



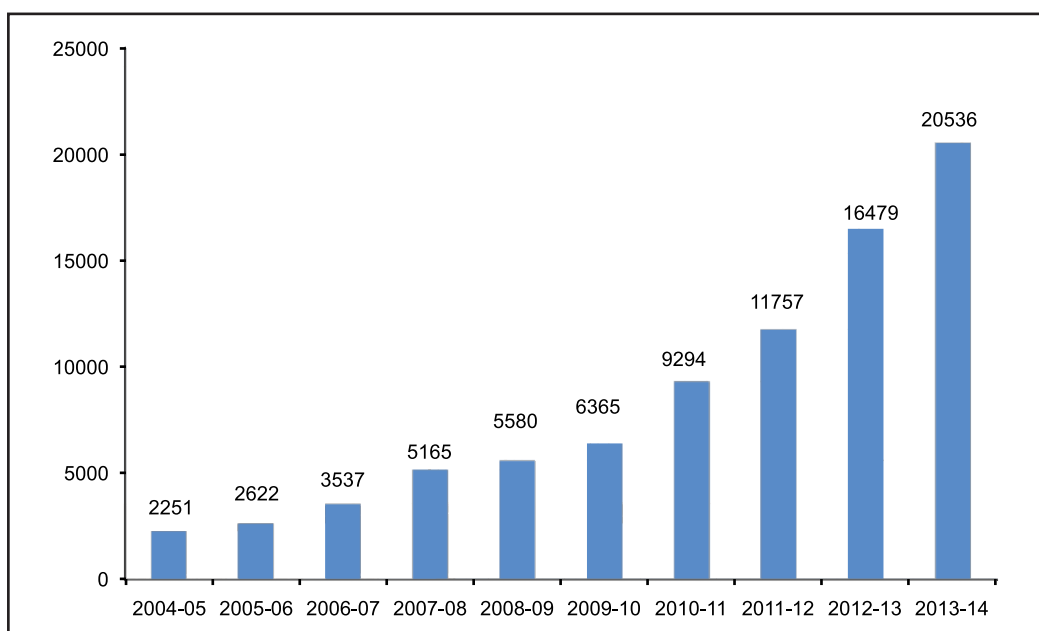
# STEELCAST LIMITED

43rd Annual Report

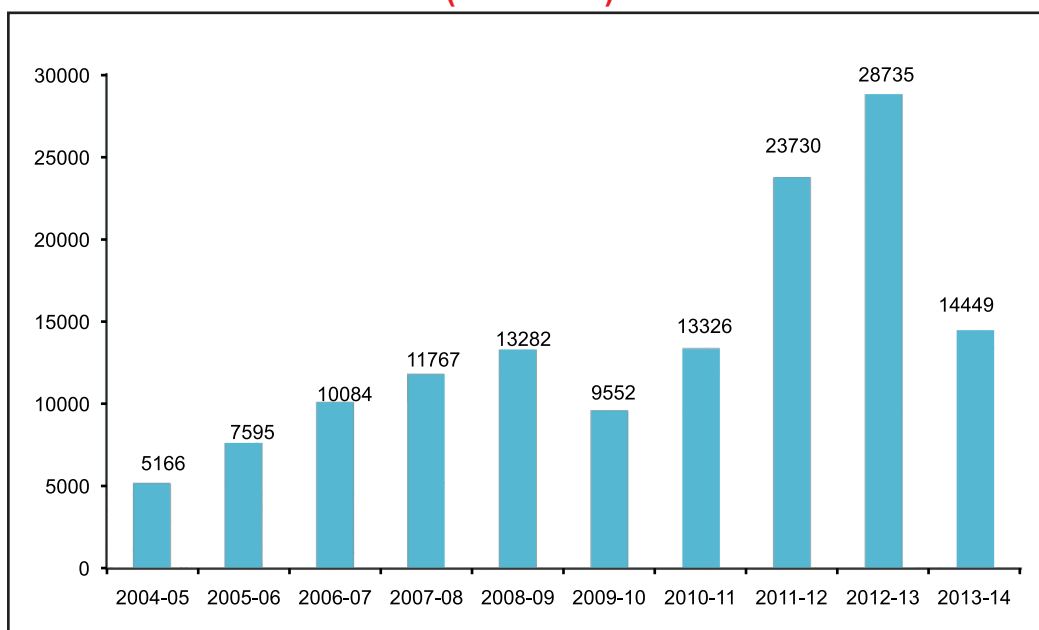
2013-14



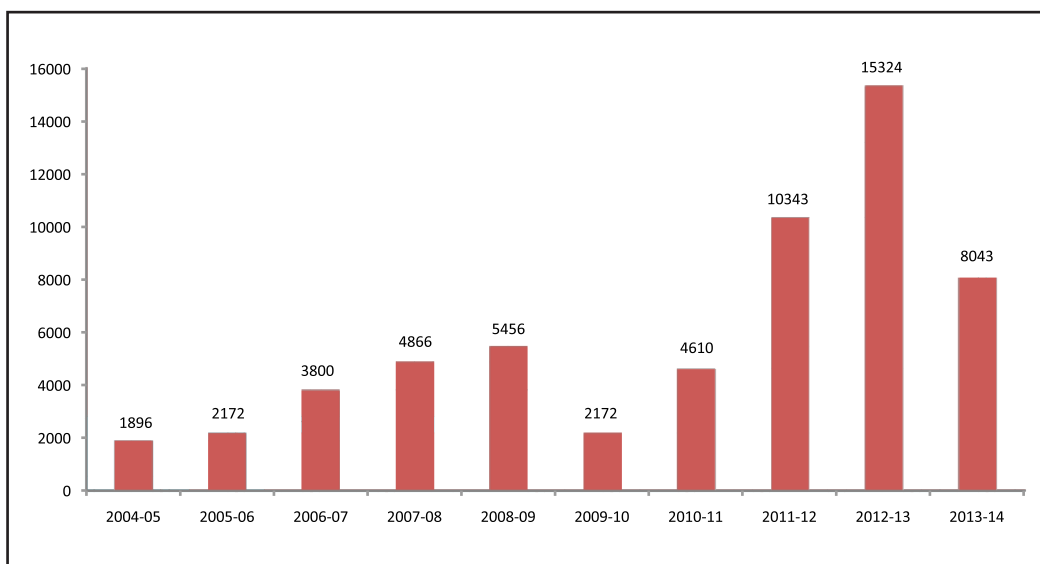
### Gross Block of Fixed Assets ( ₹ in Lacs)



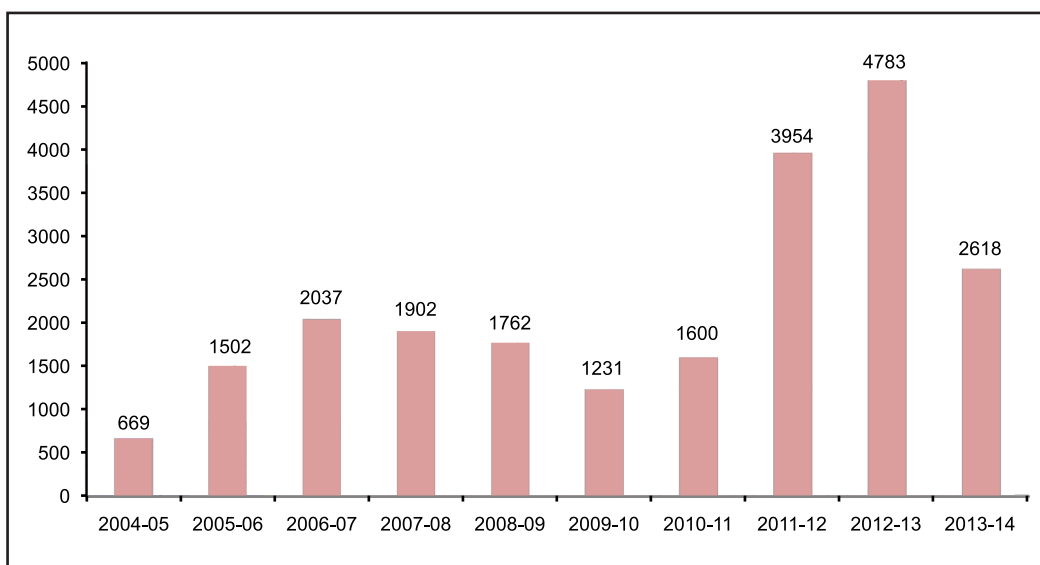
### Sales and Operational Income ( ₹ in Lacs)



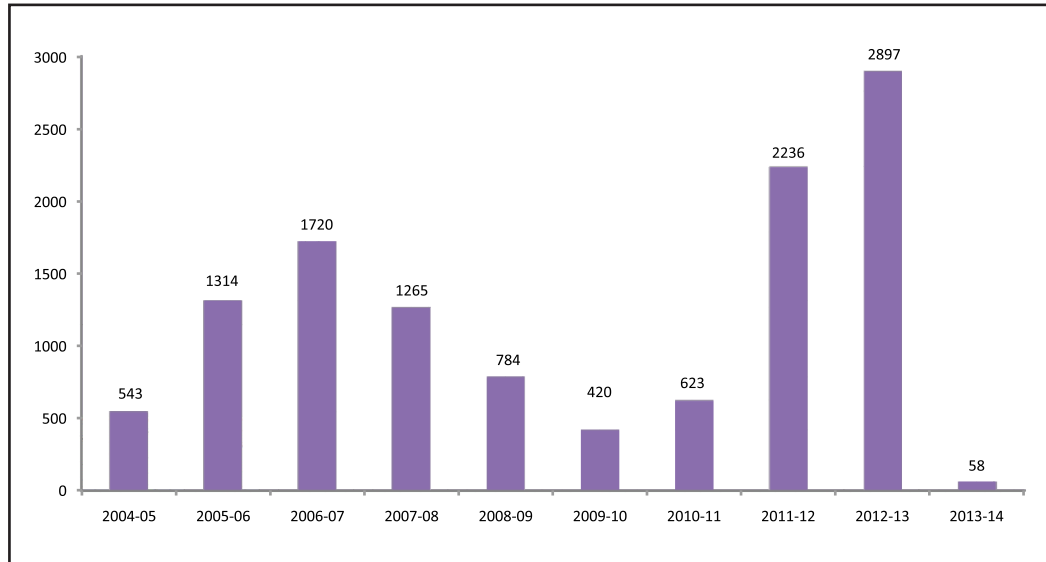
### Export Earnings (FOB) ( ₹ in Lacs)



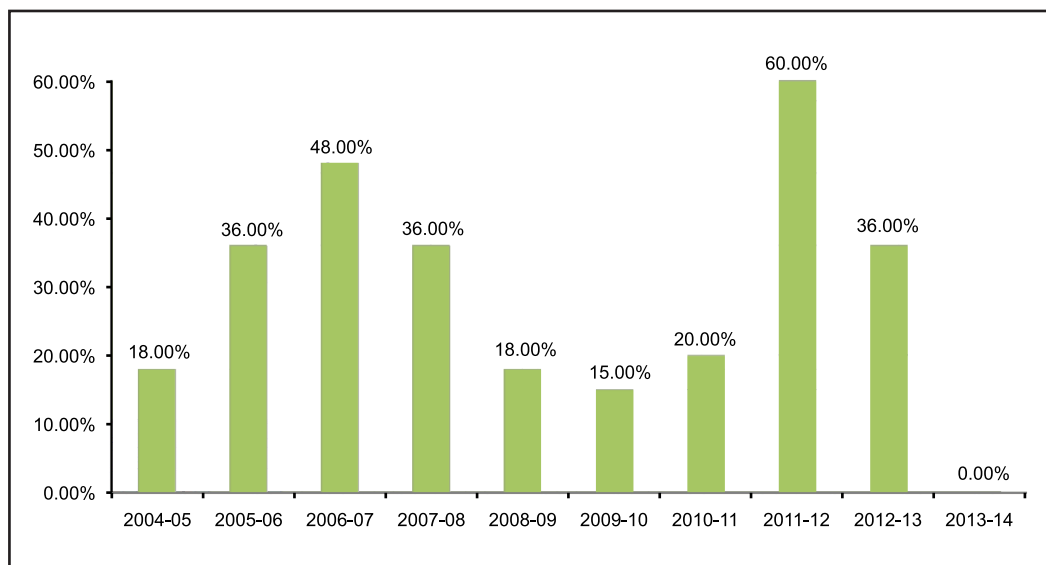
### Operating Profit (EBIDTA) ( ₹ in Lacs)



### Profit Before Tax (PBT) (₹ in Lacs)



### Dividend on Equity Share



**STEELCAST LIMITED****BOARD OF  
DIRECTORS**

Shri Chetan M Tamboli                      Chairman & Managing Director  
Shri T Kumar                                      Whole Time Director  
Shri Rajendra V Gandhi  
Shri Rameshchandra V Shah  
Shri Apurva R Shah  
Shri Rajesh R Gandhi  
Smt. Manali C Tamboli  
Shri Vaughn W Makary  
Shri Vinayak B Buch (Retired w.e.f. 1st February, 2014)

**CHAIRMAN EMERITUS**

Shri Manmohan F Tamboli

**BANKERS**

Bank of India  
Standard Chartered Bank  
HDFC Bank Ltd.

