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37th

**ANNUAL
REPORT
2008-2009**



Welcast Steels Limited



WELCAST STEELS LIMITED

BOARD OF DIRECTORS

Mr. Vinod Narain - Chairman
Mr. D.P. Dhanuka
Mr. R.P. Agarwal
Mr. Bhadresh K. Shah
Mr. Pradip R. Shah
Mr. Rajendra S. Shah
Mr. Sanjay Shailesh Majmudar

AUDITORS

M/s. Dagliya & Co.
Chartered Accountants
L Block
Unity Building Annexe,
J.C. Road,
Bangalore - 560 002

BANKERS

Canara Bank,
Bangalore.

State Bank of India
Bangalore

REGISTERED OFFICE & FACTORY

Plot No. 15, Phase - 1
Peenya Industrial Area,
Bangalore - 560 058
Phone : 080 - 28394058, 28394059
Fax : 080 - 28395638
E-mail : info@welcaststeels.com
Web : www.welcaststeels.com

SHARE TRANSFER AGENT

Bigshare Services Pvt. Ltd.,
E-2/3, Ansa Industrial Estate
Sakivihar Road, Saki Naka
Andheri (E), Mumbai- 400 072.
Phone : 022 - 28470652, 40430200
Fax : 022 - 28475207
E-mail : info@bigshareonline.com


WELCAST STEELS LIMITED
37TH ANNUAL GENERAL MEETING

Date	29th July 2009
Day	Wednesday
Time	3.00 P.M.
Place	The Taj West End, No 23, Race Course Road, Bangalore- 560 001
Book Closure (Dates)	15th to 29th July 2009 (Both days inclusive)



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NOTICE

NOTICE is hereby given that the Thirty-Seventh Annual General Meeting of Welcast Steels Limited, will be held at The Taj West End, No 23, Race Course Road, Bangalore- 560 001 at 15.00 hrs on Wednesday the 29th day of July 2009 to transact the following business:

- (1) To receive, consider and adopt the Directors' Report, Audited Balance Sheet of the Company and Profit and Loss Account for the year ended on 31st March 2009 together with the report of the Auditors thereon.
- (2) To declare dividend.
- (3) To appoint a Director in place of Mr. D.P.Dhanuka, who retires by rotation and who, being eligible, offers himself for reappointment.
- (4) To appoint a Director in place of Mr. Pradip R.Shah, who retires by rotation and who, being eligible, offers himself for reappointment.
- (5) To appoint a Director in place of Mr. Rajendra S.Shah, who retires by rotation and who, being eligible, offers himself for reappointment.
- (6) To appoint auditors in place of retiring auditors and to fix their remuneration.

Place : Bangalore
Date : 25/04/2009

By order of the Board of Directors

VINOD NARAIN
Chairman

NOTES

1. Every member who is entitled to attend and vote may appoint a proxy to attend and vote instead of himself and a proxy need not be a member.
2. The register of members and the share transfer books of the company will remain closed from 15th July 2009 to 29th July 2009 (both days inclusive).
3. The dividend, when declared will be paid on or before 27th August 2009 to those members whose names appear in the register of members as on 29th July 2009.



DIRECTORS' REPORT

Your Directors present the Thirty-Seventh Annual Report together with Audited Accounts of the Company for the year ended 31st March 2009

FINANCIAL RESULTS

PARTICULARS	<i>Rs in Lakhs</i>	
	2008-09	2007-08
Gross Income	20,117.36	16,857.80
Less: Excise duty	1154.60	1,552.25
Net Income	18,962.76	15,305.55
Profit before Interest and Depreciation.	883.93	766.59
Interest	122.32	128.90
Profit before Depreciation	761.61	637.69
Depreciation for the year. (Net of withdrawal from revaluation reserve)	383.03	307.16
Profit after Interest and Depreciation	378.58	330.53
Provision for tax	134.10	123.26
Profit for the year	244.48	207.27
Taxation adjustments of earlier year	(16.27)	2.43
Prior period adjustments	(1.29)	(1.49)
Total	226.92	208.21
Balance profit for earlier years	1,488.56	1,315.28
Profit available for appropriation	1,715.48	1,523.49
Transfer to General Reserve	25.00	20.00
Dividend on equity shares	12.76	12.76
Tax on proposed dividend	2.17	2.17
Balance to be carried forward a sum of	1,675.55	1,488.56
Earnings per equity share of Rs. 10/- each	Rs.35.56	Rs.32.63

