



**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](mailto:info@welcaststeels.com)  
Web : [www.welcaststeels.com](http://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](mailto:info@bigshareonline.com)



**38TH ANNUAL GENERAL MEETING**

Date	26th July 2010
Day	Monday
Time	3.00 P.M.
Place	The Lalit Ashok, Kumara Krupa High Grounds, Bangalore- 560 001
Book Closure (Dates)	13th to 26th July 2010 (Both days inclusive)



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## NOTICE

NOTICE is hereby given that the Thirty-Eighth Annual General Meeting of Welcast Steels Limited, will be held at The Lalit Ashok, Kumara Krupa High Grounds, Bangalore 560 001 at 15.00 hrs on Monday, the 26th day of July 2010 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 31<sup>st</sup> March 2010 together with the report of the Auditors thereon.
- (2) To declare dividend.
- (3) To appoint a Director in place of Mr. Sanjay Shailesh Majmudar, who retires by rotation and who, being eligible, offers himself for reappointment.
- (4) To appoint a Director in place of Mr. Bhadresh K. Shah, who retires by rotation and who, being eligible, offers himself for reappointment.
- (5) To appoint a Director in place of Mr. Vinod Narain, 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 : 20-05-2010

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 the proxy need not be a member.
2. The register of members and the share transfer books of the company will remain closed from 13th July 2010 to 26th July 2010 (both days inclusive).
3. The dividend, when declared will be paid on or before 22nd August 2010 to those members whose names appear in the register of members as on 26th July 2010.



## DIRECTORS' REPORT

Your Directors present the Thirty-Eighth Annual Report together with Audited Accounts of the Company for the year ended 31st March 2010

### FINANCIAL RESULTS

PARTICULARS	<i>Rs in Lakhs</i>	
	2009-10	2008-09
Gross Income	<b>14705.15</b>	20,117.36
Less: Excise duty	<b>1009.98</b>	1154.60
Net Income	<b>13695.17</b>	18962.76
Profit before Interest and Depreciation	<b>661.63</b>	883.93
Less: Interest	<b>63.60</b>	122.32
Profit before Depreciation	<b>598.03</b>	761.61
Depreciation for the year (Net of withdrawal from revaluation reserve)	<b>362.75</b>	383.03
Profit after Interest and Depreciation	<b>235.28</b>	378.58
Provision for tax	<b>112.43</b>	134.10
Profit for the year	<b>122.85</b>	244.48
Taxation adjustments of earlier year	<b>4.40</b>	(16.27)
Prior period adjustments	<b>0.19</b>	(1.29)
<b>TOTAL</b>	<b>127.44</b>	226.92
Balance profit for earlier years	<b>1675.55</b>	1,488.56
Profit available for appropriation	<b>1802.99</b>	1715.48
Transfer to General Reserve	<b>25.00</b>	25.00
Dividend on equity shares	<b>12.76</b>	12.76
Tax on proposed dividend	<b>2.12</b>	2.17
Balance to be carried forward a sum of	<b>1763.11</b>	1,675.55
Earnings per equity share of Rs. 10/- each.	<b>19.97</b>	35.56

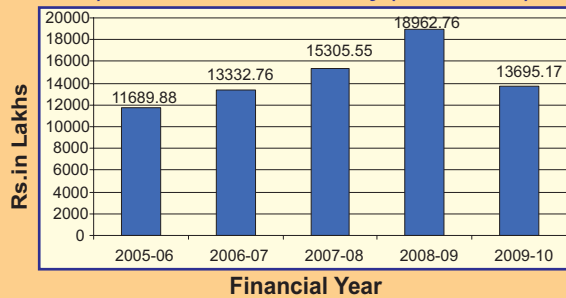


## DIRECTORS' REPORT (Contd..)

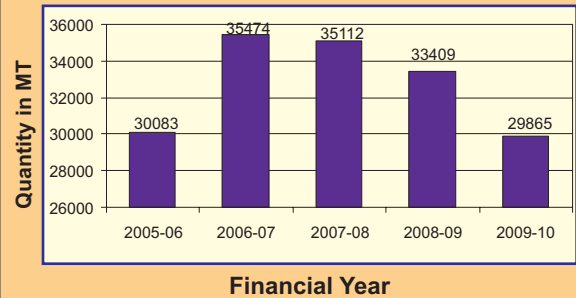
### PERFORMANCE HIGHLIGHTS

Your Company continued to face the onslaught of global recession during the year under review. The manufacturing activities had to be scaled down due to constraint in demand. However, there was improvement in the last quarter of the year and normalcy was restored to some extent.