**AUDITORS**

Sanghavi & Company  
Chartered Accountants  
Bhavnagar

**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.....	12
3 Corporate Governance Report.....	21
4 Management Discussion and Analysis Report.....	32
5 Independent Auditors' Report.....	34
6 Balance Sheet.....	38
7 Profit & Loss Account.....	39
8 Cash Flow Statement.....	40
9 Notes on Accounts.....	41

# 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 <sup>st</sup> March									
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	Total Income	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	14,448.80
2	Operating Profit	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	2,618.22
3	Profit After Tax	332.81	874.46	1,117.94	804.88	511.16	278.44	432.59	1,411.01	1,965.42	42.57
4	Net Worth	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	7,907.10
5	Total Borrowed Funds	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	13,721.91
6	Fixed Assets (Net)	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	14,913.57
7	Net Current Assets	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	5,650.32
8	Book Value Per Share (₹) (Adjusted to Sub Division & Bonus Issue)	8	13	19	24	26	27	29	36	44	43
9	Earning Per Share (Basic) (Adjusted to Sub Division & Bonus Issue)	2.3	6.0	7.9	5.5	2.8	1.9	2.8	9.3	11.8	0.23
10	Dividend (%)	18.00	36.00	48.00	36.00	18.00	15.00	20.00	60.00	36.00	0.00
11	Debt Equity Ratio	1.18	1.05	1.10	1.40	1.17	0.97	1.44	1.42	1.51	1.74
12	Operating Profit to Sale (%)	12.91	19.71	20.16	16.16	13.24	12.87	11.96	16.62	16.64	18.12

## STEELCAST LIMITED

Registered Office : Ruvapari Road, Bhavnagar, Gujarat 364 005.  
Phone 0278-2519062 www.steelcast.net CIN: L27310GJ1972PLC002033

### Notice of 43<sup>rd</sup> Annual General Meeting

NOTICE is hereby given that the FORTY THIRD ANNUAL GENERAL MEETING of the Members of STEELCAST LIMITED will be held at 1600 Hrs. on Wednesday, the 30th July, 2014, at Nilambag Palace Hotel, Bhavnagar 364 001, Gujarat, to transact the following business :

#### Ordinary Business :

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March, 2014 and the Profit & Loss Account for the year ended 31st March, 2014 and the Report of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Vaughn W Makary, (holding DIN 03564740), who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint the Auditors and fix their remuneration and in this regard pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (corresponding to Section 224 and other applicable provisions, if any, of the Companies Act, 1956), M/s. Sanghavi & Co., (Firm Registration No. 109099W), Chartered Accountants, after receiving a recommendation in this regard from the Audit Committee, be and are hereby reappointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the financial year 2016-17, subject to ratification by the shareholders annually, at a remuneration to be decided by the Board of Directors in consultation with the Auditors, plus applicable service tax and re-imbursement of traveling and out of pocket expenses incurred by them for the purpose of audit."

#### Special Business :

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, (including any statutory amendments or re-enactment thereof for the time being in force), read with Schedule IV to the Companies Act, 2013, Mr. Rameshchandra V Shah (holding DIN 00062983), Director of the Company, whose period of office was liable to determination through retirement by rotation, and who, pursuant to the provisions of the Companies Act, 2013, being an Independent Director, is no longer liable to retire by rotation and who in accordance with the said Act, is eligible to be reappointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a further continuous period of five (5) years effective from 1st October, 2014, not subject to retirement by rotation."

"RESOLVED FURTHER THAT in light of the foregoing resolution, his former appointment as an Independent Director, which was subject to retirement by rotation, shall be deemed to come to an end at the close 30th September, 2014."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, (including any statutory amendments or re-enactment thereof for the time being in force), read with Schedule IV to the Companies Act, 2013, Mr. Apurva R Shah (holding DIN 00004781), Director of the Company, whose period of office was liable to determination through retirement by rotation, and who, pursuant to the provisions of the Companies Act, 2013, being an Independent Director, is no longer liable to retire by rotation and who in accordance with the said Act, is eligible to be reappointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a further continuous period of five (5) years effective from 1st October, 2014, not subject to retirement by rotation.”

“RESOLVED FURTHER THAT in light of the foregoing resolution, his former appointment as an Independent Director, which was subject to retirement by rotation, shall be deemed to come to an end at the close 30th September, 2014.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, (including any statutory amendments or re-enactment thereof for the time being in force), read with Schedule IV to the Companies Act, 2013, Mr. Rajendra V Gandhi (holding DIN 00189197), Director of the Company, whose period of office was liable to determination through retirement by rotation, and who, pursuant to the provisions of the Companies Act, 2013, being an Independent Director, is no longer liable to retire by rotation and who in accordance with the said Act, is eligible to be reappointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a further continuous period of five (5) years effective from 1st October, 2014, not subject to retirement by rotation.”

“RESOLVED FURTHER THAT in light of the foregoing resolution, his former appointment as an Independent Director, which was subject to retirement by rotation, shall be deemed to come to an end at the close 30th September, 2014.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, (including any statutory amendments or re-enactment thereof for the time being in force), read with Schedule IV to the Companies Act, 2013, Mr. Rajesh R Gandhi (holding DIN 00009879), Director of the Company, whose period of office was liable to determination through retirement by rotation, and who, pursuant to the provisions of the Companies Act, 2013, being an Independent Director, is no longer liable to retire by rotation and who in accordance with the said Act, is eligible to be reappointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a further continuous period of five (5) years effective from 1st October, 2014, not subject to retirement by rotation.”

“RESOLVED FURTHER THAT in light of the foregoing resolution, his former appointment as an Independent Director, which was subject to retirement by rotation, shall be deemed to come to an end at the close 30th September, 2014.”



8. To consider and if thought fit, to pass with or without modification(s), the following Resolution as ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, a remuneration of Rs. 75,000 (Rupees Seventy Five Thousand) plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses, for the financial year commencing on 1st April, 2014 and ending on 31st March, 2015, as fixed by the Audit Committee and approved by the Board of Directors of the Company, to be paid to M/s. S K Rajani & Co., Cost Accountants (FRN.101113), for the conduct of the Cost Audit of the Company's Steel products and Machinery and Mechanical Appliances, be and is hereby ratified and confirmed.”

9. To consider and if thought fit, to pass with or without modification(s), the following Resolution as SPECIAL RESOLUTION:

“RESOLVED THAT in supersession of the earlier resolution passed at the 41st Annual General Meeting of the members of the Company held on 16th July, 2012, the consent of the Company be and is hereby accorded under the provisions of Section 180(1)(c) of the Companies Act, 2013 (previously Section 293(1)(d) of the Companies Act, 1956), to the Board of Directors to borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any point of time shall not exceed the sum of Rs.200 crores (Rupees Two Hundred Crores).”

10. To consider and if thought fit, to pass with or without modification(s), the following Resolution as SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the re-appointment of Mr. Manmohan F Tamboli, for a period of three years, as Mentor & Management Advisor to the Company with effect from September 1, 2014, at a prior existing fees of Rs.18 Lakh (Rupees Eighteen Lakh) per annum plus reimbursement of out-of-pocket expenses incurred by him on behalf of the Company in connection with the advisory services to be rendered by him to the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take, perform and execute such further steps, acts, deeds and things, as may be necessary to give effect to the above resolution.”

**Registered Office:**

Ruvapari Road,  
Bhavnagar, 364 005,  
Gujarat, India.  
Phone 0278-2519062  
www.steelcast.net  
CIN: L27310GJ1972PLC002033

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

**(Chetan M Tamboli)**  
Chairman & Managing Director

Date: May 30, 2014

**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 instead of himself / herself and the Proxy need not be a member of the Company. The proxy form duly completed and signed should be lodge with the Company at its Registered Office at least 48 hours before the time of the meeting.**
2. The relevant Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013 (corresponding to 173(2) of the Companies Act, 1956), in respect of the special business under item no. 4 to 10 are annexed hereto.
3. Pursuant to the provisions of Section 91 of the Companies Act, 2013 (corresponding to 154 of the Companies Act, 1956), the Register of Members and Share Transfer Books of the Company will remain closed from June 25, 2014 to June 27, 2014 (both days inclusive) for the purpose of 43rd Annual General Meeting.
4. All documents referred to in the notice and the explanatory statement requiring the approval of the Members at the meeting and other statutory registers shall be available for inspection by the Members at the Registered Office of the Company during office hours on all working days between 9.00 a.m. to 5.00 p.m. from the date of hereof up to the date of the Annual General Meeting.
5. In terms of the provisions of Section 124 of the Companies Act, 2013 (corresponding to Section 205A of the Companies Act, 1956), the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Government. Accordingly, the unclaimed/unpaid dividend in respect of financial year 2006-07 is due for transfer to the said Fund in August 2014.
6. Members who have neither received nor encashed their dividend warrant(s) for the financial year 2006-07 up to 2012-13, are requested to write to the Company, mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s).
7. Members holding shares in physical form are requested to promptly notify in writing any changes in their address/bank account details to the Secretarial Department of the Company at Ruvapari Road, Bhavnagar 364 005. Members holding shares in electronic form are requested to notify the changes in the above particulars, if any, directly to their Depository Participants (DP).
8. Equity shares of the Company are under compulsory demat trading by all investors. Considering the advantage of scripless trading, members are encouraged to consider dematerialization of their shareholding so as to avoid inconvenience in future.
9. Voting through electronic means:
  - I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 43rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Service provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:
- A. In case a Member receives an email from NSDL (for members whose email IDs are registered with the Company/Depository Participants)
  - (i) Open email and open PDF file viz; “STEELCAST e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
  - (iii) Click on Shareholder-Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly

recommended not to share your password with any other person and take utmost care to keep password confidential.

- (vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycle.
- (vii) Select "EVEN" of STEELCAST LIMITED
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [dgbhimani@yahoo.co.in](mailto:dgbhimani@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company/Depository Participants or requesting physical copy):

- (i) Initial password will be provided separately:  
EVEN (E Voting Event Number) USER ID PASSWORD/PIN
  - (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
  - IV. As the voting would be through electronic means, the members who do not have access to e-voting, may requisite a Physical Ballot Form from the Company. You are requested to fill in the ballot form and enclose it in a sealed envelope and send it to the Scrutinizer. Unsigned, incomplete or incorrectly ticked forms shall be rejected. The ballot must be received by the Scrutinizer on or before 25th July, 2014 (6.00 pm). The Scrutinizer's decision on the validity of the forms will be final. Members are required to vote only through the electronic system or through ballot only and in no other form. In the even a member casts his votes through both the processes, the votes in the electronic system would be considered and the ballot vote would be ignored.
  - V. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - VI. The e-voting period commences on 24th July, 2014 and ends on 25th July, 2014 (6.00pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 27th June, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
  - VII. The voting rights of the shareholders shall be in proportion of their shares of the paid up equity share capital of the Company as on the cut-off date of 27th June, 2014.
  - VIII. Mr. Dinesh G Bhimani of D G Bhimani & Associates, Practicing Company Secretary (Membership No. ACS 12192) (Address: 207, Nathwani Chambers, Sardar Gunj, Anand-388 001, Gujarat) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the physical ballots received from members who do not have access to the e-voting process) in a fair and transparent manner.

- IX. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
  - X. The Results shall be declared at the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.steelcast.net](http://www.steelcast.net) and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicate to the Stock Exchange.
10. 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, and Voter ID Card.
11. Members having any questions on accounts are requested to send their queries at least 10 days in advance to the Company at its Registered Office address to enable the Company to collect the relevant information.

### **EXPLANATORY STATEMENT**

#### **(Pursuant to section 102(2) of the Companies Act, 2013)**

In conformity with the provisions of Section 102(2) of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

#### **Item No. 4**

Mr. Rameshchandra V Shah is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in June 2003.

Mr. Rameshchandra V Shah is an industrialist with repute. He is Managing Director of Madhu Silica Pvt. Ltd. and also Director of many reputed companies. He holds bachelor degree in Science and has more than 30 years of experience in business administration, operations and finance. He is Chairman of the Nomination and Remuneration Committee and the Stakeholders Relationship Committee and member of the Audit Committee of STEELCAST LTD.

Mr. Rameshchandra V Shah is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the Companies Act, 2013, it is required that Independent Director not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Rameshchandra V Shah being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a further continuous period of five years effective from 1st October, 2014. A notice has been received from a member proposing Mr. Rameshchandra V Shah as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Rameshchandra V Shah fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Rameshchandra V Shah as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Rameshchandra V Shah as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Rameshchandra V Shah as an Independent Director for the approval of the shareholders of the Company as Ordinary Resolution.

