



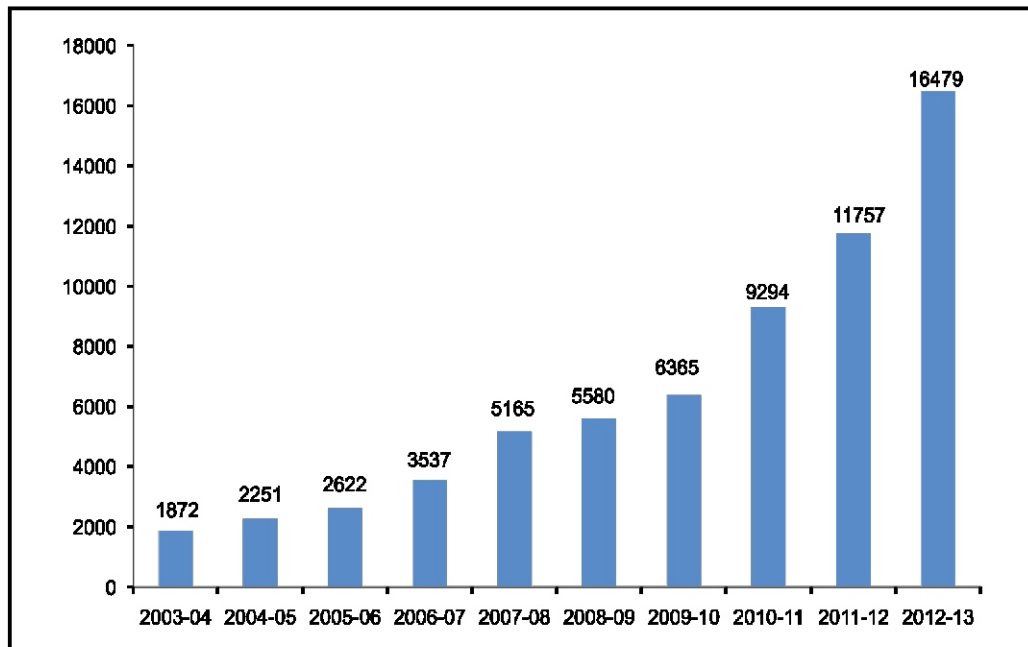
STEELCAST LIMITED

42nd Annual Report

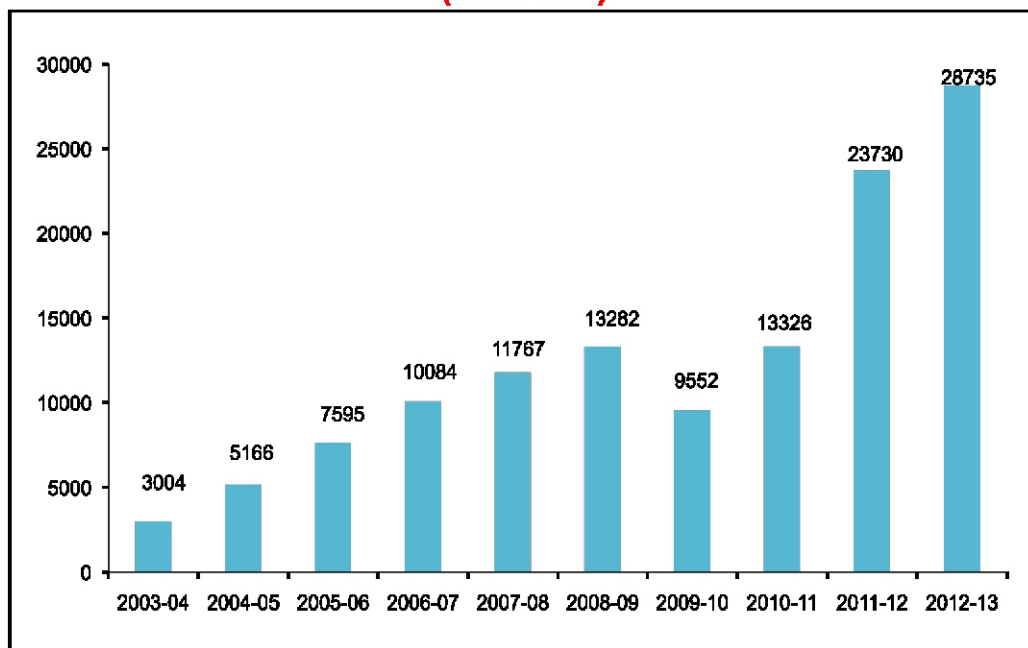
2012-13



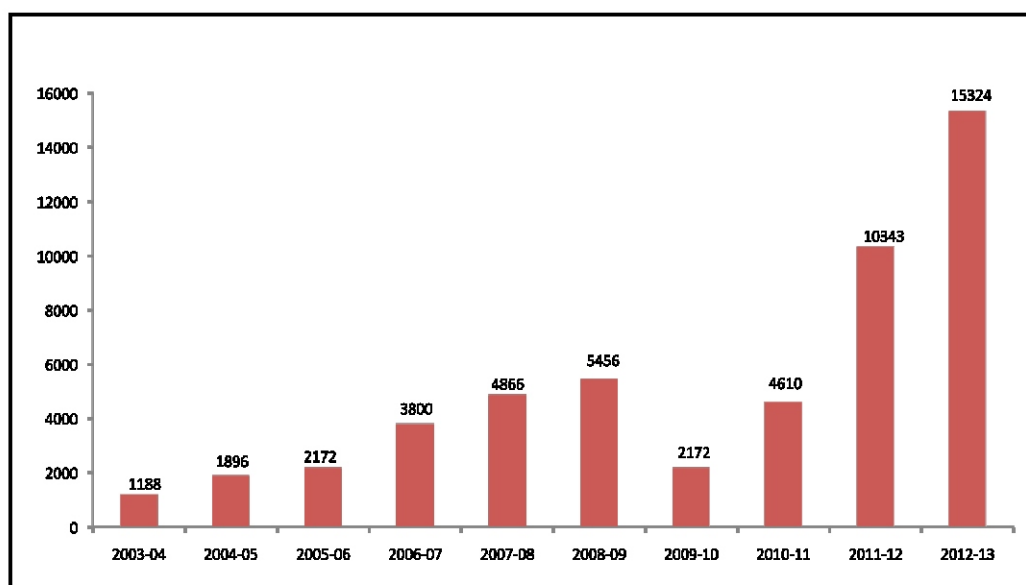
Gross Block of Fixed Assets (₹ In Lacs)



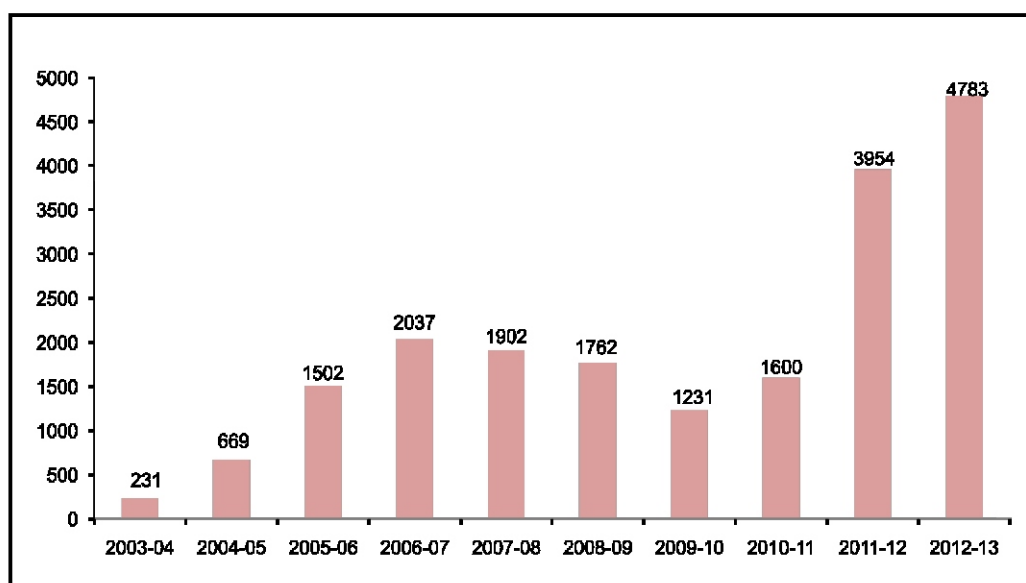
Sales and Operational Income (₹ in Lacs)



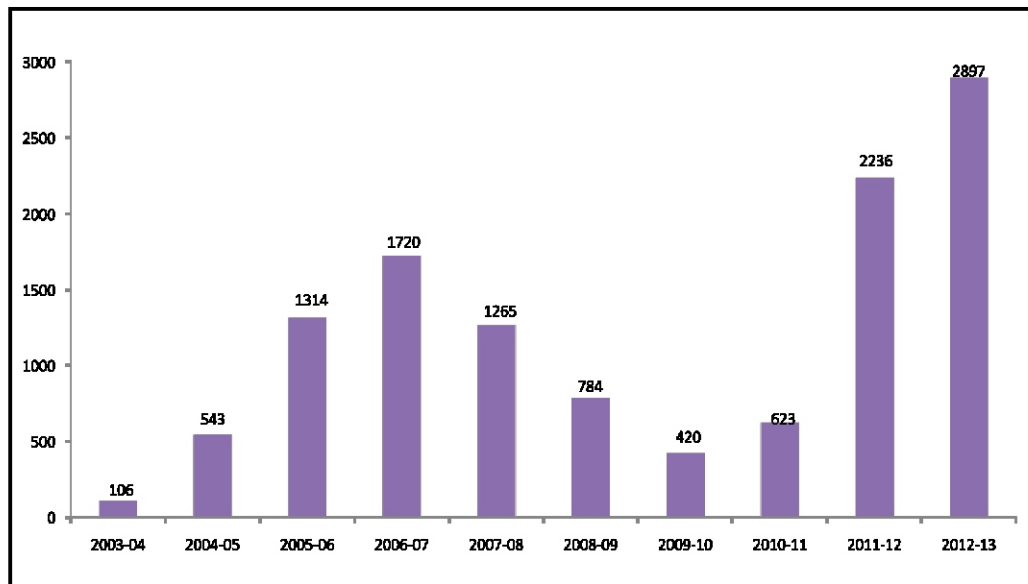
Export Earnings (FOB) (₹ in Lacs)



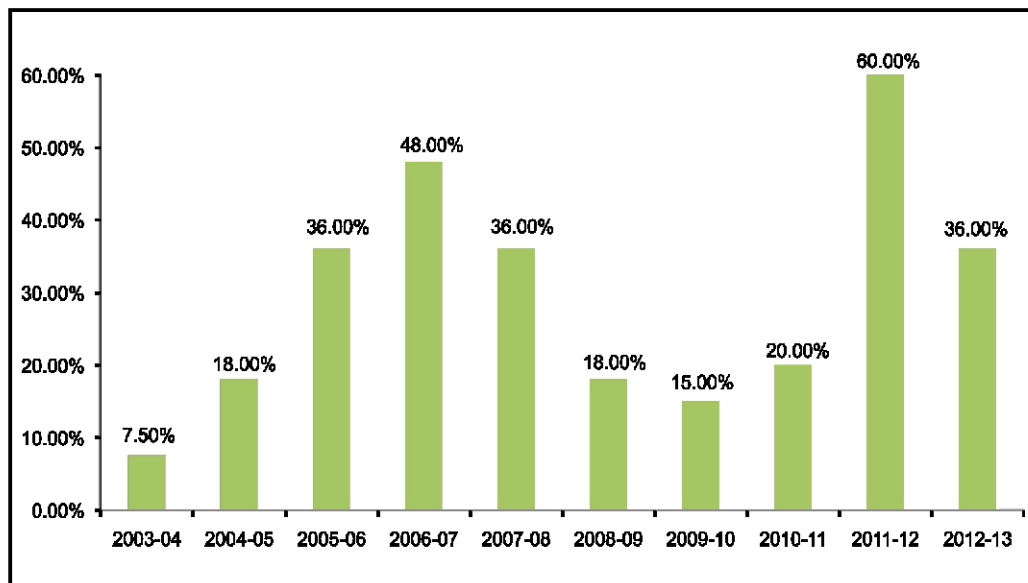
Operating Profit (EBIDTA) (₹ in Lacs)



Profit Before Tax (PBT) (₹ in Lacs)



Dividend on Equity Share



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
Smt. 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

COMPANY SECRETARY

Priyanka Jain

BANKERS

Bank of India
Standard Chartered Bank
HDFC Bank Ltd.

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

L27310GJ1972PLC002033

ISIN

INE124E01020

SCRIP CODE AT BSE

513517

CONTENTS

1 Notice.....	3
2 Directors' Report.....	5
3 Corporate Governance Report.....	12
4 Management Discussion and Analysis Report.....	27
5 Independent Auditors' Report.....	30
6 Balance Sheet.....	34
7 Profit & Loss Account.....	35
8 Cash Flow Statement.....	36
9 Notes on Accounts.....	37

SIGNIFICANT FINANCIAL INDICATORS FOR LAST TEN YEARS

(All Values in ₹ Lacs, Except Sr. No. 8 to 12)

Sr. No.	Aspect	As at the end of 31 st March									
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1	Total Income	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	28,735.05
2	Operating Profit	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	4,782.92
3	Profit After Tax	70.07	332.81	874.46	1,117.94	804.88	511.16	278.44	432.59	1,411.01	1,965.42
4	Net Worth	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	7,704.14
5	Total Borrowed Funds	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	11,631.81
6	Fixed Assets (Net)	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	12,148.19
7	Net Current Assets	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	7,322.19
8	Book Value Per Share (₹) (Adjusted to Sub Division & Bonus Issue)	6	8	13	19	24	26	27	29	36	44
9	Earning Per Share (Basic) (Adjusted to Sub Division & Bonus Issue)	0.5	2.3	6.0	7.9	5.5	2.8	1.9	2.8	9.3	11.8
10	Dividend (%)	7.50	18.00	36.00	48.00	36.00	18.00	15.00	20.00	60.00	36.00
11	Debt Equity Ratio	1.03	1.18	1.05	1.10	1.40	1.17	0.97	1.44	1.42	1.51
12	Operating Profit to Sale (%)	7.56	12.91	19.71	20.16	16.16	13.24	12.87	11.96	16.62	16.64

STEELCAST LIMITED

Registered Office : Ruvapari Road, Bhavnagar, Gujarat 364 005.

