



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
Mr. Ashok A. Nichani

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
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



40th ANNUAL GENERAL MEETING

Date	19th July 2012
Day	Thursday
Time	3.00 P.M.
Place	LE MERIDIEN Bangalore 28, Sankey Road, Bangalore 560 052
Book Closure (Dates)	05th July 2012 to 19th July 2012 (Both days inclusive)



INDEX

Sl.No.	Contents	Page No.
1	Notice	4
2	Directors' Report	5-7
3	Annexures to Directors' Report	8-12
4	Auditors' Report	13-15
5	Balance Sheet	16
6	Statement of Profit & Loss	17
7	Notes Forming Part of Balance Sheet	18-29
8	Cash Flow Statement	30
9	Attendance Slip/Proxy form	31



NOTICE

NOTICE is hereby given that the Fortieth Annual General Meeting of Welcast Steels Limited, will be held at Le Meridien, No.28, Sankey Road, Bangalore - 560 052, at 3.00 pm on Thursday, the 19th day of July 2012 to transact the following business:

Ordinary Business

- (1) To receive, consider and adopt the Directors' Report, Audited Balance Sheet of the Company and Statement of Profit and Loss for the year ended on 31st March 2012 together with the report of the Auditors' thereon.
- (2) To declare dividend.
- (3) To appoint a Director in place of Mr. Rajendra S. Shah, who retires by rotation and being eligible, offers himself for reappointment.
- (4) To appoint a Director in place of Mr. Sanjay Shailesh Majmudar, who retires by rotation and being eligible, offers himself for reappointment.
- (5) To appoint a Director in place of Mr. Bhadresh K. Shah, who retires by rotation and being eligible, offers himself for reappointment.
- (6) To appoint auditors in place of retiring auditors and to fix their remuneration.

Special Business

- (7) To appoint a Director in place of Mr. Ashok A. Nichani who was appointed as an Additional Director of the company and who holds office of the Director only up to this Annual General Meeting under section 260 of the Companies Act, 1956. Being eligible, he offers himself for election and hence to consider and if thought fit, to pass the following resolution as an ordinary resolution with or without modification.

"RESOLVED that due notice in writing signifying the intention of a member to propose Mr. Ashok A. Nichani as a Director having been received, pursuant to the provisions of section 257 and other relevant provisions of the Companies Act, 1956, Mr. Ashok A. Nichani be and is hereby appointed as a Director of the company liable to retire by rotation"

Place : Bangalore
Date : 15-05-2012

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 instrument of proxy in order to be effective must be received at Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and the share transfer books of the company will remain closed from 05th July 2012 to 19th July 2012 (both days inclusive).
4. The dividend, when declared will be paid on or before 16th August 2012 to those members whose name appears in the register of members as 19th July 2012.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

ITEM NO.7

Mr. Ashok A. Nichani was co-opted to the Board on and with effect from 02.11.2011 and hence he holds office only up to this Annual General Meeting.

The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 along with the requisite deposit, signifying his intention to propose the name of Mr. Ashok A. Nichani as a candidate for the office of Director.

The Board of Directors of the Company feels that his association at the Board level would be of large value to the Company and hence recommend his appointment in terms of resolutions set out in item no 7 of the notice. None of the Directors except Mr. Ashok A. Nichani is in any way concerned or interested in the said resolution.

Place : Bangalore
Date : 15-05-2012

By order of the Board of Directors
VINOD NARAIN
Chairman



DIRECTORS' REPORT

Your Directors present the Fortieth Annual Report together with Audited Accounts of the Company for the year ended 31st March 2012

FINANCIAL RESULTS

PARTICULARS	₹. In Lacs	
	2011-12	2010 – 11
Gross Income	23030.23	21751.30
Less: Excise duty	1300.40	1694.61
Net Income	21729.83	20056.69
Profit before Finance Cost and Depreciation.	686.54	720.93
Less: Finance Cost	62.86	62.83
Profit before Depreciation	623.68	658.10
Depreciation for the year (Net of withdrawal from revaluation reserve)	233.00	290.43
Profit after Finance Cost and Depreciation	390.68	367.67
Provision for tax	124.50	100.91
Profit for the year	266.18	266.76
Prior period adjustments	3.66	0.34
Total	262.52	266.42
Balance profit for earlier years	1989.67	1763.09
Profit available for appropriation	2252.19	2029.51
Transfer to General Reserve	30.00	25.00
Dividend on equity shares	25.52	12.76
Tax on proposed dividend	4.14	2.08
Balance to be carried forward a sum of	2192.53	1989.67
Earnings per equity share of ₹.10/- each	41	42

1. PRODUCTION

During the year under review, the Company produced 37,979 tons of Grinding Media as compared to 38,241 tons in the previous year.