Except Mr. Rameshchandra V Shah, being an appointee, none of the Directors and/or Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution set out at Item

No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

#### **Item No. 5**

Mr. Apurva R Shah is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in June 2003.

Mr. Apurva R Shah is a partner of M/s. Rajendra & Co., Chartered Accountants. He is director in many reputed companies. He holds degree of Chartered Accountant, Cost Accountant and MBA. He has more than 20 years of experience in finance, accounts, taxation and corporate laws. He is member of the Audit Committee and the Nomination and Remuneration Committee of STEELCAST LTD.

Mr. Apurva R Shah is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the Companies Act, 2013, it is required that independent director not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Apurva R Shah being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a further continuous period of five years effective from 1st October, 2014. A notice has been received from a member proposing Mr. Apurva R Shah as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Apurva R Shah fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Apurva R Shah as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Apurva R Shah as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Apurva R Shah as an Independent Director for the approval of the shareholders of the Company as Ordinary Resolution.

Except Mr. Apurva R Shah, being an appointee, none of the Directors and/or Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

#### **Item No. 6**

Mr. Rajendra V Gandhi is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in October 2002.

Mr. Rajendra V Gandhi is a prominent and successful industrialist possessing a wide and varied experience in the management of business and industry. He is Managing Director of GRP Limited and directors of many reputed companies. He is associates with many social and educational institutes. He holds B. Tech degree in Metallurgical. He has more than 30 years of experience in finance, business administration, operations, technology and corporate affairs. He is Chairman of the Audit Committee and member of the Nomination and Remuneration Committee of STEELCAST LTD.

Mr. Rajendra V Gandhi is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the Companies Act, 2013, it is required that independent director not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Rajendra V Gandhi being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a further continuous period of five years effective from 1st October, 2014. A notice has been received from a member proposing Mr. Rajendra V Gandhi as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Rajendra V Gandhi fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is



independent of the management. Copy of the draft letter for appointment of Mr. Rajendra V Gandhi as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Rajendra V Gandhi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Rajendra V Gandhi as an Independent Director for the approval of the shareholders of the Company as Ordinary Resolution.

Except Mr. Rajendra V Gandhi, being an appointee, none of the Directors and/or Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

**Item No. 7**

Mr. Rajesh R Gandhi is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in June 2008.

Mr. Rajesh R Gandhi is renowned industrialist. He is Managing Director of Vadilal Industries Ltd and also director of many reputed companies. He is commerce graduate and has vast experience in finance, business administration, forex and corporate laws. He is member of the Audit Committee of STEELCAST LTD.

Mr. Rajesh R Gandhi is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the Companies Act, 2013, it is required that independent director not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Rajesh R Gandhi being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a further continuous period of five years effective from 1st October, 2014. A notice has been received from a member proposing Mr. Rajesh R Gandhi as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Rajesh R Gandhi fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Rajesh R Gandhi as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Rajesh R Gandhi as an Independent Director. Accordingly, the Board recommends the Resolution set out at Item No.7 in relation to appointment of Mr. Rajesh R Gandhi as an Independent Director for the approval of the shareholders of the Company as Ordinary Resolution.

Except Mr. Rajesh R Gandhi, being an appointee, none of the Directors and/or Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

**Item No. 8**

Pursuant to provisions of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual/ firm of cost accountant(s) in practice on the recommendations of the Audit Committee, which shall also recommend remuneration for such Cost Auditor. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of the Audit Committee at its meeting held on 30th May, 2014, the Board has

considered and approved appointment of M/s S K Rajani & Co., Cost Accountants (FRN.101113), for the conduct of the Cost Audit of the Company's Steel products and Machinery and Mechanical Appliances at a remuneration of Rs. 75,000 plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending on March 31, 2015.

The Board recommends the resolution set out at Item No. 8 of the Notice for the approval and ratification by the members in terms of Section 148 of the Companies Act, 2013, as Ordinary Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at Item No. 8.

#### **Item No. 9**

The members of the Company at the 41st Annual General Meeting held on 16th July, 2012, have given powers, by passing resolution, to the Board of Directors to borrow money, from time to time, on behalf of the Company up to Rs. 200 crores (Rupees Two Hundred Crores). Under the Companies Act, 2013, it is now required that such a resolution be by way of special resolution.

Board of Directors recommends the Resolution set out at Item No. 9 of the Notice for the approval of the Members as Special Resolution.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution set out at Item No. 9.

#### **Item No.10**

Mr. Manmohan F Tamboli held various positions in the Company before his retirement as Chairman of the Company and also significantly contributed to the growth of the Company. He has vast experience in the field of casting business, particularly in Strategy Management. It would be beneficial for your Company to take advantages of his vast experience in casting business. The Board of Directors, at its meeting held on January 31, 2014, reappointed him as Mentor & Management Advisor, subject to approval of the shareholders, with a fee of Rs.18 Lakhs (Rupees Eighteen Lakh) per annum for a period of three years from September 1, 2014 or such date of approval from the shareholders whichever is later.

The re-appointment is on the terms and conditions contained in the agreement to be entered into with Mr. Manmohan F Tamboli, a copy of which is available for inspection at the Registered Office of the Company on any working day till the date of meeting.

The Board of Directors recommends the Resolution set out at Item No.10 of the Notice for the approval of the Members as Special Resolution.

Except Mr. Chetan M Tamboli and Mrs. Manali C Tamboli, none of the other Directors and/or Key Managerial Personnel or their relatives is concerned or interested in the resolution set out at Item No. 10.

#### **Registered Office:**

Ruvapari Road,  
Bhavnagar 364 005  
Gujarat, India  
Phone 0278-2519062  
www.steelcast.net  
CIN: L27310GJ1972PLC002033

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

**(Chetan M Tamboli)**  
Chairman & Managing Director

Date: May 30, 2014

## DIRECTORS' REPORT

Dear Shareholders,

The Directors of your Company are pleased to present the 43<sup>rd</sup> Annual Report and the Audited Accounts for the financial year ended on March 31, 2014.

### 1. FINANCIAL PERFORMANCE:

(Rupees in Lacs)

Sr. No.	Particulars	2013-14	2012-13
1	Sales	14,449	28,735
2	Other Income	68	119
3	<b>Total Income</b>	<b>14,517</b>	<b>28,854</b>
4	Profit Before Depreciation & Tax (PBDT)	1,540	3,913
5	Less: Depreciation	1,482	1,016
6	Profit Before Taxation (PBT)	58	2,897
7	Less: Taxation (all Taxes)	15	931
8	Profit After Taxation (PAT)	43	1,966
9	Add: Balance brought forward from last year	250	200
10	Amount Available for Appropriation	293	2,166
	<b>Appropriations:</b>		
	(a) Interim Dividend	-	0
	(b) Proposed Dividend	-	328
	(c) Corporate Dividend Tax	-	56
	(d) General Reserve	-	1,532
	(e) Balance to be carried forward	293	250
	<b>Total</b>	<b>293</b>	<b>2,166</b>

2. **SALIENT FEATURES OF COMPANY'S WORKING DURING THE YEAR:** During the year under review, the Company witnessed a severe reduction in revenue and profit after tax. The following factors contributed to the drop in sales and PAT:

- a) Deferment or cancellation of orders by several customers in the situation of overall slowdown in global economy, more particularly in the Mining & Construction market segments served by the Company.
- b) Spurt in the cost of inputs.

3. **EQUITY INFUSION THROUGH PREFERENTIAL ALLOTMENT:** Your Company has issued and allotted 594,000 warrants to M/s Rushil Industries Ltd, one of the Promoters of the Company, in accordance with the relevant SEBI guidelines for an aggregate sum of Rs. 641.52 Lacs in November 2011. This Promoter infused, during the financial year 2013-14, 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). The Company issued on 12th May, 2013, 792,000 equity shares of Rs. 5/- each (including 396,000 bonus shares) to M/s. Rushil Industries Ltd and consequently, the paid-up capital of your Company get increased from Rs. 8,71,20,000 to Rs. 9,10,80,000.



4. **DIVIDEND:** Considering the year's financial performance, the Board decided not to recommend any dividend.
5. **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 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, as at 31st March, 2014, none of the employees employed throughout the year were in receipt of remuneration of Rs.60 lacs or more per annum.
- 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'.
6. **QUALITY:** Your Company has continued emphasis on Research & Development. A dedicated Quality Assurance ("QA") team is monitoring product quality. 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.
7. **INSURANCE:** All assets of the Company, including Building, Plant & Machinery, Stocks etc., wherever necessary and to the extent required, have been adequately insured.
8. **DIRECTORS:** Mr. V W Makary, Directors of the Company, retires by rotation, and being eligible, offer himself for reappointment at the ensuing Annual General Meeting.
9. **HUMAN RESOURCES:** Your Company believes that the employees are one of the most valuable assets of the Company. During the year under review, the Company organized various training programs at all level to enhance skill of the employees. As on 31st March, 2014, total

employees strength at STEELCAST is more than 536 personnel who are committed towards growth of the Company.

10. **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.
11. **CORPORATE GOVERNANCE:** Your Company is committed to maintain 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 is presented in a separate section and forming part of the Annual Report. Your Company's Statutory Auditors' Certificate confirming compliance with Clause 49 of the Listing Agreement and is annexed to this Report as **Annexure-B** and forms part of this report.
12. **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 Stock Exchange, is presented in separate section and forms part of this report.
13. **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 as **Annexure-C** and forms part of this report.
14. **GENERAL CODE OF CONDUCT:** As required by clause 49 of the listing agreement, the Board of Directors have evolved a General 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 Chief Executive Officer is available elsewhere in this report.
15. **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:** 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 for the year ended 31st March, 2014
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:** M/s. S K Rajani & Co. Cost Accountants, Bhavnagar, have been re-appointed as the Cost Auditors to conduct the audit of the cost accounts maintained by the Company for the financial year 2014-15.
19. **AUDITORS:** M/s. Sanghavi & Co., Chartered Accountants, Statutory Auditors of the Company, having firm registration number 109099W retire at the ensuing AGM and are eligible for re-appointment. The Company received a certificate from the statutory auditors to the effect that their re-appointment, if made, would be within the limits prescribed. The statutory auditors have also confirmed that they hold a valid certificate issued by the "Peer Review Board" of the Institute of Chartered Accountants of India. The Board of Directors recommends their re-

appointment 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. Your Directors also place on record their deep sense of appreciation to all employees for their dedicated services rendered at various levels.

For and on behalf of the Board of Directors

Bhavnagar  
May 30, 2014

**(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 gas flow meter in Heat Treatment furnaces, Thermal Reclamation unit and Ladle Pre-heater for better measurement and control.
  - Installation of heavy duty hanger type Shot Blasting machine in place of table type Shot Blasting machine to minimize equipment operation time in single blast.
  - Installation of a lower HP water circulating pump in place of higher powered one in thermal reclamation cooler classifier without any sacrifice of cooling efficiency of the equipment.
2. Additional investments and proposals, if any, being implemented for reduction of consumption of energy:
  - Procurement plan for Electric Heat treatment furnace for tempering to enhance productivity and energy conservation.
  - Development of multi-pour ladle practice to reduce ladle preheating time.
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 is under progress / carried out by the Company:
  - a) Smooth transition of fuel from LDO/FO to LPG in heat treatment furnaces for substantially improving quality of heat treatment.
  - b) Development of FURAN No-Bake process for cost effectiveness and possible reducing in inclusion related defects.
  - c) Development of special neck risers to minimize gas cutting Cost/Time and yield improvement.
  - d) Development of blended sand as a substitute of new silica sand as facing.
  - e) Development of high refractoriness gating components as a substitute of sand gating avoid inclusion defects in heavy castings due to gating erosion.
  - f) Development of coating to prevent / minimize Carbon depletion on surface and subsurface during Heat treatment of steel, thereby achieving uniform hardness.
  - g) Design & Development of item specific fixtures to increase productivity by minimizing excessive handling and movement of casting during fettling operation.
  - h) Development of Fluorescent MPI technique for better accurate detection of surface and subsurface defects.
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) Development of multi pour ladle practice to minimize ladle repairing and refractory

related inclusion in casting.

- b) Development of ceramic foam filter for high weight range to avoid inclusion in steel and enhance yield by direct pour system.
- c) Development of Polyurethane Cold box process (PUCB) for better core quality and productivity.
- d) To develop suitable Induction hardening practice to achieve depth hardness in thin wall casting.
- e) Development of high refractory mineral sand as a substitute of Chromite sand to avoid Chromite fusion in heavy section.