Notice of 42nd Annual General Meeting

NOTICE is hereby given that the FORTY SECOND ANNUAL GENERAL MEETING of the Members of STEELCAST LIMITED will be held on Tuesday, The 16th July, 2013 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 31st March, 2013 and the Profit & Loss Account for the year ended 31st March, 2013 and the Report of the Board of Directors' and Auditors' thereon.
2. To declare dividend on equity shares for the Financial Year ended 31st March, 2013.
3. To appoint a Director in place of Mr. V B Buch, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Manali C Tamboli, who retires by rotation and being eligible, offers herself for re-appointment.
5. To reappoint 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 authorize the Board of Directors to fix their remuneration.

Registered Office:

Ruvapari Road,
Bhavnagar, 364 005,
Gujarat, India.

By Order of the Board of Directors
For **STEELCAST LIMITED**

Date: May 12, 2013

Place : Bhavnagar

(Priyanka Jain)

Company Secretary

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 Register of Members and Share Transfer Books of the Company will remain closed from 11th July, 2013 to 16th July, 2013 (both days inclusive) for the purpose of payment of dividend, if approved by the Members.
3. The dividend, as recommended by the Board, if approved at the Annual General Meeting, will be paid after 21st July, 2013 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 10th July, 2013 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 on or before 10th July, 2013 with the Company or its Registrar & Transfer Agent (RTA) viz. MCS Limited, "Shatdal" Opp. Bata Showroom, Ashram Road, Ahmedabad 380 009.
4. Pursuant to the provisions of Section 205A of the Companies Act, 1956, final dividend for the financial year 2005-06 and the dividends for the subsequent years, which remain unpaid or unclaimed for a period of 7 years from the date of declaration, will be transferred to Investor Education and Protection Fund ("IEPF"). Shareholders who have so far not encashed the dividend warrant(s) of the final dividend declared for the financial year 2005-06 are requested to make their claim to the Secretarial Department at the Registered Office of the Company or to the Registrars & Transfer Agents of the Company on or before 17th August, 2013, 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, no claim shall lie with the Company with respect to unclaimed dividend once it is transferred by the Company to IEPF.
5. 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 above mentioned transactions.
6. 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 or Voter ID Card.
7. Members are requested to:
- (a) Notify the change in address, if any, with PIN Code number 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.
8. Members having any questions on accounts are requested to send their queries at least 10 days in advance before the date of AGM to the Company at its Registered Office address to enable the Company to collect the relevant information.

DIRECTORS' REPORT

Dear Shareholders,

The Directors of your Company are pleased to present the 42nd Annual Report and the Audited Accounts for the financial year ended on March 31, 2013.

1. FINANCIAL RESULTS:

(Rupees in Lacs)

Sr. No.	Particulars	2012-13	2011-12
1	Sales	28,735	23,730
2	Other Income	119	67
3	Total Income	28,854	23,797
4	Profit Before Depreciation & Tax (PBDT)	3,913	3,014
5	Less: Depreciation	1,016	778
6	Profit Before Taxation (PBT)	2,897	2,236
7	Less: Taxation (all Taxes)	931	825
8	Profit After Taxation (PAT)	1,966	1,411
9	Add: Balance brought forward from last year	200	150
10	Amount Available for Appropriation	2,166	1,561
	Appropriations:		
	(a) Interim Dividend	0	83
	(b) Proposed Dividend	328	166
	(c) Corporate Dividend Tax	56	40
	(d) General Reserve	1,532	1,072
	(e) Balance to be carried forward	250	200
	Total	2,166	1,561

2. **SALIENT FEATURES OF COMPANY'S WORKING DURING THE YEAR:** During the year under review, the Total Turnover of the Company has gone up to Rs. 287.35 Crores as compared to Rs.237.30 Crores in the previous Financial Year, registering a growth of 21%. Export Turnover has also gone up to Rs. 156.26 Crores as compared to Rs.103.43 Crores in the previous Financial Year, showing an increase of 51%.

The Company has registered a Profit Before Tax (PBT) of Rs. 28.97 Crores and Profit After Tax (PAT) of Rs. 19.66 Crores as compared to PBT of Rs. 22.36 Crores and PAT of Rs. 14.11 Crores respectively in the previous Financial Year. PBT and PAT grew by 29.56% and 39.33% respectively.

3. **SUB-DIVISION OF SHARES AND ISSUE OF BONUS SHARES:** During the year under review, your Company has sub-divided face value of its equity shares from Rs. 10/- each to Rs. 5/- each and also capitalized Rs. 4,55,40,000/- out of the reserves and issued Bonus Shares in the ratio of 1:1 on sub-divided shares of face value of Rs.5/- each.

4. **EQUITY INFUSION THROUGH PREFERENTIAL ALLOTMENT:** Your Company has issued and

allotted 594,000 warrants to the Promoter Group Company in accordance with the relevant SEBI guidelines for an aggregate sum of Rs. 641.52 Lacs in November 2011. The Promoter Group infused, during the financial year 2012-13, Rs.1,60,38,000/- (being balance 75% amount payable on conversion of 198,000 warrants of Rs.10/- each into 792,000 equity shares of Rs. 5/- each, including 396,000 bonus shares of Rs. 5/- each) on 18th March, 2013. As a result, the paid-up capital of your Company was increased from Rs. 8,31,60,000 to Rs.8,71,20,000 on allotment of 792,000 fully paid equity shares (including 396,000 bonus shares) of Rs.5/- each.

5. **DIVIDEND:** Your Directors are pleased to recommend dividend of Rs. 1.80/- per Equity Share of Rs.5/- each (i.e. 36%) for the financial year ended March 31, 2013, subject to approval of the shareholders at the ensuing Annual General Meeting.

The total Dividend outgo for the year ended 31st March, 2013 would be Rs. 3.84 Crore including the Corporate Dividend Tax of Rs. 0.56 Crore.

6. **INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956.**

A. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EARNINGS AND OUTGO: The Information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 217(1) (e) of the Companies Act, 1956, is set out in a separate statement annexed to this Report as an **Annexure-A** and forming part of this Report.

B. PARTICULARS OF EMPLOYEES: As required under the provisions of Sub-section (2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, as amended, the name and other particulars of employees are set out in a separate statement annexed to this Report as an **Annexure-B** and forming part of this Report.

C. DIRECTORS' RESPONSIBILITY STATEMENT: As required under Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 that period;
- (iii) 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; and
- (iv) the Directors have prepared the annual accounts of the Company on a 'going concern basis'.

7. **QUALITY:** Your Company continued to emphasis on research, development and innovation of products. A dedicated Quality Assurance ("QA") team has been constituted to monitor product quality, set benchmarks and evolve new horizon in product development. Also, substantial CAPEX has been incurred towards quality improvement and product innovation. Your Company strives to be industry leader by adopting modern technology and towards this, a modern Automated No-Bake Fast Loop Moulding Line for production of high quality steel castings has already been commissioned.
8. **INSURANCE:** All assets of the Company, including Building, Plant & Machinery, Stocks etc., wherever necessary and to the extent required, have been adequately insured.
9. **DIRECTORS:** Mr. V B Buch, and Mrs. Manali C Tamboli, Directors of the Company, retire by rotation, and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.
10. **HUMAN RESOURCES:** At STEELCAST, people are one of the most valuable assets of the Company. The success enjoyed during the year was entirely because of our people. Positive results were enabled by promoting leadership, cross-functional collaboration, innovativeness, training inputs for skill enhancement projects across the organization. As on 31st March, 2013, human capital at STEELCAST is more than 920 personnel who are committed towards growth of the Company.
11. **AUDITORS' REPORT:** The observations made in the Auditor's Report are self-explanatory and, therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.
12. **CORPORATE GOVERNANCE:** Your Company is committed to maintaining the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by SEBI. The Report on Corporate Governance, as stipulated under Clause 49 of the Listing Agreement with the BSE Limited, is presented in a separate section and forms a part of the Annual Report. Your Company's Statutory Auditors' Certificate confirming compliance with Clause 49 of the Listing Agreement is annexed to this Report as **Annexure-C** and forms a part of the Annual Report.
13. **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:** Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the BSE Limited, is presented in separate section and forms part of the Annual Report.
14. **COMPLIANCE CERTIFICATE:** Pursuant to the provisions of section 383A of the Companies Act, 1956, a certificate of compliance by a Practicing Company Secretary is annexed hereto and forms part of this report.
15. **CODE OF CONDUCT:** As required by clause 49 of the listing agreement, the Board of Directors have evolved a Code of Conduct for members of the Board and members of the Senior Management Team. The Code is available on the website of the Company. Affirmation of compliance with the said Code by all concerned as certified by the Chairman & Managing Director is annexed hereto and forms part of this report.

16. **CEO CERTIFICATION:** Pursuant to the provisions of the Clause 49 of the Listing Agreement, the CEO Certification for preparation of financial statements etc is available elsewhere in this report.
17. **SEGMENT REPORTING:** The Company is engaged in the Castings business only and therefore there is only one reportable segment in accordance with the Accounting Standard on Segment Reporting, AS-17.
18. **COST AUDITORS:** S K Rajani & Co., Cost Accountants, Bhavnagar have been reappointed as the Cost Auditors to conduct the audit of the cost accounts maintained by the Company for the financial year 2013-14.
19. **AUDITORS:** M/s. Sanghavi & Co., Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible, have offered themselves for reappointment. The Board of Directors recommends their reappointment as Statutory Auditors of the Company.
20. **ACKNOWLEDGEMENT:** Yours Directors take this opportunity to express their sincere appreciation for the excellent support and co-operation extended by the shareholders, customers, suppliers, bankers and other business associates. Your Directors gratefully acknowledge the on-going co-operation and support provided by the Central and State governments and all Regulatory Authorities like SEBI, Stock Exchange, Registrar of Companies (ROC).

Your Directors also place on record their deep sense of appreciation to all employees for the dedicated services rendered at various levels, without whose contribution your Company could not have achieved the year's performance and we look forward to their continued support in the future as well.

For and on behalf of the Board of Directors

Bhavnagar
May 12, 2013

(Chetan M. Tamboli)
Chairman & Managing Director

ANNEXURE 'A' TO THE DIRECTORS' REPORT:

Information under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

(A) Conservation of Energy:

1. Energy Conservation measures implemented in the recent past:
 - Installation of 20 ton gas fired Heat Treatment Furnace for improving fuel efficiency.
 - Modification of 5 ton Oil Fired Furnace for conservation of energy.
 - Installation of 1500 KW power control system for dual crucible operation of Induction Furnace for energy conservation.
 - Installation of energy efficient Screw Compressor in place of Reciprocating Compressor.
 - Modification of flameless Induction Furnace for greater energy efficiency.
2. Additional investments and proposals, if any, being implemented for reduction of consumption of energy:
 - Installation of energy efficient Gas fired Heat Treatment furnace / Up gradation of Oil fired Heat Treatment Furnace for improving energy efficiency.
 - Vibrating Scrap Charger for continuous and fast charging to enhance melting efficiency of Induction Furnace.
 - Infrared Pyrometer Installation to monitor melting bath of Induction Furnace to avoid excess super heating.
3. Impact of measures at 1 and 2 above:

The above measures taken/ being taken will contribute towards substantial reduction in consumption of energy. The actual impact of reduction can be arrived at after operating these equipments for a sufficient length of time.

(B) Technology absorption:Research and Development (R&D):

1. Specific areas in which R&D under progress / carried out by the Company:
 - a) Development of water based flood coating practice in No-Bake Moulding loop line to avoid inclusion related defects and better surface finish.
 - b) Development of blended sand as a substitute of new silica sand as facing.
 - c) Development of LPG / CNG as a substitute fuel of LDO/ FO in heat treatment furnace for substantially improving quality of heat treatment.
 - d) Development of water quenching process to enhance hardness depth of alloy steels.
 - e) Development of Colour Metallographic, for better interpretation of microstructure.
 - f) Development of in house testing technique of Binders, Exothermic Sleeves and Resin Coated Sand.
 - g) Development of high refractoriness gating components as a substitute of sand gating to avoid inclusion defects in heavy castings due to gating erosion.
 - h) Development of suitable induction hardening technique to achieve surface as well as depth hardness in track shoes, especially in un-machined areas.
2. Benefits derived as a result of the above R&D:

R & D work is in progress. Likely benefits would be several crores of additional business.
3. Future plan of action:
 - a) Technology development to avoid age-cracking of alloy steel castings.

- b) Development of special neck risers in place of Cylindrical riser to minimize gas cutting and yield improvement.
- c) Development of FURAN No-Bake process for cost effectiveness and avoid inclusion related defects.
- d) Technology development to avoid / reduce surface decarburization during Heat Treatment of steel.
- e) Development of special fuel technology as substitute of Air fuel technology for cost control and minimize CO₂ and NOx emission.

4. Expenditure on R&D:

- a) Capital : ₹ 22,35,260
- b) Recurring : ₹ 1,47,76,992
- c) Total : ₹ 1,70,12,252
- d) Total R&D expenditure as a percentage of total turnover : 0.59%.

Technology absorption, adaptation and innovation:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.

The Company has in place well developed programmes of:

- a) Continuous Improvement Plan (CIP)
- b) Product Development
- c) Process Development
- d) Materials Development

Through vigorous employees participation, developing new technology, adapting new Technology and creative innovations are continuously happening.

2. Benefits derived as a result of the above efforts (e.g. Product development, Cost reduction, Process Development, Import substitution etc.) have resulted in a saving of Rs. 39.71 lacs during the year 2012-13.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:

- a) Technology imported : No
- b) Year of import : Not applicable
- c) Has technology been fully absorbed : Not applicable
- d) If not fully absorbed, areas where this has : Not applicable
not taken place, reasons therefore and
future plan of action

C) Foreign Exchange earnings and outgo:

Foreign Exchange Earnings in US\$ Million:	29.90
Foreign Exchange Outgo in US\$ Million (For Capital items):	0.76
Foreign Exchange Outgo in US\$ Million (For Revenue items):	4.60

Activities relating to exports; initiatives taken to increase exports; developments of new Export markets for products and services and export plans:

1. Intensive contacts to existing and new customers in USA, Germany, Spain, Japan, UK etc.
2. Advance development of samples in view of anticipated orders of new products from existing and new customers.
3. In-house Machine Shop with latest CNC machine installed for affecting faster deliveries at reduced cost.

ANNEXURE 'B' TO DIRECTORS' REPORT:

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Name of the Employee	Designation/ Nature of duties	Remu- neration (₹)	Qualification	Expe- rience (Years)	Date of com- mencement of employ- ment	Age (Years)	Particulars of last employ- ment/ Employer, last post and period for which post held
1. Mr. Chetan Tamboli	Chairman & Managing Director	1,55,35,849	M.B.A. (Finance)	30	10.8.1983	54	Tata Economic Consultancy services
2. Mr. T Kumar	Whole Time Director	51,57,441	B.Tech (Hons.) M.E. (Foundry)	50	3.6.1968	72	Electrosteel Castings Ltd., Kolkata Methods Engineer

ANNEXURE 'C' TO THE DIRECTORS' REPORT:**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,
The members,
Steelcast Limited.