2. SALES & PROSPECTS :

The Company sold 38,120 tons of Grinding Media during the year under review as against 38,379 tons in the previous year. However, the sales revenue was higher at the ₹.21,729 lacs as against ₹.20,056 lacs in the previous year. The order book for the current year is also comfortable and the inflow of further orders is quite encouraging.

3. DIVIDEND :

Keeping in view the long standing expectations of Shareholders and the circumstances permitting, your Directors are pleased to recommend a dividend of 40% (₹.4.0 per share), as compared to 20% (₹.2.0 per share) in the previous year.

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 Research & Development section of the company remained busy in developing suitable grades of Grinding Media for Mining application. In spite of tough competition, the company has improved its market share globally by introducing special grades of grinding media for specific applications.

6. EMPLOYEE RELATIONS

The relationship with the employees remained cordial.

The previous Wage Agreement has ended on 31st December, 2011 and the new Agreement is under negotiation. An amicable settlement is likely to be reached soon.



DIRECTORS' REPORT (Contd..)

7. DIRECTORS :

Messrs Rajendra S. Shah, Sanjay Shailesh Majmudar and Bhadresh K. Shah retire by rotation and are eligible for re-appointment.

8. AUDITORS :

Messrs Dagliya & Company, Chartered Accountants, retire at this Annual General Meeting and are eligible for re-appointment.

9. COST AUDITORS :

In compliance with the Ministry of Corporate Affairs' order No. 52/26/CAB-2010 dated 3rd May 2011, the Board of Directors of the Company on the approval of the Central Government, has appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as the Cost Auditors of the Company to audit the Cost Accounting Records of the Company for the Financial Year 2011-2012.

The first Cost Audit Report for the Financial Year 2011-12 will be submitted to Central Government on or before 27th September 2012.

10. DEPOSITS:

The Company has not accepted any deposit from the public during the year under review, within the meaning of Section 58A of the Companies Act, 1956.

11. INTERNAL CONTROL AND AUDIT:

Company has a proper and adequate system of Internal Control commensurate with its size and the nature of its operations to ensure that all assets are safeguarded and protected against loss from un-authorised use or disposition and those transactions are authorised, recorded and reported correctly.

During the year under review, Internal Audit of the Company has been carried out by M/s. Rajesh Dudhara & Co., Chartered Accountants, Ahmedabad.

12. 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 2012, 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, 2012 on a going concern basis.

13. COMPLIANCE CERTIFICATE:

Pursuant to Section 383 A of the Companies Act, 1956 and Companies (Compliance Certificate) Rules 2001, Compliance Certificate from Mr. Manjunath Reddy, Practising Company Secretaries for the year ended 31st March 2012 is attached as Annexure II to this Directors' Report.

14. GENERAL:

- i. 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 ₹. Sixty Lakhs per annum or ₹. Five Lakhs per month—NIL
- ii. Particulars as required under listing agreement Clause 49 are furnished as Annexure-I to this report and form a part thereof.
- iii. Certificate from a Company Secretary under proviso to section 383A of the Companies Act is attached as Annexure II to this report.
- iv. 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 : 15-05-2012