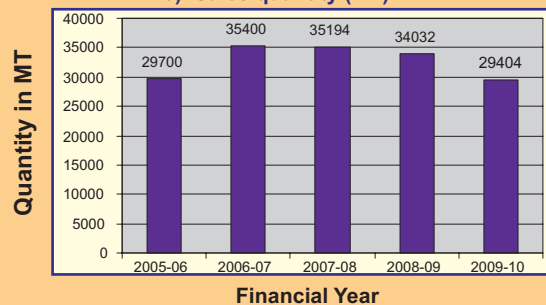
1) Sales Net of Excise Duty (Rs.in Lakhs)



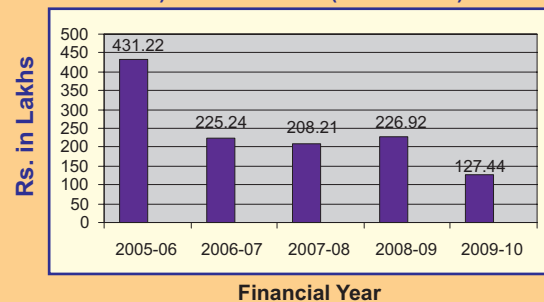
2) Production Quantity (in MT)



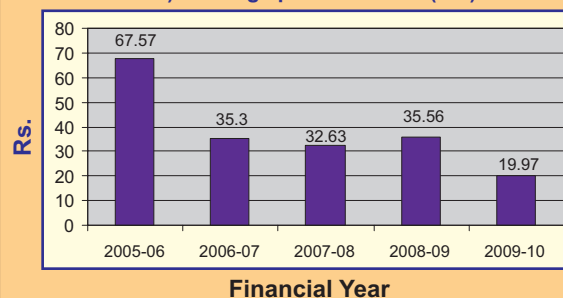
3) Sales quantity (MT)



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



5) Earnings per share -EPS(Rs.)





## **DIRECTORS' REPORT** (Contd..)

### **PRODUCTION**

During the year under review the Company produced 29,865 tons of Grinding Media as compared to 33,409 tons in the previous year.

### **SALES & PROSPECTS**

The Company sold 29,404 tons of Grinding Media during the year under review as against 34,032 tons in the previous year. The current year looks to be promising with good inflow of export orders. However, the power restrictions imposed by the government from time to time are a big setback in growth of the company. The in-house power generation cost being almost double of BESCO supply renders it uneconomical for long term utilization.

### **DIVIDEND**

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

### **FINANCE**

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

### **SCIENTIFIC RESEARCH**

The unprecedented recession in the Industry has forced the company to look minutely into every element of cost and evolve methods to eliminate all wastages. At the same time, quality and innovation have been given utmost priority to improve its business share in the global market. The R&D section of the company continued to focus its attention in these areas, resulting in development of new chemical compositions for better wear resistance of grinding media and improved processes for cost reduction.

### **EMPLOYEE RELATIONS**

During the financial year an amicable labour settlement was reached valid up to 31st December, 2011.

### **DIRECTORS**

Messrs Sanjay Shailesh Majmudar, Bhadrash K.Shah and Vinod Narain 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 31<sup>st</sup> March 2010, 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, 2010 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 : 20-05-2010

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 31.03.2010.

#### I. CONSERVATION OF ENERGY

Effective steps were taken to conserve energy.

