (FINANCE)  
& COMPANY SECRETARY



## 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:

Special Resolution as mentioned in item No. 6 relate to re-appointment of Shri T Kumar as a Whole Time Director of the Company, with the present designation of CHAIRMAN, for a further period of five years with effect from September 1, 2010 according to the provisions of Schedule XIII to the Companies Act, 1956, as amended.

Shri T Kumar has been associated with the Company as a Whole Time Director from 22.9.1979. The Board of Directors promoted him as CHAIRMAN of the Company with effect from 1.1.2009. His last appointment as a Whole Time Director in pursuance of the provisions under Schedule XIII to the Companies Act, 1956 was from September 1, 2005 for a period of five years and the shareholders had approved the said appointment on 15.6.2005. His present term is expiring on August 31, 2010.

Considering his rich and wide experience and expertise in the foundry industry, long term association with the Company, business acumen and substantial contribution to the growth of business of the Company, the Board of Directors has re-appointed Shri T Kumar as a Whole Time Director designated as CHAIRMAN for a further period of five years from September 1, 2010, in pursuance of the provisions of Schedule XIII to the Companies Act, 1956, as amended, subject to approval of shareholders.

The appointment is made subject to the terms and conditions contained in the draft agreement, some contents of which are described in the above resolution, duly initialed by the CHAIRMAN for the purpose of identification and available for inspection at the Registered Office of the Company on any working day between 1400 and 1700 Hrs.

The approval of the shareholders to the above appointment and remuneration being required by law, the matter is being placed for your consideration. Shri T Kumar having attained 70 years of age, the approval of the shareholders is required in the form of a Special Resolution. The Board of Directors recommends the resolution for your approval. Except Shri T Kumar, none of the Directors is concerned or interested in the above resolution.

The explanatory statement is and should be treated as an abstract under section 302 of the Companies Act, 1956, as amended.

## DIRECTORS' REPORT

To: Members

Your Directors have pleasure in presenting the Thirty-ninth Annual Report and Audited Statement of accounts of the Company for the period ended March 31, 2010.

### 1. FINANCIAL RESULTS:

The following are the working results:

(Rupees in Lacs)

Sr. No.	Particulars	2009-10	2008-09
1	Sales	9,552	13,282
2	Other Income	14	1
3	<b>Total income</b>	<b>9,566</b>	<b>13,283</b>
4	Profit Before Depreciation & Tax (PBDT)	903	1,199
5	Less: Depreciation	485	415
6	Profit Before Taxation (PBT)	418	784
7	Less: Taxation (all Taxes)	140	271
8	Profit After Taxation (PAT)	278	513
9	Add: Balance brought forward from last year	125	--
10	Add: Prior Period Adjustments	1	1
11	Less: Exceptional items	-	131
12	Amount Available for Appropriation	402	383
	<b>Appropriations:</b>		
	(a) <b>Proposed Dividend</b>	54	65
	(b) <b>Corporate Dividend Tax</b>	9	11
	(c) <b>General Reserve</b>	214	182
	<b>Balance to be carried forward</b>	125	125
	<b>Total</b>	<b>402</b>	<b>383</b>

2. **SALIENT FEATURES OF COMPANY'S WORKING DURING THE YEAR:** During the Financial Year 2009-10, the Company witnessed reduction in revenue and Profit After Tax (PAT) by 28% and 46% respectively. The following factors have contributed to the drop in sales and PAT:

- a) The severe drop in sales during the first half of 2009-10 was due to deferment or cancellation of orders from several customers in the situation of overall slowdown in global economy and higher customer rejection.
- b) The spurt in the cost of inputs.
- c) Exchange rate difference due to depreciation of Rupee against Euro during most part of the year resulting into higher outflow on Foreign Currency Loan repayments. Further, sudden appreciation of Rupee against Euro in the last quarter has resulted into lower sales realization.