We have examined the compliance of conditions of Corporate Governance by Steelcast Limited for the year ended 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreements.

We state that no investors' grievance(s) is/are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, SANGHAVI & COMPANY

Chartered Accountants,

FRN: 109099W

Place: Bhavnagar
Date: May 12, 2013

GAURANG R SANGHAVI

Partner

Membership No. 044264

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company has been adhering to the principles of Corporate Governance since over three decades by conducting its affairs in a transparent manner with regularity, responsibility and accountability.

The Philosophy of the Company on Corporate Governance lies in its concern to protect interests of various stakeholders, fair dealings with all and active contribution to the Society at large, while enhancing the wealth of shareholders. The processes of Company are directed to achieve compliance with the Code of Corporate Governance. Company's own policies and expectations include ethical conduct, protection of health, safety and environment and commitment to employees.

Your Company has complied with all the regulations as stipulated by the Securities and Exchange Board of India and the Listing Agreement entered with the Stock Exchange including the compliance of the provisions of Clause 49 pertaining to the Corporate Governance.

In terms of Clause 49 of the Listing Agreement, the details of compliance by the company for the year ended on March 31, 2013 are mentioned hereunder:

I. Board of Directors:

(A) Composition of the Board:

The Company has a balanced Board, comprising Executive and Non-Executive Directors which includes independent professionals. Your Company's Board comprises 5 Independent Directors, 2 Non-Independent Non-Executive Directors and 2 Executive Directors including the Chairman.

None of the Directors is a director in more than 15 Companies. Also, none of the Directors is a member of more than 10 Committees, nor acts as Chairman of more than 5 Committees across all Companies in which they are Directors. The Non-Executive Directors including Independent Directors on the Board are experienced, competent and renowned persons in their respective fields. The Board is headed by the Chairman & Managing Director.

The names of the Directors on the Board, categorizing them into Executive, Non-Independent Non-Executive and Independent Directors, the number of Directorships and Committee Memberships held by them in other Companies, their attendance at the Board Meetings held during the year and also at the last Annual General Meeting, are given below:

Sr. No.	Name	Executive/ Non-Independent Non-Executive /Independent	Number of Board Meetings attended out of seven meetings held in 2012-13	Whether attended last AGM	Number of other Directorships		Number of outside Committees	
					Public	Private	Member	Chairman
1	Mr. V B Buch	Independent	3	No	2	-	-	-
2	Mr. Rajendra V Gandhi	Independent	3	Yes	3	1	4	2
3	Mr. A R Shah	Independent	1	Yes	4	1	5	1
4	Mr. R V Shah	Independent	6	Yes	-	3	-	-
5	Mr. Rajesh R Gandhi	Independent	5	No	4	5	3	-
6	Mrs. Manali C Tamboli	Non-Independent Non-Executive	6	Yes	2	1	-	-
7	Mr. Vaughn W Makary	Non-Independent Non-Executive	1	No	-	-	-	-
8	Mr. T Kumar	Whole Time Director	6	Yes	-	-	-	-
9	Mr. Chetan M Tamboli	Managing Director	7	Yes	3	1	-	-

Note: Mr. Chetan M Tamboli and Mrs. Manali C Tamboli are related as husband and wife respectively. No other Director is related to any other Director on the Board.

(B) Non-Executive Director's Compensation and Disclosure:

Sitting fees for attending meeting of Board/Committee is paid as per the provision of Articles of Association of the Company/Companies Act, 1956. There was no commission paid to Non-Executive and Independent Directors during the financial year 2012-13. Details of sitting fees paid to Non-Executive and Independent Directors are given separately in this section of Annual Report.

(C) Function and Procedure of Board:

Board meets regularly to make and review policies. Board's role, functions and responsibility are well defined. All relevant information as required under the Listing Agreement with the Stock Exchange is regularly placed before the Board. The Board reviews compliance reports of laws applicable to the Company. The details of Board Meetings held during the financial year 2012-13 are as under:

Sr.No.	Date of Board Meeting	Place
1	8 th May, 2012	Bhavnagar
2	29 th May, 2012	Bhavnagar
3	16 th July, 2012	Bhavnagar
4	20 th September, 2012	Bhavnagar
5	13 th October, 2012	Bhavnagar
6	17 th January, 2013	Bhavnagar
7	18 th March, 2013	Bhavnagar

(D) Code of Conduct:

1. The Company has formulated and implemented a General Code of Conduct (copy available on Company's website) for all its Directors and Senior Management of the Company in compliance with Clause 49(I) D of the Listing Agreement. All the Board Members and Senior Management of the Company have affirmed compliance with the Said Code of Conduct for the financial year ended March 31, 2013. A declaration by the Chairman & Managing Director affirming compliance with the said Code of Conduct by Board Members and Senior Management is annexed at the end of the Report and forming part of this Report.
2. The Company has also put in place a Code of Conduct for Prevention of Insider Trading which is also on the website of the Company. The necessary preventive actions, including Closure of Trading Window around the time of any price sensitive events or information, are taken. All the Covered Persons have given declaration affirming compliance with the said Code.

II. AUDIT COMMITTEE**(A) Qualified Independent Audit Committee:**

Your Company has an Audit Committee at the Board level with the powers and a role that are in accordance with Clause 49 of the Listing Agreement. The Committee acts as a link between the Management, the Statutory Auditors, Internal Auditors, Cost Auditors and the Board of Directors. The scope of functioning of the Audit Committee is to review from time to time the internal control procedures and accounting policies of the Company and oversight of the Company's financial reporting process, so as to ensure that the financial statements are correct, sufficient and credible and also such other functions as are prescribed from time to time by SEBI, Stock Exchanges and under the Companies Act, 1956.

During the financial year 2012-13, the Audit Committee was re-constituted by inducting Mr. Rajesh R Gandhi, Non-Executive and Independent Director as a Member of the Audit Committee w.e.f. 8th May, 2012.

(B) Meetings of the Audit Committee:

The Audit Committee meets regularly as stipulated in the Listing Agreement. The Executive Directors, Internal Auditors and the Statutory Auditors are permanent invitees to the meetings of the Committee. The Cost Auditor is also invited to attend the Audit Committee Meetings, as and when required.

The details of composition of the Audit Committee, meetings held and attended are as under:

Sr No	Name of Director	Category	Position in the Audit Committee	No. of Meetings Held	No. of Meetings Attended
1	Mr. Rajendra V Gandhi	Independent Director	Chairman	4	3
2	Mr. A R Shah	Independent Director	Member	4	1
3	Mr. R V Shah	Independent Director	Member	4	3
4	Mr. Rajesh R Gandhi	Independent Director	Member	4	3

During the financial year 2012-13, four (4) meetings of the Audit Committee were held as per details given below:

Sr.No.	Date of Audit Committee Meeting	Place
1	29 th May, 2012	Bhavnagar
2	16 th July, 2012	Bhavnagar
3	13 th October, 2012	Bhavnagar
4	17 th January, 2013	Bhavnagar

OTHER COMMITTEES

REMUNERATION COMMITTEE:

The terms of reference of Remuneration Committee involve determination of the Company's policy on specific remuneration packages for Executive Directors and Non-Executive Directors in consonance with the industry practices. The Remuneration Committee ensures equity, fairness and consistency and the recommendations of Remuneration Committee are considered and approved by the Board, subject to the approval of Members, wherever necessary.

The details of composition of the Remuneration Committee are as under:

Sr No	Name	Category	Position in the Committee
1	Mr. V B Buch	Independent Director	Chairman
2	Mr. Rajendra V Gandhi	Independent Director	Member
3	Mr. A R Shah	Independent Director	Member
4	Mr. R V Shah	Independent Director	Member

During the financial year 2012-13, there was no meeting of the Remuneration Committee, as there was no requirement.

SHAREHOLDERS' & INVESTORS' COMPLAINT REDRESSAL COMMITTEE:

The Shareholders' & Investors' Complaint Redressal Committee, amongst the areas, mentioned in the Clause 49 of the Listing Agreement is ensuring expeditious redressal of shareholders' and investors' complaints like non-receipt of annual report, non-receipt of share certificates upon transfer of shares, dematerialisation/rematerialisation, transfer/transmission, split/consolidation of shares etc.

The details of Composition of the Committee are as under:

Sr No	Name	Category	Position in the Committee
1	Mr. R V Shah	Independent Director	Chairman
2	Mr. Chetan M Tamboli	Executive Director	Member
3	Mr. T Kumar	Executive Director	Member

During the year under review, no meeting of the Shareholders' & Investors' Complaint Redressal Committee was held as there were no material complaints or grievances received.

III. SUBSIDIARY COMPANIES

Your Company has no subsidiary Company.

IV. DISCLOSURES

(A) Basis of Related Party Transactions:

1. There was no transaction of any material nature with Directors or management or their subsidiaries or relatives during the year under review, except for payment to Mr. Manmohan F Tamboli, Mentor & Management Advisor and under Technical Assistant Agreement to Mr. V W Makary as mentioned elsewhere.
2. During last three years neither SEBI nor any Stock Exchange has imposed any penalty or strictures against the Company.

(B) Disclosure of Accounting Treatment:

The Company has followed all relevant Accounting Standards while preparing the financial statements.

(C) Risk Management:

The management of the Company has identified some of the major areas of concern having inherent risk viz., Foreign Currency Fluctuation, Client Concentration, Technology Risks and Credit Control. The processes relating to minimizing the above risks have already been put in place at different levels of management. The management of the Company reviews the risk management processes and implementation of risk mitigation plans. The processes are continuously improved.

(D) Proceeds from Public Issues, Right Issues, Preferential Issues etc. :

The Company discloses to the Audit Committee, the uses/applications of proceeds/funds raised from rights/preferential issue etc. as part of quarterly review of financial results.

(E) Remuneration of Directors:

The Company has a standard remuneration policy for the Executive Directors, which is periodically reviewed by the Remuneration Committee. Non-Executive Directors are presently paid a sitting fee of Rs. 10,000/- per Board Meeting, Rs. 10,000/- per Audit Committee Meeting, Rs. 5,000/- per Remuneration Committee Meeting and Rs. 2,000/- per Shareholders' & Investors' Complaints Redressal Committee Meeting attended.

The Details of remuneration/sitting fees paid/payable to the Directors for the financial year 2012-13 are as under:

(Amount in INR)

Name of the Director	Salary, Allowance, Perquisites and other benefits	Performance-linked Income/Bonus Paid/ Commission Payable	Sitting Fees Paid
Executive Directors			
Mr. Chetan M Tamboli	38,35,849	1,17,00,000	-
Mr. T Kumar	20,57,441	31,00,000	-
Non-Executive Directors			
Mr. V B Buch	-	-	30,000
Mr. Rajendra V Gandhi	-	-	60,000
Mr. A R Shah	-	-	20,000
Mr. R V Shah	-	-	90,000
Mr. Rajesh R Gandhi	-	-	80,000
Mr. V W Makary	-	-	10,000

Mr. Manali C Tamboli is related to any other Director on the Board, except Mr. Chetan M Tamboli and Mrs. Manali C Tamboli, who are husband and wife respectively.

(F) Management:

The Management Discussion and Analysis Report is prepared in accordance with the requirements of Clause 49 of the Listing Agreement and forms part of this Annual Report.

(G) Shareholders:

Your Company has a "Shareholders' & Investors' Complaint Redressal Committee" comprising of Mr. R V Shah, Mr. Chetan M Tamboli and Mr. T Kumar as the Members. Mr. R V Shah, an Independent Director, is the Chairman of the Committee. The Company's shares are compulsorily traded and delivered in the dematerialized form on Stock Exchange. Details of number of shares transferred during the year under review, time taken for effecting these transfers and the number of shares transfer are given in the Shareholder Information section of this Annual Report. The Company has provided the details of Directors seeking re-appointment in the Notice of the Annual General Meeting attached with the Annual Report. Information in cases of appointment or re-appointment of Directors as required under Listing Agreement is as under:

V. CEO/CFO CERTIFICATION:

Sr No	Name	Date of Birth	Date of Appointment as Director	Expertise in specific functional areas	Educational Qualification	Number of other Directorships
1	Mr. V B Buch	21.2.1940	24.7.2000	1. Administration 2. Management	M.A. (Economics)	2
2	Mrs. Manali C Tamboli	6.9.1964	16.5.2009	1. Public Relations 2. Corporate Communication	B.A. (Psychology)	3

In accordance with the requirements of Clause 49(V) of Listing Agreement, a certificate from Mr. Chetan M Tamboli, Chairman & Managing Director and Chief Executive Officer of the Company, on the financial statements of the Company was placed before the Board in the Meeting held on May 12, 2013 and the same is annexed to this report.

VI. REPORT ON CORPORATE GOVERNANCE:

This Corporate Governance Report forms part of the Annual Report. Certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchange also forms part of this Annual Report.

VII. GENERAL BODY MEETINGS:

Location, date and time of Annual General Meetings (AGMs) and Extraordinary General Meetings (EGMs) held during the last three years are given below:

Passing of Resolution by Postal Ballot:

Financial Year	AGM/EGM	Location	Date	Time
2011-12	AGM	Nilambag Palace Hotel, Bhavnagar, Gujarat	16th July, 2012	1600 Hours
2011-12	EGM	Regd. Office, Bhavnagar, Gujarat	18th November, 2011	1100 Hours
2010-11	AGM	Nilambag Palace Hotel, Bhavnagar, Gujarat	19th July, 2011	1630 Hours
2009-10	AGM	Nilambag Palace Hotel, Bhavnagar, Gujarat	14th July, 2010	1600 Hours

During the financial year ended March 31, 2013, an Ordinary Resolution was passed on August 10, 2012 by way of Postal Ballot conducted under the provisions of Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, for Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings from the Banks/Financial Institutions, under section 293(1)(a) of the Companies Act, 1956.

Mr. D G Bhimani, Practising Company Secretary, Anand, Gujarat, was appointed by the Board of Directors as Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

The last date for receipt of the postal ballot form duly completed was fixed as August 8, 2012.

The result of the Postal Ballot as submitted by the scrutinizer is reproduced below:

Sr No	Particulars	Report for Ordinary Resolution to create security by way of mortgage of assets U/S 293(1A)		
		No. of Postal Ballot form	No. of Equity Share of Rs. 10/- each	% of Vote Received
1	Total number of ballots received	252	2498436	100
2	Less : In valid postal Ballot forms	45	30765	1.23
3	Net valid Postal Ballot Forms	207	2467671	98.77
4	Postal Ballot Forms with assent for resolution (Represented by Promoters and Promoters group)	204 (10)	2467246 (1921010)	98.75
5	Postal Ballot Forms with dissent for resolution	3	425	0.02

At the ensuing Annual General Meeting, no resolution is proposed to be passed by Postal Ballot.

