

WELCAST STEELS LIMITED

FORM A

(Pursuant to Clause 31(a) of the Listing Agreement)

(Format of Covering letter of the annual audit report to be filed with the stock exchanges)

Sr.No	Particulars	Compliance
1	Name of the Company	WELCAST STEELS LTD
2	Annual Financial Statements for the year ended	March 31, 2015
3	Type of Audit	Un - qualified
4	Frequency of observation	Not applicable

For WELCAST STEELS LTD



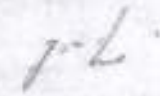
VINOD NARAIN
Chairman

For WELCAST STEELS LTD



D.P. DHANUKA
Chairman of Audit Committee

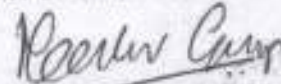
For WELCAST STEELS LTD



YASH RAJ
Chief Financial Officer

as per Our Report Attached

For DAGLIYA & CO



Chartered Accountants
(FRN 000671S)
(P.MANOHARA GUPTA)

Partner

Membership No 16444

For WELCAST STEELS LTD



S.N. JETHELIYA
Company Secretary



43rd
**ANNUAL
REPORT
2014-2015**



Welcast Steels Limited



WELCAST STEELS LIMITED

BOARD OF DIRECTORS

Mr. Vinod Narain– Chairman, Non – Executive & Non - Independent
Mr. D.P. Dhanuka - Independent
Mr. Bhadresh K. Shah - Non – Executive & Non - Independent
Mr. Pradip R. Shah- Independent
Mr. Rajendra S. Shah - Independent
Mr. Sanjay Shailesh Majmudar - Independent
Mr. Ashok A. Nichani - Independent
Mrs.Komal Shaival Majmudar (Ceased to be a Director w.e.f.01-04-2015) Independent
Mrs.Khushali Samip Solanki (w.e.f.15-04-2015) Non – Executive & Non - Independent

KEY MANAGERIAL PERSONNEL

Mr. Mohana Rao V.V.R, Chief Executive Officer
Mr. Yash Raj, Chief Financial Officer
Mr. S N Jetheliya, Company Secretary

AUDITORS

M/s. Dagliya & Co.
Chartered Accountants
L Block
Unity Building Annexe,
J.C. Road, Bengaluru - 560 002

BANKERS

Canara Bank, Bengaluru.
State Bank of India, Bengaluru

REGISTERED OFFICE & FACTORY

Plot No. 15, Phase - 1
Peenya Industrial Area,
Bengaluru - 560 058
Phone : 0-8722803333, 8722802333, 28394058 / 59
CIN : L27104KA1972PLC002163
E-mail : info@welcaststeels.com
Web : www.welcaststeels.com

SHARE TRANSFER AGENT

Bigshare Services Pvt. Ltd.,
E-2/3, Ansa Industrial Estate
Sakivihar Road, Saki Naka
Andheri (E), Mumbai- 400 072.
Phone : 022 - 28470652, 40430200
Fax : 022 - 28475207
E-mail : info@bigshareonline.com

**43rd ANNUAL GENERAL MEETING**

Date	21st September, 2015
Day	Monday
Time	3.00 PM
Place	HOTEL RAMANASHREE, No. 16, RAJA RAM MOHAN ROY ROAD BENGALURU – 560 025
Book Closure - (Dates)	14th Sept. 2015 To 21st Sept.2015 (Both days inclusive)

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NOTICE

NOTICE is hereby given that the Forty -Third Annual General Meeting of the members of Welcast Steels Limited will be held on Monday, the 21st day of September, 2015 at 3:00 PM at "HOTEL RAMANASHREE", No 16, Raja Ram Mohan Roy Road Bengaluru - 560 025 to transact the following business:

ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date and Reports of the Board of Directors' and Auditors' thereon.
- (2) To declare dividend on Equity Shares for the Financial Year ended 31st March 2015.
- (3) To appoint a Director in place of Mr. Vinod Narain (Holding DIN 00058280), who retires by rotation and being eligible, offers himself for re-appointment.
- (4) Ratification of appointment of Statutory Auditors:

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 section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, the appointment of M/s Dagliya & Co, Chartered Accountants,(Firm's registration number FRN 000671S), who was appointed by the members of the company in their 42nd Annual General Meeting held on 10th September 2014, as the Statutory Auditors of the Company for a term of three years i.e. till the conclusion of the 45th Annual General Meeting (AGM) and which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the 44th Annual General Meeting (AGM) of the Company at such remuneration plus service tax, out of pocket, travelling and living expenses, etc., as may be mutually agreed between the Chairman of the Company and the said Statutory Auditors."

"RESOLVED FURTHER THAT Mr. Bhadresh K. Shah, Director and Mr. S. N. Jetheliya , Company Secretary of the Company be and are hereby severally authorized to sign and file the appropriate e-forms along with necessary filing fees with the prescribed authorities and to do all such acts, deeds and things as may be necessary to give effect to this resolution"

SPECIAL BUSINESS:

- (5) Appointment of Mrs.Khushali Samip Solanki (Holding DIN 07008918) who was appointed as an Additional Director of the Company and in this regard 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 provision of section 149 and 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rules, 2014 (including any Statutory modification(s) or re – enactments thereof for the time being in force) and Clause 49 of the Listing Agreement Mrs. Khushali Samip Solanki (Holding DIN 07008918) who has been appointed as an Additional Director (Non-Executive & Non – Independent) of the Company by the Board of Directors with effect from 15th April 2015 , in terms of Section 161(1) of the Companies Act, 2013 and articles 81(6) of the Articles of Association of the Company, and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director (Non-Executive & Non- Independent) of the Company liable to retire by rotation"

"RESOLVED FURTHER THAT Mr. Bhadresh K.Shah, Director and Mr. S.N. Jetheliya , Company Secretary of the Company be and are hereby severally authorized to sign and file the appropriate e-forms along with necessary filing fees with the prescribed authorities and to do all such acts, deeds and things as may be necessary to give effect to this resolution"

- (6) Ratification of Remuneration fixed by the Board to the Cost Auditors M/s. Kiran J. Mehta & Co., (Firm Registration No: 000025)

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 Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies [Audit and Auditors] Rules, 2014 [including any statutory modification (s) or re-enactment (s) thereof for the time being in force], the consent of the Members be and is hereby accorded to ratify the remuneration of Rupees Sixty Thousand (Rs. 60,000/-) as decided by the Board of Directors on the recommendations of the Audit Committee, payable to M/s. Kiran J. Mehta & Co., Cost Accountant in Practice, Ahmedabad appointed by the Board to conduct the audit of cost records of the Company for the Financial Year ending on 31st March 2016."



NOTICE

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

(7) Approval of Related party transaction:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being force), the approval of the members be and are hereby accorded to the material Related Party Transactions entered into and carried out in Ordinary Course of Business and at Arm's Length price with AIA Engineering Limited, Ahmedabad (AIA), a holding Company of Welcast steels Limited and Related Party as per Accounting Standard (AS) 18, for purchase of goods during the Financial Year 2014-15 amounting to 225 Crores approx. which exceeds the threshold limit of 10 percent of annual consolidated turnover of the Company for the Financial year ended 31st March, 2014 on the terms and conditions as mentioned in the Contract Manufacturing Agreement entered into by the Company with AIA on 1st January, 2014.”

“RESOLVED FURTHER THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the members be and are hereby accorded to the material Related Party Transactions entered / to be entered into and carried out in Ordinary Course of Business and at Arm's Length price with AIA Engineering Limited, Ahmedabad, a holding Company of Welcast steels Limited and Related Party as per Accounting Standard (AS) 18, for the sale of goods during the period from 1st April 2015 to 31st March 2016 for an aggregate amount, which may exceed the threshold limit of 10 % of annual consolidated turnover of the Company for the financial year 2014-15.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution.”

Place : Bengaluru
Date : 02-05-2015

By order of the Board of Directors
VINOD NARAIN
Chairman
(DIN. 00058280)

NOTES

1. The Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, which set out details relating to Special Businesses to be transacted at the meeting are annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll only instead of himself / herself and a proxy need not be a member. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. The instrument of proxy in order to be effective must be received at the Registered Office of the Company duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy Form is annexed herewith. Proxy Form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable, authorizing their representative to attend and vote on their behalf at the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 14th September 2015 to 21st September 2015 (both days inclusive) for annual closing and determining the entitlement of the Members to the dividend for the Financial Year 2014-15.
4. Members are requested to bring the Attendance Slip duly filled in and hand over the same at the entrance of the Meeting Hall.
5. A dividend of Rs. 2/- (Two) per equity share has been recommended by the Board of Directors for the year ended 31st March 2015, subject to the approval of the Members at the ensuing Annual General Meeting and is proposed to be paid within 30 days from the date of declaration of dividend.
6. Payment of Dividend:
 - (a) The Bank account particulars of the members holding shares in physical form will be printed on the dividend warrants. Hence the members are advised to intimate changes, if any in their registered address along with



NOTICE

Pin Code and submit particulars of their bank account viz. name and address of the branch of the bank, 9 (Nine) digit MICR code of the branch, type of account and account number latest by 10th September 2015 directly to the Company's Registered office address. A separate form in this connection is provided and enclosed along with this notice.

- (b) To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the company of any change in Address or demise of any Member(s) as soon as possible. Members are also advised not to leave their demat account (s) dormant for long. Members holding shares in demat form are advised to inform the changes, if any, particulars of their bank account to their respective Depository Participants.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Registrar & Share Transfer Agent.
 8. In compliance with the circular of Ministry of Corporate Affairs for a "Green Initiative in the Corporate Governance" by allowing / permitting service of documents etc. in electronic form, electronic copy of the Annual Report of 2014 - 15 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their e - mail address, physical copies of the Annual Report for 2014 - 15 are being sent in the permitted mode.
 9. All documents referred to in the accompanying Notice and the Explanatory Statements shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 a.m. to 5.00 p.m.) on all working days except Sunday and other public holidays, up to and including the date of the Annual General Meeting of the Company.

The Company proposes to send documents, such as the Notice of the Annual General Meeting, and Annual Reports, henceforth to the Members in Electronic Form at the e-mail address provided by them and made available to the Company by the Depositories from time to time. In case you wish to receive the above documents in physical form, you are requested to inform us to the E-mail ID. invest_grievance@welcaststeels.com by quoting your Name, Demat Account No. [DP ID No. and Client ID No.].

10. Those members who have so far not encashed their dividend warrants for the under mentioned Financial Years, may claim or approach the Company for the payment thereof as the same will be transferred to the Investors' Education and Protection Fund (IEPF) of the Central Government, pursuant to Section 205 of the Companies Act, 1956. Members are requested to note that after such dates, the members will lose their rights to claim such dividend.

Sr. No.	Financial Year	Due date of Transfer to IEPF
1	2007 – 08	19.10.2015
2	2008 – 09	27.08.2016
3	2009 – 10	24.08.2017
4	2010 – 11	01.09.2018
5	2011 – 12	17.08.2019
6	2012 – 13	09.08.2020
7	2013 – 14	09.09.2021

11. Voting through electronic means:

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 providing e-voting facility as an alternative mode of voting which will enable the members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Ltd (CDSL) to facilitate e-voting.

Mr. H. M Basavaraja, Practicing Chartered Accountant [Membership No. 026686 : FRN 005318S] has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.



NOTICE

Members can opt for only one mode of voting i.e. either by e-voting or poll paper. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Poll Paper shall be treated as invalid.

The voting rights of members shall be in proportion to their Shares in the paid up Equity Share capital of the Company as on cutoff date. A person, whose names is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail facility of remote e-voting and poll process at the venue of the meeting.

Any person, who acquires Shares of the Company and becomes a member of the Company after dispatch of the Notice and holding Shares as on cut-off date, may cast vote after following the instructions for e-voting as provided in the Notice convening the Meeting, which is available on the website of the Company and CDSL. However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and password for casting your vote.

The detailed process, instructions and manner of e-voting facility is annexed to the Notice.

12. Re-appointment / Appointment of Directors:

Mr. Vinod Narain (Holding DIN 00058280), Non-Executive and Non Independent Director of the Company will retire by rotation at the ensuing 43rd Annual General Meeting of the Members of the Company and being eligible, has offered himself for re-appointment.

Mrs. Khushali Samip Solanki (DIN 07008918) Additional Directors, who were appointed as an Additional Directors on 15th April , 2015, will hold the office of Directors upto the ensuing 43rd Annual General Meeting of the Members of the Company and proposed to be appointed as Directors of the Company (Non-Executive and Non-Independent) liable to retire by rotation.

Pursuant to the requirements under the Listing Agreement with the Stock Exchanges, relating to Corporate Governance, a statement containing brief resumes of the above Directors together with the details of Shares held by them, if any, is annexed hereto.

REQUEST TO THE MEMBERS

1. Members desiring any relevant information on the Accounts at the Annual General Meeting are requested to write to the Company at least seven days in advance at its Registered Office, so as to enable the Company to keep the information ready.
2. Members are requested to bring their copy of the Annual Report to the Meeting.



