



**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 - 8722803333, 8222802333  
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)



**39TH ANNUAL GENERAL MEETING**

Date	3rd August 2011
Day	Wednesday
Time	3.00 P.M.
Place	The Lalit Ashok, Kumara Krupa High Grounds, Bangalore 560 001
Book Closure (Dates)	20th July 2011 to 3rd August 2011 (Both days inclusive)



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## NOTICE

NOTICE is hereby given that the Thirty-Ninth 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 Wednesday, the 3rd day of August 2011 to transact the following business:

### Ordinary 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 2011 together with the report of the Auditors thereon.
- (2) To declare dividend.
- (3) To appoint a Director in place of Mr.R.P. Agarwal, who retires by rotation and who, being eligible, offers himself for reappointment.
- (4) To appoint a Director in place of Mr. D.P. Dhanuka, who retires by rotation and who, being eligible, offers himself for reappointment.
- (5) To appoint a Director in place of Mr. Pradip R. 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 : 05-05-2011

By order of the Board of Directors  
**VINOD NARAIN**  
Chairman

### NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote, instead of himself. The proxy need not be a member.  
  
Proxies in order to be effective, Proxy Form should be duly completed, stamped, signed and must be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.
2. The register of members and the share transfer books of the company will remain closed from 20th July 2011 to 3rd August 2011 (both days inclusive).
3. The dividend, when declared will be paid on or before 31st August 2011 to those members whose names appear in the register of members as on 3rd August 2011.



## DIRECTORS' REPORT

Your Directors present the Thirty-Ninth Annual Report together with Audited Accounts of the Company for the year ended 31st March 2011.

### FINANCIAL RESULTS

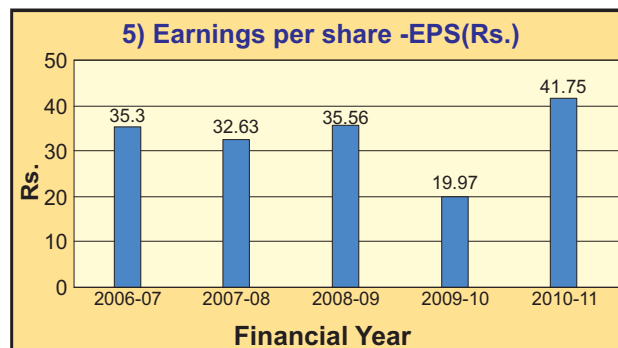
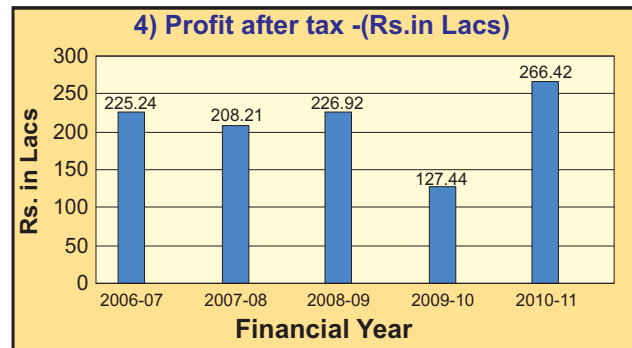
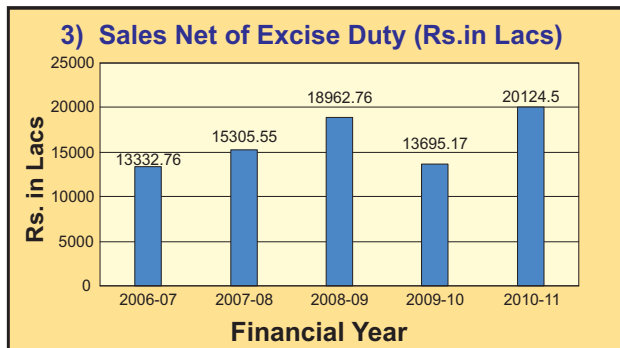
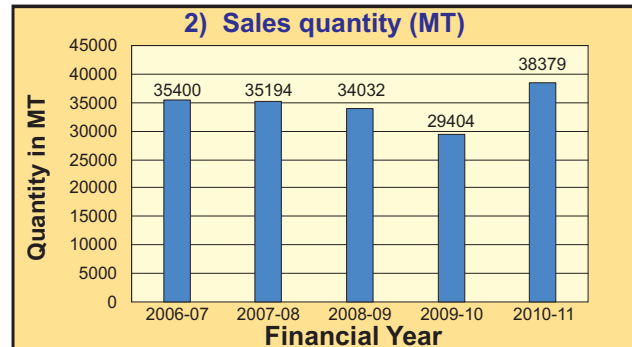
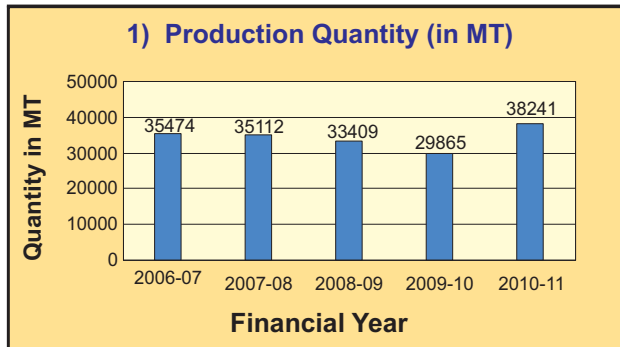
PARTICULARS	<i>Rs in Lakhs</i>	
	2010-11	2009-10
Gross Income	<b>21819.11</b>	14705.15
Less: Excise duty	<b>1694.61</b>	1009.98
Net Income	<b>20124.50</b>	13695.17
Profit before Interest and Depreciation	<b>720.93</b>	661.63
Less: Interest	<b>62.83</b>	63.60
Profit before Depreciation	<b>658.10</b>	598.03
Depreciation for the year (Net of withdrawal from revaluation reserve)	<b>290.43</b>	362.75
Profit after Interest and Depreciation	<b>367.67</b>	235.28
Provision for tax	<b>100.91</b>	112.43
Profit for the year	<b>266.76</b>	122.85
Taxation adjustments of earlier year	-	4.40
Prior period adjustments	<b>0.34</b>	0.19
<b>Total</b>	<b>266.42</b>	127.44
Balance profit for earlier years	<b>1763.11</b>	1675.55
Profit available for appropriation	<b>2029.53</b>	1802.99
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>2.09</b>	2.12
Balance to be carried forward a sum of	<b>1989.68</b>	1763.11
Earnings per equity share of Rs. 10/- each	<b>41.75</b>	19.97