VIII. MEANS OF COMMUNICATION:

The Company has a practice to publish quarterly results in leading newspapers of the Country and also to put the same on its website. Moreover, a direct communication is made to the shareholders by the Managing Director as and when required. Further, there is separate General Shareholder Information section in this Annual Report and forms part of it.

CEO CERTIFICATION

To

The Board of Directors,
STEELCAST LIMITED,

I hereby certify that:

- a. I have reviewed the financial statements and the cash flow statement for the Financial Year ended 31st March, 2013 and that to the best of my knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I hereby disclose to the Auditors and the Audit Committee that there have been no deficiencies in the design or operation of internal controls, prevailing in the Company.
- d. I hereby certify that:
 - (i) There have been no significant changes in internal control during the year;
 - (ii) There have been no significant changes in accounting policies during the year and
 - (iii) No instances of fraud were observed in the Company by the management or an employee having a significant role in the company's internal control system.

(Chetan M Tamboli)

Chief Executive officer

Place: Bhavnagar

Date: May 12, 2013

DECLARATION

DECLARATION OF COMPLIANCE WITH THE GENERAL CODE OF CONDUCT OF THE COMPANY

In the above regard, I declare as follows:

1. The Company does have a General Code of Conduct approved by its Board of Directors, which is posted on its website www.steelcast.net
2. All the members of the Board and all the members of the Senior Management of the Company have individually submitted statements of affirmation of compliance with the Code of Conduct for the financial year ended 31st March, 2013.

(Chetan M Tamboli)

Chairman & Managing Director

Place: Bhavnagar

Date: May 12, 2013

Company CIN : L27310GJ1972PLC002033
Authorised Share Capital : ₹ 10,00,00,000/-
Paid up Capital : ₹ 8,71,20,000/-

COMPLIANCE CERTIFICATE

To
The Members
STEEL CAST LTD.
Bhavnagar.

I have examined the registers, records, books and papers of **STEEL CAST LTD.** As required to be examined under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the financial year ended on 31st March, 2013. 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 officials 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.
3. The Company being a public limited company, comments are not required. However, the company's capital is more than a minimum required.
4. The Board of Director duly met 7 times respectively on 08.05.2012, 29.05.2012, 16.07.2012, 20.09.2012, 13.10.2012, 17.01.2013, and 18.03.2013 in respect of which meeting proper notices were given and the proceedings were properly recorded and signed in the Minutes Books maintained for the purpose. One circular resolutions were passed on 27.07.2012 for allotment of Bonus Share by the Company during the year.
5. The Company has closed its Register of Members during the year in compliances of the Companies Act, 1956 from 20.06.2012 to 21.06.2012 for the purpose of payment of final dividend and also fixed record date on 26.07.2012 for the purpose of sub division and issue of bonus shares.
6. The Annual General Meeting for the Financial year ended on 31.03.2012 was held on **16.07.2012** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. The company has not held any Extra Ordinary General Meeting during the year.
8. The Company has not advanced any loan to its directors or persons or firms or a company referred to under Section 295 of the Act is not applicable.
9. The Company has not entered any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
11. During the year under review, there was no appointment which falls within the purview of Section 314 of the Act.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) During the year the Company has allotted 9,108,000 equity shares of Rs. 5/- each during the

year. The Company, being a listed company, has appointed MCS Limited as their Share Transfer Registrar to look after the share transfer procedure and other share related matters.

- (ii) The Company has declared dividend at the Annual General Meeting during the financial year.
- (iii) The Company has posted warrant to all the members of the company for the payment of dividends declared during the financial year and the unpaid dividend was transferred to Unpaid Dividend Account within prescribed time.
- (iv) The Company has transferred Rs. 395617/- being amount of unpaid dividends and the interest accrued thereon which have remained unclaimed or unpaid for period of Seven years to Investor Education and Protection Fund during the year.
- (v) The Company has duly complied with the requirement of Section 217 of the Act.

- 14. The Board of Directors of the Company is duly constituted and there was no change in the Board during the year.
- 15. The Company has appointed Managing Director and Whole Time Director under the provision of section 269 of the Act.
- 16. The Company has not appointed any sole selling agents during the year.
- 17. The Company was not required to obtain approvals of the Central Government, under the various provisions of the Act.
- 18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
- 19. The company has issued 9,108,000 equity shares of Rs. 5/- each during the year .
- 20. The Company has not bought back any shares during the year.
- 21. There was no redemption of preference shares or debentures during the year.
- 22. There were no transactions necessitating the company to keep in abeyance right to dividend, right shares and bonus shares, pending registration of transfer of shares.
- 23. The Company has not invited / accepted any deposit including any unsecured loans falling within the purview of Section 58A of the Act during the financial year. However, the company has filed Statement in lieu of Advertisement with the Registrar of Companies, during the year.
- 24. The amount borrowed by the company during the financial year together with the moneys borrowed are within the limit as prescribed under Section 293(1) (d) of the Act.
- 25. The Company has not made any loan or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
- 26. The Company has not altered the provisions of the Memorandum of Association with respect to Situation Clause of the Company's registered office from one State to another during the year under scrutiny.
- 27. The Company has not altered the provisions of the Memorandum of Association with respect to Object Clause of the Company during the year under scrutiny.
- 28. The Company has not altered the provisions of the Memorandum of Association with respect to Name Clause of the Company during the year under scrutiny.
- 29. The Company has altered the provisions of the Memorandum of Association with respect to Share Capital of the Company during the year and subdivided its capital from equity share of Rs. 10/- each to Equity Share of Rs. 5/- each.
- 30. The Company has altered its Articles of Association during the year under scrutiny to reflect the alteration of the capital of the company.
- 31. As per information given to us, there was no prosecution initiated against or show cause notices

received by the Company during the financial year, for offences under the Act.

32. As per information given to us, the Company has not received any money as security from its employees during the financial year.
33. As informed to us, the company has not constituted Provident Fund Trust for its employees and as such Section 418 of the Act is not applicable to the company.

Place : Anand

Signature :

Date : 25.04.2013

Name: For D. G. Bhimani & Associates
(Dinesh G. Bhimani)

C.P. No. 6628

ANNEXURE A

Registers maintained by the Company

Sr. No.	Name of Register	Section
1	Register of Members	150
2	Minutes Book containing minutes of Board Meeting and General Meeting	193
3	Books of Accounts	209
4	Register of Directors, etc.	303
5	Register of Directors Shareholding	307
6	Register of Charges	143
7	Register of share transfer	---

ANNEXURE B**Forms and returns filed by the Company**

Sr. No.	Form No.	Filed under section	For	Date of Filing	Whether filed within time	If delay
1	Form 66	383A	16.07.2012	04.09.2012	No	YES
2	Form 20B	160	31.03.2012	27.09.2012	No	YES
3	Form 8	125	13.10.2012	31.10.2012	Yes	--
4	Form 8	125	13.10.2012	29.10.2012	Yes	--
5	Form 8	125	26.09.2012	03.10.2012	Yes	--
6	Form 8	125	04.08.2012	04.09.2012	Yes	--
7	Form 23	192	16.07.2012	30.07.2012	Yes	--
8	Form 23	192	10.08.2012	26.08.2012	Yes	--
9	Form 1INV	Rule 3	27.08.2012	04.09.2012	Yes	--
10	Form 2	75	27.07.2012	31.07.2012	Yes	--
11	Form 2	75	18.03.2013	03.04.2013	Yes	--
12	Form 5	97	16.07.2012	31.07.2012	Yes	--
13	Form 32	303	20.09.2012	21.09.2012	Yes	--
14	Form 1INV	Rule 3	08.12.2012	09.01.2013	Yes	--
15	Form 5INV	Rule 3	19.07.2011	19.10.2012	Yes	--
16	Form 5INV	Rule 3	16.07.2012	06.02.2012	Yes	--
17	Form 62	58A	16.07.2012	20.08.2012	Yes	--

Place : Anand

Date : 25.04.2013

Signature :

Name: For D. G. Bhimani & Associates

(Dinesh G. Bhimani)

C.P. No. 6628

SHAREHOLDERS' INFORMATION

Sr. No.	Particulars		Details				
1	Financial Calendar: From 1 st April to 31 st March						
2	Annual General Meeting (as indicated in the Notice)		Date	Time	Venue		
			July 16, 2013	1600 Hours	Nilambag Palace Hotel, Bhavnagar		
3	Date of Book Closure (both days inclusive)		From		To		
			July 11, 2013		July 16, 2013		
4	Dividend Payment Date: After 21 st July, 2013						
5	Listing on Stock Exchange (s)	Name of Stock Exchange	Stock Code	ISIN		Listing Fees paid upto	
		BSE Limited	513517	INE124E01020		31 st March, 2014	
6	Registrar & Share Transfer Agent	Address		Telephone		e-mail	
		M/s MCS Limited, 101, First Floor, Shatdal Complex, Opp. Bata Show Room, Ahmedabad 380 009.		079-26581296, 079-26582878		mcsahmd@gmail.com	
7	Address for Correspondence	Name of contact person		Address		Telephone	e-mail
		Mr. C P Vyas Asst. Company Secretary		Steelcast Limited Ruvapari Road, Bhavnagar 364 005		0278-2519062	cpv@steelcast.net

MARKET PRICE DATA:

(As per records of BSE Limited in respective month of the Financial Year 2012-13)

Month	Open, Rs.	High, Rs.	Low, Rs.	Close, Rs.	Volume (Number of Shares)
April-12	172.10	222.00	172.00	204.00	1,19,035
May-12	204.95	236.00	189.10	226.15	1,24,616
June-12	230.00	243.00	209.00	216.35	2,08,994
July-12	217.50	238.90	55.55	62.00	4,12,247
August-12	61.30	61.80	45.25	46.85	2,36,786
September-12	46.50	59.75	43.15	53.05	2,71,418
October-12	53.00	61.00	52.25	54.25	5,00,531
November-12	54.45	57.50	50.50	54.00	3,03,077
December-12	54.95	55.50	48.10	53.10	3,63,811
January-13	53.00	58.70	48.00	48.50	4,68,500
February-13	49.00	49.90	39.00	42.50	1,35,191
March-13	42.35	43.45	35.00	35.95	97,400

SHARE TRANSFER SYSTEM:

Shares Transfer in physical form are processed by our Registrar & Share Transfer Agent, M/s MCS Limited, Ahmedabad and are given effect to within the prescribed period of 30 days from the date receipt of duly completed share transfer forms. During the Financial Year 2012-13, the shares transfers were effected as under:

Transfer Period (in days)	No. of Transfers	No. of shares
1 to 30	57	18,100
Total	57	18,100

DISTRIBUTION OF SHAREHOLDING AS ON 31st March, 2013:

No of equity shares	No of shareholders	% of shareholders	No of shares held	% of shareholding
1 to 500	3573	75.48	1050463	6.03
501 to 1000	450	9.51	356634	2.04
1001 to 2000	317	6.70	496786	2.85
2001 to 3000	102	2.15	250508	1.44
3001 to 4000	81	1.71	298951	1.72
4001 to 5000	34	0.72	155922	0.89
5001 to 10000	82	1.73	578035	3.32
10001 to 50000	66	1.39	1439346	8.26
50001 to 100000	11	0.23	796156	4.57
100001 & above	18	0.38	12001199	68.88
Total	4734	100.00	17424000	100.00

CATEGORIES OF SHAREHOLDING AS ON 31st March, 2013:

Sr. No.	Category of shareholder	Number of Shareholders	Number of Shares held	Number of shares held in dematerialized form	% of Share holding	% of Share holders
1.0	Shareholding of Promoters and Promoters' Group	10	8476040	8476040	48.65	0.21
2.0	Public Shareholding					
2.1	Institutions	1	400	-	0.002	0.02
2.2	Bodies Corporate	130	1266638	1263838	7.27	2.75
2.3	Individuals	4201	6159411	3971307	35.35	88.74
2.4	NRIs and Overseas Corporate Bodies	252	1193026	658226	6.85	5.32
2.5	HUF	140	328485	328085	1.89	2.96
Total Public Shareholding		4,724	8947960	6221456	51.36	99.79
Grand Total (1.0) + (2.0)		4,734	17424000	14697496	100.00	100.00

DEMATERIALISATION OF SHARES AS ON 31st March, 2013:

1,46,97,496 shares of the Company were dematerialized as on 31st March, 2013, which constitute 84.35% of the total paid-up share capital of the Company.

AFFIRMATIVE ACTION INITIATIVES BY THE COMPANY FOR THE YEAR 2012-13 FOR UPLIFTMENT OF PEOPLE BELONGING TO SCHEDULED CAST AND/OR SCHEDULED TRIBE (SC/ST):

Sr. No.	Area	Remarks
1	Adopting Code of Conduct evolved by CII	Already done
2	Creating Entrepreneurs	Done
3	Voluntary Coaching of Students	Done
4	To adopt Primary School with Predominant SC/ST population	Done
5	Scholarship for Entrance Examinations for Prestigious courses	Done
6	Finance Training in CII Programmes	Under Consideration

CASTE/CATEGORYWISE EMPLOYEES SUMMARY AS ON MARCH 31, 2013:

Type of Employees			Number of Persons					% Distribution				
			GEN	SC	ST	OBC	Total	GEN	SC	ST	OBC	Total
A	Employee	Executive Staff	22	0	0	1	23	95.65	0.00	0.00	4.35	100.00
		Senior Staff	71	0	0	18	89	79.78	0.00	0.00	20.22	100.00
		Junior Staff	86	4	2	67	159	54.09	2.52	1.26	42.14	100.00
		Workmen	92	13	1	549	655	14.05	1.98	0.15	83.82	100.00
	Sub Total - A		271	17	3	635	926	29.27	1.84	0.32	68.57	100.00
B	Internal Contractors' Workmen		17	4	1	278	300	5.67	1.33	0.33	92.67	100.00
	Sub Total - B		17	4	1	278	300	5.67	1.33	0.33	92.67	100.00
	Total - (A + B)		288	21	1	913	1226	23.49	1.71	0.33	74.47	100.00

MISSION ON SUSTAINABLE GROWTH:

The Company signed the "CII – Code for Ecologically Sustainable Business Growth" under the Mission on Sustainable Growth (MSG) initiative of CII.