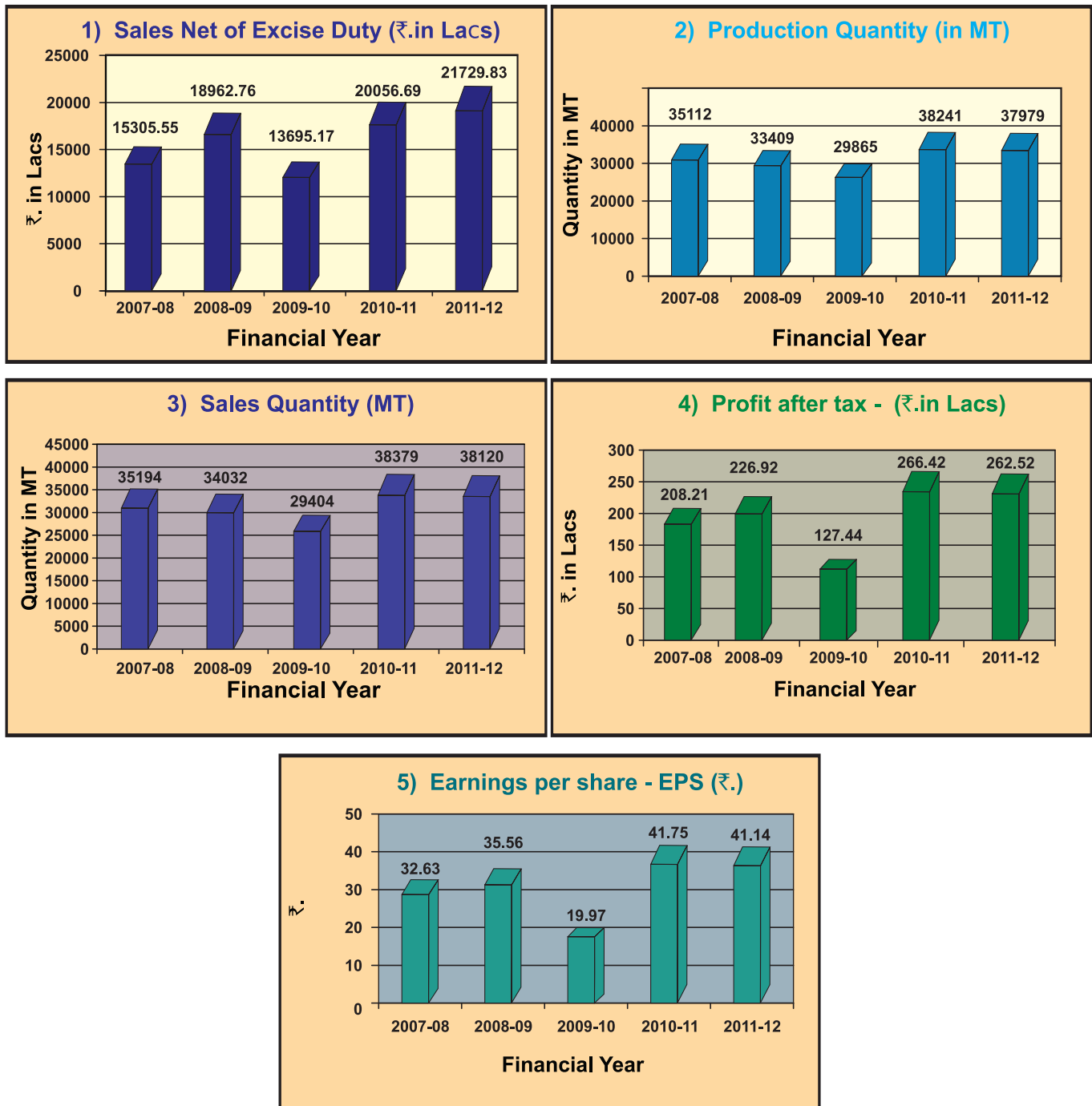
For and on behalf of the Board of Directors
VINOD NARAIN
Chairman



DIRECTORS' REPORT (Contd..)

PERFORMANCE HIGHLIGHTS

The Company has shown improvement in sales revenue during the year under review. Performance Charts for production, sales, profit and EPS; as compared to previous years, are given hereunder:





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 Director's Report for the year ended 31.03.2012.

I. CONSERVATION OF ENERGY

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

1. POWER AND FUEL CONSUMPTION

Electricity

	2011-12	2010-11
I) Units purchased	4,81,01,280	4,71,90,000
Total amount in ₹.	27,96,23,572	24,92,43,601
Rate / Unit (₹.)	5.81	5.28
ii) Units generated	4,62,709	9,41,735
Unit generated /Litre of Diesel/HFO	3.92	3.77
2. CONSUMPTION PER UNIT OF PRODUCTION (Metric Ton) (Product : Grinding Media) Electricity Units	1346	1275

II. RESEARCH AND DEVELOPMENT

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

- Material Handling Systems for semi finished and finished goods
- Heat-treatment process for new products
- Pattern Design for better yield

2. BENEFITS DERIVED

- Cost reduction and safe movement of goods
- New Market for Exports, increase in market share
- Improvement in productivity

3. FUTURE PLAN OF ACTION

- Improvement in working environment
- Water conservation
- Rejection control



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

III. TECHNOLOGY ABSORPTION AND INNOVATION

1. EFFORTS MADE

- a) Adoption of new heat-treatment process.
- b) Modification of sand mixing technology

2. BENEFITS

- a) Improvement in properties of Grinding Media.
- b) Reduction in rejection.

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

4. EXPENDITURE ON R & D

- a) Capital
- b) Revenue

Total R&D Expenditure as a percentage of total turnover (%) 0.03

₹. in Lacs

N I L

5.63

₹. in Lacs

NIL

12.07

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. EARNINGS

Foreign exchange earned.

2. OUTGO

- a) CIF Value of Imports

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 2012-2013 to all the Stock Exchanges wherever its securities are listed.