NOTICE

EXPLANATORY STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 SETTING OUT ALL MATERIAL FACTS RELATING TO SPECIAL BUSINESSES MENTIONED IN THE ACCOMPANYING NOTICE:

ITEM NO.5

Mrs. Khushali Samip Solanki (Holding DIN 07008918) is a Non-Executive and Non- Independent Director of the Company. She joined the Board of Directors of the Company on 15th April 2015 as an additional woman Director. Notice along with requisite deposit, as required pursuant to the provisions of Section 160 of the Companies Act, 2013 (the Act), has been received from a Member proposing the candidature of Mrs. Khushali Samip Solanki as a Director (Non – Executive & Non – Independent) of the Company and liable for retirement by rotation.

Mrs. Khushali Samip Solanki possesses appropriate skills, expertise and knowledge in Finance and other fields. Mrs. Khushali Samip Solanki is daughter of Mr. Bhadresh K. Shah, Promoter of AIA Engineering Limited, a Holding Company of Welcast Steels Limited. A brief profile of Mrs. Khushali Samip Solanki and names of companies in which she is a Director and memberships / chairmanships of the Board Committees, Shareholding etc. as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are annexed to this Notice. In the opinion of the Board, Mrs Khushali Samip Solanki fulfils the conditions specified in the Act and rules made thereunder for her appointment as Director of the Company. Copy of the draft letter for appointment of Mrs. Khushali Samip Solanki as a Director (Non – Executive & Non – Independent), setting out the terms and conditions would be available for inspection without any fee to the members at the Registered Office of the Company during normal business hours on any working day.

Considering her eminence, rich experience and expertise in different fields, it will be in the best interest of the Company to appoint her as a Director (Non – Executive & Non – Independent). The Board considers that her association with the company would be of immense benefit and is desirable to avail the services of Mrs. Khushali Samip Solanki as a Director of the Company. Except Mrs. Khushali Samip Solanki and Mr Bhadresh K. Shah, none of the Directors, Key Managerial Personnel or their relatives are considered to be interested in or concerned in the resolution.

The Board recommends passing of the said resolution by way of an Ordinary Resolution for the approval of the members of the Company. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

ITEM NO. 6

The Board of Directors on the recommendations of the Audit Committee, appointed M/s. Kiran J. Mehta, & Co., (FRN 000025) Practicing Cost Accountants, Ahmedabad as the Cost Auditors to carry out the audit of Cost records of the Company for the Financial Year 2015-16 and fixed remuneration of Rupees Sixty Thousand (₹. 60,000/-) plus service tax and out of pocket expenses. As per the provisions of Section 148 of the Companies Act, 2013 read with the Companies [Audit and Auditors] Rules, 2014, the remuneration fixed by the Board of Directors shall be ratified by the members by passing a resolution. Accordingly, consent of the members is being sought for passing an Ordinary Resolution for ratification of remuneration payable to the Cost Auditors to carry out the audit of Cost records of the Company for the Financial Year 2015-16. None of the Directors, Key Managerial Personnel or their relatives can be considered to be interested in or concerned with the resolution. The Board recommends passing of the said resolution as an Ordinary Resolution for the approval of members of the Company.

ITEM NO. 7:

AIA Engineering Limited (AIA), Ahmedabad is a holding Company of Welcast Steels Limited (WSL). AIA is holding 74.85% of the Shares in the Share Capital of WSL. AIA is a Related Party as per definition under Section 2 (76) of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with the Stock Exchanges ("Clause 49"). The provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time exempts any transactions entered into by the Company in its Ordinary Course of Business and done at Arm's Length price, from the requirement of prior approval of the Members by way of Special Resolution.



NOTICE

However, in terms of provisions of Clause 49 of the Listing Agreement, the transactions as described hereunder has exceeded 10% of the Consolidated Annual Turnover of the Company as per the Audited Annual Accounts of the Company for the Financial Year 2014-15. Thus, these transactions would require the approval of the Members by way of a Special Resolution.

The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules 2014 is furnished hereunder:

Sr. No.	Particulars	Information
1	Name of Related Party	AIA ENGINEERING LTD
2	Name of Directors of key Managerial Personel who is related, if any	Mr. Bhadresh K. Shah Mr. Rajendra S. Shah Mr. Sanjay Shailesh Majmudar Mrs.Khushali Samip Solanki, Directors on Board of AIA Engineering Ltd, Mr. S.N. Jethaliya, Company Secretary who is also Company Secretary of AIA Engineering Ltd,
3	Nature of Relationship	Holding Company of WSL
4	Nature and Monetary value of Transactions	Sale of Goods : Rs 21,989.10 Lacs Purchase of goods: Rs 496.20 Lacs
5	Whether the transactions have been approved by the Audit Committee	Yes, the Related Party Transactions are in accordance with the Related Party Transactions Policy of the Company and have been approved by the Audit Committee and recommended to the Board of Directors for their approval at their respective meetings.
6	Any other information relevant or important for the Members to make a decision on the proposed.	WSL has obtained a Report for the Financial Year 2014-15 under section 188 of the Companies Act,2013 from BSR Associates, LLP which states that the Transactions with AIA are at Arms' Length and in Ordinary Course of Business

The Annual Turnover of WSL as per the last Audited Financial Statements for the year ended 31st March, 2014 was Rs. 23,790.84 lacs. As such, the transactions with AIA during the Financial Year ended 31st March, 2015 are material pursuant to Clause 49 of the Listing agreement and requires the ratification of the members.

Currently, it cannot be ascertained the transactions to be entered in the Current Financial Year of 2015-16 would exceed the threshold limit of 10% of Annual Consolidated Turnover as per the latest Audited Financial Results. The approval of the members for the transactions proposed to be entered into and carried out with WSL from time to time, in Ordinary Course of Business and at Arm's length price, during the Financial Year 2015-16, is being sought by way of abundant caution and as a proactive measure.

Further, Clause 49 of the Listing Agreement requires that the entities falling under the definition of related party to abstain from voting irrespective of whether the entity is a party to the transaction or not. Accordingly, the AIA being the promoter of WSL holding 74.85% of the Paid-up Capital, is required to abstain from the voting on this resolution of the notice. Except Messers Bhadresh K. Shah, Rajendra S.Shah, Sanjay Shailesh Majmudar, Mrs Khusali Samip Solanki, Directors and Mr. S.N. Jethaliya, Company Secretary of the Company and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the said Resolution. The Board recommends passing of the said Resolution by way of a Special Resolution for the approval of the Members of the Company.

Place : Bengaluru

Date : 02-05-2015

By order of the Board of Directors

VINOD NARAIN
Chairman
(DIN.00058280)



NOTICE

ANNEXURE TO THE NOTICE:

Disclosure pursuant Clause 49 of Listing Agreement with regard to the Directors seeking Appointment / Re-appointment at the forthcoming Annual General Meeting (refer Item No.3 and 5) of the Notice and (refer item No.6) of the Board's Report:

Name	Mr. Vinod Narain (DIN 00058280)
Date of Birth /Age	10.03.1930 – 85 Years
Appointment on / Re – appointment	10th August ,2013
Qualifications	Three years Indenture Engg. Apprenticeship Course with Austin Motor Co. Ltd., Birmingham,UK. Out of which one year was entirely devoted to foundry practice. Also holds certificate of Mechanical Engineers Birmingham in Auto Mobile Engineering of UEI, England
Expertise in specific functional areas	Fellow of the Institution of valuers. He is the Director of the Company and served the Company since its inception as Managing Director upto 1997. He is presently serving as chairman of the Company.
Directorships held in other Public Companies	NIL
Membership / Chairmanships of Committees across other Public Companies	NIL
No. of Equity Shares held in the Company	NIL

Name	Mrs. Khushali Samip Solanki (DIN 07008918)
Date of Birth /Age	09.05.1977 – 38 Years
Appointment on / Re – appointment	15th April ,2015
Qualifications	Diploma in Hotel Management
Expertise in specific functional areas	She possesses appropriate skills, expertise and knowledge in marketing and other fields.
Directorships held in other Public Companies	AIA Engineering Ltd.
Membership / Chairmanships of Committees across other Public Companies	NIL
No. of Equity Shares held in the Company	NIL



NOTICE

INSTRUCTIONS FOR VOTING THROUGH E-VOTING:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 16.09.2015, 9.00 AM and ends on 19.09.2015, 6.00 PM. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 14.09.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website - www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - A. For CDSL: 16 digits beneficiary ID,
 - B. For NSDL: 8 Character DPID followed by 8 Digits Client ID,
 - C. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat as well as physical shareholders)
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- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio/client id number in the PAN Field.
- In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN Field.

DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in DD/MM/YYYY format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.
- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Welcast Steels Ltd on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



NOTICE

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to logon to **www.evotingindia.com** and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

- F. Mr. H. M. Basavaraja, Chartered Accountant (Membership No.026686; FRN 005318S) [Address: Basavaraja & Dileep, Chartered Accountants –No.1287/68, “NANDI” 5th Cross, N.R. Colony, 4th Cross, Ashok Nagar, BSK 1st Stage, Bengaluru – 560 050 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- G. The Scrutinizer shall within a period not exceeding three (3) working days from the closing 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 favour or against, if any, forthwith to the Chairman of the Company.
- H. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website **www.welcaststeels.com** and on the website of CDSL within two (2) working days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

Contact Details

Company	WELCAST STEELS LIMITED Regd. Office PLOT NO 15, PHASE 1, PEENYA INDUSTRIAL AREA BENGALURU -560058 , INDIA CIN: L27104KA1972PLC002163 Ph : 080-28394058 / 59
E-mail Id	info@welcaststeels.com rajendrakumar@welcaststeels.com
Registrar and Share Transfer Agent	Bigshare Services Pvt Ltd. E-2/3 Ansa Industrial Estate, Sakivihar Road, Saki Naka Andheri (E) , Mumbai -400 072 Phone – 022-28470652 ,40430200, Fax – 022-28475207 E mail; info@bigshareonline.com.
e-Voting Agency	Central Depository Services (India) Limited E-mail :helpdesk.evoting@cdslindia.com
Scrutinizer	H M Basavaraja, Practicing Chartered Accountant E-mail : hmbraj27@yahoo.co.in



DIRECTORS' REPORT

₹. In Lacs

Your Directors have pleasure in presenting the Forty-Third Annual Report together with Audited Financial Statements of the Company for the Financial Year ended 31st March 2015.

FINANCIAL RESULTS

PARTICULARS	2014-15	2013-14
Gross Income	22,150.14	25,876.49
Less: Excise duty	1,814.22	2,085.65
Net Income	20,335.92	23,790.84
Profit before Interest and Depreciation.	240.45	651.28
Less: Interest	53.67	62.38
Profit before Depreciation	186.78	588.90
Depreciation for the year. (Net of withdrawal from revaluation reserve)	177.35	146.66
Profit after Interest and Depreciation	9.43	442.24
Exceptional Items- Income	18.73	0
Prior period adjustments - Expenses	0	3.42
Provision for tax:	30.66	140.84
Profit for the year	(2.50)	297.98
Less:-Depreciation on Revaluation Reserve	1.42	0
Total	(1.08)	297.98
Balance profit for earlier years	2598.99	2388.34
Profit available for appropriation	2597.91	2686.32
Transfer to General Reserve	0	50.00
Dividend on equity shares	12.76	31.91
Tax on proposed dividend	2.60	5.42
Balance to be carried forward a sum of	2582.55	2598.99
Earnings per equity share of ₹.10/- each	(0.39)	46.70

1. PRODUCTION

During the year under review the Company produced 32,411 tons of Grinding Media as compared to 38,340 tons in the previous year. The production is low due to labour unrest and strike by the workmen during the year under review.

2. SALES & PROSPECTS

The Company sold 32,589 tons of Grinding Media during the year under review as against 38,143 tons in the previous year. The sales were affected due to lower production during the year under review. Since the labour unrest has continued in the current year, the sales are likely to be adversely affected in this year also. There are indications of recession in the Ore Mining Industry, which is the major consumer of our products, and this could result in further decline in sales at our end.

3. DIVIDEND & RESERVES.

Keeping the interest of stakeholders in view your Directors are pleased to recommend a dividend of 20 % of (₹. 2/- per equity share), even though there is no distributable profit in the year under review. The total cash outflow on account of dividend on equity shares for the financial year 2014-15 would be ₹.15.35 lacs including dividend distribution tax.

4. FINANCE

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

5. EMPLOYEES RELATIONS

The workmen had resorted to illegal strike in the month of November / December 2014 on the issue of disciplinary action taken against a workman. Since then the relationship with the employees union has remained strained as the union has adopted a confrontal attitude under the guidance of a new union leader. The Charter of demands put up by the union in the month of January 2015 after the expiry of the previous Agreement on 31st December 2014 is yet to be negotiated. However the management is taking all steps to bring normalcy working.

6. DIRECTORS:

Mr. Vinod Narain, Director of the Company retiring by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. A brief resume of Mr. Vinod Narain is given as annexure to the notice Further, Section 149 of the Companies Act, 2013 read with rules made thereunder and Clause 49 of the Listing Agreement as amended from time to time, lays down that every listed company shall have at least one woman director.