4. Expenditure on R&D:

- a) Capital : ₹ 7,63,787.00
- b) Recurring : ₹ 1,58,13,194.00
- c) Total : ₹ 1,65,76,981.00
- d) Total R&D expenditure as a percentage of total turnover : 1.14%

Technology absorption, adoption and innovation:

1. Effort in brief, made towards technology absorption, adoption 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 employee participation, developing new technology, adopting new technology and creative innovation 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. 303.29 lacs during the year 2013-14.
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 taken place, reasons therefore and future plan of action : Not applicable

**C) Foreign Exchange earnings and outgo:**

Foreign Exchange Earnings in US\$ Million:	16.30
Foreign Exchange Outgo in US\$ Million (For Capital items):	1.83
Foreign Exchange Outgo in US\$ Million (For Revenue items):	2.81

**ANNEXURE 'B' TO THE DIRECTORS' REPORT:**

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The members,  
Steelcast Limited,  
Bhavnagar.

We have examined the compliance of conditions of Corporate Governance by Steelcast Limited for the year ended 31st March, 2014 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 agreement.

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 30, 2014

**GAURANG SANGHAVI**

Partner  
Membership No. 044264

**ANNEXURE 'C' TO THE DIRECTORS' REPORT:**

Company CIN : L27310GJ1972PLC002033  
Authorised Share Capital : ₹ 10,00,00,000/-  
Paid up Capital : ₹ 9,10,80,000/-

**COMPLIANCE CERTIFICATE**

To  
The Members  
STEELCAST LTD.  
Bhavnagar.

I have examined the registers, records, books and papers of STEELCAST 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, 2014. 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 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 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 5 times respectively on 12.05.2013, 16.07.2013, 25.09.2013, 30.10.2013 and 31.01.2014 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. No circular resolutions were passed during the year.
5. The Company has closed its Register of Members during the year in compliances of the Companies Act, 1956 from 11.07.2013 to 16.07.2013 for the purpose of payment of final dividend.
6. The annual General Meeting for the Financial year ended on 31.03.2013 was held on 16.07.2013 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 preview 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 preview 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 792000 equity shares of Rs. 5/- each. 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. 293835/- being amount of unpaid dividend 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 one Director has resigned 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 792000 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 preview 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 not altered the provisions of the Memorandum of Association with respect to Share Capital of the Company during the year.
30. The Company has not altered its Articles of Association during the year under scrutiny.
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  
Date : 25.04.2013

Signature :  
Name: For D. G. Bhimani & Associates  
(Dinesh G. Bhimani)  
**C.P. No. 6628**



## 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 applicable rules & regulations as stipulated by the Securities and Exchange Board of India and the Listing Agreement entered with the Stock Exchange(s) 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, 2014 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 4 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 of Directors	Executive/ Non-Independent Non-Executive /Independent	Number of Board Meetings attended out of five meetings held in 2013-14	Whether attended last AGM	Number of other Directorships		Number of outside Committees	
					Public	Private	Member	Chairman
1	Mr. Vinayak B Buch*	Independent	3	Yes	N.A.	N.A.	N.A.	N.A.
2	Mr. Rajendra V Gandhi	Independent	4	Yes	3	2	5	1
3	Mr. Apurva R Shah	Independent	2	Yes	3	-	5	1
4	Mr. Rameshchandra V Shah	Independent	5	Yes	-	6	-	-
5	Mr. Rajesh R Gandhi	Independent	3	Yes	4	5	2	1
6	Mrs. Manali C Tamboli	Non-Independent Non-Executive	4	Yes	2	1	-	-
7	Mr. Vaughn W Makary	Non-Independent Non-Executive	0	No	-	-	-	-
8	Mr. T Kumar	Whole Time Director	4	Yes	-	-	-	-
9	Mr. Chetan M Tamboli	Managing Director	4	Yes	3	1	-	-

\* Retired w.e.f. 1st February, 2014

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 2013-14. 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 2013-14 are as under:

Sr.No.	Date of Board Meeting	Place
1	12 <sup>th</sup> May, 2013	Bhavnagar
2	16 <sup>th</sup> July, 2013	Bhavnagar
3	25 <sup>th</sup> September, 2013	Bhavnagar
4	30 <sup>th</sup> October, 2013	Bhavnagar
5	31 <sup>st</sup> January, 2014	Bhavnagar

**(D) General Code of Conduct:** 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, 2014. 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 forms part of this Report.

**(E) Code of Conduct for Prevention of Insider Trading:** 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 for the year ended 31st March, 2014.

## 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, the Internal Auditors, the 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 system and its adequacy. The Committee reviews accounting policies and financial reporting system of the Company. It ensures that the financial statements are correct, sufficient and credible and also such other functions as may prescribe from time to time by Regulatory Authorities.

**(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 during the year and attended are as under:

Sr No	Name of Director	Category	Position in the Audit Committee	No. of Meetings attended out of five(5) meetings held during the year 2013-14
1	Mr. Rajendra V Gandhi	Independent Director	Chairman	4
2	Mr. Apurva R Shah	Independent Director	Member	2
3	Mr. Rameshchandra V Shah	Independent Director	Member	5
4	Mr. Rajesh R Gandhi	Independent Director	Member	3

During the financial year 2013-14, five (5) meetings of the Audit Committee were held as per details given below:

Sr.No.	Date of Audit Committee Meeting	Place
1	12 <sup>th</sup> May, 2013	Bhavnagar
2	16 <sup>th</sup> July, 2013	Bhavnagar
3	25 <sup>th</sup> September, 2013	Bhavnagar
4	30 <sup>th</sup> October, 2013	Bhavnagar
5	31 <sup>st</sup> January, 2014	Bhavnagar

#### OTHER COMMITTEES

##### **NOMINATION AND REMUNERATION COMMITTEE (Formerly called the Remuneration Committee):**

The terms of reference of Nomination and 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 Nomination and Remuneration committee ensures equity, fairness and consistency and the recommendations of the Nomination and Remuneration Committee are considered and approved by the Board, subject to the approval of Members, wherever necessary.

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

Sr No	Name of Directors	Category	Position in the Committee
1	Mr. Rameshchandra V Shah	Independent Director	Chairman
2	Mr. Rajendra V Gandhi	Independent Director	Member
3	Mr. Apurva R Shah	Independent Director	Member

During the financial year 2013-14, there was no meeting of the Nomination and Remuneration Committee, as there was no requirement.

##### **STAKEHOLDERS RELATIONSHIP COMMITTEE (Formerly called the Shareholders' & Investors' Complaint Redressal Committee):**

The Stakeholders Relationship 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, dematerialization / 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. Rameshchandra 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 Stakeholder Relationship Committee was held as there

were no material complaints or grievances received.

#### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Corporate Social Responsibility Committee was constituted on 30th May, 2014 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. Amongst the areas, mentioned under the Companies Act, 2013, is to formulate policy and monitoring activities of Corporate Social Responsibility spending.

The details of Composition of the Committee are as under:

<b>Sr No</b>	<b>Name of Directors</b>	<b>Category</b>	<b>Position in the Committee</b>
1	Mr. Chetan M Tamboli	Executive Director	Chairman
2	Mr. Rameshchandra V Shah	Independent Director	Member
3	Mr. Rajendra V Gandhi	Independent Director	Member
4	Mrs. Manali C Tamboli	Non-Independent Non-executive Director	Member

#### **III. SUBSIDIARY COMPANIES**

Your Company has no subsidiary Company.

#### **IV. DISCLOSURES**

##### **(A) Basis of Related Party Transactions:**

1. Mr. Manmohan F Tamboli, father of CMD, Mr. Chetan M Tamboli, continues to function as Mentor & Management Advisor in accordance with the terms of his appointment made by the Board subsequent to his retirement as Chairman & Executive Director.
2. One of the Directors, namely Mr. Vaughn W Makary, has an ongoing Technical Assistance Agreement with the Company. Under the said agreement, a certain percentage of the realized savings to the Company arising from his assistance is paid to him.
3. The Company makes supplies, against specific orders, to its Joint Venture STEELCAST LLC, USA. The pricing used for these supplies is arrived at based on scientific costing system, with a margin as generally followed with the other customers.

**(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 Nomination and Remuneration Committee. Non-Executive Directors are presently paid a sitting fee of Rs. 15,000/- per Board Meeting, Rs. 15,000/- per Audit Committee Meeting, Rs. 7,500/- per Nomination and Remuneration Committee Meeting and Rs. 7,500/- per Stakeholders Relationship Committee Meeting attended.

The Details of remuneration/sitting fees paid/payable to the Directors for the financial year 2013-14

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
<b>Executive Directors</b>			
Mr. Chetan M Tamboli	25,40,174	-	-
Mr. T Kumar	20,36,595	-	-
<b>Non-Executive Directors</b>			
Mr. Vinayak B Buch*	-	-	40,000
Mr. Rajendra V Gandhi	-	-	1,00,000
Mr. Apurva R Shah	-	-	50,000
Mr. Rameshchandra V Shah	-	-	1,30,000
Mr. Rajesh R Gandhi	-	-	80,000
Mr. Vaughn W Makary	-	-	-
Mrs. Manali C Tamboli	-	-	50,000

\* Retired w.e.f 1st February, 2014

No Director 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 "Stakeholders Relationship Committee" comprising of Mr. Rameshchandra V Shah, Mr. Chetan M Tamboli and Mr. T Kumar. Mr. Rameshchandra 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 appointment/reappointment 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:

Sr No	Name	Date of Birth	Date of Appointment as Director	Expertise in specific functional areas	Educational Qualification	Number of other Directorships
1	Mr. Vaughn W Makary	3.9.1949	28.10.2010	1. Technology 2. Marketing	B.S. (Mech.Engg.) MBA	NIL
2	Mr. Rameshchandra V Shah	14.8.1945	18.6.2003	1. Administration 2. Finance 3. Operations	B.Sc.	6
3	Mr. Apurva R Shah	5.1.1970	18.6.2003	1. Finance 2. Accounts 3. Taxation	C.A., CMA, MBA	3
4	Mr. Rajendra V Gandhi	17.12.1949	28.10.2002	1. Finance 2. Administration 3. Operations 4. Corporate Affairs	B.Tech. (Metallurgical Engg.)	5
5	Mr. Rajesh R Gandhi	24.7.1958	28.6.2008	1. Finance 2. Corporate Laws 3. Forex 4. Administration	B.Com	9

**V. CEO/CFO CERTIFICATION:** 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 30, 2014 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:

Financial Year	AGM/EGM	Location	Date	Time
2012-13	AGM	Nilambag Palace Hotel, Bhavnagar, Gujarat	16th July, 2013	1600 Hours
2011-12	AGM	Nilambag Palace Hotel, Bhavnagar, Gujarat	16th July, 2012	1600 Hours
2010-11	EGM	Regd. Office, Bhavnagar, Gujarat	18th November, 2011	1100 Hours
2010-11	AGM	Nilambag Palace Hotel, Bhavnagar, Gujarat	19th July, 2011	1630 Hours

**Passing of Resolution by Postal Ballot:** During the financial year ended March 31, 2014, no resolution was passed by way of Postal Ballot. 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 31<sup>st</sup> March, 2014 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 30, 2014

## 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](http://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 31<sup>st</sup> March, 2014.

**(Chetan M Tamboli)**

Chairman & Managing Director

Place: Bhavnagar

Date: May 30, 2014



## SHAREHOLDERS' INFORMATION

Sr. No.	Particulars		Details				
1	Financial Calendar: From 1 <sup>st</sup> April to 31 <sup>st</sup> March						
2	Annual General Meeting (as indicated in the Notice)		Date	Time	Venue		
			30 <sup>th</sup> July, 2014	1600 Hours	Nilambag Palace Hotel, Bhavnagar-364001. Gujarat		
3	Date of Book Closure (both days inclusive)		From		To		
			25 <sup>th</sup> June, 2014		27 <sup>th</sup> June, 2014		
4	Listing on Stock Exchange (s)	Name of Stock Exchange	Stock Code	ISIN		Listing Fees paid upto	
		BSE Limited	513517	INE124E01020		31 <sup>st</sup> March, 2015	
5	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	
6	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 2013-14)

Month	Open, Rs.	High, Rs.	Low, Rs.	Close, Rs.	Volume (Number of Shares)
April-13	36.05	39.00	34.00	37.40	53,411
May-13	37.00	41.40	35.00	36.35	98,474
June-13	36.60	37.10	34.20	36.40	2,59,251
July-13	36.40	38.00	28.95	29.80	1,09,674
August-13	30.00	30.50	25.55	28.00	65,321
September-13	28.10	35.55	24.00	35.00	91,321
October-13	33.35	35.00	26.95	28.00	5,33,763
November-13	26.55	29.85	26.50	26.60	91,741
December-13	26.50	29.00	25.75	28.10	80,690
January-14	29.75	30.00	25.05	25.50	85,173
February-14	24.00	26.00	22.05	22.75	47,332
March-14	23.20	27.50	22.35	26.00	2,96,731

#### 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 2013-14, the shares transfers were effected as under:

Transfer Period (in days)	No. of Transfers	No. of shares
1 to 30	12	14,600
<b>Total</b>	<b>12</b>	<b>14,600</b>

#### DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>st</sup> March, 2014:

No of equity shares	No of shareholders	% of shareholders	No of shares held	% of shareholding
1 to 500	3501	76.27	1,034,708	5.68
501 to 1000	439	9.56	350,394	1.92
1001 to 2000	301	6.56	468,859	2.57
2001 to 3000	89	1.94	219,662	1.21
3001 to 4000	64	1.39	239,697	1.32
4001 to 5000	29	0.63	135,577	0.74
5001 to 10000	76	1.66	532,401	2.92
10001 to 50000	61	1.33	1,356,732	7.45
50001 to 100000	11	0.24	862,376	4.73
100001 & above	19	0.41	13,015,594	71.45
<b>Total</b>	<b>4590</b>	<b>100.00</b>	<b>18,216,000</b>	<b>100.00</b>

#### CATEGORIES OF SHAREHOLDING AS ON 31<sup>st</sup> March, 2014:

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
<b>1.0</b>	<b>Shareholding of Promoters and Promoters' Group</b>	<b>10</b>	<b>9,268,040</b>	<b>9,268,040</b>	<b>50.88</b>	<b>0.22</b>
<b>2.0</b>	<b>Public Shareholding</b>					
2.1	Institutions	1	400	-	0.002	<b>0.02</b>
2.2	Bodies Corporate	120	1,346,700	1,343,900	7.39	<b>2.61</b>
2.3	Individuals	4135	6,183,468	4,015,164	33.95	<b>90.09</b>
2.4	NRIs and Overseas Corporate Bodies	193	1,148,186	622,986	6.30	<b>4.20</b>
2.5	HUF	131	269,206	268,806	1.48	<b>2.85</b>
<b>Total Public Shareholding</b>		<b>4580</b>	<b>8,947,960</b>	<b>6,250,856</b>	<b>49.12</b>	<b>99.77</b>
<b>Grand Total (1.0) + (2.0)</b>		<b>4590</b>	<b>18,216,000</b>	<b>15,518,896</b>	<b>100.00</b>	<b>100.00</b>

#### DEMATERIALIZATION OF SHARES AS ON 31<sup>st</sup> March, 2014:

1,55,18,896 shares of the Company were dematerialized as on 31<sup>st</sup> March, 2014, which constitute 85.19% of the total paid-up share capital of the Company.

#### AFFIRMATIVE ACTION INITIATIVES BY THE COMPANY FOR THE YEAR 2013-14 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, 2014:

Type of Employees			Number of Persons					% Distribution				
			GEN	SC	ST	OBC	Total	GEN	SC	ST	OBC	Total
A	Employee	Executive Staff	20	0	0	1	21	95.24	0.00	0.00	4.76	100.00
		Senior Staff	76	0	0	15	91	83.52	0.00	0.00	16.48	100.00
		Junior Staff	49	3	0	44	96	51.04	3.13	0.00	45.83	100.00
		Workmen	56	6	0	266	328	17.07	1.83	0.00	81.10	100.00
	Sub Total - A		201	9	0	326	536	37.50	1.68	0.00	60.82	100.00
B	Internal Contractors' Workmen		10	2	0	161	173	5.78	1.16	0.00	93.06	100.00
	Sub Total - B		10	2	0	161	173	5.78	1.16	0.00	93.06	100.00
	Total - (A + B)		211	11	0	487	709	29.76	1.55	0.00	68.69	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 and Earthmoving Equipment Industry and almost all downstream engineering industry. The FY 2013-14 was challenging with lower growth in industrial production mainly due to 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. All most all sectors registered lower growth rate during FY 2013-14. Hence, it affects Steel castings industry as well.

(B) **OPPORTUNITIES & THREATS:**

I. **Opportunities the business environment offers:** The global economy is reviving from slowdown and would offer better business opportunities in near future. Further, stable government placed in India would indicate positive growth signal for an Indian Industry though in near term some short term challenges. Likely increase in the Government spending towards various infrastructure sectors would 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 also emphasized on infrastructure development to achieve GDP growth and this would open new opportunities for the business. The company has incurred major capital expenditure during previous two financial years and enhanced production capacity from 22000 MT per annum to 30000 MT par annum. This would cater demand raised in future. Also, successfully commissioned Automated No-Bake Fast Loop Moulding Line for production of high quality steel castings helps in product quality.

II. **Threats :** The higher inflation rate resulting in higher interest rate and hike in commodity prices may adversely affect your Company's financial performance. The Company's large exports, which constitute around more than 50% 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) Economic Risk
- (ii) Foreign Exchange Risk
- (iii) Industrial Risk

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 would be focusing on consolidation of the economic recovery through expeditious clearance of existing projects,

selective disinvestment and accelerated foreign direct investment through policy reforms. Also, Government's emphasis on infrastructure projects would raise demand from Construction & Mining Equipment Industry in the domestic market. In short term, Mining Equipment Industry in general is on a downward trend due to liquidation of stock. Therefore, orders from Mining Equipment Manufacturers may be lower in the first half of FY 2014-15 compared to the previous years. Reforms in global economy indicate positive signal for overseas market. Further, Company's efforts to capture Railway business would increase market shares. Overall, the market seems to be going on the sluggish pace for the next few months and would have positive note thereafter.

- (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:** The Revenue from operations for the FY 2013-14 was Rs. 144.49 crores as against Rs. 287.35 crores for the FY 2012-13. Export Sales also declined and remained at 81.54 crores for the FY 2013-14 as against 156.26 crores for the FY 2012-13, due to cyclic recession observed by the overseas customers of the Company. PAT for the FY 2013-14 was Rs. 0.43 crores as against Rs. 19.66 crores for the FY 2012-13. Higher inflation rate and depreciation of rupees were the main reason for the situation. Production during the year was decreased and remained at 6293 MT Compared to 14,430 MT in the FY 2012-13, due to unfavorable market conditions. The Company has completed the committed CAPEX for the year 2013-14 without any deferment and met all its financial commitments with its bankers.
- (G) **MATERIAL DEVELOPMENTS IN 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 maintains a cordial relationship with its employees. Its emphasis on safe work practices and productivity improvement is unrelenting. Your Company has more than 536 employees on its rolls as on 31st March, 2014.
- (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**

We have audited the accompanying financial statements of **Steelcast Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2014 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 recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 [which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs] as per Section 211(3C) 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 auditors' 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 auditors consider 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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 2014;
- 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 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 [which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs];
- e) On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, 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 30, 2014

**For SANGHAVI & COMPANY**  
**Chartered Accountants**  
**FRN: 109099W**

**GAURANG SANGHAVI**  
**Partner**  
**Membership No. 044264**



**ANNEXURE TO AUDITORS' REPORT**

(Referred to in paragraph 1 under Report on other Legal and Regulatory requirements' section of our report of even date)

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. 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. 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 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. 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 where payments are made beyond due dates*. There are no amounts outstanding for more than six months from the date they became payable *except for service tax payments of ₹ 6,803*.
- b. There are no amounts which are not deposited on account of dispute except for income tax demand of ₹ 30,170 for the financial year 2010-11 against which the company has preferred an appeal before the Commissioner of Income Tax (Appeals).
- 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 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 30, 2014

**For SANGHAVI & COMPANY**  
**Chartered Accountants**  
**FRN: 109099W**

**GAURANG SANGHAVI**  
**Partner**  
**Membership No. 044264**

# BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2014

(Amounts in Indian ₹)

Particulars	Note No.	31st March 2014		31st March 2013	
<b>EQUITY AND LIABILITIES ::</b>					
<b>Shareholders' Funds</b>					
Share Capital	2	91,546,500		87,586,500	
Reserves and Surplus	3	699,163,829		677,482,447	
Money Received against Share Warrants	4	-	790,710,329	5,346,000	770,414,947
<b>Non-Current Liabilities</b>					
Long-term Borrowings	5	696,429,460		713,771,530	
Deferred Tax Liabilities (net)		107,636,000		107,100,000	
Long-term Provisions	6	4,684,707	808,750,167	5,648,518	826,520,048
<b>Current Liabilities</b>					
Short-term Borrowings	7	488,731,143		349,985,854	
Trade Payables		84,203,703		156,167,647	
Other Current Liabilities	8	245,714,026		175,429,491	
Short-term Provisions	9	5,515,198	824,164,070	100,074,486	781,657,478
<b>Total Liabilities...</b>			<b>2,423,624,566</b>		<b>2,378,592,473</b>
<b>ASSETS ::</b>					
<b>Non-Current Assets</b>					
<b>Fixed Assets</b>					
	10				
Tangible Assets		1,421,141,730		1,163,120,367	
Intangible Assets		2,342,997		72,695	
Capital Work-in-Progress		67,872,593		51,625,836	
		1,491,357,320		1,214,818,898	
Non-current Investments	11	2,413,489		5,746,835	
Long-term Loans and Advances	12	29,388,995		32,496,690	
Other Non-current Assets		-	1,523,159,804	-	1,253,062,423
<b>Current Assets</b>					
Inventories	13	273,546,268		294,987,176	
Trade Receivables	14	342,228,660		450,653,648	
Cash and Bank Balances	15	80,477,805		102,699,587	
Short-term Loans and Advances	16	41,249,491		64,190,421	
Other Current Assets	17	162,962,538	900,464,762	212,999,218	1,125,530,050
<b>Total Assets...</b>			<b>2,423,624,566</b>		<b>2,378,592,473</b>

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

**For and on Behalf of the Board of Directors**

**GAURANG SANGHAVI**  
Partner

**T KUMAR**  
Whole Time Director

**CHETAN M TAMBOLI**  
Chairman & Managing Director  
and Chief Executive Officer

Bhavnagar  
30th May 2014

Bhavnagar  
30th May 2014

# STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014

(Amounts in Indian ₹)

Particulars	Note No.	2013-2014	2012-2013
<b>REVENUE :</b>			
Revenue from Operations (Gross)	18	1,519,463,126	3,027,028,316
Less : Excise Duty		(74,583,010)	(153,523,329)
Revenue from Operations (Net)		1,444,880,116	2,873,504,987
Other Income	19	6,863,267	11,936,733
<b>Total Revenue</b>		<b>1,451,743,383</b>	<b>2,885,441,720</b>
<b>EXPENSES :</b>			
Cost of Materials Consumed	20	326,087,742	818,153,977
Purchases of Stock-in-Trade		0	0
Changes in Inventories	21	17,421,236	10,881,340
Employee Benefits Expense	22	129,679,977	194,657,165
Finance Costs	23	107,802,694	86,987,702
Depreciation and Amortization		148,243,778	101,631,268
Other Expenses	24	716,732,396	1,383,456,908
<b>Total Expenses</b>		<b>1,445,967,823</b>	<b>2,595,768,360</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>5,775,560</b>	<b>289,673,360</b>
Exceptional Items		0	0
Extraordinary Items		0	0
<b>Profit Before Tax</b>		<b>5,775,560</b>	<b>289,673,360</b>
<b>Tax Expenses</b>			
Current tax		( 1,182,000)	77,437,856
MAT Credit Entitlement		0	(5,437,856)
Earlier Years' Tax		199,822	2,431,130
Deferred Tax		(536,000)	18,700,000
<b>Net Profit for the year</b>		<b>4,257,382</b>	<b>196,542,230</b>
Face Value per Equity Share		5.00	5.00
Earnings per Equity Share			
Basic		0.23	11.80
Diluted		0.23	11.54

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

**For and on Behalf of the Board of Directors**

**GAURANG SANGHAVI**  
Partner

**T KUMAR**  
Whole Time Director

**CHETAN M TAMBOLI**  
Chairman & Managing Director  
and Chief Executive Officer

Bhavnagar  
30th May 2014

Bhavnagar  
30th May 2014

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014

(₹ in lacs)

	2013-2014	2012-2013
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax And Extraordinary Items	57.76	2896.73
<b>Adjustments for -</b>		
Depreciation	1,482.44	1,016.31
Loss (Profit) on sale of fixed assets	(3.83)	9.69
Dividend	(0.02)	(0.02)
Interest	808.27	648.32
	<u>2,286.86</u>	<u>1,674.30</u>
Operating Profit Before Working Capital Changes	2,344.62	4,571.03
<b>Adjustments for -</b>		
Trade and Other Receivables	2,190.34	(1,673.34)
Inventories	214.41	102.44
Trade and Other Payables	(503.60)	826.79
	<u>1,901.15</u>	<u>(744.11)</u>
Cash Generated From Operations	4,245.77	3,826.92
Direct Taxes Paid	(271.87)	(620.85)
	<u>(271.87)</u>	<u>(620.85)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>3,973.90</b>	<b>3,206.07</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(4,259.20)	(5,270.76)
Purchase / (Sale) of Investments	3 3.34	(55.20)
Sale of Fixed Assets	15.20	18.84
Interest Received	41.95	67.04
Dividend Received	0.02	0.02
	<u>0.02</u>	<u>0.02</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(4,168.69)</b>	<b>(5,240.06)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from issuance of Share Capital (incl. premium)	160.38	160.38
Proceeds/(Repayment) from Long Term Borrowings (net)	(173.43)	3,741.83
Proceeds from Short Term Borrowings (net)	1,387.45	(912.10)
Interest Paid	(850.22)	(715.36)
Dividend Paid	(324.88)	(248.85)
	<u>(324.88)</u>	<u>(248.85)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>199.30</b>	<b>2,025.90</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>4.51</b>	<b>(8.09)</b>
Cash and Cash Equivalents as at beginning of the year	681.41	689.50
Cash and Cash Equivalents as at end of the year	<u>685.92</u>	<u>681.41</u>
<b>Cash and Cash Equivalents</b>		
Cash and Bank Balances	804.78	1,027.00
Statutory restricted accounts	(118.86)	(345.59)
	<u>685.92</u>	<u>681.41</u>

As per our report of even date

**For SANGHAVI & COMPANY**  
Chartered Accountants

**For and on Behalf of the Board of Directors**

**GAURANG SANGHAVI**  
Partner

**T KUMAR**  
Whole Time Director

**CHETAN M TAMBOLI**  
Chairman & Managing Director  
and Chief Executive Officer

Bhavnagar  
30th May 2014

Bhavnagar  
30th May 2014

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

The financial statements have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 [which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs] as per Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India' 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:**

Inventories are valued at cost or net realizable value, whichever is lower. Cost is determined on the following basis:

Raw materials, traded goods and stores and spares – on a Weighted Average method basis;

Finished and semi-finished goods – at material cost plus direct expenses and appropriate value of overheads; cost of finished goods includes excise duty.