PERFORMANCE HIGHLIGHTS

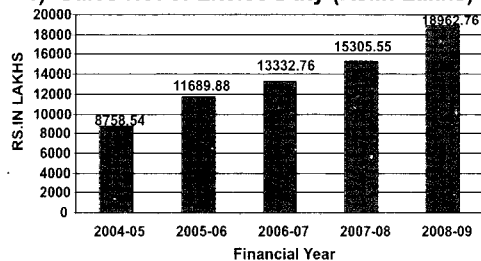
The global recession had an impact on the performance of your Company also. The demand for exports melted down and the Company had to curtail production to avoid build up of inventory. However, the sales revenue during the year was higher due to general inflation in the country, which in turn had pushed the raw material prices up and consequently the Company also raised its prices. With prudent measures adopted to control costs, the profitability has been maintained at satisfactory level.



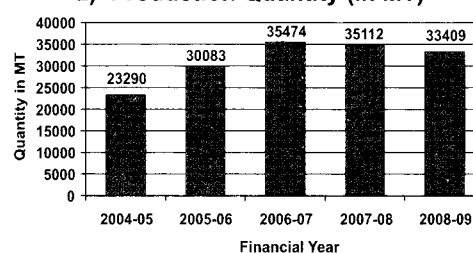
DIRECTORS' REPORT (Contd..)

Comparative performance charts for production, sales, profit and EPS are given herewith.

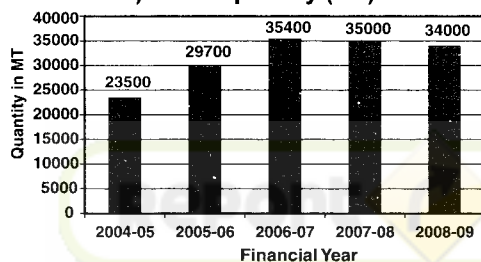
1) Sales Net of Excise Duty (Rs.in Lakhs)



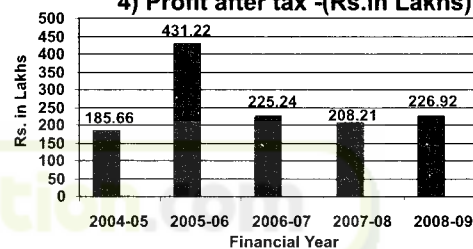
2) Production Quantity (in MT)



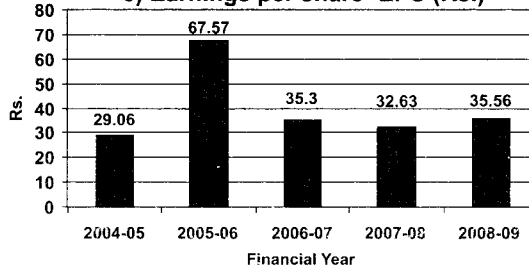
3) Sales quantity (MT)



4) Profit after tax -(Rs.in Lakhs)



5) Earnings per share -EPS (Rs.)





DIRECTORS' REPORT (Contd..)

1. PRODUCTION

During the year under review the Company produced 33,409 tons of Grinding Media as compared to 35,112 tons in the previous year.

2. SALES & PROSPECTS

The Company sold 34,032 tons of Grinding Media during the year under review as against 35,194 tons in the previous year. However the sale revenue was higher at Rs.18,963 Lakhs as against Rs.15,306 Lakhs in the previous year. Your Company has started exploring new markets for its products to overcome the impact of recession and is confident of maintaining sales at satisfactory level.

3. DIVIDEND

Your Directors are pleased to recommend a dividend of 20% (Rs.2.0 per share).

4. FINANCE

The liquidity position of the Company remained satisfactory. Canara Bank and State Bank of India extended their full co-operation to the Company.

5. SCIENTIFIC RESEARCH

The Company's R & D Section continues to do commendable job in developing products of International Standards. The products developed for specific applications in Mining Industry for different types of ores have been well received abroad.

6. EMPLOYEE RELATIONS

The relationship with the employees remained cordial. The previous labour agreement has ended on 31st December, 2008 and the new agreement is under negotiation. The Company is confident of reaching an amicable settlement.

DIRECTORS

Messrs D.P.Dhanuka, Pradip R Shah and Rajendra S Shah retire by rotation and are eligible for reappointment.

AUDITORS

Messrs Dagliya & Company, Chartered Accountants, retire at this Annual General Meeting and are eligible for reappointment

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility statement, it is hereby confirmed:

- i) That in the preparation of the accounts for the financial year ended 31st March 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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;
- iii) That 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;
- iv) That the directors have prepared the accounts for the financial year ended 31st March, 2009 on a going concern basis.