The Board of Directors appointed Mrs. Komal S. Majamudar (DIN.06956344) as an Additional Director (Woman) on 28th March 2015 to hold the Office of the Director upto the ensuing Annual General Meeting of the members of the Company.



DIRECTORS' REPORT (Contd..)

However, due to personal reasons, Mrs. Komal S. Majmudar (DIN.06956344) resigned as an Additional Director of the Company with effect from 1st April 2015.

The Board of Directors by its circular resolution dated 15-04-2015 appointed Mrs. Khushali Samip Solanki as an Additional Women Director to hold the office of the Director upto ensuing Annual General Meeting of the Company. Mrs. Khushali Samip Solanki is daughter of Mr. Bhadresh K. Shah, Promoter of AIA Engineering Limited, a Holding Company of Welcast Steels Limited. A brief resume of Mrs. Khushali Samip Solanki is also given as annexure to the Notice. The company has received a notice in writing from a member along with the requisite deposit as required pursuant to the provisions of section 160 of the Companies Act 2013 (the act) proposing her candidature for the office of the Director. The Board also recommended the appointment of Mrs. Khushali Samip Solanki as non-executive & non independent Director of the Company liable for retirement by rotation.

As required under Clause 49 of the Listing Agreement, the information on the particulars of the Directors proposed for appointment has been given in the notice of the Annual General Meeting.

7. NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE:

Four meetings of the Board of Directors and Audit Committee were held during the financial year. For further detail of the meetings, please refer to corporate governance report which forms part of this Annual Report.

8. AUDITORS

The Auditors M/s. Dagliya & Co, Chartered Accountants (FRN 000671S) Statutory Auditors of the Company will hold office till the conclusion of the forty-fifth Annual General Meeting subject to ratification for their appointment at every Annual General Meeting.

The Company has received a certificate from the auditor to the effect that the appointment, if made, will be in accordance within the limits specified in Section 139 (1) of the Companies Act, 2013. and they are not disqualified for re-appointment within the meaning of the Section 141 of the said Act and rules framed thereunder.

As required under Clause 49 of the Listing Agreement, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

9. AUDITORS' REPORT AND NOTES ON ACCOUNTS:

The Board has duly reviewed the Statutory Auditors' Report on the Accounts. The observations and comments, appearing in the Auditors' Report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors under Section 134(2) of the Companies Act, 2013.

10. COST AUDITORS:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Cost Audit records maintained by the Company are required to be audited by a Cost Accountant. On the recommendations of the Audit Committee, the Board of Directors of the Company have appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as the Cost Auditors of the Company to audit the Cost Accounting Records of the Company for the Financial Year 2014-15.

The Cost Auditor has filed the Cost Audit Report for the Financial Year ended 31st March, 2014 with MCA within the stipulated time.

The Board of Directors of the Company have appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as the Cost Auditors of the Company to audit the Cost Accounting Records of the Company for the Financial Year 2015-16. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the members of the Company for their ratification at the ensuing Annual General Meeting. Accordingly a Resolution seeking members' ratification of the remuneration payable to M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad, is included in the Notice convening the 43rd Annual General Meeting.

11. INTERNAL CONTROL AND AUDIT:

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

The Board of Directors at the recommendation of the Audit Committee appointed M/s. Rajesh Dudhara & Co, Chartered Accountants, Ahmedabad as Internal Auditors of the Company for Financial Year 2015- 2016.

Internal Auditors monitors and evaluates the efficacy and adequacy of Internal Control System in the Company. Significant Audit Observation and corrective actions thereon are presented to the Audit Committee of the Board.

12. DEPOSITS

The Company has not accepted any deposit from the public during the year under review within the meaning of Section 73 (a) of the Companies Act, 2013.

13. INSURANCE:

The Company has taken adequate insurance coverage of all its Assets and Inventories against various calamities, viz. fire, floods, earthquake, cyclone, accidents etc.



DIRECTORS' REPORT (Contd..)

14. CORPORATE GOVERNANCE:

In line with the Company's commitment to good Corporate Governance Practices, your Company has complied with all the mandatory provisions of Corporate Governance as prescribed in Clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance and Practicing Company Secretary's Report thereon is included as part of the Annual Report.

15. MANAGEMENT DISCUSSION AND ANALYSIS

MDA covering details of operations, Opportunities and Threats etc. for the year under review is given as a separate section included in this report and form a part of this Annual Report.

16. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The additional information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, stipulated under Section 134 (3) (m) of the Companies Act, 2013 read with the Rule 8 to the Companies (Accounts) Rules, 2014 are provided as an Annexure - 'A' to this report.

17. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (3) (c) of the Companies Act, 2013 your Directors hereby confirm that:

- (i) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgement 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 loss of the Company for that period.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the Annual Accounts on a going concern basis.
- (v) The Directors have laid down Internal Financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively and
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. PARTICULARS OF EMPLOYEES

No employee of the Company is drawing salary in excess of the limits specified under section 197 (12) of the Companies Act, 2013 read with the Companies Rule 5 (2) (i) (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

19. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The Company has neither given any loans, guarantees nor made any investments under section 186 of the Companies Act, 2013 during the financial year 2014 - 15.

20. TRANSACTIONS WITH RELATED PARTIES:

All transactions entered with the related parties for the year under review were on Arm's Length basis and in the ordinary course of business and that the provisions of section 188 of the Companies Act, 2013 are not attracted. Your directors draw attention of the members to note No.7 to the financial statement which sets out material contracts / arrangements/ transactions with related parties on arms' length basis. There are no materially significant Related Party Transactions made by the Company with the Promoters, Directors and Key Managerial Persons, which may have a potential conflict with the interest of the Company at large.

The Company has developed a Related Party Transactions framework through Standard Operating Procedures for the purpose of identification and monitoring of such transactions. All related party transactions including those which are repetitive in nature are reviewed by the Audit Committee on quarterly basis. The Board approved all the related party transactions that are recommended by the Audit Committee. The policy on Related Party Transactions as approved by the Board of Directors is available on the web site of the Company. (Web link- www.welcaststeels.com).

During the year under review the transactions of sale and purchase of material with the Holding Company AIA Engineering Limited exceeded 10% (ten percent) of the annual consolidated turnover of the company as per its last audited financial statements. Pursuant to clause 49 of the Listing Agreement, Company proposes to take the approval of members of the Company by way of Special Resolution to be passed at the ensuing Annual General Meeting.

The details of the material Related Party transactions entered by the Company are disclosed in Form AOC - 2 are annexed to this Report.

21. RISK MANAGEMENT:

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in

- (a) Overseeing and approving the Company's enterprise wide risk management frame work;



DIRECTORS' REPORT (Contd..)

- (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, liquidity, security, property, information technology, legal regulatory and other risks have been identified and assessed and there is an adequate risk management infra-structure in place capable of addressing those risks. A group risk management policy was reviewed and approved by the committee. The Company manages, monitors and reports on the principle risk and uncertainties that can impact its ability to achieve its strategic objectives. The company has introduced several improvements to internal controls with efficient management and optimal risk mitigation responses and assurance activities.

22. SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder the Company has appointed M/s Tushar Vora & Associates a Firm of Company Secretaries in Practice (CP No 1745) to conduct the Secretarial Audit of the Company's Secretarial and related records for the year ended 31st March, 2015. The Secretarial Audit Report of the Company is annexed herewith as Annexure - 'C' and forms an integral part of this report. As regards certain observations made by the secretarial auditors in their report please note that the Company is in the process of complying the same.

23. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The vigil mechanism of the Company which also incorporates a whistle blower policy in terms of the Listing Agreement may be accessed on the Company's website. The company has nominated the Chief Financial Officer as the Chief Vigilance Officer. Protected disclosures can be made by a whistle blower through e mail or by anonymous letter addressed to the Chief Financial Officer.

24. REMUNERATION AND NOMINATION COMMITTEE:

The Board of Directors has framed a policy which lays down a frame work in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy also lays down criteria for selection and appointment of Board members. The details of this policy may be accessed on the Company's web site.

25. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a structured questionnaire was prepared after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non – Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

26. DIRECTORS & KEY MANAGERIAL PERSONNEL:

During the year under review the Company has appointed following persons as Director and Key Managerial Personnel.

- a. Mrs. Komal Shaival Majmudar as Director
- b. Mr. S.N Jethaliya as Company Secretary.

27. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance for sexual harassment at work place and has adopted a policy on prevention and prohibition and redressal of sexual harassment at work place in line with the provisions of sexual harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has not received any complaint in this regard.

28. EXTRACT OF ANNUAL RETURNS:

The details forming part of the Annual Return in Form MGT-9 is annexed herewith as Annexure to this Report.

29. ENVIRONMENT, HEALTH AND SAFETY:

The Company is committed to health and safety of its employees, contractors and visitors. The Company is compliant with all Environment, Health and Safety (EHS) Regulations stipulated under the Water (Prevention and Control of Pollution), The Air (Prevention and Control of Pollution) Act, the Environment Protection Act and the Factories Act and Rules made thereunder. Our mandate is to go beyond compliance and we have made a considerable improvement.

30. ACKNOWLEDGMENTS:

Your Directors sincerely appreciate the high degree of professionalism, commitment and dedication displayed by employees. The Directors also wish to place on record their gratitude to the members for their continued support and confidence. Your Directors also have pleasure to place on record their sincere appreciation for the continued co-operation and support extended to the Company by the Bankers Canara Bank and State Bank of India and various other Government authorities.

Place: Bengaluru
Date : 02-05-2015

For and on behalf of the Board of Directors

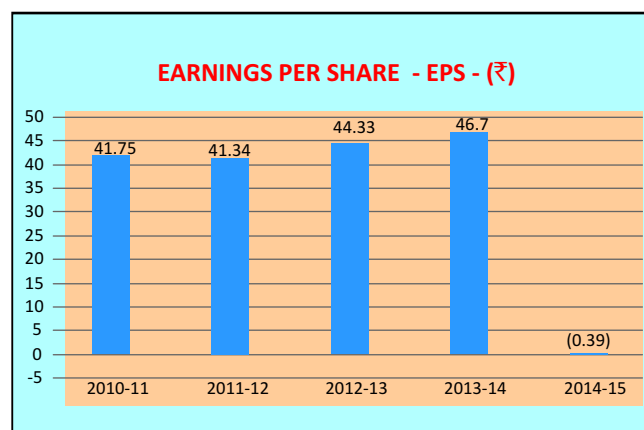
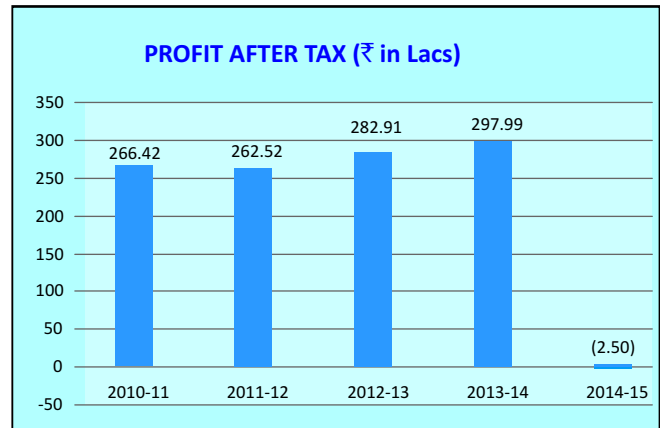
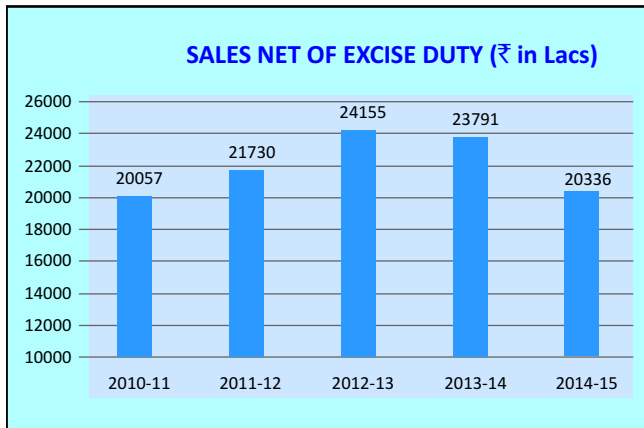
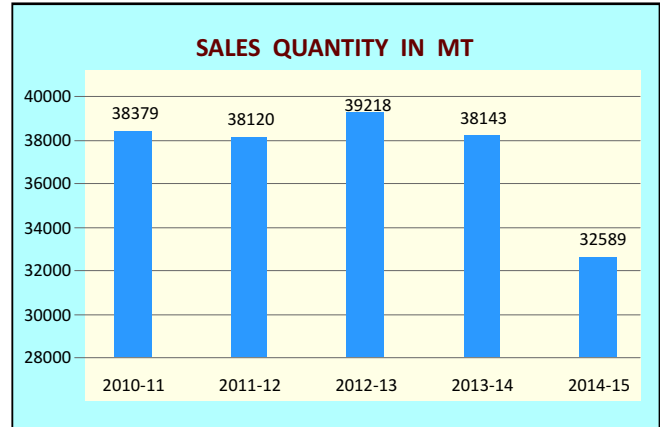
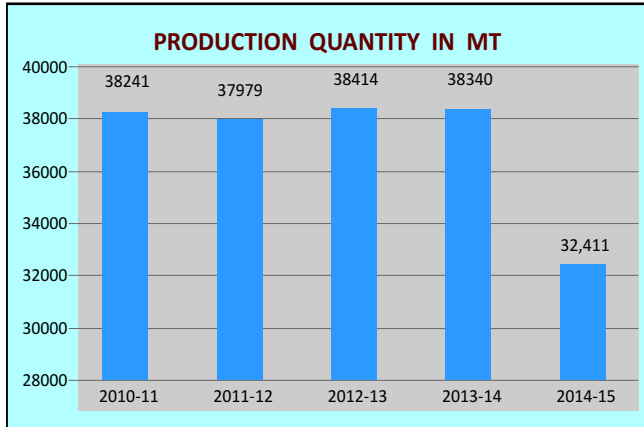
VINOD NARAIN
Chairman
(DIN.00082580)



DIRECTORS' REPORT (Contd..)