**REVENUE RECOGNITION:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably be measured.

Revenue from sale of goods are recognized when significant risks and rewards of ownership are passed to the buyer, which generally coincides with dispatch of goods. Sales taxes and value added taxes, wherever applicable, are collected on behalf of the Government and therefore, excluded from the revenue.

**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 TRANSACTIONS:**

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 <sup>st</sup> MARCH 2014 ₹	31 <sup>st</sup> MARCH 2013 ₹
<b>Authorised :</b>		
20,000,000 Equity Shares of ₹ 5 each	100,000,000	100,000,000
	<u>100,000,000</u>	<u>100,000,000</u>
<b>Issued, Subscribed and Paid up :</b>		
18,216,000 (17,424,000) Equity Shares of ₹ 5 each	91,080,000	87,120,000
Shares Forfeited Account	466,500	466,500
	<u>91,546,500</u>	<u>87,586,500</u>
a. Of the Total share capital 13,116,000 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 : <b>9,108,000</b>		

## 2.2 SHARE CAPITAL RECONCILIATION

Particulars	Equity Shares	
	No. of Shares	Amount in ₹
Shares outstanding at the beginning of the year	17,424,000	87,120,000
Shares issued during the year	792,000	3,960,000
Shares bought back during the year	0	0
Shares outstanding at the end of the year	18,216,000	91,080,000

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

Name of Shareholder	31 <sup>st</sup> MARCH 2014		31 <sup>st</sup> MARCH 2013	
	No. of Shares	% of holding	No. of Shares	% of holding
Chetan M Tamboli	2,955,720	16.23	2,955,720	16.96
Manali C Tamboli	1,029,480	5.65	1,029,480	5.90
Tamboli Investments Pvt. Ltd.	1,963,200	10.78	1,963,200	11.26
Rushil Industries Limited	2,376,000	13.04	1,584,000	9.09

### Note No. 3 Reserves and Surplus

Particulars	31 <sup>st</sup> MARCH 2014 ₹	31 <sup>st</sup> MARCH 2013 ₹
<b>a. Securities Premium Account</b>		
Balance at the beginning of the year	66,081,000	90,237,000
Utilised for issue of Bonus Shares	(1,980,000)	(43,560,000)
Received during the year	19,404,000	19,404,000
Balance at the end of the year	83,505,000	66,081,000
<b>b. General Reserve</b>		
Balance at the beginning of the year	586,401,447	433,220,474
Transfer from surplus	0	153,180,973
Balance at the end of the year	586,401,447	586,401,447
<b>c. Surplus</b>		
Balance at the beginning of the year	25,000,000	20,000,000
Net Profit for the current year	4,257,382	196,542,230
Transfer to general reserve	0	(153,180,973)
Proposed dividend	0	(32,788,800)
Corporate dividend tax	0	(5,572,457)
Balance at the end of the year	29,257,382	25,000,000
	<b>699,163,829</b>	<b>677,482,447</b>



**Note No. 4**
**Money Received Against Share Warrants**

Particulars	31 <sup>st</sup> MARCH 2014 ₹	31 <sup>st</sup> MARCH 2013 ₹
Share Warrants Application Money (Refer Note No. 25)	-	5,346,000
	<u>-</u>	<u>5,346,000</u>

**Note No. 5**
**Long Term Borrowings**

Particulars	31 <sup>st</sup> MARCH 2014 ₹	31 <sup>st</sup> MARCH 2013 ₹
a. Secured		
Term loans from banks (in foreign currency accounts)	282,470,000	388,102,000
Term loans from banks (in indian rupee accounts)	202,995,739	97,103,389
Term loans from Others (in indian rupee accounts)	209,824,576	225,432,520
Hire purchase finance	1,139,145	3,133,621
	<u>696,429,460</u>	<u>713,771,530</u>
Notes :		
1. Term Loans (In Indian Rupee Accounts) are from Bank of India are 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 Loans (In Foreign Currency Accounts) from Standard Chartered Bank are 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 Loans from others are against hypothecation of plant & equipment purchased from the finance & against mortgage of a residential property.		
Period of default	N.A.	
Amount	NIL	
	<u>696,429,460</u>	<u>713,771,530</u>

**Note No. 6**
**Long Term Provisions**

Particulars	31 <sup>st</sup> MARCH 2014 ₹	31 <sup>st</sup> MARCH 2013 ₹
Provision for leave encashment	4,684,707	5,648,518
	<u>4,684,707</u>	<u>5,648,518</u>

**Note No. 7**  
**Short Term Borrowings**

Particulars	31 <sup>st</sup> MARCH 2014 ₹	31 <sup>st</sup> MARCH 2013 ₹
<b>a. Secured</b>		
Working capital finance from banks (in foreign currency accounts)	92,941,048	211,004,819
Working capital finance from Banks (in indian rupee accounts)	395,790,095	138,981,035
	<u>488,731,143</u>	<u>349,985,854</u>
Notes :		
1. Working Capital Finance (In Indian Rupee Accounts) are 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>488,731,143</u>	<u>349,985,854</u>

**Note No. 8**  
**Other Current Liabilities**

Particulars	31 <sup>st</sup> MARCH 2014 ₹	31 <sup>st</sup> MARCH 2013 ₹
Current maturities of long-term debt	187,030,000	99,424,000
Interest accrued but not due on borrowings	2,280,321	1,884,722
Advances from customers	13,318,350	7,395,971
Statutory liabilities	8,560,489	9,115,349
Unclaimed dividends	3,253,203	2,951,974
Other liabilities	30,088,083	52,001,736
Group Gratuity Premium Payable	-	1,552,287
Super Annuation Contribution Payable	1,183,580	1,103,452
	<u>245,714,026</u>	<u>175,429,491</u>

**Note No. 9**  
**Short Term Provisions**

Particulars	31 <sup>st</sup> MARCH 2014 ₹	31 <sup>st</sup> MARCH 2013 ₹
Provision for bonus	3,805,688	11,189,714
Provision for Leave encashment	1,709,510	1,505,296
Provision for casting repairs	-	40,235,918
Proposed dividend	-	32,788,800
Corporate dividend tax	-	5,572,457
Provision for income tax (net of advance taxes)	-	8,782,301
	<u>5,515,198</u>	<u>100,074,486</u>

# **Note No. 10 Fixed Assets**

Assets	Gross Block				Accumulated Depreciation				Net Block	
	Opening Balance	Additions	Deductions	Closing Balance	Up to 31.03.2013	For the Year	On Deductions	Total 31.03.2014	Current Year 31-03-2014	Previous Year 31-03-2013
<b>Tangible Assets</b>										
1. Freehold Land	60,116,364	-	-	60,116,364	-	-	-	-	60,116,364	60,116,364
2. Leasehold Land	38,136,959	3,498,446	-	41,635,405	2,897,815	2,434,230	-	5,332,045	36,303,360	35,239,144
3. Buildings	306,635,947	83,011,610	-	389,647,557	50,321,725	13,686,022	-	64,007,747	325,639,810	256,314,222
4. Plant & Equipment	1,194,352,530	314,236,501	825,938	1,507,763,093	405,836,873	126,463,206	664,837	531,635,242	976,127,851	788,515,657
5. Vehicles	18,712,371	10,205	2,709,890	16,012,686	8,975,914	2,403,157	1,838,846	9,540,225	6,472,461	9,736,457
6. Furniture & Fixtures	8,541,634	5,196,729	77,777	13,660,586	3,594,007	726,583	73,418	4,247,172	9,413,414	4,947,627
7. Office Equipment	20,497,006	1,126,905	350,779	21,273,132	12,246,110	2,208,516	249,964	14,204,662	7,068,470	8,250,896
<b>Total Tangible Asset</b>	<b>1,646,992,811</b>	<b>407,080,396</b>	<b>3,964,384</b>	<b>2,050,108,823</b>	<b>483,872,444</b>	<b>147,921,714</b>	<b>2,827,065</b>	<b>628,967,093</b>	<b>1,421,141,730</b>	<b>1,163,120,367</b>
8. Computer Software (Intangible Asset)	872,872	2,592,366	-	3,465,238	800,177	322,064	-	1,122,241	2,342,997	72,695
<b>Total</b>	<b>1,647,865,683</b>	<b>409,672,762</b>	<b>3,964,384</b>	<b>2,053,574,061</b>	<b>484,672,621</b>	<b>148,243,778</b>	<b>2,827,065</b>	<b>630,089,334</b>	<b>1,423,484,727</b>	<b>1,163,193,062</b>
Capital Work In Progress	51,625,836	67,872,593	51,625,836	67,872,593	-	-	-	-	67,872,593	51,625,836
<b>Total</b>	<b>1,699,491,519</b>	<b>477,545,355</b>	<b>55,590,220</b>	<b>2,121,446,654</b>	<b>484,672,621</b>	<b>148,243,778</b>	<b>2,827,065</b>	<b>630,089,334</b>	<b>1,491,357,320</b>	<b>1,214,818,898</b>
Previous Year	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

## **Rates of Depreciation:**

	%
Factory and Office Buildings	5.00
Residential Buildings	3.00
Plant & Machinery	
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 <sup>st</sup> MARCH 2014 ₹	31 <sup>st</sup> MARCH 2013 ₹
<b>Quoted; at cost :</b>		
<b>a. Investments in Equity Shares :</b>		
4,000 Equity shares of Electrosteel Casting Limited of ₹ 1 each	2,825	2,825
	<u>2,825</u>	<u>2,825</u>
<b>Unquoted; at cost :</b>		
<b>b. Investments in Joint Ventures :</b>		
Capital contribution in Steelcast LLC-USA	2,410,664	5,744,010
US \$ 5,000	<u>2,410,664</u>	<u>5,744,010</u>
	<u>2,413,489</u>	<u>5,746,835</u>
Aggreage maket value of quoted investments	<u>65,520</u>	<u>62,000</u>

**Note No. 12**  
**Long-term Loans and Advances**

Particulars	31 <sup>st</sup> MARCH 2014 ₹	31 <sup>st</sup> MARCH 2013 ₹
Unsecured (considered good)		
Capital advance	27,900,529	30,425,540
Security deposits	494,355	485,435
Loans to staff [including officers of the company ₹ Nil (764,001)]	994,111	1,585,715
	<u>29,388,995</u>	<u>32,496,690</u>

**Note No. 13**  
**Inventories**

Particulars	31 <sup>st</sup> MARCH 2014 ₹	31 <sup>st</sup> MARCH 2013 ₹
(Valued at lower of cost or net realisable value)		
Raw materials	54,783,597	47,404,128
Work in progress	119,711,012	137,264,864
Finished goods	23,724,272	23,591,656
Stores & spares	75,327,387	86,726,528
	<u>273,546,268</u>	<u>294,987,176</u>

**Note No. 14**  
**Trade Receivables**

Particulars	31 <sup>st</sup> MARCH 2014 ₹	31 <sup>st</sup> MARCH 2013 ₹
Unsecured (considered good)		
Over six months	6,338,625	11,032,589
Others	335,890,035	439,621,059
	<u>342,228,660</u>	<u>450,653,648</u>
includes :	More than Six Months	Others
due from a joint venture company	<u>-</u>	<u>25,102, 275</u>