## DIRECTORS' REPORT (Contd..)

### PERFORMANCE HIGHLIGHTS

The members would be glad to note that the Company has shown appreciable all-round improvement in production, sales, turnover and profit during the year under review. The comparative charts, given hereunder, highlight the impressive performance.





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

### **1. PRODUCTION**

During the year under review the Company produced 38,241 tons of Grinding Media as compared to 29,865 tons in the previous year, an increase of 28%.

### **2. SALES & PROSPECTS**

The Company sold 38,379 tons of Grinding Media during the year under review as against 29,404 tons in the previous year. The sales revenue was higher at Rs.20,124 lakhs as against Rs.13,695 lakhs in the previous year recording a jump of 47%. The order book for the current year is also quite comfortable.

### **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 In-House Research & development Section of the Company has continued to focus its attention on innovation, quality improvement, waste elimination and pollution control. With its sustained efforts, new grades of products have been developed for mineral grinding operations which have been well received by the mining industry. The Company's products have now global presence and command a premium for its quality.

### **6. EMPLOYEE RELATIONS**

The relationship with the employees remained cordial.

#### **DIRECTORS**

Messrs R.P.Agarwal, D.P.Dhanuka and Pradip R.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 2011, 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, 2011 on a going concern basis.

#### **GENERAL**

1. 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. Sixty Lakhs per annum or Rs. Five Lakhs per month—NIL

2. Particulars as required under listing agreement Clause 49 are furnished as Annexure-I to this report and form a part thereof.
3. Certificate from a Company Secretary under proviso to section 383A of the Companies Act is attached as Annexure II to this report.
4. 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 : 05-05-2011

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



## ANNEXURE-I TO DIRECTORS' REPORT

### 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 31.03.2011.

#### I. CONSERVATION OF ENERGY

Effective steps were taken to conserve energy.

##### 1. POWER AND FUEL CONSUMPTION

Electricity

	2010-11	2009-10
i) Units purchased	4,71,90,000	3,83,39,160
Total amount in Rs.	24,92,43,601	19,47,22,378
Rate / Unit (Rs.)	5.28	5.08
ii) Units generated	9,41,735	1,38,181
Unit generated / Litre of Diesel/HFO	3.77	3.18

##### 2. CONSUMPTION PER UNIT (Metric ton) OF PRODUCTION (PRODUCT : GRINDING MEDIA)

Electricity Units	1275	1327
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#### II. RESEARCH AND DEVELOPMENT

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

- Development of highly corrosion resistant grinding media.
- Use of alternate fuels for heat treatment.
- Improvement in pollution control systems.

##### 2. BENEFITS DERIVED

- Increase in business volume in mining area
- Cost reduction.
- Better working environment.

##### 3. FUTURE PLAN OF ACTION

- Up-gradation of moulding technology.
- Mechanization of material handling.
- Conservation of water.





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

### III. TECHNOLOGY ABSORPTION AND INNOVATION

#### 1. EFFORTS MADE

- a) Introduction of new quality control parameters.
- b) Computerised radiation checking of raw materials.

#### 2. BENEFITS

- a) Reduction in rejection.
- b) Elimination of radioactive contamination.

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

#### 4. EXPENDITURE ON R & D

Rs. in Lakhs

- |            |      |
|------------|------|
| a) Capital | NIL  |
| b) Revenue | 5.78 |

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 |

### V . PARTICULARS IN COMPLIANCE WITH THE LISTING AGREEMENT:

#### CLAUSE 49

- a) The security of the Company is not suspended from trading in any stock exchanges 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 Jeejeebhoy Towers,  
25th Floor, Dalal Street,  
Mumbai – 400 001.

#### **ISIN – INE 380G01015**

Central Depository Services (India) Limited.  
Phiroze Jeejeebhoy 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 2011-2012 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 2011. 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 five times on 28.04.2010, 20.05.2010, 26.07.2010, 12.11.2010 and 03.02.2011 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 13.07.2010 to 26.07.2010 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2010 was held on 26.07.2010 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 29.07.2010 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.