PLANT LOCATION(S):

The Company's only Factory is situated at Ruvapari Road, Bhavnagar, Gujarat 364 005.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**(A) Industry Structure and developments:**

Steel castings Industry is considered to be the backbone of engineering industry serving Automotive, Agricultural, Mining & Construction Equipment Industries and almost all downstream engineering industry. The year was challenging with lower growth in industrial production, continuing high rate of inflation and depreciation of the rupee. These factors had an adverse impact on the economy resulting in lower GDP growth rate. Rising input costs, slow pace of industrial production, infrastructure development and the impact of global slowdown constrained the performance of the industry. The Indian Steel castings industry recorded a lower growth during FY 2012-13. The Government of India has planned to invest about Rs. 56.32 lakh crore in infrastructure during the 12th Five Year Plan period 2012-17. This will augurs well for the industry. The total demand (with exports) for steel castings works out to be around 1.8 Million tons and 2.2 Million tons for the milestone years 2016-17 and 2019-20 respectively. This would offer better opportunities for the industry. Moreover, recovery in overseas market would also help significantly.

(B) Opportunities and Threats:**I. Opportunities the business environment offers:**

The revival in global economy in general would offer better business opportunities in the future though in near term some short term challenges. The increase in the Government spending towards various infrastructure sectors is likely to create a rise in the demand in several sectors of the economy, of which the company would be a beneficiary. Planning Commission, Government of India, has projected production and growth rates in 12th Fifth Plan for Earth Moving and Mining Equipment Industry by Rs. 349 Billion CAGR 17.4%. This would open new opportunities for the business. The company has incurred major capital expenditure in the financial year 2012-13 towards capacity enhancement. Also, successfully commissioned Automated No-Bake Fast Loop Moulding Line for production of high quality steel castings. This would help to capture higher market shares.

II. Threats

The prevailing economic uncertainty resulting in huge volatility in interest rates and commodity prices may adversely affect your Company's finance performance. The Company's large exports, which constitute around 54% of its turnover, give rise to market risk exposure related to change in foreign exchange rates, interest rates, commodity prices and other market factors.

(C) Risks Management:

Your Company continuously monitors and revisits the risks associated with its business. It has institutionalized the procedure for identifying, minimizing and mitigating risks and the same are reviewed periodically. The Company's Structured Risk Management Process attempts to provide confidence to the stakeholders that the Company's risks are known and well managed. The risk management framework ensures compliance with the requirements of amended clause 49 of listing agreement.

Risk Management comprises three key components which are as below:

- (i) Risk identification
- (ii) Risk assessment and mitigation
- (iii) Risk monitoring and assurance

Your Company has identified the following aspects as the major risks for its operations:

- (i) Uncertain economic scenario at domestic as well as overseas.
- (ii) Financial Risk due to volatility in forex market.

The risk mitigation plans are reviewed regularly by the Audit Committee of your Company.

(D) Outlook:

India's growth story was, till recently, quite attractive in comparison with many other developed and developing economies. However, the nation's adverse fiscal deficit and negative current account balance call for some bold rectification measures from the Government. The Government appears to be focusing on consolidation of the economic recovery through expeditious clearance for projects, selective disinvestment and accelerated foreign direct investment through policy reforms. Also, the renewed emphasis on infrastructure sector would raise demand from Construction & Mining Industries in the domestic market. In short term, Mining Industry in general is on a downward trend due to drop in various commodity prices. The capex of the mining industry has been either reduced or deferred due to which orders on of mining equipment manufacturers may be lower in FY 2013-14 compared to FY 2012-13. This may also result in reduced orders from mining equipment manufacturers on our Company in FY 2013-14. Efforts are being put in by our Company to tap the US Rail Road Industry in FY 2013-14 to at least partly offset any drop in orders from Mining & Construction Equipment Industry.

(E) Internal Control Systems and their adequacy:

Your Company has in place internal control systems and procedures commensurate with the size and nature of its operations. Internal control processes which consist of adopting appropriate management systems and implementing them are followed. These are aimed at giving the Audit Committee a reasonable assurance on the reliability of financial reporting and statutory & regulatory compliances, effectiveness and efficiency of your Company's operations. The Internal Control Systems are reviewed periodically and revised to keep in tune with the changing business environment.

(F) Financial performance with respect to the Operational Performance:

During the year under review, the Company recorded turnover of Rs. 287.35 Crores as against Rs. 237.30 Crores in the previous financial year registering a growth of 21%. Profit Before Tax (PBT) increased to Rs. 28.97 Crores and Profit After Tax (PAT) increased to Rs. 19.66 Crores against Rs. 22.36 Crores and Rs. 14.11 Crores respectively in the previous financial year. PBT and PAT grew by 29.56% and 39.33% respectively. Also, production during the year was 14,724 MT, compared to the previous year's 13,480 MT registering 9.22% growth due to favorable market conditions. Also, the Company's share in overseas market increased significantly. The Company has completed the CAPEX for the year 2012-13 and met all its financial commitments with its bankers.

(G) Material developments on the Human Resources / Industrial Relations front :

The human resource philosophy and strategy of your Company has been designed to attract and retain the best talent, creating a workplace environment that keeps employees engaged, motivated and encourages innovation. Your Company has fostered a culture that rewards continuous learning, collaboration and development, making it future ready with respect to the challenges posed by ever- changing market realities. Employees are your Company's most valuable assets and your Company's processes are designed to empower employees and support creative approaches in order to create enduring value. Your Company's unflagging commitment to investing in talent development ensures performance and achievement of the highest order. Your Company maintains a cordial relationship with its employees. Its

emphasis on safe work practices and productivity improvement is unrelenting. Your Company has more than 920 employees on its rolls as on 31st March, 2013. This intellectual resource is integral to the Company's ongoing operations and enables it to deliver superior performance year after year.

(H) ENVIRONMENT, HEALTH AND SAFETY ("EHS"):

The company is conscious of its strong corporate reputation and the positive role it can play by focusing on 'EHS' issues. Towards this, the Company has set very exacting standards in 'EHS' management. The Company recognizes the importance of 'EHS' issues in its operations and has established comprehensive indicators to track performance in these areas. The Company values the safety of its employees and constantly raises the bar in ensuring a safe work place.

CAUTIONARY STATEMENT:

Statement in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

INDEPENDENT AUDITORS' REPORT

To,

The Members of
STEELCAST LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Steelcast Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2013 and the statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- b) In the case of the Profit and Loss Statement, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess to be paid, no cess is due and payable by the Company.

Bhavnagar
May 12, 2013

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

GAURANG R SANGHAVI
Partner
Membership No. 044264

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in paragraph 1 of the report of even date of the Auditors to the members of **STEELCAST LIMITED** on the accounts for the year ended 31st March 2013.

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- 1 In respect of fixed assets:
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. As explained to us, fixed assets are physically verified by the management at reasonable intervals in a phased manner in accordance with a programme of physical verification. Discrepancies noticed on such verification, which were not material, have been properly dealt with in the accounts.
 - c. There was no substantial disposal of fixed assets during the year.
- 2 In respect of inventories:
 - a. The inventories were physically verified by the management at reasonable intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- 3 The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The Company has not taken any loans, secured or unsecured, from the parties covered in the register maintained under section 301 of the Companies Act, 1956.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- 5 In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956:
 - a. Based on the audit procedures applied by us and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section.
 - b. According to the information and explanations given to us, the transactions made in *pursuance of* such contracts or arrangements have been made at the prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time, wherever such comparison is possible.
- 6 The company has not accepted any deposits within the meaning of section 58A and 58AA of the Companies Act, 1956, and the rules framed there under.
- 7 In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- 8 We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the

Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

9 In respect of statutory and other dues:

- a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues, to the extent applicable, with the appropriate authorities during the year except for *a few instances of tax deducted at source and service tax, where payments are made beyond due dates*. There are no amounts outstanding for more than six months from the date they became payable
- b. There are no amounts which are not deposited on account of dispute.

10 The company does not have any accumulated losses as at the end of the financial year. The company has not incurred cash losses during the current or in the immediately preceding financial year.

11 Based on our audit procedures and the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks. The company has not obtained any borrowings by way of debentures.

12 The company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

13 In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the company.

14 The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Order are not applicable to the company.

15 According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks and financial institutions.

16 The term loans taken have been applied for the purpose for which it was raised.

17 According to the information and explanations given to us and on an overall examination of the balance sheet of the company, funds raised on short-term basis, prima facie, have not been used during the year for long-term investment.

18 The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956, except for allotment of 792,000 equity shares to a director interested company against conversion of warrants issued to them on preferential basis in accordance with the guidelines issued by the Securities and Exchange Board of India in this regard.

19 The company did not have any outstanding debentures during the year.

20 The company has not raised any money through a public issue during the year.

21 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

Bhavnagar
May 12, 2013

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

GAURANG R SANGHAVI
Partner
Membership No. 044264

BALANCE SHEET AS AT 31st MARCH 2013

(Amounts in Indian ₹)

Particulars	Note No.	31st March 2013	31st March 2012
EQUITY AND LIABILITIES ::			
Shareholders' Funds			
Share Capital	2	87,586,500	42,046,500
Reserves and Surplus	3	677,482,447	543,457,474
Money Received against Share Warrants	4	5,346,000	10,692,000
		770,414,947	596,195,974
Non-Current Liabilities			
Long-term Borrowings	5	713,771,530	339,588,952
Deferred Tax Liabilities (net)		107,100,000	88,400,000
Long-term Provisions	6	5,648,518	4,133,322
		826,520,048	432,122,274
Current Liabilities			
Short-term Borrowings	7	349,985,854	441,195,502
Trade Payables		156,167,647	163,300,782
Other Current Liabilities	8	175,429,491	139,150,182
Short-term Provisions	9	100,074,486	28,496,828
		781,657,478	772,143,294
Total...		2,378,592,473	1,800,461,542
ASSETS ::			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		1,163,120,367	782,202,552
Intangible Assets		72,695	81,697
Capital Work-in-Progress		51,625,836	9,942,890
		1,214,818,898	792,227,139
Non-current Investments	11	5,746,835	226,725
Long-term Loans and Advances	12	32,496,690	30,399,589
Other Non-current Assets		0	0
		1,253,062,423	822,853,453
Current Assets			
Current Investments		0	0
Inventories	13	294,987,176	305,230,910
Trade Receivables	14	450,653,648	435,265,219
Cash and Bank Balances	15	102,699,587	92,356,015
Short-term Loans and Advances	16	64,190,421	49,784,124
Other Current Assets	17	212,999,218	94,971,821
		1,125,530,050	977,608,089
Total...		2,378,592,473	1,800,461,542

As per our report of even date

The accompanying notes 1 to 40 are an integral part of these financial statements.

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

For and on Behalf of the Board of Directors

GAURANG R. SANGHAVI
Partner

PRIYANKA JAIN
Company Secretary

T KUMAR
Whole Time Director

CHETAN M TAMBOLI
Chairman & Managing Director
and Chief Executive Officer

Bhavnagar
12th May 2013

Bhavnagar
12th May 2013

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2013

(Amounts in Indian ₹)

Particulars	Note No.	2012-2013	2011-2012
REVENUE :			
Revenue from Operations	18	2,873,504,987	2,373,022,492
Other Income	19	11,936,733	6,743,452
Total Revenue		<u>2,885,441,720</u>	<u>2,379,765,944</u>
EXPENSES :			
Cost of Materials Consumed	20	818,153,977	767,394,049
Purchases of Stock-in-Trade		0	0
Changes in Inventories	21	10,881,340	(38,432,476)
Employee Benefits Expense	22	194,657,165	172,463,292
Finance Costs	23	86,987,702	93,964,077
Depreciation and Amortization		101,631,268	77,820,762
Other Expenses	24	1,383,456,908	1,082,936,302
Total Expenses		<u>2,595,768,360</u>	<u>2,156,146,006</u>
Profit before exceptional and extraordinary items and tax		289,673,360	223,619,938
Exceptional Items		0	0
Extraordinary Items		0	0
Profit Before Tax		289,673,360	223,619,938
Current tax		77,437,856	54,854,025
MAT Credit Entitlement		(5,437,856)	(13,054,025)
Earlier Years' Tax		2,431,130	718,560
Deferred Tax		18,700,000	40,000,000
Net Profit for the year		<u>196,542,230</u>	<u>141,101,378</u>
Face Value per Equity Share		5.00	5.00*
Earnings per Equity Share			
Basic		11.80	9.32*
Diluted		11.54	9.18*
* adjusted to sub division & bonus issue			

As per our report of even date

The accompanying notes 1 to 40 are an integral part of these financial statements.

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

For and on Behalf of the Board of Directors

GAURANG R. SANGHAVI
Partner

PRIYANKA JAIN
Company Secretary

T KUMAR
Whole Time Director

CHETAN M TAMBOLI
Chairman & Managing Director
and Chief Executive Officer

Bhavnagar
12th May 2013

Bhavnagar
12th May 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

(₹ in lacs)

	2012-2013	2011-2012
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax And Extraordinary Items	2896.73	2236.20
Adjustments for -		
Depreciation	1,016.31	778.21
Loss (Profit) on sale of fixed assets	9.69	2.97
Dividend	(0.02)	(0.05)
Interest	648.32	712.78
	<u>1,674.30</u>	<u>1,493.91</u>
Operating Profit Before Working Capital Changes	4,571.03	3,730.11
Adjustments for -		
Trade and Other Receivables	(1,673.34)	(2,238.24)
Inventories	102.44	(834.41)
Trade and Other Payables	826.79	1,008.10
	<u>(744.11)</u>	<u>(2,064.55)</u>
Cash Generated From Operations	3,826.92	1,665.56
Direct Taxes Paid	(620.85)	(462.35)
	<u>(620.85)</u>	<u>(462.35)</u>
NET CASH FROM OPERATING ACTIVITIES	3,206.07	1,203.21
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(5,270.76)	(2,447.02)
Purchase of Investments	(55.20)	-
Sale of Fixed Assets	18.84	4.99
Interest Received	67.04	13.77
Dividend Received	0.02	0.05
	<u>0.02</u>	<u>0.05</u>
NET CASH USED IN INVESTING ACTIVITIES	(5,240.06)	(2,428.21)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issuance of Share Capital (incl. premium)	160.38	213.84
Proceeds from issue of Share Warrants	-	106.92
Proceeds from Long Term Borrowings (net)	3,741.83	1,177.23
Proceeds from Short Term Borrowings (net)	(912.10)	815.77
Interest Paid	(715.36)	(726.55)
Dividend Paid	(248.85)	(78.71)
	<u>(248.85)</u>	<u>(78.71)</u>
NET CASH USED IN FINANCING ACTIVITIES	2,025.90	1,508.50
Net Increase in Cash and Cash Equivalents	(8.09)	283.50
Cash And Cash Equivalents as at beginning of the year	689.50	406.00
Cash And Cash Equivalents as at end of the year	<u>681.41</u>	<u>689.50</u>
Cash and Cash Equivalents		
Cash and Bank Balances	1,027.00	923.56
Statutory restricted accounts	(345.59)	(234.06)
	<u>681.41</u>	<u>689.50</u>

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

For and on Behalf of the Board of Directors

GAURANG R. SANGHAVI
Partner

PRIYANKA JAIN
Company Secretary

T KUMAR
Whole Time Director

CHETAN M TAMBOLI
Chairman & Managing Director
and Chief Executive Officer

Bhavnagar
12th May 2013

Bhavnagar
12th May 2013

NOTE NO. 1**SIGNIFICANT ACCOUNTING POLICIES****BASIS OF ACCOUNTING:**

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in India, the Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 and are based on the historical cost convention on an accrual basis.