PERFORMANCE HIGHLIGHTS

The performance highlights for Production, Sales, Profit and Earnings per Share (EPS) as compared to previous years, are given hereunder.





ANNEXURES TO DIRECTORS' REPORT

ANNEXURE :- A

TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars as per the Section 134 (3) (m) of the Companies Act, 2013, and as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014 are as follows:

I. CONSERVATION OF ENERGY

Effective steps were taken to conserve energy.

1. POWER AND FUEL CONSUMPTION

Electricity

	2014-15	2013-14
i) Units purchased	4,05,41,040	4,49,33,160
Total amount in ₹.	25,56,50,360	27,15,15,475
Rate / Unit (₹.)	6.31	6.04
ii) Units generated	31,252	32,52,178
Unit generated /Liter of Diesel/HFO	4.41	3.24

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

Electricity Units

	2014-15	2013-14
Electricity Units	1253	1270

II. RESEARCH AND DEVELOPMENT

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

- Development of grinding media for application in platinum and gold mines.
- Reduction of emission particles in exhaust gases.
- Reduction of power consumption in Induction Furnaces.

2. BENEFITS DERIVED

- Improvement in business opportunities.
- Better environment.
- Cost reduction.

3. FUTURE PLAN OF ACTION

- Reduction of power consumption in tempering furnaces.
- Improvements in charge-mix for Induction Furnaces to reduce cost.

III. TECHNOLOGY ABSORPTION AND INNOVATION

1. EFFORTS MADE

- Manufacture of special grade Grinding Media for mining industry.
- New patterns designed for better yield.

2. BENEFITS

- Increase in market share for Grinding Media supply.
- Increase in productivity.

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

4. EXPENDITURE ON R & D ₹. in Lacs

- Capital -
- Revenue -

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO ₹. in Lacs

1. EARNINGS

Foreign exchange earned. -

2. OUTGO

CIF Value of Imports -



ANNEXURES TO DIRECTORS' REPORT

ANNEXURE:- B

Form No. AOC-2

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rules 8 (2) of the Companies (Management and Administration) Rules, 2014]

Form for disclosure of particulars of Contracts / Arrangements entered into by the Company with the Related Parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain Arm's Length transactions under third proviso thereto:

1. Details of Contracts or Arrangements or transactions not at Arm's Length basis:

i) Name (s) of the Related Party and nature of Relationship	None
ii) Nature of Contract / arrangements / transactions	
iii) Duration of Contract / arrangements / transactions	
iv) Salient Terms of Contract / arrangements / transactions including the value, if any	
v) Justification for entering into such contracts or arrangements or transactions	
vi) Date (s) of approval by the Board	
vii) Amount paid as Advances, if any	
viii) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act, 2013.	

2. Details of Material Contracts or Arrangements or transactions at Arm's Length basis:

i) Name(s) of the Related Party and nature of Relationship	AIA Engineering Ltd., a Holding of the Company.
ii) Nature of Contract / arrangements / transactions	Sale and Purchase of Goods.
iii) Duration of Contract / arrangements / transactions	5 Years from 01.01.2014
iv) Salient Terms of Contract / arrangements / transactions including the value, if any	Welcast Steels Limited shall exclusively manufacture Grinding Media of different grades for AIA Engineering Ltd according to their Purchase Orders received from time to time as per their technical specifications and using the technical knowhow provided by the AIA Engineering Ltd. Payment terms against invoice within 35 (Thirty Five) days
v) Justification for entering into such contracts or arrangements or transactions	This Contract Arrangement was entered to fully utilize the installed capacity.
vi) Date (s) of approval by the Board	25th January 2014
vii) Amount paid as Advances, if any	NIL

For and on behalf of the Board,

Place: Bengaluru
Date : 02-05-2015

(Vinod Narain)
Chairman

(Bhadresh K.Shah)
Director



ANNEXURES TO DIRECTORS' REPORT

Annexure- C

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Personnel) Rules, 2014]**

To,
The Members,
Welcast Steels Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by WELCAST STEELS LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion read with Annexure A forming part of this report, the company has, during the audit period covering the Financial Year ended on 31st March, 2015, at large complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by WELCAST STEELS LIMITED ("the Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) as informed to us, there are no laws which have specific applicability to the company.

We have also examined compliance with the applicable clauses of The Listing Agreements entered into by the Company with [1] The Bombay Stock Exchange Limited and [2] The Bangalore Stock Exchange.

In view of no mandatory Secretarial Standards having been notified under the Companies Act, 2013 which have applicability during the financial year ended 31st March, 2015, no Secretarial Standards were applicable to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The resolution passed by the Board in respect of appointment of a Secretarial Auditor is pending for filing with Registrar of Companies.
2. Information about the Window closure notices as per SEBI (Prohibition of Insider Trading) Regulation 1992 to be furnished to the Stock Exchange, in respect of the Board meetings held on 29th April, 2014, 28th July, 2014 and 1st November, 2014 are not given.
3. There was late submission of shareholding pattern and annual report to stock exchanges for which penalty was imposed and the same was paid by the Company.



ANNEXURES TO DIRECTORS' REPORT

- Information as to independent directors namely terms and conditions of appointment, familiarization program, vigil mechanism - whistle blower policy, policy relating to dealing with related party transactions, details of unclaimed dividend are not uploaded on Company's website.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given at least seven days in advance to all directors to schedule the Board Meetings. As informed to us, the Company has also provided agenda and detailed notes on agenda to the directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded, wherever applicable, as part of the minutes.

We further report that based on the information, explanations and clarifications provided to us on systems and process adopted for compliances, there are adequate systems and processes in the company commensurate with the size and operations of the Company with scope for improvement to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there was a tool down strike by workmen of the Company during 26th November 2014 to 22nd December, 2014. Except the said event, we have not come across any specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

2nd May, 2015
Ahmedabad.

TUSHAR VORA & ASSOCIATES
Company Secretaries

TUSHAR M VORA
Proprietor
FCS No. 3459
C P No.: 1745

ANNEXURE TO SECRETARIAL AUDIT REPORT

To
The Members
Welcast Steels Limited

Our report of even date is to be read along with this letter.

- Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- we have followed the audit practices and process as considered appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification as done on test basis is to reasonably ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- In respect of laws, rules and regulations other than those specifically mentioned in our report above, we have limited our review, analysis and reporting up to process and system adopted by the Company for compliance with the same and have not verified detailed compliance, submissions, reporting under such laws etc. nor verified correctness and appropriateness thereof including financial records and books of accounts of the Company.
- Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to compliance in totality or the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

2nd May, 2015
Ahmedabad.

TUSHAR VORA & ASSOCIATES
Company Secretaries

TUSHAR M VORA
Proprietor
FCS No. 3459
C P No.: 1745



ANNEXURES TO DIRECTORS' REPORT

ANNEXURE - D

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on Financial Year ended on 31st March 2015**

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L27104KA1972PLC002163
2.	Registration Date	28-02-1972
3.	Name of the Company	WELCAST STEELS LIMITED
4.	Category/Sub-category of the Company	Public Limited Company
5.	Address of the Registered office & Contact Details	PLOT No 15, Phase 1, Peenya Industrial Area, Bangalore 560 058 Phone No. 080-28394058 / 59 Email: invest_grievance@welcaststeels.com.
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate Sakivihar Road, Saki Naka Andheri (E), Mumbai- 400 072. Phone: 022 - 28470652, 40430200 Fax: 022 - 28475207 E-mail: info@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Mfg. HIGH CHROME GRINDING MEDIA	3371	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl.No.	Name and Address Of The Company	CIN/GLN No	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	AIA ENGINEERING LIMITED – (HOLDING COMPANY)	L29259GJ1991PLC015182	HOLDING	74.85 %	2 (46)



ANNEXURES TO DIRECTORS' REPORT

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) Category-wise

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	--	--	--	--	--	--	--	--	--
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	477661	0	477661	74.85	477661	0	477661	74.85	0
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A)	477661	0	477661	74.85	477661	0	477661	74.85	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	0	75	75	0.01	0	75	75	0.01	0
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	0	75	75	0.01	0	75	75	0.01	0
2. Non-Institutions									
a) Bodies Corp.	6677	50	6727	1.05	6232	50	6282	0.98	(0.07)
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	90745	45658	136403	21.38	92549	44908	137457	21.54	0.16
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	16204	0	16204	2.54	15942	0	15942	2.50	(0.04)
c) Others (specify)									
Non Resident Indians	623	50	673	0.11	526	50	576	0.09	(0.02)
Overseas Corporate Bodies	--	--	--	--	--	--	--	--	--
Foreign Nationals	--	--	--	--	--	--	--	--	--



ANNEXURES TO DIRECTORS' REPORT

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Clearing Members	418	0	418	0.06	143	0	143	0.09	0.03
Trusts	0	0	0	0	25	0	25	0.01	0.01
Foreign Bodies - D R	--	--	--	--	--	--	--	--	--
Sub-total (B)(2):-	114667	45758	160425	25.14	115417	45008	160425	25.14	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	592328	45833	638161	100	593078	45083	638161	100	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	592328	45838	638161	100	593078	45083	638161	100	0

B) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	AIA Engineering Ltd	477661	74.85	--	477661	74.85	-	-

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL



ANNEXURES TO DIRECTORS' REPORT

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	Name of the Shareholders	Shareholding at the beginning of the year		Change in Shareholding during the year		Shareholding at the end of the year as on 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Ashish Navnittal Shah	16204	2.54	(262)	(0.04)	15942	2.50
2	Dipak Kanayalal Shah	9000	1.41	(550)	(0.09)	8450	1.32
3	Vikramkumar Rameshchandra Shah	2361	0.37	4139	0.64	6500	1.01
4	Amit Bhutra	--	--	--	--	5472	0.85
5	Shah Yogesh Indravadan	3550	0.56	--	--	3550	0.56
6	Amit Bhutra	--	--	--	--	1380	0.21
7	Shree Harivansh Securities Pvt Ltd	1745	0.27	(532)	(0.08)	1213	0.19
8	Hasmukh Ravji Savla	1200	0.18	--	--	1200	0.18
9	Shah Ashish Navnittal	--	--	--	--	1111	0.17
10	Shree Naman Securities & Finance	--	--	--	--	1105	0.17

E) Shareholding of Directors and Key Managerial Personnel:

Sl.No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year				
i)	Principal Amount	3,25,00,000	--	--	3,25,00,000
ii)	Interest due but not paid	--	--	--	--
iii)	Interest accrued but not due	--	--	--	--
	Total (i+ii+iii)	3,25,00,000	--	--	3,25,00,000
	Change in Indebtedness during the financial year				
	* Addition	5,80,28,049	--	--	5,80,28,049
	* Reduction	--	--	--	--
	Net Change	5,80,28,049	--	--	5,80,28,049
	Indebtedness at the end of the financial year				
i)	Principal Amount	9,05,28,049	--	--	9,05,28,049
ii)	Interest due but not paid	---	--	--	--
iii)	Interest accrued but not due	---	--	--	--
	Total (i+ii+iii)	9,05,28,049	--	--	9,05,28,049



ANNEXURES TO DIRECTORS' REPORT

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--	--	--
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	--	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	--	--	--
2	Stock Option	--	--	--	--	--
3	Sweat Equity	--	--	--	--	--
4	Commission					
	- as % of profit					
	- others, specify...	--	--	--	--	--
5	Others, please specify	--	--	--	--	--
	Total (A)	--	--	--	--	--

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors					Total Amount ₹. In Lacs
		Pradip R shah	D.P. Dhanuka	Ashok A. Nichani	Rajendra S. Shah	Sanjay .S. Majamudar	
A	Independent Directors - Non - Executive						
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--	--	--	
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	--	--	--	--	--	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	--	--	--	
2	Stock Option	--	--	--	--	--	
3	Sweat Equity	--	--	--	--	--	
4	Commission						
	- as % of profit						
	- others, specify ...	-	-	-	-	-	-
5	Others- Sitting Fees	0.60	0.60	0.20	0.05	0.05	1.50
	Total (A)	0.60	0.60	0.20	0.05	0.05	1.50
B	Non-Executive - Non - Independent Directors	Bhadresh K Shah	Vinod Narain	Komal S.Maj mudar	-	-	-
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--	--	--	
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	--	--	--	--	--	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	--	--	--	
2	Stock Option	--	--	--	--	--	
3	Sweat Equity	--	--	--	--	--	
4	Commission						
	- as % of profit						
	- others, specify...	--	--	--	--	--	
5	Others - Sitting Fees	0.40	0.40	--	--	--	0.80
	- Profession Fees	--	1.20	--	-	-	1.20
	Total (B)	0.40	1.60	--	--	--	2.00



ANNEXURES TO DIRECTORS' REPORT

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			₹. In Lacs
		CEO	CS	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17.25	--	13.76	31.01
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.66	--	2.21	3.87
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission	--	--	--	--
	- as % of profit	--	--	--	--
	others, specify...	--	--	--	--
5	Others, please specify	--	--	--	--
	Total	18.91	--	15.97	34.88

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--



REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

Our corporate governance philosophy:

The Company's philosophy on Corporate Governance aims at assisting the management of the Company in the efficient conduct of the business and in meeting its responsibilities to all the stakeholders. The Company always strives to achieve optimum performance at all levels by adhering to good Corporate Governance practices, such as:

- Fair and transparent business practices.
- Effective management control by Board.
- Adequate representation of Promoters and Independent Directors on the Board.
- Monitoring of executive performance by the Board.
- Compliance of all applicable laws.
- Transparent and timely disclosure of financial and management information.