**Note No. 15**  
**Cash and Bank Balances**

Particulars	31 <sup>st</sup> MARCH 2014 ₹	31 <sup>st</sup> MARCH 2013 ₹
<b>I. Cash and Cash Equivalents</b>		
<b>a. Balances with Banks :</b>		
Current accounts	66,209,719	66,192,033
Short term deposits	8,631,920	10,043,778
Cheques on hand	-	0
	<u>74,841,639</u>	<u>76,235,811</u>
<b>b. Cash on Hand</b>	<u>2,382,511</u>	<u>1,947,660</u>
	<u>77,224,150</u>	<u>78,183,471</u>
<b>II. Other Bank Balance</b>		
Dividend accounts	3,253,655	2,952,426
Term deposits with more than 12 months maturity	-	16,269,840
Other term deposits	-	5,293,850
	<u>3,253,655</u>	<u>24,516,116</u>
	<u>80,477,805</u>	<u>102,699,587</u>

(Term deposits of ₹ 86.32(316.07) lacs are under lien with banks against letter of credits and bank guarantees)

**Note No. 16**  
**Short-term Loans and Advance**

Particulars	31 <sup>st</sup> MARCH 2014 ₹	31 <sup>st</sup> MARCH 2013 ₹
<b>Unsecured (considered good)</b>		
Trade advance to suppliers (including to companies or firms in which some of the directors are interested : ₹ Nil)	22,913,548	40,839,320
Loans and advances to staff (including officers of the company ₹ 136,602(581,040))	1,074,576	1,990,427
Prepaid expenses	2,856,355	3,594,615
Advance payments of income tax (net of provisions)	11,850,933	0
Other loans and advances	2,554,079	17,766,059
	<u>41,249,491</u>	<u>64,190,421</u>

**Note No. 17**  
**Other Current Assets**

Particulars	31 <sup>st</sup> MARCH 2014 ₹	31 <sup>st</sup> MARCH 2013 ₹
Input credits receivable	109,571,969	135,046,657
DEPB and duty draw back claim receivable	53,390,569	77,952,561
	<u>162,962,538</u>	<u>212,999,218</u>

**Note No. 18**  
**Revenue from Operations**

Particulars	2013-2014 ₹	2012-2013 ₹
<b>Sale of Products</b>		
Export sales	815,381,592	1,562,562,951
Domestic sales	668,707,065	1,371,327,424
	1,484,088,657	2,933,890,375
<b>Other Operating Revenue</b>		
Other Operational Income	33,344,319	69,124,071
Foreign currency fluctuation gain	2,030,150	24,013,870
	35,374,469	93,137,941
	1,519,463,126	3,027,028,316

**Note No. 19**  
**Other Income**

Particulars	2013-2014 ₹	2012-2013 ₹
Dividend receipts	2,000	2,000
Interest receipts	4,194,812	6,704,109
Insurance claims receipts	957,107	782,712
Profit on sale of fixed assets (net)	382,554	-
Prior Period Income	1,326,794	636,577
Share of profit @ 50% from a joint venture Steelcast LLC, USA	-	3,430,985
Sundry balances written back	-	380,350
	6,863,267	11,936,733

**Note No. 20**  
**Cost of Materials Consumed**

Particulars	2013-2014 ₹	2012-2013 ₹
<b>Raw Materials Consumed</b>		
Opening stock	47,404,128	58,054,329
Purchase and direct expenses	333,467,211	807,503,776
	380,871,339	865,558,105
Closing stock	54,783,597	47,404,128
	326,087,742	818,153,977
	326,087,742	818,153,977

**Note No. 21**  
**Changes in Inventories**

Particulars	2013-2014 ₹	2012-2013 ₹
<b>Opening Stock</b>		
Finished Goods	23,591,656	13,607,008
Work in progress	137,264,864	158,130,852
	160,856,520	171,737,860
<b>Closing Stock</b>		
Finished Goods	23,724,272	23,591,656
Work in progress	119,711,012	137,264,864
	143,435,284	160,856,520
	17,421,236	10,881,340

**Note No. 22**
**Employee Benefit Expenses**

Particulars	2013-2014 ₹	2012-2013 ₹
Salaries, wages, allowance and bonus	114,580,855	173,363,833
Contribution to employee benefit funds	12,133,087	15,724,056
Staff welfare expenses	2,966,035	5,569,276
	<u>129,679,977</u>	<u>194,657,165</u>
Includes Directors' remuneration	<u>4,576,770</u>	<u>20,693,290</u>

**Note No. 23**
**Finance Costs**

Particulars	2013-2014 ₹	2012-2013 ₹
<b>Interest</b>		
Working capital finance	38,601,785	36,076,733
Term loans	44,529,224	34,498,405
Others	<u>2,286,441</u>	<u>1,243,936</u>
	85,417,450	71,819,074
Loss on foreign currency borrowings	20,641,022	13,914,713
Other borrowing cost	<u>1,744,222</u>	<u>1,253,915</u>
	<u>107,802,694</u>	<u>86,987,702</u>

**Note No. 24**
**Other Expenses**

Particulars	2013-2014 ₹	2012-2013 ₹
<b>Manufacturing Expenses</b>		
Power & Fuel	147,058,207	343,851,899
Machinery repairs and maintenance	8,514,613	12,823,578
Stores & Spares	368,000,707	591,393,816
Other expenses	<u>113,688,461</u>	<u>282,673,193</u>
	637,261,988	1,230,742,486
<b>Selling and Distribution Expenses</b>		
Sales commission	5,270,043	37,382,707
Export freight and insurance	11,289,497	36,806,200
Sales promotion expenses	1,495,840	210,131
Export market development expenses	3,864,668	5,308,329
Other selling expenses	<u>11,903,541</u>	<u>24,721,028</u>
	33,823,589	104,428,395
<b>Administrative and Other Expenses</b>		
Traveling expenses	3,403,843	4,234,860
Rent	30,000	30,000
Rates and taxes	4,198,918	2,103,473
Insurance premiums	1,959,134	1,227,567
Building and other repairs	2,943,817	5,313,459
Advertisement expenses	662,835	907,446
Director's sitting fees	450,000	350,000
Legal and professional fees	12,110,904	14,167,222
Payments to auditors	399,500	405,500
Bank discount, commission and other charges	5,640,901	8,053,092
Donations	831,047	1,846,250
Corporate Social Responsibility Expenses	649,750	0
Loss on sale of fixed assets (net)	0	968,741
Share of Loss @ 50% from JV	3,333,346	0
Steelcast LLC, USA		
Sundry balances written off	411,847	0
General expenses	<u>8,620,977</u>	<u>8,678,417</u>
	<u>45,646,819</u>	<u>48,286,027</u>
	<u>716,732,396</u>	<u>1,383,456,908</u>



25. During the financial year 2011-12, the Company had issued 594,000 convertible equity warrants of Rs. 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, 792,000 shares (adjusted to face value of ₹ 5 and bonus issue) were allotted during the year. Accordingly, share capital of the Company has been increased to that extent.
26. Company's share of loss from a joint venture overseas company, Steelcast LLC USA is accounted for from the unaudited financial statements received for the accounting year ended on 31<sup>st</sup> December, 2013.
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" notified under the Companies (Accounting Standards) Rules, 2006 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:**
- (i) In respect of Central Sales Tax in respect of non collection of C forms: ₹ 27,212,171( 20,201,691)
  - (ii) 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.
  - (iii) Disputed Income Tax liabilities for ₹ 1,054,000 (Nil).
32. Deferred tax liabilities of ₹ 536,000 (18,700,000) 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 ₹ 107,636,000 (107,100,000) are as under:

Particulars	₹
Depreciation	111,393,693
Reversal of MAT Credit	(1,182,000)
Disallowances u/s 43B of the Income Tax Act & Others	(2,575,693)
Total...	107,636,000

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	2013-2014	2012-2013
Audit Fees	250,000	200,000
In other capacity (Including quarterly limited review)	149,500	155,500

35. Related Party Disclosures:

a. Associates:

- Steelcast LLC - USA
- Rushil Industries Limited
- F P Tamboli Charitable Trust

b. 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:	2013-2014	2012-2013
		₹	₹
	Key Management Personnel:		
1	Remuneration	45,76,770	20,693,290
2	Professional fees	1,800,000	1,800,000
3	Directors Sitting Fees	50,000	70,000
4	Salaries & Allowances	397,848	370,372
5	Technical Fees	6,446,305	27,225,040
	Associates		
1	CSR Expenses	450,000	350,000
2	Pattern Making Charges	0.00	5,660,709
3	Sales of Castings	81,293,058	306,277,860
4	Issue of Equity Shares	21,384,000	-
5	Repairing Charges	5,150,887	-

Details of balances outstanding as on 31<sup>st</sup> March 2014:

	Associates	Key Management Personnel
Other Current Liabilities	-	166,335 (15,588,285)
Trade Receivables	25,102,275 (28,933,375)	-

36. Disclosure as per AS – 15 (Revised) on "Employee Benefit" for the year ended 31st March 2014:

	Gratuity Plan ₹ (2013-14)	Gratuity Plan ₹ (2012-13)
Change in the defined benefit obligations		
Defined benefit obligations as at 1 <sup>st</sup> April	30,469,067	27,203,689
Service cost	2,972,295	2,679,641
Interest cost	2,437,525	2,176,295
Actuarial loss/(Gain)	(5,139,653)	(146,547)
Benefits paid	(34,09,419)	(1,737,105)
Defined benefit obligations as at 31 <sup>st</sup> March (a)	27,329,815	30,469,067
Change in plan assets		
Fair Value of plan assets as at 1 <sup>st</sup> April	32,028,076	27,970,990
Expected return on plan assets	2,732,512	2,723,198
Contributions by employer	1,552,287	3,070,993
Actuarial Gain/(loss)	-	-
Benefits paid	(3,409,419)	(1,737,105)
Fair Value of plan assets as at 31 <sup>st</sup> March (b)	32,903,456	32,028,076
Present Value of unfunded obligations (a-b)	-	-
The net amount recognized in the statement of profit and loss for the year ended 31 <sup>st</sup> March is as follows:		
Current service cost	2,972,295	2,679,641
Interest cost	2,437,525	2,176,295
Expected return on plan assets	(2,732,512)	(2,723,198)
Net actuarial loss/(gain) recognized	(5,139,653)	(2,124,235)
Net amount recognized	-	8,503
Actual Return on Plan Assets		
The principal actuarial assumptions used as at 31 <sup>st</sup> March 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	7.00%	6.00%

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)	30,000 (22,000)	6,293 (14,430)

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: (in Rupees)

	2013-2014	2012-2013
Steel Scrap	187,525,522	493,449,072
Ferro Alloys	138,562,220	324,704,905
Total...	326,087,742	818,153,977

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

Description	Opening Stock in ₹	Sales in ₹	Closing Stock in ₹
Finished Goods	23,591,656 (13,607,008)	1,484,088,657 (2,933,890,375)	23,724,272 (23,591,656)
Work in Progress	137,264,864 (158,130,852)	0 (0)	119,711,012 (137,264,864)

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

	Imported		Indigenous	
	₹	%	₹	%
Raw Materials	62,353,937 (193,039,063)	19.12 (23.60)	263,733,805 (625,114,914)	80.88 (76.40)
Stores and Spares	4,060,904 (17,268,650)	1.10 (2.92)	363,939,803 (574,125,166)	98.90 (97.08)

e. Value of Imports on CIF basis:

	2013-2014	2012-2013
Raw Materials	50,157,636	154,920,840
Stores & Spares	6,091,246	16,956,857

f. Expenditure in Foreign Currency (Accrual Basis):

	2013-2014	2012-2013
Export Sales Commission	4,131,687	36,161,574
Travelling Expenses	2,262,958	1,373,060
Membership & Subscription	119,124	15,862
Casting Repair Charges	8,101,688	21,906,463
Legal & Professional Fees	4,313,495	7,707,743
Technical Fees	6,446,305	27,225,040

g. Earnings in Foreign Currency:

	2013-2014	2012-2013
Exports (FOB basis)	804,331,113	1,524,287,271

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**

As per our report of even date.