USE OF ESTIMATES:

The preparation of financial statement in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

FIXED ASSETS:

Fixed Assets are stated at cost less depreciation. Depreciation up to 1997-98 is provided on Straight Line Method at the rates and in the manner specified in schedule XIV in accordance with the provisions of section 205 (2) (b) of the companies Act, 1956. From the year 1998-99, the company has, on the basis of periodic technological evaluation, re-determined the useful life of the assets and depreciation thereon is provided accordingly, which are higher than the rates specified in the schedule XIV to the Companies Act.

INVESTMENTS:

Long-term investments are stated at cost. Provision, if any, is made for permanent diminution in the value of investments. Current investments are stated at lower of cost or market value. Dividends/Share of Profit are accounted for as and when the right to receive the same is established.

INVENTORIES:

Raw materials and Stores & Spares are valued at cost on weighted average basis. Semi-finished goods are valued at estimated cost. Finished goods are valued at lower of the cost or net realizable value. Inventories are stated as taken, valued and certified by the management.

SALES:

Sales comprise sale of goods and other related charges net of trade discount.

EXCISE AND CUSTOM DUTY:

Excise Duty in respect of goods manufactured by the company is, according to the method consistently followed by the company, accounted for at the time of removal of goods from the factory for sale. However, excise duty payable on the closing stock of finished goods is provided for in the accounts.

Purchases of goods and fixed assets are accounted for net of excise cenvat credit availed. Custom duty paid on import of materials is dealt with in respective materials accounts.

RESEARCH & DEVELOPMENT:

Revenue expenditure on Research & Development is charged against the profit of the year in which it is incurred. Capital expenditure on Research & Development is shown as an addition to Fixed Assets and depreciated on the same basis as other assets.

FOREIGN CURRENCIES:

Foreign currency transactions are accounted for at the rates prevailing on the date of transaction. Differences arising out of foreign exchange rates are dealt with in the profit & loss account. Current assets and current liabilities relating to foreign currency transactions and foreign currency loans remaining unsettled at the end of the year are translated at the closing rates and profit or loss arising therefrom is dealt with in the profit & loss account.

Following the Companies (Accounting Standards) (Second Amendment) Rules, 2011, exchange rate differences, so far as they relate to the acquisition of depreciable assets, have been adjusted to the cost of such assets and are adjusted over the balance life of the assets.

EMPLOYEE BENEFITS:Post-employment benefit plans

- i. Defined Contribution Plan: Contribution for provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner. Contribution for Superannuation in respect of certain employees of the company is made in accordance with the scheme with Life Insurance Corporation of India.

- ii. **Defined Benefit Plan:** The liabilities in respect of gratuity and leave encashment are determined using Projected Unit Credit Method with actuarial valuation carried out as at balance sheet date. Actuarial gains and losses are recognized in full in the profit and loss account for the period in which they occur. Contributions in respect of gratuity are made to the Group Gratuity Scheme with Life Insurance Corporation of India. Employee benefits recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of respective fund.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employee renders the service.

BORROWING COSTS:

Net cost of borrowed funds for the projects are capitalized and included in the cost of fixed assets till its completion and other borrowing costs are recognized as expenses in the period in which they are incurred.

TAXATION:

Provisions are made for current income tax based on tax liability computed in accordance with relevant tax rates and tax laws.

Deferred tax is recognized, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

EARNING PER SHARE:

Basic Earning Per Share (EPS) is computed by dividing the net profit for the year attributable to the equity shareholders, by weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding at the year-end.

PROVISION AND CONTINGENCIES:

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Note No. 2

2.1 SHARE CAPITAL

Particulars	31 st MARCH 2013 ₹	31 st MARCH 2012 ₹
Authorised :		
20,000,000 (10,000,000) Equity Shares of ₹ 5 (₹ 10) each	100,000,000	100,000,000
	100,000,000	100,000,000
Issued, Subscribed and Paid up :		
17,424,000 (4,158,000) Equity Shares of ₹ 5 (₹ 10) each	87,120,000	41,580,000
Shares Forfeited Account	466,500	466,500
	87,586,500	42,046,500
a. Of the Total share capital 12,720,000 Equity shares were issued as fully paid up bonus shares		
b. Equity shares issued as fully paid up bonus shares or otherwise than by cash during the preceding five years : 8,712,000		

2.2 SHARE CAPITAL RECONCILIATION

Particulars	Equity Shares	
	No. of Shares	Amount ₹
Shares outstanding at the beginning of the year	4,158,000	41,580,000
Sub-division of shares from face value of ₹ 10.0 to ₹ 5.0	4,158,000	0
Bonus Shares issued during the year	8,712,000	43,560,000
Shares issued upon conversion of equity warrants	396,000	1,980,000
Shares bought back during the year	0	0
Shares outstanding at the end of the year	17,424,000	87,120,000

2.3 Shares held by each shareholder holding more than five per cent shares

Name of Shareholder	31 st March 2013		31 st March 2012	
	No. of Shares	% of holding	No. of Shares	% of holding
Rushil Industries Limited	1,584,000	9.09	198,000	4.76
Chetan M Tamboli (HUF)	835,320	4.79	208,830	5.02
Manali C Tamboli	1,029,480	5.90	257,370	6.19
Tamboli Investments Pvt. Ltd.	1,963,200	11.26	490,800	11.80
Chetan M Tamboli	2,955,720	16.96	738,930	17.77

Note No. 3

Reserves and Surplus

Particulars	31 st MARCH 2013 ₹	31 st MARCH 2012 ₹
a. Securities Premium Account		
Balance at the beginning of the year	90,237,000	70,833,000
Bonus Shares Issued during the year	43,560,000	0
Received during the year	19,404,000	19,404,000
Balance at the end of the year	66,081,000	90,237,000
b. General Reserve		
Balance at the beginning of the year	433,220,474	326,114,285
Transfer from surplus	153,180,973	107,106,189
Balance at the end of the year	586,401,447	433,220,474
c. Surplus		
Balance at the beginning of the year	20,000,000	15,000,000
Net Profit for the current year	196,542,230	141,101,378
Interim dividend	0	(8,316,000)
Transfer to general reserve	(153,180,973)	(107,106,189)
Proposed dividend	(32,788,800)	(16,632,000)
Corporate dividend tax	(5,572,457)	(4,047,189)
Balance at the end of the year	25,000,000	20,000,000
	677,482,447	543,457,474

Note No. 4
Money Received Against Share Warrants

Particulars	31 st MARCH 2013 ₹	31 st MARCH 2012 ₹
Share Warrants Application Money (Refer Note No. 25)	5,346,000	10,692,000
	<u>5,346,000</u>	<u>10,692,000</u>

Note No. 5
Long Term Borrowings

Particulars	31 st MARCH 2013 ₹	31 st MARCH 2012 ₹
a. Secured		
Term loans from banks (in foreign currency accounts)	388,102,000	152,640,000
Term loans from banks (in rupee accounts)	97,103,389	156,314,880
Term loans from Others (in rupee accounts)	225,432,520	25,900,000
Hire purchase finance	3,133,621	4,734,072
	<u>713,771,530</u>	<u>339,588,952</u>
Notes :		
1. Term Loan(In Rupee Accounts) from Bank of India is against first pari passu charge on gross block of the fixed assets and second charge on current assets of the Company and further guaranteed by one of the directors.		
2. Term Loan (In Foreign Currency Accounts) from Standard Chartered Bank is against first pari passu charge on gross block of fixed assets and second charge on current assets of the Company and further guaranteed by one of the directors.		
3. Term Loan from others is against hypothecation of plant & equipment purchased from the finance and against mortgage of a residential property.		
Period of default	N.A.	
Amount	NIL	
	<u>713,771,530</u>	<u>339,588,952</u>

Note No. 6
Long Term Provisions

Particulars	31 st MARCH 2013 ₹	31 st MARCH 2012 ₹
Provision for leave encashment	5,648,518	4,133,322
	<u>5,648,518</u>	<u>4,133,322</u>

Note No. 7
Short Term Borrowings

Particulars	31 st MARCH 2013 ₹	31 st MARCH 2012 ₹
a. Secured		
Working capital finance from banks (in foreign currency accounts)	211,004,819	192,872,089
Working capital finance from Banks (in rupee accounts)	138,981,035	248,323,413
	<u>349,985,854</u>	<u>441,195,502</u>
Notes :		
1. Working Capital Finance (In Rupee Accounts) from Bank of India is against first pari passu charge on Inventory and Book Debts and second charge on gross block of fixed assets of the Company and further guaranteed by one of the Directors.		
2. Working Capital Finance (In Foreign Currency Accounts) from Standard Chartered Bank and HDFC Bank is against pari passu charge on Inventory and Book Debts and second charge on gross block of fixed assets of the Company and further guaranteed by one of the Directors.		
Period of default	N.A.	
Amount	NIL	
	<u>349,985,854</u>	<u>441,195,502</u>

Note No. 8
Other Current Liabilities

Particulars	31 st MARCH 2013 ₹	31 st MARCH 2012 ₹
Current maturities of long-term debt	99,424,000	67,760,000
Interest accrued but not due on borrowings	1,884,722	1,601,659
Advances from customers	7,395,971	6,732,125
Statutory liabilities	9,115,349	6,480,654
Unclaimed dividends	2,951,974	2,889,049
Other liabilities	52,001,736	41,091,565
Group Gratuity Premium Payable	1,552,287	3,282,530
Super Annuation Contribution Payable	1,103,452	996,600
Interim Dividend Payable	0	8,316,000
	<u>175,429,491</u>	<u>139,150,182</u>

Note No. 9
Short Term Provisions

Particulars	31 st MARCH 2013 ₹	31 st MARCH 2012 ₹
Provision for bonus	11,189,714	8,192,488
Provision for Leave encashment	1,505,296	974,214
Provision for casting repairs	40,235,918	0
Proposed dividend	32,788,800	16,632,000
Corporate dividend tax	5,572,457	2,698,126
Provision for income tax (net of advance taxes)	8,782,301	0
	<u>100,074,486</u>	<u>28,496,828</u>

Note No. 10 Fixed Assets

Assets	Gross Block			Accumulated Depreciation					Net Block	
	Opening Balance	Additions	Deductions	Closing Balance	Up to 31.03.2012	For the Year	On Deductions	Total	Current Year 31-03-2013	Previous Year 31-03-2012
1. Freehold Land	58,703,507	1,412,857	-	60,116,364	-	-	-	-	60,116,364	58,703,507
2. Leasehold Land	21,270,391	16,866,568	-	38,136,959	2,111,071	786,744	-	2,897,815	35,239,144	19,159,320
3. Buildings	179,270,769	127,365,178	-	306,635,947	43,166,179	7,155,546	-	50,321,725	256,314,222	136,104,590
4. Plant & Equipment	874,379,730	331,912,875	11,940,075	1,194,352,530	326,085,567	88,915,122	9,163,816	405,836,873	788,515,657	548,294,163
5. Vehicles	16,771,789	3,015,752	1,075,170	18,712,371	7,647,067	2,350,258	1,021,411	8,975,914	9,736,457	9,124,722
6. Furniture & Fixtures	5,936,027	2,642,663	37,056	8,541,634	3,259,027	370,184	35,204	3,594,007	4,947,627	2,677,000
7. Office Equipment	18,494,155	2,177,451	174,600	20,497,006	10,345,903	2,044,412	153,207	12,237,108	8,250,896	8,139,250
Total Tangible Asset	1,174,826,368	485,393,344	13,226,901	1,646,992,811	392,614,814	101,622,266	10,373,638	483,863,442	1,163,120,367	782,202,552
8. Computer Software (Intangible Asset)	872,872	-	-	872,872	800,177	9,002	-	809,179	72,695	81,697
Total	1,175,699,240	485,393,344	13,226,901	1,647,865,683	393,414,991	101,631,268	10,373,638	484,672,621	1,163,193,062	782,284,249
Capital Work In Progress	9,942,890	51,625,836	9,942,890	51,625,836	-	-	-	-	51,625,836	9,942,890
Total	1,185,642,130	537,019,180	23,169,791	1,699,491,519	393,414,991	101,631,268	10,373,638	484,672,621	1,214,818,898	792,227,139
Previous Year	942,455,550	257,766,660	14,580,080	1,185,642,130	316,313,590	77,820,762	719,361	393,414,991	792,227,139	626,141,960

Rates of Depreciation:

Factory and Office Buildings	%
Residential Buildings	5.00
Plant & Machinery	3.00
Single Shift	7.50
Double Shift	9.00
Triple Shift	11.00
Vehicles	20.00
Furniture & Fixtures	10.00
Office Equipment	10.00
Computers	25.00

Limited Life Assets (depending upon the number of years of normal useful life of assets)

Number of years of normal useful life	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 Years
Rate of Depreciation, %	67.00	40.00	30.00	22.00

Note No. 11
Non-current Investments

Particulars	31 st MARCH 2013 ₹	31 st MARCH 2012 ₹
Quoted; at cost :		
a. Investments in Equity Shares :		
4,000 Equity shares of Electrosteel Casting Limited of 1 each	2,825	2,825
	<u>2,825</u>	<u>2,825</u>
Unquoted; at cost :		
b. Investments in Joint Ventures :		
Capital contribution in Steelcast LLC-USA	5,744,010	223,900
	<u>5,744,010</u>	<u>223,900</u>
	<u>5,746,835</u>	<u>226,725</u>
Aggreage maket value of quoted investments	<u>62,000</u>	<u>80,800</u>

Note No. 12
Long-term Loans and Advances

Particulars	31 st MARCH 2013 ₹	31 st MARCH 2012 ₹
Unsecured (considered good, unless otherwise stated)		
Capital advance	30,425,540	27,979,649
Security deposits	485,435	484,935
Loans to staff [including officers of the company ₹ 764,001 (833,635)]	1,585,715	1,935,005
	<u>32,496,690</u>	<u>30,399,589</u>