The Company's corporate governance philosophy has been further strengthened through the Model Code of Conduct for the Directors /Designated Employees of the Company for prevention of Insider Trading. The said Code of Conduct for prevention of the Insider Trading has also been amended from time to time in line with the amended Securities and Exchange Board of India (SEBI) Prevention of Insider Trading Regulations in this regard.

We take pleasure in reporting that your Company has complied in all respects with the features of Corporate Governance specified in Clause 49 of the Listing Agreement.

BOARD OF DIRECTORS:

(A) Composition of the Board:

The Composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors, meets the requirement of Code of Corporate Governance. The Board is headed by the Non-Executive Director as Chairman, Mr. Vinod Narain. The present strength of the Board of Directors is 8 which include 3 Non-Executive –Promoter, Directors and Non-Independent Directors, 5 Non-Executive Independent Directors in terms of Clause – II (A) of Clause 49 of the Listing Agreement and Section 149 of the Companies Act, 2013. Board represents a balance mix of professionalism, knowledge and expertise.

Pursuant to the provisions of Section 149 (3) of the Companies Act, 2013 and Clause 49 of the Listing Agreement as amended from time to time, Mrs. Khushali Samip Solanki is the Woman Director (Non-Executive – Non-Independent) on the Board.

Details of Board Meetings:

The Board of Directors oversees management performance so as to ensure that the Company adheres to the highest standards of Corporate Governance. The Board provides leadership and guidance to the management and evaluates the effectiveness of management policies. Board meeting dates are finalized in consultation with all the directors and agenda of the board meeting are circulated well in advance before the date of the meeting. Board members express opinions and bring up matters for discussions at the meetings. Copies of minutes of the various Committees of the Board, minutes of Board meetings of the company and Compliance Report in respect of various laws and regulations applicable to the company are tabled at Board meeting.

The Board periodically reviews the items required to be placed before and in particular reviews and approves quarterly / half yearly un-audited financial statements and the audited annual financial statements, business plans, annual budgets and capital expenditure. The Agenda for the Board Meetings covers items set out as guidelines in Clause 49 of the Listing Agreement to the extent these are relevant and applicable. All agenda items are supported by the relevant information, documents and presentations to enable the Board to take informed decisions.

During the year, four Board meeting were held on 29th April, 2014, 28th July, 2014, 01st November, 2014 and 21st January 2015. The Company held one Board Meeting in each quarter and the gap between any two Board Meetings was not more than one hundred twenty days as prescribed under the Listing Agreement and section 173(1) of the Companies Act 2013. Details of the Directors, their positions, attendance record at Board meetings and last Annual General Meeting (AGM), other Directorships (excluding Private Limited, Foreign Companies and Alternate Directorships) and the Memberships / Chairmanships of Board Committees other than your Company as on 31st March, 2015 are as follows:



Name of the Director	Category	Number of Board meetings attended during the year 2014-15	Attendance at the last AGM held on 10th September 2014	Number of Directorships in other public Companies		Number of Committee positions held in other public companies		Sitting Fees paid for Board and Committee Meetings ₹ in Lacs
				Member	Chairman	Member	Chairman	
Mr. Vinod Narain Chairman	Non Executive & NonIndependent	4	Yes	-	-	-	-	0.40
Mr. D.P. Dhanuka	Non Executive Independent	4	Yes	1	-	-	-	0.60
Mr. Bhadresh K. Shah - Promoter Director	Non Executive & Non Independent	4	Yes	1	-	-	-	0.40
Mr. Sanjay S. Majmudar	Non Executive Independent	1	No	5	-	3	1	0.05
Mr. Rajendra S. Shah	Non Executive Independent	1	No	4	1	1	0	0.05
Mr. Pradip R. Shah	Non-Executive Independent	4	Yes	-	-	-	-	0.60
Mr. Ashok A. Nichani	Non Executive Independent	4	Yes	-	-	-	-	0.20
Mrs. Khushali Samip Solanki (From 15-04-2015)	Non Executive & Non Independent	-	No	-	-	-	-	-
Mrs. Komal Shaival Majmudar (28-03-2015 to 01-04-2015)	Non Executive Independent	-	No	-	-	-	-	-

(B) Independent Directors' Compensation and Disclosures:

Independent Directors' are paid sitting fees in accordance with the applicable laws, and no commission is paid. The Board of Directors at their meeting held on 05 /June/2006 had decided to pay ₹ 5,000 as sitting fees for attending board and other Committee Meetings. The details of the sitting fees paid are given in the table given under the heading board Meetings / Details of Board Meeting as mentioned above.

Role of Independent / Non-Independent – Non Executive Directors:

The Independent Directors / Non-Independent – Non-Executive Directors play an important role in the deliberations in Board Meetings and bring with them rich expertise in their respective fields.

(C) Information available to the members of the Board:

All the information as specified in – Annexure – I (A) of Clause 49 of the Listing Agreement is provided to the Board of Directors. Information like businesses to be transacted at Board Meeting is submitted well in advance through electronic mail mode and agenda papers are submitted to them during the course of Board Meetings.

(D) Code of Conduct:

Company's Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct is available on the website of the Company www.welcaststeels.com. All the Board Members and Senior Management Personnel have affirmed compliance of the Code of Conduct. A declaration signed by the Chief Executive officer to this effect is enclosed at the end of this report.

(E) Prohibition of Insider Trading:

In Compliance with SEBI Regulation for prevention of Insider Trading, the Company has formed Model Code of Conduct of Insider Trading Regulations which is applicable to all the Directors, Officers and the Designated Employees of the Company who are expected to have access to the unpublished Price Sensitive information relating to the Company. The said Code lays down guidelines which advise them on procedures to be followed and disclosures to be made while dealing in the shares of the Company.

(F) VIGIL MECHANISM / WHISTLE BLOWER POLICY:

In compliance with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has formulated a Vigil Mechanism / Whistle Blower Policy (Mechanism) for its stakeholders, Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct policy.



This Mechanism also provides for adequate safeguards against victimization of Director (s) / Employee (s) / Stakeholders who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee.

The policy is available on the website of the Company www.welcaststeels.com. Any stakeholder comes across any instances of unethical matters; the same can be reported by sending an email to yashraj@welcaststeels.com.

(G) FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

In compliance with Clause 49 of the Listing Agreement, Company has a Familiarization Program for Independent Directors. At the time of appointment of a Director, a formal letter of appointment is issued which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company.

The appointment letter also covers in detail the compliances required from the Director under the Companies Act, 2013 and Clause 49 of the Listing Agreement and other relevant regulations and his affirmation is availed with this respect.

The details of such Familiarisation Program has been disclosed at the website of the Company www.welcaststeels.com

II. COMMITTEES OF THE BOARD:

The Company has Four Committees, namely:

- 1) Audit Committee
- 2) Stakeholders' Relationship Committee
- 3) Risk Management Committee
- 4) Nomination and Remuneration Committee

1) AUDIT COMMITTEE:

As on 31st March, 2015, the Audit Committee comprise of 2 Independent Directors and 1 non independent director. Names of the members and the Chairman of the Committee as on 31st March, 2015 together with their attendance are given in the following table.

Name of Director	No. of Meetings	No. of Meetings attended
Mr. D .P. Dhanuka – Chairman	4	4
Mr. Bhadresh K. Shah	4	4
Mr. Pradip R. Shah	4	4

During Financial Year 2014-15, four (4) Audit Committee meetings were held on 29th April 2014, 28th July 2014, 01st November 2014, and 21st January 2015. Necessary quorum was present in all the meetings. The time gap between any two Audit committee meetings was not more than one hundred and twenty days. Mr. D.P.Dhanuka Chairman of the Audit Committee attended the last Annual General Meeting (AGM) of Shareholders of the Company. The Chief Executive officer, Chief Financial officer, Company Secretary, Sr. Manger Finance, Statutory Auditors and Internal Auditors are invited to attend the meetings of the Audit Committee. Company Secretary acts as the Secretary to the Committee as required by clause 49(III) (6) of the listing agreement. The Terms of Reference of the Audit Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement and Section 177 (1) of the Companies Act, 2013.

Brief description of terms of reference:

- i) Supervision of the Company's financial reporting process.
- ii) Reviewing with the management, the financial results before placing them to the Board with a special emphasis on accounting policies and practices, internal controls, compliance with the accounting standards and other legal requirements concerning financial statements.
- iii) Reviewing the adequacy of internal control systems and internal audit functions including their policies, procedures, techniques and other regulatory requirements with the Statutory Auditors.
- iv) Reviewing the Company's financial and Risk Management policies.
- v) Recommending the appointment and removal of Statutory Auditors and reviewing their performance and remuneration.
- vi) Keeping watch on timely payment of Dividend to Shareholders, Creditors etc.
- vii) Reviewing of significant Related Party Transactions, if any.
- viii) Reviewing Management Discussion and Analysis of financial condition and result of operations.
- ix) Reviewing the performance of the Internal Auditors and their appointment, removal and terms of remuneration.
- x) Recommend to the Board, the appointment of a Cost Auditor within the meaning of the Cost and Works Accountants Act, 1959 to conduct audit of cost records of the Company in compliance with the provisions of Companies Act, 2013 and rules made there under.

In addition to the above, the Committee reviews the Management Discussion and Analysis and management responses etc. The Audit Committee supervises the Financial Reporting & Internal Control process and ensures



REPORT ON CORPORATE GOVERNANCE (Contd..)

the proper and timely disclosures to maintain the transparency, integrity and quality of financial control and reporting. The Company continues to derive benefits from the deliberations of the Audit Committee Meetings as the members are experienced in the areas of Finance, Accounts, Taxation and the Industry.

Statutory Auditors, Internal Auditors and their representatives are permanent invitees to the Audit Committee Meetings. The representative of the Cost Auditor is invited to attend the meeting of the Audit Committee when the Cost Audit Report is tabled for discussion. The Chief Executive Officer (CEO), Chief Financial Officer (CFO) and other Executives of the Company are also invited to attend the Audit Committee Meetings.

Mr. S. N. Jetheliya, Company Secretary acts as the Secretary of the Committee.

2) STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Company has constituted a Stakeholders Relationship Committee of Directors to look into the:

- (i) Redressal of Shareholders and Investors complaints like transfer of shares, non-receipt of Annual Reports, non-receipt of declared dividends etc.
- (ii) Oversee the performance of the Registrar and Transfer Agents and recommend measures for overall improvement in the quality of investor services.

Names of the members and the Chairman of the Committee as on 31st March, 2015 together with their attendance are given in the following table.

Name of the Directors	No of meetings held	No of Meetings Attended
Mr. Vinod Narain -Chairman	4	4
Mr. D. P. Dhanuka	4	4
Mr. Pradip R. Shah	4	4

The Company Secretary Acts as Compliance officer of the Committee pursuant to Clause 47 (a) of the Listing Agreement with the Stock Exchanges.

Meetings and attendance during the year:

The Committee meets on need basis. During the year under review Committee met four times on 29th April 2014, 28th July 2014, 01st November 2014, and 21st January 2015.

Number of Shareholders complaints received during the Financial Year:

The Committee ensures that the Shareholders' / Investors' grievances and correspondences are attended and resolved expeditiously.

During the period under review, Company received thirteen complaints from Shareholders and the same were resolved to their satisfaction. There is no outstanding complaint as on 31st March, 2015.