##### 1. POWER AND FUEL CONSUMPTION

Electricity

	2009-10	2008-09
i) Units purchased	3,83,39,160	4,43,23,200
Total amount in Rs.	19,47,22,378	20,43,60,190
Rate / Unit (Rs.)	5.08	4.61
ii) Units generated	1,38,181	2,24,126
Unit generated /Litre of Diesel/HFO	3.18	3.10
2. CONSUMPTION PER UNIT (Metric ton) OF PRODUCTION (PRODUCT : GRINDING MEDIA)		
Electricity Units	1327	1306

Since the units generated during the year are not material in comparison with total units consumed, cost per unit is not representative / comparable and hence not given.

#### II. RESEARCH AND DEVELOPMENT

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

- Modification of heat treatment furnace for improving production and cost reduction.
- Air quenching system modification for reduction in power consumption.
- Developed product handling system for container loading in the plant.

##### 2. BENEFITS DERIVED

- Cost reduction/increase in productivity.
- Savings in power / cost.
- Improvement in productivity / Safety / cost.





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

### 3. FUTURE PLAN OF ACTION

- a) Moulding system automation.
- b) Reduction in rejection
- c) Improvement in working environment.

### III. TECHNOLOGY ABSORPTION AND INNOVATION

#### 1. EFFORTS MADE

- a) Development of new grade of grinding media for use in mining industry.
- b) Mechanization of oil removal from balls after oil quenching.

#### 2. BENEFITS

- a) New export markets developed.
- b) Increase in productivity / cost savings.

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

#### 4. EXPENDITURE ON R & D

**Rs. in Lakhs**

- |            |      |
|------------|------|
| a) Capital | NIL  |
| b) Revenue | 4.80 |

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
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### 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, 1<sup>st</sup> Cross,  
J C Road Bangalore - 560 027.

SCRIPT CODE NO 504988  
**The Stock Exchange-Mumbai,**  
Phiroze Jeejeebhai Towers, 25<sup>th</sup> Floor,  
Dalal Street, Mumbai – 400 001.

**ISIN – INE 380G01015**  
Central Depository Services (India) Limited.  
Phiroze Jeejeebhai Towers, 28<sup>th</sup> 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 2010-2011 to all the Stock exchanges wherever its securities are listed.



## ANNEXURE-II TO DIRECTORS' REPORT

### SECRETARIAL COMPLIANCE CERTIFICATE

To,  
The Members

#### **WELCAST STEELS LIMITED**

I have examined the registers, records, books and papers of WELCAST STEELS LIMITED as required to be maintained under the Companies Act, 1956, (the act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March 2010. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a Public Limited Company, comments are not required.
4. The Board of Directors duly met four times on 25.04.2009, 29.07.2009, 30.10.2009 and 29.01.2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 15.07.2009 to 29.07.2009 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2009 was held on 29.07.2009 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No extraordinary General Meeting held during the financial year
8. According to the information and explanations given to me, the company has not advanced loans to its directors and/or persons or firms or companies referred in the section 295 of the Act.
9. The Company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. According to the information and explanations given to me, no appointment has been made necessitating the company to obtain necessary approvals from the Board of Directors, members and previous approval of the Central Government pursuant to Section 314 of the Act wherever applicable.
12. The Board of Directors has approved / ratified the issue of duplicate share certificates.
13. The Company has:
  - i) Delivered all the certificates on lodgment thereof for transfer / transmission or any other purpose in accordance with the provisions of the act;
  - ii) Deposited the amount of dividend declared in a separate bank account on 31.07.2009 which is within five days from the date of declaration of such dividend.
  - iii) Paid / posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed / unpaid dividend has been remained in the Unpaid Dividend Account of the Company with Canara Bank, IF Branch, Bangalore.
  - iv) Duly complied with the requirements of section 217 of the act.
  - v) There were no instances necessitating the transfer of the amount in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
14. The Board of Directors of the Company is duly constituted and the appointment of Directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
15. There was no requirement of appointing of a Managing Director / Whole-time-Director / Manager under the provisions of section 269 read with Schedule XIII to the Act and approval of the Central Government.