Note No. 13
Inventories

Particulars	31 st MARCH 2013 ₹	31 st MARCH 2012 ₹
(as taken certified and valued by the management)		
Raw materials (at cost)	47,404,128	58,054,329
Work in progress (at estimated cost)	137,264,864	158,130,852
Finished goods (at lower of cost or net realizable value)	23,591,656	13,607,008
Stores & spares (at cost)	86,726,528	75,438,721
	<u>294,987,176</u>	<u>305,230,910</u>

Note No. 14
Trade Receivables

Particulars	31 st MARCH 2013 ₹	31 st MARCH 2012 ₹
Unsecured (considered good, unless otherwise stated)		
Over six months	11,032,589	4,776,464
Others	439,621,059	430,488,755
	<u>450,653,648</u>	<u>435,265,219</u>
includes :	More than Six Months	Others
due from a joint venture company	<u>5,660,709</u>	<u>23,272,666</u>

Note No. 15
Cash and Bank Balances

Particulars	31 st MARCH 2013 ₹	31 st MARCH 2012 ₹
I. Cash and Cash Equivalents		
a. Balances with Banks :		
Current accounts	66,192,033	47,512,671
Short term deposits	10,043,778	19,800,000
Cheques on hand	0	0
	<u>76,235,811</u>	<u>67,312,671</u>
b. Cash on Hand	1,947,660	1,629,753
	<u>78,183,471</u>	<u>68,942,424</u>
II. Other Bank Balance		
Dividend accounts	2,952,426	11,205,501
Margin money accounts	0	0
Term deposits with more than 12 months maturity	16,269,840	6,784,599
Other term deposits	5,293,850	5,423,491
	<u>24,516,116</u>	<u>23,413,591</u>
	<u>102,699,587</u>	<u>92,356,015</u>
Term deposits of Rs. 316.07(122) lacs are under lien with banks against letter of credits and bank guarantees		

Note No. 16
Short-term Loans and Advance

Particulars	31 st MARCH 2013 ₹	31 st MARCH 2012 ₹
Unsecured (considered good, unless otherwise stated)		
Trade advance to suppliers. (including to companies or firms in which some of the directors are interested : Nil)	40,839,320	30,273,375
Loans and advance to staff (including officers of the company ₹ 482,310(581,040))	1,990,427	1,763,542
Prepaid expenses	3,594,615	4,440,211
Advance payments of income tax (net of provisions)	0	6,262,490
Other loans and advances	17,766,059	7,044,506
	<u>64,190,421</u>	<u>49,784,124</u>

Note No. 17
Other Current Assets

Particulars	31 st MARCH 2013 ₹	31 st MARCH 2012 ₹
Input credits receivable.	135,046,657	57,328,700
DEPB and duty draw back claim receivable	77,952,561	37,643,121
	<u>212,999,218</u>	<u>94,971,821</u>

Note No. 18
Revenue from Operations

Particulars	2012-2013 ₹	2011-2012 ₹
Sale of Products		
Export sales	1,562,562,951	1,054,711,275
Domestic sales	1,371,327,424	1,402,099,994
	<u>2,906,463,960</u>	<u>2,456,811,269</u>
Less : Excise duty	153,523,329	136,315,492
	<u>2,780,367,046</u>	<u>2,320,495,777</u>
Other Operating Revenue		
Sale of Service	0	0
Export incentives and credits	69,124,071	60,696,384
Forward Contract Premium & Foreign currency fluctuation gain / (loss)	24,013,870	(8,169,669)
	<u>93,137,941</u>	<u>52,526,715</u>
	<u>2,873,504,987</u>	<u>2,373,022,492</u>

Note No. 19
Other Income

Particulars	2012-2013 ₹	2011-2012 ₹
Dividend receipts	2,000	5,170
Interest receipts	6,704,109	3,044,446
Insurance claims receipts	782,712	12,455
Prior Period Income (net)	636,577	3,681,381
Share of profit @ 50% from a joint venture Steelcast LLC, USA	3,430,985	0
Sundry balance written back	380,350	0
	<u>11,936,733</u>	<u>6,743,452</u>

Note No. 20
Cost of Materials Consumed

Particulars	2012-2013 ₹	2011-2012 ₹
Raw Materials Consumed		
Opening stock	58,054,329	46,849,405
Purchase and direct expenses	807,503,776	778,598,973
	<u>865,558,105</u>	<u>825,448,378</u>
Closing stock	47,404,128	58,054,329
	<u>818,153,977</u>	<u>767,394,049</u>

Note No. 21
Changes in Inventories

Particulars	2012-2013 ₹	2011-2012 ₹
Opening Stock		
Finished Goods	13,607,008	8,606,888
Work in progress	158,130,852	124,698,496
	<u>171,737,860</u>	<u>133,305,384</u>
Closing Stock		
Finished Goods	23,591,656	13,607,008
Work in progress	137,264,864	158,130,852
	<u>160,856,520</u>	<u>171,737,860</u>
	<u>10,881,340</u>	<u>(38,432,476)</u>

Note No. 22
Employee Benefit Expenses

Particulars	2012-2013 ₹	2011-2012 ₹
Salaries, wages, allowance and bonus	173,363,833	150,248,820
Contribution to employee benefit funds	15,724,056	16,226,995
Staff welfare expenses	5,569,276	5,987,477
	<u>194,657,165</u>	<u>172,463,292</u>
Includes Directors' remuneration	<u>20,693,290</u>	<u>16,436,147</u>

Note No. 23
Finance Costs

Particulars	2012-2013 ₹	2011-2012 ₹
Interest		
Working capital finance	36,076,733	39,089,560
Term loans	34,498,405	34,903,116
Others	1,243,936	264,016
Loss / (gain) on foreign currency borrowings	13,914,713	17,438,964
Other borrowing cost	1,253,915	2,268,421
	<u>86,987,702</u>	<u>93,964,077</u>

Note No. 24
Other Expenses

Particulars	2012-2013 ₹	2011-2012 ₹
Manufacturing Expenses		
Power, Fuel & Water Charges	343,851,899	324,643,608
Machinery repairs and maintenance	12,823,578	11,079,470
Stores & Spares	591,393,816	425,784,913
Other expenses	282,673,193	202,659,580
	<u>1,230,742,486</u>	<u>964,167,571</u>
Selling and Distribution Expenses		
Sales commission	37,382,707	25,140,269
Export freight and insurance	36,806,200	26,590,035
Sales promotion expenses	210,131	376,595
Export market development expenses	5,308,329	2,601,943
Other selling expenses	24,721,028	22,619,061
	<u>104,428,395</u>	<u>77,327,903</u>
Administrative and Other Expenses		
Traveling expenses	4,234,860	3,358,407
Rent	30,000	30,000
Rates and taxes	2,103,473	991,375
Insurance premiums	1,227,567	615,530
Building and other repairs	5,313,459	3,078,699
Advertisement expenses	907,446	768,522
Director's sitting fees	350,000	520,000
Legal and professional fees	14,167,222	14,073,174
Payments to auditors	405,500	363,000
Bank discount, commission and other charges	8,053,092	5,661,048
Donations	1,846,250	4,361,660
Loss on sale of fixed assets (net)	968,741	296,792
Sundry balances written off	0	161,411
General expenses	8,678,417	7,161,210
	<u>48,286,027</u>	<u>41,440,828</u>
	<u>1,383,456,908</u>	<u>1,082,936,302</u>

25. During the financial year 2011-12, the Company had issued 594,000 convertible equity warrants of ₹ 10/- each to M/s. Rushil Industries Limited, a Body Corporate under the Promoters' Group on preferential basis at a premium of ₹ 98 per warrant. Against the said warrants, 198,000 shares (face value of ₹ 10) were allotted during the financial year 2011-12 and 792,000 shares (adjusted to face value of ₹ 5 and bonus issue) were allotted during the financial year 2012-13. Accordingly, share capital of the Company has been increased to that extent.
26. Companies' share of profit from a joint venture overseas company, Steelcast LLC USA is accounted for from the unaudited financial statements received for the accounting year ended i.e. 31 December, 2012.
27. Balances with sundry debtors, sundry creditors and for advances are subject to confirmations.
28. As the company's business activity, in the opinion of the management, falls within a single primary segment subject to the same risks and returns, the disclosure requirements of Accounting Standard (AS) – 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India are not applicable.
29. The company has not received information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year-end together with interest paid/payable under this account have not been given.
30. In the opinion of the Directors, the current assets, loans and advances are approximately of the value as stated in the balance sheet, if realized in the ordinary course of the business. The provision of all known liabilities is adequate and not in excess of the amount reasonably required.
31. **Contingent Liabilities:**
- In respect of Central Sales Tax in respect of non collection of C forms: ₹ 20,201,691 (13,197,369)
 - Some retrenched employees of the company have preferred an appeal for their reinstatement, liability of which is unascertainable pending decision of the higher court. The company, however, does not expect any liability to arise on this account as the said retrenchment was lawfully made as per the order of the Dy Commissioner of Labour, Government of Gujarat and Gujarat Industrial Tribunal.
32. Deferred tax liabilities of ₹18,700,000 (40,000,000) arising during the year, a major component of which is due to timing difference related to depreciation charged in the accounts and as claimed under the Income Tax Act, is debited to the profit & loss account. Details of the balance of ₹ 107,100,000 are as under:

Particulars	₹
Depreciation	102,322,489
Reversal of MAT Credit	5,437,856
Disallowances u/s 43B of the Income Tax Act & Others	(660,345)
Total...	107,100,000

33. The management of the Company has, during the year, carried out technological evaluation for identification of impairment of assets, if any, in accordance with the Accounting Standard (AS) – 28 as prescribed under the Companies (Accounting Standards) Rules, 2006. Based on the judgment of the management and as certified by the Directors, no provision for impairment is found to be necessary in respect of any of the assets.

34. Payments to Auditors:

Particulars	2012-2013	2011-2012
Audit Fees	250,000	200,000
In other capacity (Including quarterly limited review)	155,500	163,000

35. Related Party Disclosures:

a. Associates:

- Steelcast LLC - USA
- Steelcast Education Trust
- F P Tamboli Charitable Trust

b. (i) Key Management Personnel and Their Relatives:

- Mr. T Kumar
- Mr. C M Tamboli
- Mr. M F Tamboli
- Mrs. M C Tamboli
- Mr. R C Tamboli
- Mr. V W Makary

	Nature of Transactions:	2012-2013	2011-2012
		₹	₹
	Key Management Personnel:		
1	Remuneration	20,693,290	16,436,147
2	Professional fees	1,800,000	1,551,370
3	Directors Sitting Fees	70,000	80,000
4	Salaries & Allowances	370,372	135,400
5	Technical Fees	27,225,040	23,715,264
	Associates		
1	Donations	350,000	-
2	Pattern Making Charges	5,660,709	-
3	Sales of Castings	306,277,860	129,395,306

Details of balances outstanding as on 31st March 2013:

	Associates	Key Management Personnel
Other Current Liabilities	-	15,588,285 (13,200,348)
Trade Receivables	28,933,375 (59,529,721)	-

36. Disclosure as per AS – 15 (Revised) on "Employee Benefit" for the year ended 31st March 2013:

	Gratuity Plan ₹ (2012-13)	Gratuity Plan ₹ (2011-12)
Change in the defined benefit obligations		
Defined benefit obligations as at 1st April 2012	27,203,689	23,701,170
Service cost	2,679,641	2,003,514
Interest cost	2,176,295	1,896,094
Actuarial loss/(Gain)	(2,124,235)	1,985,295
Benefits paid	(1,737,105)	(2,382,384)
Defined benefit obligations as at 31 st March 2013 (a)	28,198,285	27,203,689
Change in plan assets		
Fair Value of plan assets as at 1 st April 2012	27,970,990	24,479,395
Expected return on plan assets	2,723,198	2,325,611
Contributions by employer	3,070,993	3,548,368
Actuarial Gain/(loss)	-	-
Benefits paid	(1,737,105)	(2,382,384)
Fair Value of plan assets as at 31 st March 2013 (b)	32,028,076	27,970,990
Present Value of unfunded obligations (a-b)	-	-
The net amount recognized in the statement of profit and loss for the year ended 31 st March 2013 is as follows:		
Current service cost	2,679,641	2,003,514
Interest cost	2,176,295	1,896,094
Expected return on plan assets	(2,723,198)	(2,325,611)
Net actuarial loss/(gain) recognized	(2,124,235)	1,985,295
Net amount recognized	8,503	3,559,292
Actual Return on Plan Assets		
The principal actuarial assumptions used as at 31 st March 2013 are as follows:		
Discount Rate	8.00%	8.00%
Expected rate of return on plan assets	9.25%	9.25%
Rate of increase in compensation levels	6.00%	7.00%

37. ADDITIONAL INFORMATION

(As certified by the Management)

a. Installed Capacity and Actual Production: (in MTs)

	Installed Capacity	Actual Production
Steel Casting (Net of Rejections)	22,000 (17,000)	14,430 (13,480)

Note: Installed capacity is dependent on product mix and specification of castings and therefore, actual production cannot be directly compared with the installed capacity.

b. Raw Material Consumed:

	2012-2013	2011-2012
Steel Scrap	493,449,072	450,511,334
Ferro Alloys	324,704,905	316,882,715
Total...	818,153,977	767,394,049

c. Sales and Stocks of Finished Goods & Work in Progress:

Description	Opening Stock in ₹	Sales in ₹	Closing Stock in ₹
Finished Goods	13,607,008 (8,606,888)	2,780,367,046 (2,320,495,777)	23,591,656 (13,607,008)
Work in Progress	158,130,852 (124,698,496)	0 (0)	137,264,864 (158,130,852)

d. Value of Consumption of Imported Materials and percentage of each to total consumption:

	Imported		Indigenous	
	₹	%	₹	%
Raw Materials	193,039,063 (108,137,276)	23.60 (14.09)	625,114,914 (659,256,773)	76.40 (85.91)
Stores and Spares	17,268,650 (8,670,970)	2.92 (2.04)	574,125,166 (417,113,943)	97.08 (97.96)

e. Value of Imports on CIF basis:

	2012-2013	2011-2012
Raw Materials	154,920,840	104,984,658
Stores & Spares	16,956,857	6,280,376

f. Expenditure in Foreign Currency (Accrual Basis):

	2012-2013	2011-2012
Export Sales Commission	36,161,574	23,115,684
Travelling Expenses	1,373,060	641,026
Membership & Subscription	15,862	152,450
Casting Repair Charges	21,906,463	5,616,766
Legal & Professional Fees	7,707,743	6,607,553
Technical Fees	27,225,040	23,715,264

g. Earnings in Foreign Currency:

	2012-2013	2011-2012
Exports (FOB basis)	1,532,384,915	1,034,344,349

38. Figures in the brackets are the figures for the previous year, unless otherwise stated.

39. All the amounts are stated in Indian Rupees, unless otherwise stated.

40. Previous year's figures are regrouped and rearranged, wherever necessary.

Signatures to Note no. 1 to 40

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

GAURANG R. SANGHAVI
Partner

Bhavnagar
12th May 2013

For and on Behalf of the Board of Directors

PRIYANKA JAIN
Company Secretary

Bhavnagar
12th May 2013

T KUMAR
Whole Time Director

CHETAN M TAMBOLI
Chairman & Managing Director
and Chief Executive Officer



STEELCAST LIMITED

Regd. Office : Ruvapari Road, Bhavnagar, Gujarat, India 364 005.