Number of Complaints not solved to the satisfaction of Shareholders: Nil

Number of pending Share Transfers: Nil

3) Risk Management Committee

In compliance with the provisions of Clause 49 of the Listing Agreement, the Board of Directors has constituted a Risk Management Committee.

Corporate Risk Evaluation and Management is an ongoing process within the Organization. The Company has a well-defined Risk Management framework to identify, monitor and minimizing risks as also identifying business opportunities.

The Risk Management framework has been developed and approved by the senior management in accordance with the business strategy

The key elements of the framework include

- Risk Structure;
- Risk Portfolio;
- Risk Measuring & Monitoring and
- Risk Optimizing.

The implementation of the framework is supported through criteria for Risk assessment, Risk forms & MIS.

The objectives and scope of Risk Management Committee broadly comprises of:

- Oversight of risk management performed by the executive management:
- Reviewing the Corporate Risk Management Policy and framework within the local legal requirements and Clause 49 of the Listing Agreement;



REPORT ON CORPORATE GOVERNANCE (Contd..)

- Reviewing risks and evaluate treatment including initiating mitigation actions and ownerships as per a predefined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
- During the Financial Year 2014 -15, Three (3) Risk Management Committee Meetings were held on 20th August 2014, 02nd January 2015 and 11th March 2015. The details of composition of Risk Management Committee as on 31st March 2015, Number of Meetings held together with attendance are given below:

Name of the Member	Category	No of Meetings held	No of Meetings Attended
Mr. Bhadresh K.Shah	Director	3	-
Mr. V.V.R. Mohana Rao	CEO	3	3
Mr. Yash Raj	CFO	3	3
Mr. Pravin Shah	Member	3	3
Mr. Vivek S. Rathaur	Member	3	3
Mr. V.G.Hegde	Member	3	3
Mr. P. Madeswaran	Member	3	3

4) Nomination and Remuneration Committee

In compliance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has renamed the existing 'Remuneration Committee' as the Nomination and Remuneration Committee".

The terms of reference of the Committee inter alia, include the following:

- Succession Planning of the Board of Directors and Senior Management Personnel;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and Senior Management Personnel;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial personnel and Senior Management personnel and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement as amended from time to time, the Board of Directors reconstituted the Nomination and Remuneration Committee during the year under review. Mr.D.P.Dhanuka, an Independent Director has been appointed as the Chairman of the Committee.

During the Financial Year 2014 -15, Two (2) Nomination and Remuneration Committee Meetings were held on 1st November 2014 and 21st January 2015. The details of composition of Nomination and Remuneration Committee as on 31st March 2015, number of Meetings held together with attendance are given below:

Name of Director	No. of Meetings held	No. of Meetings attended
Mr. D.P.Dhanuka – Chairman	2	2
Mr. Bhadresh K.Shah	2	2
Mr. Pradip R. Shah	2	2

5) INDEPENDENT DIRECTORS' MEETING:

During the year under review, the Independent Directors met on 21st January 2015, inter alia, to discuss:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company.
- Evaluation of the quality, content and time line of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.



III. DISCLOSURES:

(A) Material Significant Related Party Transactions:

The Company has not entered into transactions of material nature with related parties i.e. Promoters, Directors or Key Managerial Personnel or their relatives conflicting with the Company's interest at large. During the year under review the Company has entered into transactions of sales and purchases of material with its holding Company AIA Engineering Limited and the Company proposes to take approval of members of the Company by way of Special Resolution to be passed in the ensuing Annual General Meeting. The Register of Contracts containing transactions with related parties was placed before the Audit Committee / Board regularly for their approval. The details of Related Party Transactions are disclosed in Financial Section of this Annual Report.

(B) Disclosure of Accounting Treatment:

In the preparation of the Financial Statements, the Company has followed Accounting policies and Practices as prescribed in the Accounting Standards.

(C) POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION:

The Nomination and Remuneration Committee has adopted a Policy which, inter alia, deals with the manner of Selection of Board of Directors, KMP and their remuneration.

(1) Criteria for Selection of Non-Executive Directors:

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the Nomination and Remuneration Committee satisfies itself with regard to the independence nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. Nomination and Remuneration Committee ensures that the candidate identified for appointment / re-appointment as an Independent Director is not disqualified for appointment / re-appointment under Section 164 of the Companies Act, 2013.
- d. Nomination and Remuneration Committee considers the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:
 - i. Qualification, expertise and experience of the Directors in their respective fields;
 - ii. Personal, Professional or business standing;
 - iii. Diversity of the Board.
- e. Board of Directors takes into consideration the performance evaluation of the Directors and his engagement level.

(2) Remuneration:

a. Remuneration Policy for Directors

- i. The Company does not pay any remuneration to its Directors except sitting fees for attended Board and Committee Meetings.
- ii. The Directors shall be entitled to receive remuneration by way of sitting fees, for each of the meeting of Board or Committee of the Board attended by him as approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in addition to reimbursement of expenses, if any, for participation in the Board / Committee Meetings.
- iii. The Company does not have any Stock option plan, performance linked incentive scheme or commission scheme.
- iv. The details of sitting fees paid to the Directors for attending Board and Committee Meetings during the Financial Year 2014-15 is given under the heading details of Board Meeting in this report.

b. Remuneration Policy for the Senior Management Employees:

- I. In determining the remuneration of the Senior Management Employees (i.e. KMPs and Core Committee Members), the Nomination and Remuneration Committee ensures / considers the following:
 - the relationship of remuneration and performance benchmark is clear.
 - the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;



REPORT ON CORPORATE GOVERNANCE (Contd..)

- the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
 - the remuneration including annual increment and performance bonus is decided based on the critically of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.
- II. The Chief Executive Officer and Chief Financial Officer carry out the individual performance review based on the standard appraisal matrix and takes into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the Nomination and Remuneration Committee for its review and approval.

(3) PERFORMANCE EVALUATION:

In Compliance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligation and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

(D) Board Disclosure – Risk Management:

The Company has laid down procedures for the Risk Assessment and its Minimization. These procedures are periodically reviewed by the Audit Committee / Board to ensure that management controls risk through means of a properly defined framework.

(E) Public issue:

The Company has not come out with any Public Issue, Right Issue or Preferential Issue etc. during the year under review.

(F) Management:

(i) Management Discussion and Analysis Report:

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms a part of this Report.

(ii) Disclosure of material Financial and Commercial Transactions:

(iii) As per the disclosures received from the Senior Management, no material Financial and Commercial transactions that may have a potential conflict with the interest of the Company at large had taken place during the year under report.

(G) Shareholders:

(i) Disclosures regarding appointment or re-appointment of Directors:

Mr. Vinod Narain, Director of the Company retires by rotation at the ensuing 43rd Annual general Meeting of the Company and being eligible, offers himself for re appointment.

Mrs. Kushali Samip Solanki was appointed as an additional woman director of the Company. As per section 161 of the Companies Act 2013, she holds the office of the Director up to ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

(ii) Quarterly / Half yearly results are forwarded to the Stock Exchanges where the Equity Shares of the Company are listed and the same are also posted on Company's website.

(iii) None of the Directors held any shares of the company at any point of time during the Year.

(H) Compliance by the Company:

The Company has complied with all the mandatory requirements of the Listing Agreements with Stock Exchanges as well as regulations and guidelines of SEBI. Further, during the last three years, no penalties were imposed or strictures were passed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets.



REPORT ON CORPORATE GOVERNANCE (Contd..)

IV. CEO/CFO CERTIFICATION:

The Chief Executive Officer and the Chief Finance Officer of the Company have certified to the Board that the Financial Results of the Company for the year ended 31st March, 2015 do not contain any false or misleading statements or figures and do not omit any material facts which may make the statements or figures contained therein misleading as required under Clause 49 (V) of the Listing Agreement.

V. MEANS OF COMMUNICATION:

- (1) The quarterly and half yearly results are published in widely circulating national and local dailies such as "Financial Express" in English and "Sanje Vani" in Kannada version. These results are not sent individually to the Shareholders but are available on the website www.welcaststeels.com of the Company.
- (2) The Company's results are available on the Company's website: www.welcaststeels.com.

VI GENERAL BODY MEETINGS: (LAST THREE YEARS DISCLOSURES) GENERAL MEETING:

ANNUAL GENERAL MEETINGS:

The particulars of the last three Annual General Meetings held are given hereunder:

Sl No	Financial Year	Venue	Time and Date	Whether any special Resolution passed
1	2013-14	THE LALIT ASHOK, Kumara Krupa High Grounds Bangalore 560 001	12hrs on 10th Aug 2014	Yes
2	2012-13	THE LALIT ASHOK, Kumara Krupa High Grounds Bangalore 560 001	15hrs on 10th Aug 2013	No
3	2011-12	Lee Meridian Hotel, 28, Sankey Road, Bangalore 560052	15hrs on 19th July 2012	No

The following special resolution were passed by the members during the past 3 Annual General Meeting: Annual General Meeting held on 10th August 2014, Appointment of Independent Directors Messers. D.P. Dhanuka, Rajendra S Shah, Sanjay S Majmudar and Pradip R shah.

VII GENERAL SHAREHOLDERS' INFORMATION

1 General

Date and Time of 43RD AGM Venue of AGM	Monday the 21st September.2015 at 3.00PM HOTEL RAMANASHREE, No. 16, Raja Ram Mohan Roy Road, Bengaluru – 560 025
Financial Year ended	31st March, 2015.
Book Closure Date :	14th September, 2015 to 21stSeptember, 2015 (both days inclusive)
Registered Office Address	Plot No 15, Phase 1. Peenya Industrial Area, Bengaluru - 560 058
Dividend Payment Date	Within 30 days from the date of declaration of dividend
Company Secretary	Mr. S.N Jethaliya
Email for redressal of Investors' Complaints in terms of Clause 47 (f) of the Listing Agreement	invest_grievance@welcaststeels.com



REPORT ON CORPORATE GOVERNANCE (Contd..)

2 Financial Calendar (subject to change) for the Financial Year 2015-16:

First Quarter Results	On or before 14th August, 2015
Second Quarter & Half Yearly Results	On or before 14th November, 2015
Third Quarter Results	On or before 14th February, 2016
Audited Results for the year 2015-16 :	On or before 30th May, 2016

3 Listing on Stock Exchanges:

Name and Address of the Stock Exchanges	Scrip Code
Bombay Stock Exchange Limited 25th Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400 001 Bangalore Stock Exchange Stock Exchange towers, No 51, 1st Cross, JC Road, Bangalore 560027.	504988

The listing fees for the year 2015-16 have been paid to the Stock Exchanges.

4 Market Price Data:

The securities of the Company have been listed on BSE and Bangalore stock exchanges. The stock market prices with BSE Sensex were as under:

SL. No	Month	High	Low
1.	April 2014	314.00	262.00
2.	May 2014	370.40	270.00
3.	June 2014	390.00	333.10
4.	July 2014	490.00	393.00
5.	Aug 2014	645.00	371.00
6.	Sep 2014	725.00	536.75
7.	Oct 2014	553.00	434.05
8.	Nov 2014	690.00	500.00
9.	Dec 2014	659.00	529.95
10.	Jan 2015	678.00	460.00
11.	Feb 2015	630.00	510.25
12.	Mar 2015	705.00	506.00

**STOCK PERFORMANCE****5 Registrar & Share Transfer Agent:**

M/s BigShare Services Pvt Ltd., E-2/3 Ansa Industrial Estate, Sakivhar Road, Saki Naka, Andheri (E) MUMBAI – 400 072 Phone No. 022-28470652, 404030200, Fax No. 022-28475207 email- info@bigshareonline.com are the Registrar and Share transfer agents of the Company (R & T Agent). They deal with all matters pertaining to transfers, transmissions, subdivisions and consolidation of Company's securities and also correspondence for shares held in physical form. It may be noted that the request for demat of shares should be made by investors to their respective depository participants. There are no legal proceedings against the Company on any share transfer matters.

6 Share Transfer System/ Dividend and Other Related Matters:

i. Share Transfers:

Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer documents provided the transfer documents lodged with the Company are complete in all respects.

ii. Nomination facility for shareholding:

Pursuant to the provisions of Section 72 of the Companies Act, 2013 and rules made thereunder, facility for making nomination is available for members in respect of shares held by them. Members holding shares in physical form may fill the Nomination form attached with the Annual Report or download the same from the website of the Company. Members holding shares in dematerialized form should contact their Depository Participant (DP) in this regards.

iii. Permanent Account Number (PAN):

Members who hold shares in physical Form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

IV. Dividend:

a. Payment of dividend through National Electronic Clearing Services (NECS):

The Company provides facility for remittance of dividend to the Members through NECS. To facilitate dividend payment through NECS, Members who hold shares in demat mode should inform their Depository Participant and such of the Members holding shares in physical form should inform the Company of the core banking account number allotted to them by their bankers. In cases where the core banking account number is not intimated to the Company / Depository Participant, the Company will issue dividend warrants to the Members.

b. Unclaimed Dividends:

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. The Company will, in October 2015 transfer to the said Fund, the dividend for the year ended 31st March 2008 which have remained unpaid.

