

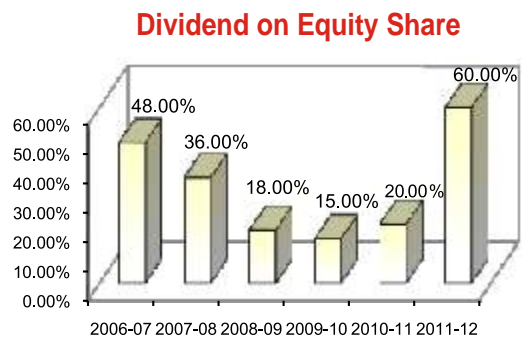
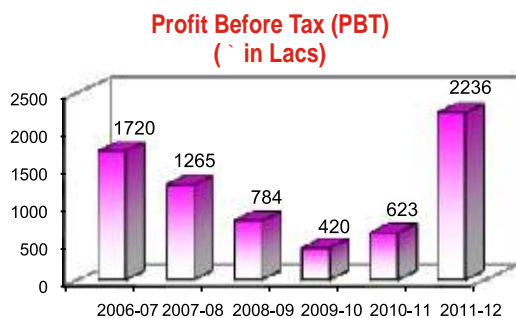
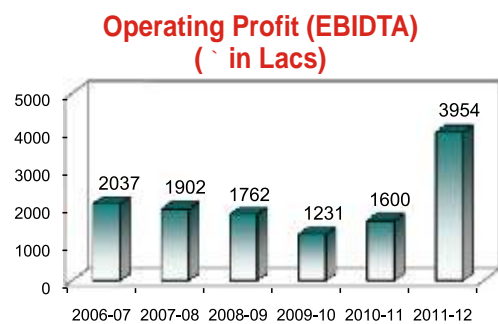
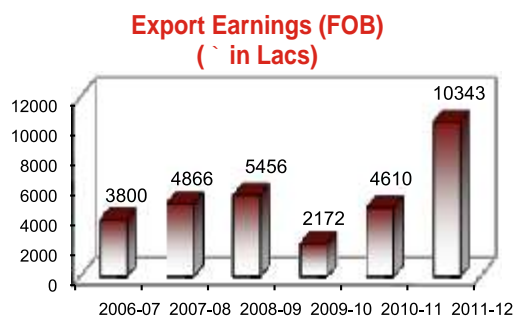
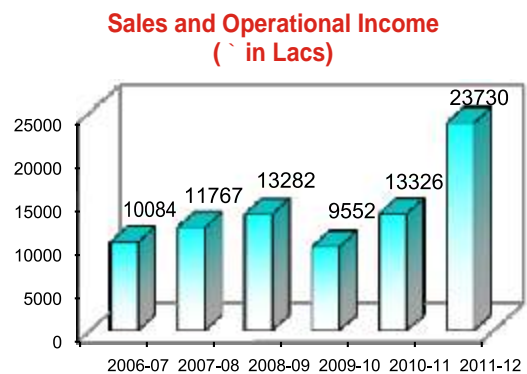
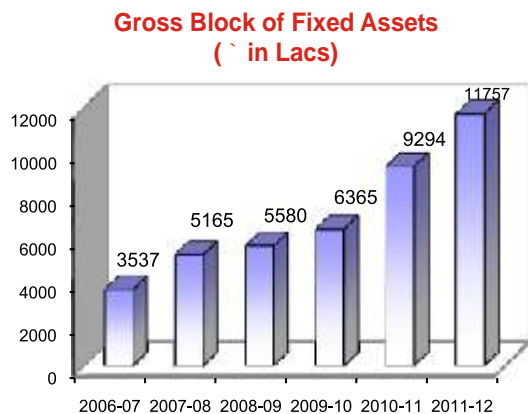


# STEELCAST LIMITED

41st Annual Report

2011-12





**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 41<sup>st</sup> 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, 16<sup>th</sup> 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 31<sup>st</sup> March, 2012, the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2012 and the Report of the Board of Directors' and Auditors' thereon.
2. To declare dividend on equity shares for the year ended 31<sup>st</sup> 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 23<sup>rd</sup> 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