PROXY FORM

I/We.....residing at.....
being member(s) of the above named Company, with my/our shareholding details as shown below, hereby appoint
residing at..... or failing him/ her,
residing at as my/our Proxy to attend and vote on my/our
behalf at the Forty Second Annual General Meeting of the Company, to be held on Tuesday, July 16, 2013, at 1600 hours and at
any adjournment thereof.

Number of Equity Shares held		
Folio Number		
If Demat Shares	DP ID	
	Client ID	

Signed on this..... day of 2013

Signature across Revenue
stamp

Affix
Rs.1.00
Revenue
Stamp

- Note : 1. The Proxy Form must be returned so as to reach the Registered Office of the Company not less than FORTYEIGHT HOURS before the scheduled time for holding the aforesaid meeting.
2. A Proxy need not be a member of the Company.

STEELCAST LIMITED

Regd. Office : Ruvapari Road, Bhavnagar, Gujarat, India 364 005.

ATTENDANCE FORM

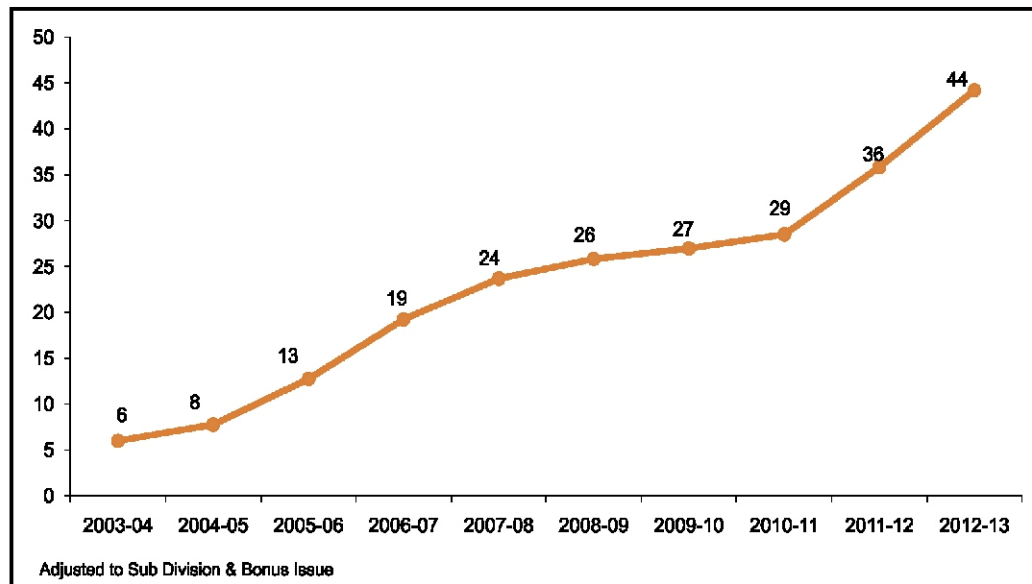
Name of Shareholder		
Number of Equity Shares held		
Folio Number		
If Demat Shares	DP ID	
	Client ID	

I hereby record my presence at the Forty Second Annual General Meeting of the Company at Nilambag Palace Hotel, Bhavnagar at 1600 hours on July 16, 2013.

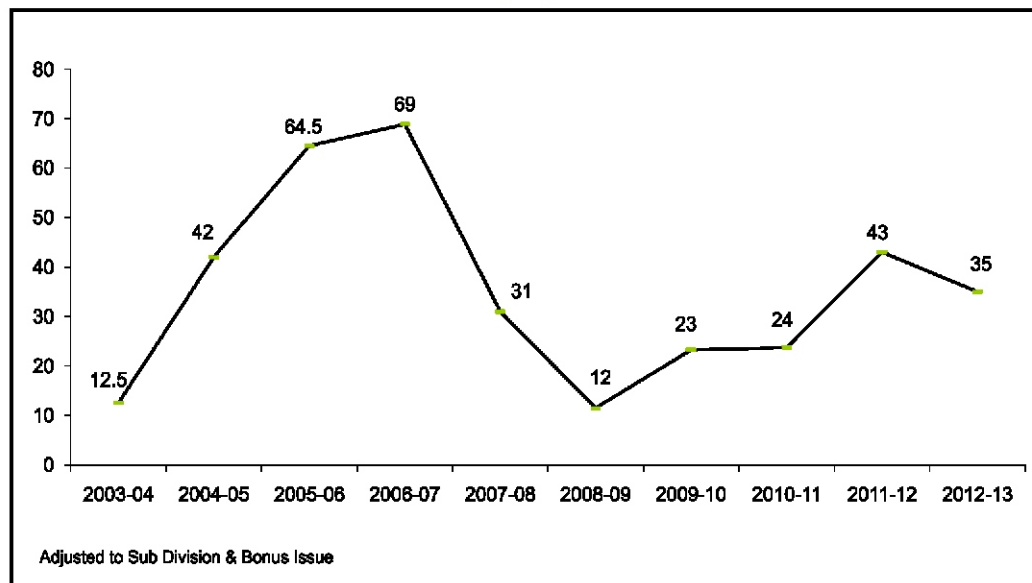
Signature of the attending Member/Proxy	
--	--

- Note : 1. A Shareholder/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.
2. He/She is advised to bring along a copy of the Annual Report to the meeting for reference.

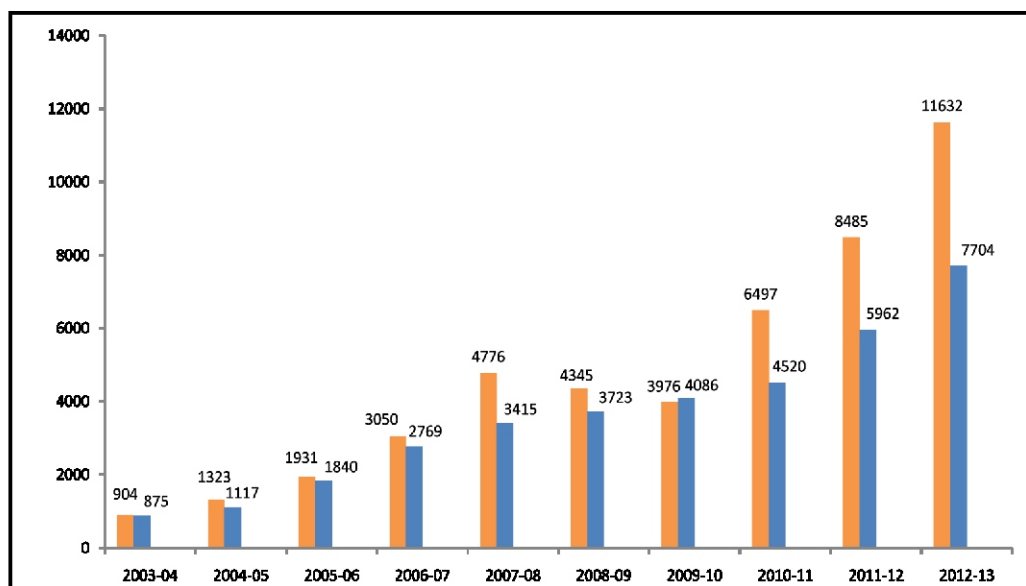
Book Value Per Share (₹)



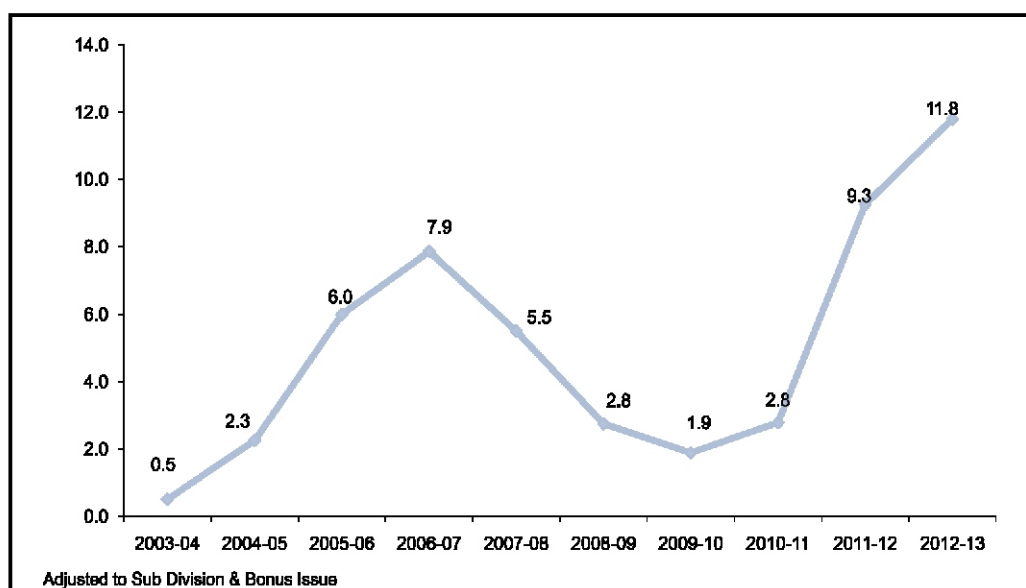
Market Price per Share (As on close of 31st March of respective year) (₹)



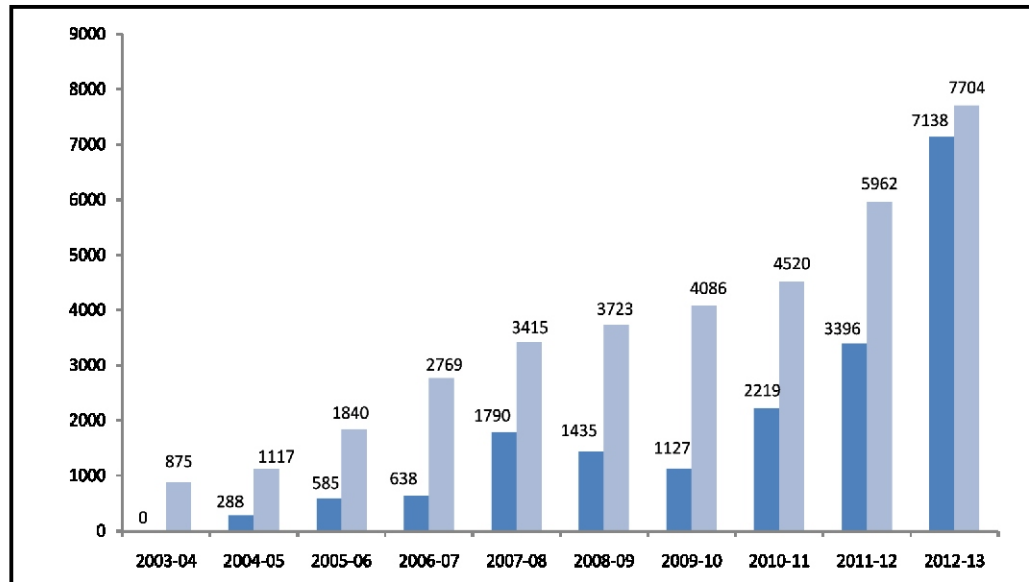
Total Debt to Net Worth (₹ in Lacs)



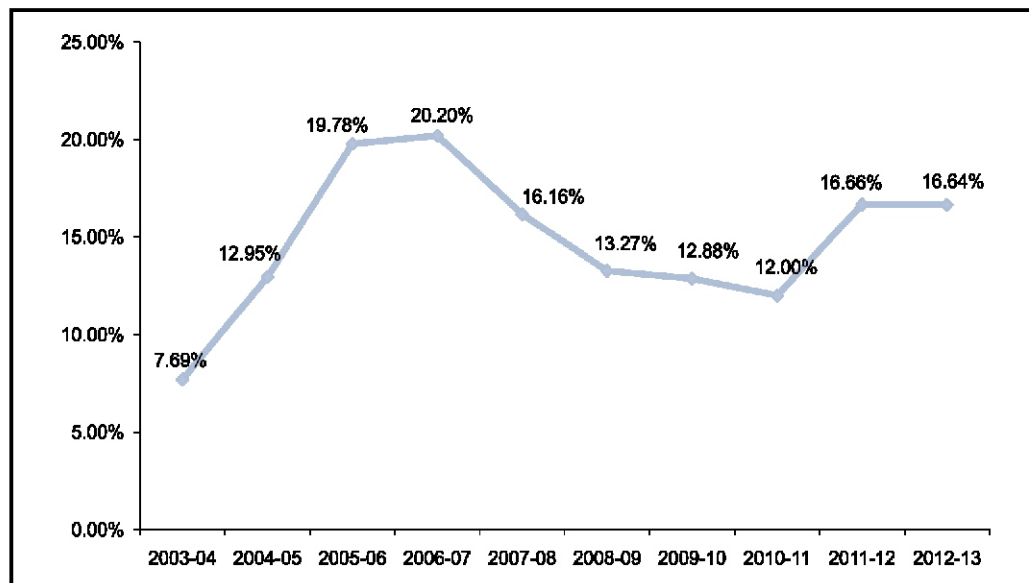
Earning Per Share (₹)



Long Term Debt to Net Worth (₹ in Lacs)

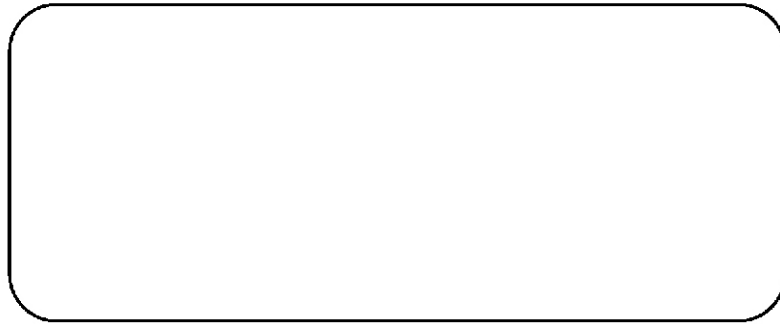


EBIDTA



BOOK-POST

To,



If undelivered, please return to :
STEELCAST LIMITED
Ruvapari Road, Bhavnagar - 364 005,
Gujarat, INDIA .