V. Reconciliation of Share Capital Audit:

As required by the Securities and Exchange Board of India (SEBI), a Quarterly Reconciliation of Share Capital is being carried out by an independent Practicing Company Secretary with a view to reconcile the total share capital admitted with National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] and held in physical form, with the issued and listed Capital of the Company. The Practicing Company Secretary's Certificate in regard to this is submitted to BSE Limited and the National Stock Exchange of India Limited and has also been placed before Stakeholders Relationship Committee and the Board of Directors.



REPORT ON CORPORATE GOVERNANCE (Contd..)

7 Distribution of Shareholding:

i Distribution of Shareholding as on 31st March 2015.

No. of Equity Shares	HOLDER(S)		HOLDER(S)	
	No. of folios	% of total folios	No. of Shares	% of holding
1 to 500	2370	98.71	100141	15.70
501 to 1000	20	0.83	14436	2.26
1001 to 2000	5	0.21	6009	0.94
2001 to 3000	-	-	-	-
3001 to 4000	1	0.04	3550	0.56
4001 to 5000	-	-	-	-
5001 to 10000	3	0.13	20422	3.20
10001 & above	2	0.08	493603	77.34
Grand Total	2401	100	638161	100

ii Shareholding pattern as on 31st March, 2015.

Category of Share holders	No of Shares held		Number of Share Holders	Percentage of holding
	Electronic	Physical		
Promoter & Promoter Group	4,77,661	-	1	74.85
Public shareholding	-	-	-	-
-Institutions	-	-	-	-
-Financial Institutions / Banks	-	75	3	0.01
-Bodies Corporate	6,232	50	40	0.98
-Individuals	1,08,491	44,908	2341	24.04
Trusts	25	--	1	0.01
- NRI	526	50	11	0.09
- Clearing Member	143	-	4	0.02
GRAND TOTAL	5,93,078	45,083	2401	100%

8 Dematerialization of Shares & Liquidity:

The Shares of the Company are compulsorily traded in DEMAT form in the Stock Exchanges where they are listed. The Shares are available for dematerialization on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on 31st March, 2015,

Category of shares held	No of folios	% of total folios	No of Shares	% of holding
In Physical Mode	1136	47.31	45083	7.06
In Electronic Mode	1265	52.69	593078	92.94

9 Outstanding GDRs / ADRs /Warrants or any Convertible Instruments, conversion date and likely Impact on Equity: The Company has not issued GDRs /ADRs /Warrants or any convertible instruments.

10 Outstanding Shares in Unclaimed Suspense Account of the Company as on 31st March 2015: NIL

11 Plant Location: Plot No 15, Phase 1, Peenya Industrial Area, Bengaluru - 560 058.

12 Address for Correspondence:

a) For transfer / dematerialisation of Shares, change of address of members and other queries:
Welcast Steels Limited



REPORT ON CORPORATE GOVERNANCE (Contd..)

Plot No 15, Phase 1, Peenya Industrial Area, Bengaluru 560 058.

Phone No. 080-28394058 / 59

Email: invest_grievance@welcaststeels.com.

- b) Any query relating to Dividend, Annual Reports etc.

Mr. SN Jethaliya Company Secretary Plot No 15, Phase 1, Peenya Industrial Area, Bengaluru 560 058. Phone No. 080-28394058 / 59 .

Mr. P. Rajendra Kumar, Welcast Steels Limited , Compliance officer, Plot No 15, Phase 1, Peenya Industrial Area, Bengaluru 560 058. Phone No. 080-28394058 / 59

Investors' related query mail to: invest_grievance@welcaststeels.com.

Details of Non-Compliance:

There was no non-compliance during the year and no penalty has been imposed or strictures passed on the Company by the Stock Exchanges, SEBI or Registrar of Companies (ROC). The Company has obtained a Certificate from Mr. Manjunath Reddy M, Practicing Company Secretary on Corporate Governance and is attached with this Report which will be sent to all the Shareholders of the Company. This certificate shall also be sent to all the concerned Stock Exchanges along with the Annual Report.

NON-MANDATORY REQUIREMENTS:

- A) Chairman of the Board: Non-Executive Chairman heads the Board of the Company.

- B) Shareholder Rights:

As the Quarterly, Half Yearly and Annual Results are published in leading newspapers having wide circulation, the same are not sent to the Shareholders of the Company individually.

- C) Postal Ballot: No Postal Ballot was conducted during the year under review.

- D) Whistle Blower Policy:

The Company promotes ethical behavior in all its business and has put in place a mechanism of reporting of (i) Bribery and Corruption (ii) Financial Misappropriation and other illegal or unethical behavior. The Company has a Whistle Blower Policy wherein the employees are free to report above violations directly to the Chief Financial officer in a sealed envelope or to an email -id provided in the Whistle Blower Policy. The confidentiality of those reporting violations is maintained and they are not subject to any discriminatory practices and are suitably rewarded.



REPORT ON CORPORATE GOVERNANCE (Contd..)

PRACTICING COMPANY SECRETARIES CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Welcast Steels Limited Bengaluru

We have examined the compliance of conditions of Corporate Governance by WELCAST STEELS LIMITED for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the 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 an opinion on the financial statements of the Company.

In our opinion and to the best of our 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 listing agreement.

We also state that during the Financial Year 1st April 2014 to 31st March 2015, thirteen complaints were received and resolved, hence no Investor Complaint is pending against the Company as on 31st March 2015 as per the records maintained by the Company and presented to the Investors/ Shareholders Grievance Committee and to us.

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.

Manjunath Reddy M
Company Secretary in Practice

Membership No. 19957
C..P.No.:7259

Place: Bengaluru
Date: 2nd May 2015

The Above Corporate Governance Report was adopted by Board of Directors at their meeting held on 02-05-2015

DECLARATION

In compliance with Clause 49 of the Listing Agreement, I Vinod Narain, Director of the Company hereby declares on the basis of information furnished to me that all Board Members and Senior Managerial Personnel have affirmed in writing the Compliance of their respective Code of Conducts adopted by the Board for the Financial Year 2014-15.

Place : Bengaluru
Date : 2nd May 2015

(Vinod Narain)
Director

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER CERTIFICATION

To,
The Board of Directors,
WELCAST STEELS LIMITED,
Bengaluru -560 058

We, the undersigned, in our capacities as the Chief Executive Officer and Chief Finance Officer of Welcast Steels Limited ("the Company") to the best of our knowledge and belief certify that:

- (a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2015 and based on our knowledge and belief, we state that:
 - (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 state of affairs and are in compliance with Existing Accounting Standards, applicable laws & regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions executed by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- (c) We are responsible for establishing & maintaining Internal Controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control system, if any, and that we have taken the required steps to rectify these deficiencies.
- (d) We have indicated, based on our evaluation, wherever applicable, to the Auditors and the Audit Committee:
 - (i) Significant changes, if any, in internal control over financial reporting during the year;
 - (ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of fraud which we have become aware of and the involvement therein, if any, of management or an employee having significant role in the Company's internal control system over financial reporting.

MOHANA RAO V.V.R
Chief Executive Officer
Place : Bengaluru
Date : 2nd May 2015

YASH RAJ
Chief Financial Officer
Place : Bengaluru
Date : 2nd May 2015



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS.

A. INDUSTRY OVERVIEW:

The Company is engaged in the business of manufacturing and marketing of wide range of High Chrome Grinding Media Balls which are used in the process of grinding in the Cement and Mining Industries, Thermal Power Plants.

The demand in Indian Cement Industry is practically stagnant since the expected growth in the infrastructure development has not picked-up which would have boosted the requirement of cement and consequently our products.

Globally, the iron ore requirement has come down resulting in closure of a number of Mines. This has adversely impacted the requirement of Grinding Media. However, in other areas of platinum, gold, copper and zinc mining, the requirement continues to be fairly good.

In the power sector, India is projected to continue to be power deficit for the foreseeable future and hence sustained growth in this particular segment is predicable. However, the consumption of Grinding Media in power sector is quite low as compared to Cement and Mining Industries.

B. SEGMENT WISE PERFORMANCE:

The Company primarily operates in only one segment i.e. manufacturing of High Chrome Grinding Media Balls.

C. OUT LOOK AND PROSPECTS

The replacement market of Grinding Media for Cement Industry is likely to remain stagnant. The Mining Industry, which has large annual replacement requirement of Grinding Media, is not working to full capacity. As a result, the demand of Grinding Media is likely to come down in the current year.

D. CAPEX PLAN:

At present the Company's manufacturing capacity is 42,000 / Annum of High Chrome Grinding Media Balls. There are no immediate plans to enhance the capacity further.

E. RISKS AND CONCERNS:

The Company is exposed to normal operating business risks, similar to most manufacturing, companies like fluctuations in raw material prices, labour unrest, reduced demand etc. which are mitigated by regular monitoring and corrective actions.

F. INTERNAL CONTROL SYSTEMS AND ADEQUACY:

The Company has proper and adequate system of internal controls commensurate to its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded & reported properly and to ascertain operating business risks, which is mitigated by regular monitoring and corrective actions.

The internal control system has been designed so as to ensure that the financial and other records are reliable and reflects a true and fair view of the state of the Company's business.

A qualified and independent Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them. Similarly the Internal Auditors are also monitoring the Internal Control Systems.

G. FINANCIAL PERFORMANCE REVIEW :

An analysis financial performance of the Company is as under:-

• Production

The production achieved is as under:

(Qty.in M.T)

Product	F.Y.2014-15	F.Y.2013-14
High Chrome Grinding Media Balls	32,411	38,340

• Sales Turnover

The comparative position of sales turnover achieved by the Company is as under:

(₹. in Lacs)

Particulars	F.Y.2014-15	F.Y.2013-14
Sales (Net of Excise)	20,335.92	23,790.84
Other Income	77.46	43.16
Total	20,413.38	23,834.00



MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd..)

Key Performance Indicators

An analysis of the key indicators as percentage to Revenue is given below: (₹. in lacs)

	Particulars	2014-15 F.Y.	% of revenue	2013-14 F.Y.	% of revenue
1	Revenue from Operations (Net)	20,335.92	100.00	23,790.84	100.00
2	Cost of Materials Consumed (including Trading Purchase)	13,515.99	66.46	15,514.99	65.21
3	Employee Benefits Expense	910.88	4.47	922.29	3.88
4	Other Expenses	5746.06	28.25	6748.88	28.37
5	EBIDTA	162.99	0.80	604.68	2.54
6	Other Income	96.19	0.47	43.16	0.18
7	Finance Costs	53.67	0.26	62.38	0.26
8	Depreciation & Amortization Expenses	177.35	0.87	146.66	0.62
9	Profit before Tax	28.16	0.13	438.80	1.84
10	Tax Expenses	30.66	0.15	140.84	0.59
11	Profit for the period after tax	(2.50)	(0.01)	297.96	1.25

H. INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT:

There has been labour unrest in the Company since 26th November 2014 when the workmen struck work on the issue of disciplinary action taken against a Workman. The strike lasted for 26 days. Even though the workmen resumed work on 22nd December 2014, the unrest has continued due to the confrontational attitude of the Union. The Union has put up a Charter of Demands for Wage Revision, asking for very high unrealistic increase in emoluments. The matter is under conciliation with the Government Labour Department.

The Management is trying to resolve the issue by advising the workmen to co-operate with the Management in the interest of all concerned. The majority of workmen have realized this and have assured for their full support in maintaining peace and productivity and it is expected that the normalcy may return soon.

I. CAUTIONARY STATEMENT:

Statements made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable Securities, laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.

None of the Senior Management personnel have Financial and Commercial transactions with the Company, where they have personal interest that would / could emerge as potential conflict with the interest of the Company at large.



AUDITORS' REPORT

To,

**The Members of
WELCAST STEELS LIMITED Bengaluru**

Report on the Financial Statements

We have audited the accompanying financial statements of WELCAST STEELS LTD., which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and 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

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under the Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the company as at 31st March 2015, and its loss and its 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, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, based on such checks as we considered appropriate and according to the information and explanations given to us, we state that:
 - i. a) The company has maintained adequate records of fixed assets with full particulars including quantity and location.
 - b) The fixed assets have been physically verified by the management during the year, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets and no material discrepancies have been noticed on such verification. Hence the question of dealing such discrepancies in the books of accounts does not arise.



AUDITORS' REPORT (Contd..)

- ii. a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- 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 is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the nature of business and volume of operations and the same have been properly dealt with in the books of accounts
- iii. As explained to us, the company has not granted any loans to companies, firms or other parties covered in the register maintained u/s 189 of the Companies Act, 2013, hence the question of receipt of principal and interest on regular basis and steps for recovery of overdue amount as per clause (iii) of the Order does not arise.
- iv. In our opinion and according to the information and explanations given to us there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods & services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public; hence the question of compliance with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under as per clause (v) of the Order does not arise.
- vi. We have broadly reviewed the books of accounts relating to materials, Labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the records of the Company, the company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues to the extent applicable to it.
- (b) According to the information and explanations given to us and based on the records verified by us, we state that no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Value Added Tax, Duty of Customs, Duty of Excise or Cess which have remained outstanding as at 31st March 2015 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of Income tax, Wealth tax, Sales tax, Value Added Tax, Service Tax, Duty of Customs, Duty of Excise or Cess, which have not been deposited on account of any dispute except as stated below:

Name of the Statute	Nature of Dues	Disputed Amount (Rs. In Lakhs)	Forum where the dispute is pending
Finance Act, 1994	Service Tax	116.64	Customs, Excise & Service Tax Appellate Tribunal, Bangalore.
Foreign Trade Regulation Act (DEEC Scheme)	Customs Duty, Interest	711.03*@	High Court of Karnataka

*Excluding penalty.