**For SANGHAVI & COMPANY**  
Chartered Accountants

**For and on Behalf of the Board of Directors**

**GAURANG SANGHAVI**  
Partner

**T KUMAR**  
Whole Time Director

**CHETAN M TAMBOLI**  
Chairman & Managing Director  
and Chief Executive Officer

Bhavnagar  
30th May 2014

Bhavnagar  
30th May 2014



## 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 Third Annual General Meeting of the Company, to be held on Wednesday, July 30, 2014, 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 ..... 2014

Signature across Revenue  
stamp

Affix  
₹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

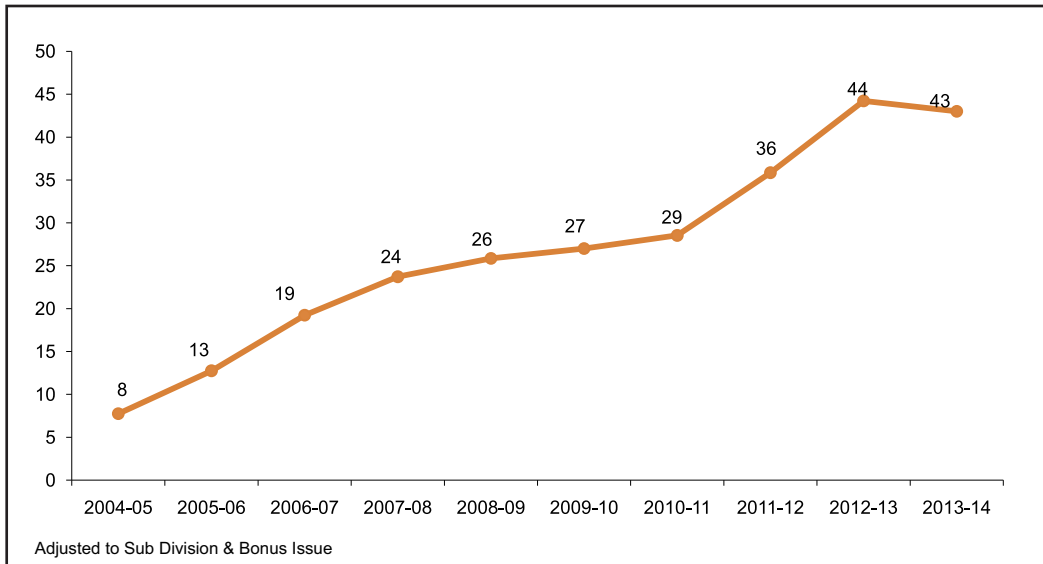
Name of Shareholder		
Number of Equity Shares held		
Folio Number		
If Demat Shares	DP ID	
	Client ID	

I hereby record my presence at the Forty Third Annual General Meeting of the Company at Nilambag Palace Hotel, Bhavnagar at 1600 hours on July 30, 2014.

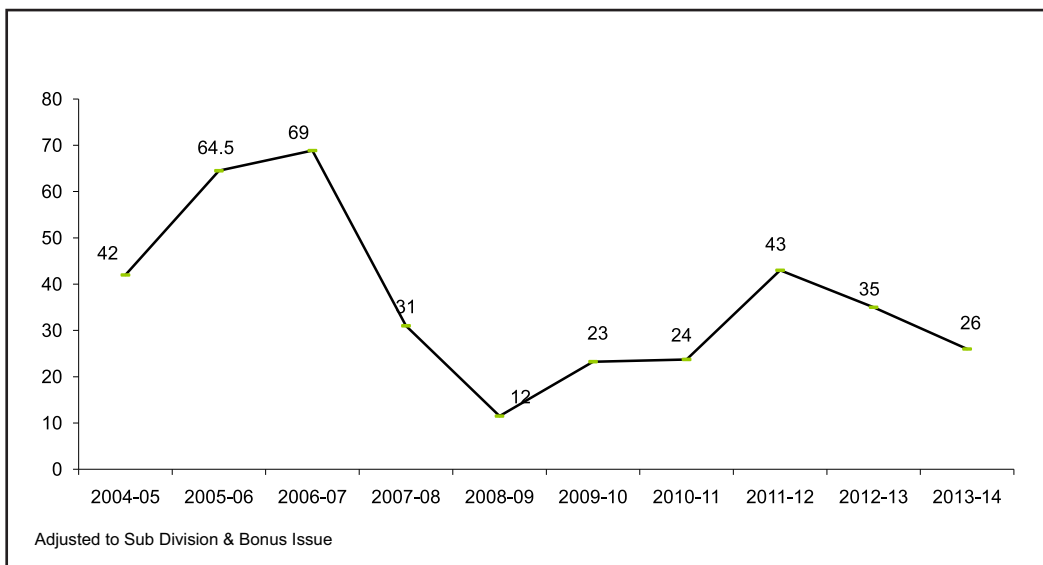
Signature of the attending Member/Proxy	
--	--

- 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.

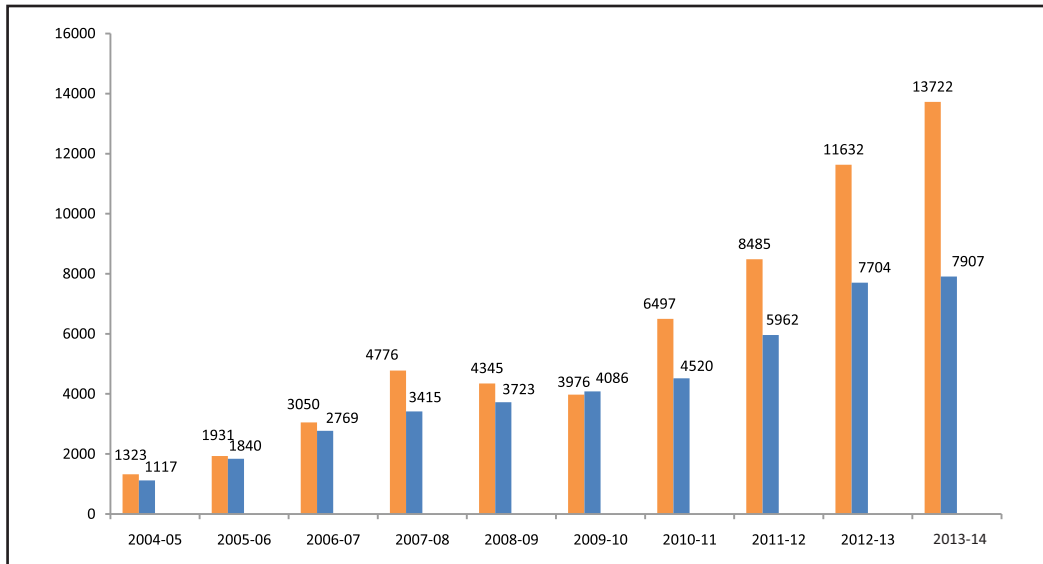
## Book Value Per Share (₹)



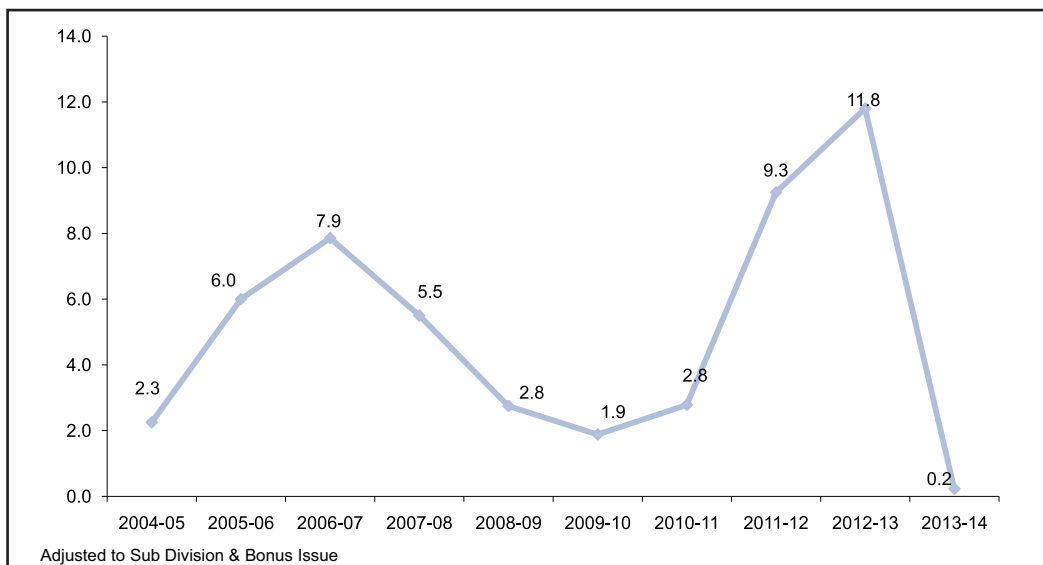
## Market Price per Share (As on close of 31st March of respective year) (₹)



### Total Debt to Net Worth ( ₹ in Lacs)

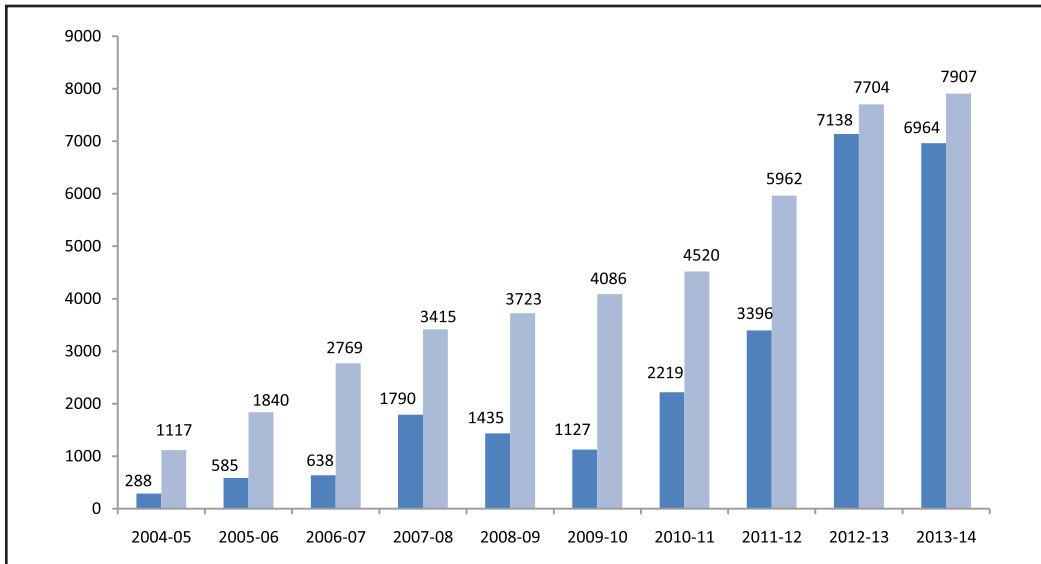


### Earning Per Share ( ₹ )

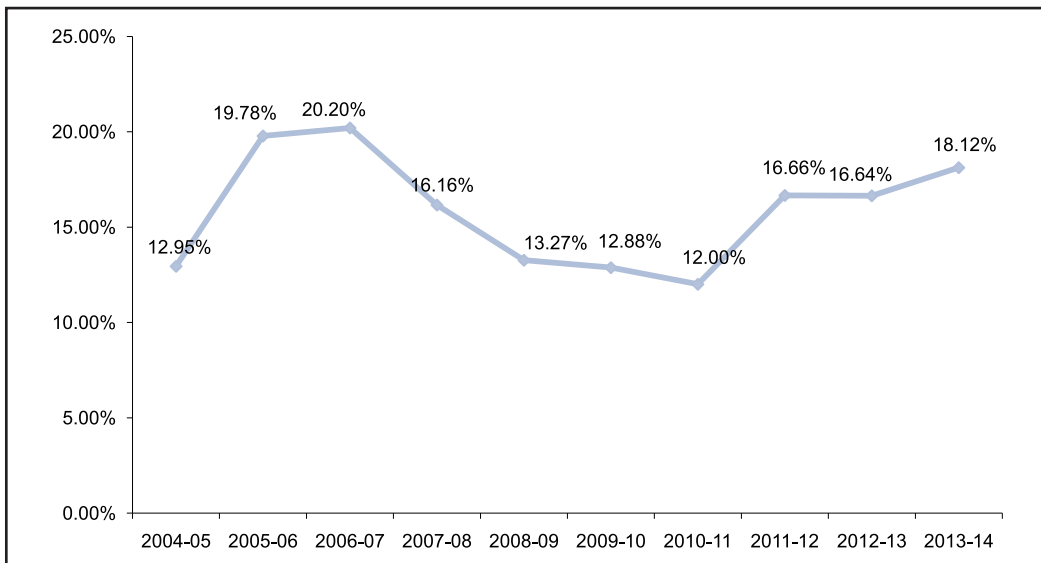




## Long Term Debt to Net Worth (₹ in Lacs)



## EBIDTA





BOOK-POST

To,

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

**STEELCAST LIMITED**

REGD. OFFICE & WORKS RUVAPARI ROAD  
BHAVNAGAR, GUJARAT  
INDIA 364 005  
PHONE (91) (278) 251 9052  
FAX (91) (278) 242 0589, 251 9831  
E-MAIL info@steelcast.net  
WEBSITE www.steelcast.net  
CIN L27310GJ1972PLC002033

**FORM A**

Sr.No.	Particulars	Details
1	Name of the Company	STEELCAST LIMITED
2	Annual Financial Statement for the year ended	31 <sup>st</sup> March, 2014
3	Type of Audit observation	Un-qualified Audit Report
4	Frequency of observation	Not Applicable

Chetan M Tamboli  
Managing Director and CEO  
STEELCAST LIMITED

R. V. Gandhi  
Chairman-Audit Committee  
STEELCAST LIMITED

For SANGHAVI & CO.  
Chartered Accountants  
FRN: 109099W



Gaurang R Sanghavi  
Partner  
Membership No. 044264