ANNEXURE-I TO DIRECTORS' REPORT

GENERAL

- Information required under section 217(2-A) of the Companies Act of 1956: -
Number of employees employed by the Company during the financial year under review drawing a remuneration in aggregate of not less than Rs. Twenty Four Lakhs per annum or Rs. Two Lakhs per month—NIL
- Particulars as required under listing agreement Clause 49 is furnished as Annexure-I to this report and form a part thereof.
- Certificate from a Company Secretary under proviso to section 383A of the Companies Act is attached as Annexure II to this report.
- The relevant notes on the accounts and accounting policy contained elsewhere in this Annual Report are self-explanatory with regard to the observations of the Auditors.

Place : Bangalore
Date : 25-04-2009

For and on behalf of the Board of Directors
VINOD NARAIN
Chairman

ANNEXURE – I

Particulars as per the Companies (Disclosures of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31.03.2009.

I. CONSERVATION OF ENERGY

Effective steps were taken to conserve energy. However, due to change in product mix requiring higher power consumption, consumption/Ton has gone up in this year marginally.

1. POWER AND FUEL CONSUMPTION

Electricity

	2008-09	2007-08
i) Units Purchased	4,43,23,200	3,12,23,880
Total amount in Rs.	20,43,60,190	15,07,72,254
Rate /Unit (Rs.)	4.61	4.83
ii) Units generated	2,24,126	1,37,95,042
Unit generated /Litre of diesel/HFO	3.10	3.48
Cost/Unit (Rs.)	**	6.57
2. CONSUMPTION PER UNIT (Metric ton) OF PRODUCTION (PRODUCT : GRINDING MEDIA)		
Electricity Units	1306	1279

** Since the units generated during the year is not material in comparison with total units consumed, Cost per unit is not comparable to previous year figures and hence not given.

II. RESEARCH AND DEVELOPMENT

1. SPECIFIC AREAS IN WHICH R & D CARRIED OUT BY THE COMPANY

- Pattern design for bigger size of grinding media for new business development.
- Improvement in overall finish of grinding media.
- Control of dust emission during transportation of used sand in the plant.

2. BENEFITS DERIVED

- New areas of business developed
- Customer satisfaction / Increase in business volume.
- Improvement in working conditions and environment.



ANNEXURE-I TO DIRECTORS' REPORT (Contd..)

3. FUTURE PLAN OF ACTION

- a) Automation and cost reduction
- b) Rejection control
- c) Development of product handling system for loading containers in the plant.

III. TECHNOLOGY ABSORPTION AND INNOVATION

1. EFFORTS MADE

- a) Introduction of dual shakeout technology for knock out.
- b) Use of alternate fuels for heat treatment.

2. BENEFITS

- a) Saving in wastage of sand
- b) Reduction in cost

3. PARTICULARS OF TECHNOLOGY IMPORTED DURING THE LAST 5 YEARS - NIL -

4. EXPENDITURE ON R & D

	Rs. in Lakhs
a) Capital	NIL
b) Revenue	5.29
Total R&D Expenditure as a percentage of total turnover (%)	0.03

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO

Rs. in Lakhs

1. EARNINGS

Foreign exchange earned. NIL

2. OUTGO

a) CIF Value of Imports	NIL
b) Expenditure in Foreign Currency on -	
Dividend Payment	1.20
Traveling expenses	0.54

V. PARTICULARS IN COMPLIANCE WITH THE LISTING AGREEMENT: CLAUSE 49

- a) The Securities of the Company is not suspended from trading in any stock exchange wherever it is listed.
- b) Name and address of the stock exchange where the securities are listed.

Bangalore Stock Exchange Ltd.,
Stock Exchange Towers, No.51, 1st Cross,
J C Road Bangalore - 560 027.

SCRIPT CODE NO 504988
The Stock Exchange-Mumbai,
Phiroze Jeejeebhai Towers, 25th Floor,
Dalal Street, Mumbai - 400 001.

ISIN - INE 380G01015
Central Depository Services (India) Limited.
Phiroze Jeejeebhai Towers, 28th Floor,
Dalal Street, Mumbai - 400 001.

ISIN - INE 380G01015
National Security Depository Ltd.
Trade World, Kamala Mills Compound, Senapathi
Bapat Marg, Lower Parel, Mumbai-400 013

The Company has paid the listing fees for the financial year 2009-2010 to all the Stock exchanges wherever its securities are listed.