@ Rs 35 Lakhs has been deposited against the above.

- (d) The company has transferred the amounts due to be remitted to Investors Education and Protection Fund with in the due dates under relevant provisions of The Companies Act, 1956 and Rules framed there under.
- viii. The company not incurred cash loss during the financial year covered by our audit as well as in the immediate previous financial year and has no accumulated losses as at the end of the financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The company has neither borrowed any loans from Financial Institutions nor issued any debentures and consequently the question of default in repayment does not arise.



AUDITORS' REPORT (Contd..)

- x. As informed to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- xi. The company has not raised any term loans from Banks or Financial Institutions during the year under audit. Hence the question of application of loan funds for the purpose for which they are obtained does not arise.
- xii. Based on the audit procedures performed and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
 - 2) As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer clause B (1) of Note 26 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Bengaluru
Date : 02-05-2015

For DAGLIYA & CO.
Chartered Accountants
(FRN 000671S)

(P.MANOHARA GUPTA)
Partner
Membership No: 16444



Balance Sheet As At 31st March 2015

₹. In Lacs

Particulars	Note No.	As At 31st March 2015	As At 31st March 2014
A. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	63.84	63.84
(b) Reserves and Surplus	2	3,011.32	3,041.45
(2) Share Application money pending allotment			
(3) Non-Current Liabilities			
(a) Long term borrowings		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions	3	161.88	159.70
(4) Current Liabilities			
(a) Short-Term Borrowings	4	905.28	325.00
(b) Trade Payables	5	641.34	1,375.36
(c) Other Current Liabilities	6	80.17	82.27
(d) Short-Term Provisions	7	85.66	113.95
Total		4,949.49	5,161.57
B. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	8		
(i) Tangible Assets		522.53	614.93
(ii) Intangible Assets		1.93	1.88
(iii) Capital Work in Progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	9	0.01	0.01
(c) Deferred tax assets (net)	10	135.27	147.79
(d) Long term loans and advances	11	621.39	621.87
(e) Other non-current assets	12	0.09	0.09
(2) Current Assets			
(a) Current investments		-	-
(b) Inventories	13	2,037.37	1,730.03
(c) Trade receivables	14	794.09	342.34
(d) Cash and cash equivalents	15	19.63	112.04
(e) Short-term loans and advances	16	774.25	1,582.99
(f) Other current assets	17	42.93	7.60
Total		4,949.49	5,161.57

Significant Accounting Policies and Notes to Financial Statements form an integral part of the Balance Sheet 26

For and on behalf of the Board
D.P. DHANUKA
BHADRESH K. SHAH
ASHOK A. NICHANI
Directors

VINOD NARAIN
Chairman

YASHRAJ
Chief Financial Officer

S N JETHELIYA
Company Secretary

As per our Report attached
for **DAGLIYA & CO.**
Chartered Accountants
(FRN 000671S)

(P MANOHARA GUPTA)
Partner
Membership No 16444

Place : Bengaluru
Date : 02-05-2015



Statement of Profit & Loss For The Year Ended 31st March 2015

₹. In Lacs

Particulars	Note No	Year ended 31st March 2015	Year ended 31st March 2014
1 Revenue from operations (Gross)	18	22,150.14	25,876.49
Less: Excise duty		1,814.22	2,085.65
Revenue from operations (Net)		20,335.92	23,790.84
2 Other Income	19	77.46	43.16
3. Total Revenue (1+2)		20,413.38	23,834.00
4 Expenses:			
(a) Cost of materials consumed	20	13,401.38	15,557.53
(b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	114.61	(42.54)
(c) Employee Benefits Expense	22	910.88	922.29
(d) Finance Costs	23	53.67	62.38
(e) Depreciation and Amortization Expense	9	177.35	146.66
(f) Other Expenses	24	5,746.06	6,745.46
Total Expenses 4		20,403.95	23,391.78
5 Profit before exceptional, extraordinary, prior period items, and tax (3-4)		9.43	442.22
6 Prior Period items	25	-	3.42
7 Exceptional Items- Profit on sale of Fixed Assets		18.73	0.00
8 Profit before extraordinary items and tax (5 - 6 - 7)		28.16	438.80
9 Extraordinary Items		0.00	0.00
10 Profit before tax (8 - 9)		28.16	438.80
11 Tax expense:			
(a) Current tax		15.50	155.40
(b) Taxes of earlier years		(2.85)	(3.46)
(c) Deferred tax		18.01	(11.10)
12 Profit (Loss) for the period from continuing operations (ix -x)		(2.50)	297.96
13 Earning per equity share: Basic & Diluted		(0.39)	46.69
Significant Accounting Policies and Notes to Financial Statements form an integral part of the Statement of Profit and Loss	26		

For and on behalf of the Board
D.P. DHANUKA
BHADRESH K. SHAH
ASHOK A. NICHANI
Directors

VINOD NARAIN
Chairman

YASHRAJ
Chief Financial Officer

S N JETHELIYA
Company Secretary

As per our Report attached
for **DAGLIYA & CO.**
Chartered Accountants
(FRN 000671S)

(P MANOHARA GUPTA)
Partner
Membership No 16444

Place : Bengaluru
Date : 02-05-2015



Notes forming part of the Financial Statements

₹. In Lacs

1. Share Capital

Particulars	As at 31st March 2015		As at 31st March 2014	
	Number	Amount	Number	Amount
A AUTHORISED				
Equity Shares of Rs.10/- each with voting rights	2,000,000	200.00	2,000,000	200.00
B ISSUED , SUBSCRIBED & FULLY PAID UP				
Equity Shares of Rs.10/- par value - Fully allotted for cash	638,161	63.82	638,161	63.82
Forfeited Shares Equity Shares of Rs10/- each (originally paid up @ Rs 5/- per share)	425	0.02	425	0.02
Total	638,586	63.84	638,586	63.84

C Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period:

Equity Shares	As at 31st March 2015		As at 31st March 2014	
	No of shares	Amount	No of shares	Amount
Shares outstanding at the beginning of the year	638,161	63.82	638,161	63.82
Add/ (Less): Shares allotted/ (bought back) during the year	-	-	-	-
Shares outstanding at the end of the year	638,161	63.82	638,161	63.82

D Details of Equity Shares in the Company held by each share holder holding more than 5% shares and Shares held by Holding company

Name of the shareholder	As at 31st March 2015		As at 31st March 2014	
	No. of shares	% of holding	No. of shares	% of holding
AIA Engineering Ltd - Holding Company	477,661	74.85	477,661	74.85

E TERMS/RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of equity shares having par value of Rs 10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the equity shares held by the share holder.

F The company has not allotted any shares pursuant to contract without payment being received in cash, nor by way of bonus shares nor bought back any shares during the immediately proceeding five financial years.

2. Reserves & Surplus

₹. In Lacs

Particulars	As at 31st March 2015		As at 31st March 2014	
a Securities Premium (There are no additions/deduction since the last Balance sheet)		47.79		47.79
b Revaluation Reserve				
Opening balance	10.54		11.71	
Less: Withdrawn during the year	1.42		1.17	
Closing balance		9.12		10.54
c General Reserve				
Opening balance	384.13		334.13	
Less: Zero Life asset as on 31.03.2014 net of deferred tax	12.27		-	
Add: Transferred from Surplus in Statement of Profit and Loss	-		50.00	
Closing balance		371.86		384.13
d Surplus				
Opening balance	2,598.99		2,388.34	
Add: Net Profit for the year	(2.50)		297.98	
Add: Depreciation transferred to Revaluation Reserve	1.42			
Less: Proposed Dividend	12.76		31.91	
Less :Tax on Proposed Dividend	2.60		5.42	
Less: Transfer to General Reserve	-		50.00	
Closing balance		2,582.55		2,598.99
Total		3,011.32		3,041.45



Notes forming part of the Financial Statements

₹. In Lacs

3. Long Term Provisions

Particulars	As at 31st March 2015	As at 31st March 2014
Provision for Employee Benefits		
a Gratuity	132.15	130.50
b Compensated Absences	29.73	29.20
Total	161.88	159.70

4. Short Term Borrowings

₹. In Lacs

Particulars	As at 31st March 2015	As at 31st March 2014
Secured		
Working Capital Loan from Bank - Canara Bank	5.28	
Packing Credit	900.00	325.00
1) Secured by hypothecation, by way of first charge on stocks of raw materials, semi finished, finished goods, packing materials, book debts, receivables and other current assets and fixed assets including Plant, Machinery, tools, accessories and other assets stored/installed in the factory or at any other place.		
2) No default in repayment of above loan/in payment of interest		
Total	905.28	325.00

5. Trade Payables

₹. In Lacs

Particulars	As at 31st March 2015	As at 31st March 2014
Trade Payables		
Dues to Micro and Small Enterprises	10.98	28.69
Dues to Others	630.36	1,346.67
Total	641.34	1,375.36

6. Other Current Liabilities

₹. In Lacs

Particulars	As at 31st March 2015	As at 31st March 2014
a Unpaid Dividends	5.04	4.29
b Advances from Customers	4.96	6.96
c Accrued Salaries & Benefits	50.96	54.44
d Contribution to PF/ESI payable	7.88	8.63
e Interest Payable on PC	6.49	-
f Other Payables -Duties & Taxes	4.84	7.95
Total	80.17	82.27

7. Short Term Provisions

₹. In Lacs

Particulars	As at 31st March 2015	As at 31st March 2014
a Provision for employee benefits		
i) Gratuity	17.95	30.68
ii) Compensated Absences	16.48	9.73
iii) Bonus and Ex-Gratia	35.87	36.21
b Others		
i) Proposed Dividend	12.76	31.91
ii) Provision for Tax on Dividend	2.60	5.42
Total	85.66	113.95



Notes forming part of the Financial Statements

8. FIXED ASSETS

₹. in lacs

PARTICULARS	Gross Block				Depreciation				Net Block		
	As at 01.04.2014	Additions during the Year	Deletions during the Year	As at 31.03.2015	As at 01.04.2014	For the Year	Withdrawal/ Deductions Earnings**	Charged to Retained	Total Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
	₹.	₹.	₹.	₹.	₹.	₹.	₹.	₹.	₹.	₹.	₹.
TANGIBLE ASSETS :											
Land	8.89	-	-	8.89	-	-	-	-	-	8.89	8.89
Buildings	635.48	5.39	-	640.87	394.41	30.17	-	1.32	425.90	214.97	241.07
Plant & Machinery	3,386.22	86.15	49.44	3,422.93	3,087.98	106.88	43.80	11.99	3,163.05	259.88	298.24
Furniture & Fixtures	44.30	1.11	-	45.41	34.80	3.58	-	0.27	38.65	6.76	9.50
Computers	45.28	3.09	-	48.37	39.38	3.85	-	1.16	44.39	3.98	5.90
Office Equipment's	67.40	3.80	-	71.20	33.09	25.08	-	2.53	60.70	10.50	34.31
Laboratory equipment's	41.29	1.27	-	42.56	33.96	1.84	-	0.48	36.28	6.28	7.33
Vehicles	39.25	6.86	15.84	30.27	29.56	4.28	14.84	-	19.00	11.27	9.69
Total	4,268.11	107.67	65.28	4,310.50	3,653.18	175.68	58.64	17.75	3,787.97	522.53	614.93
Previous year - Tangible	4,214.36	53.76	-	4,268.12	3,506.25	146.94	-	-	3,653.19	614.93	-
INTANGIBLE ASSETS :											
Software	3.03	1.72	-	4.75	1.15	1.67	-	-	2.82	1.93	1.88
Total	3.03	1.72	-	4.75	1.15	1.67	-	-	2.82	1.93	1.88
Previous year - Intangible	2.62	0.41	-	3.03	0.25	0.90	-	-	1.15	1.88	-
Capital work in progress *	-	-	-	-	-	-	-	-	-	-	-
Previous Year	6.22	-	6.22	-	-	-	-	-	-	-	-
Grand total	4,271.14	109.39	65.28	4,315.25	3,654.33	177.35	58.64	17.75	3,790.79	524.46	616.81
Previous year	4,223.20	54.17	6.22	4,271.15	3,506.50	147.84	-	-	3,654.34	616.81	-

* Represents disposal on as is where is basis

** Pursuant to para 7 of Sch II of the Companies Act, 2013, in respect of assets having carrying amount as on 1st April, 2014, and remaining useful life is nil has been transferred (net of tax effect amounting to Rs 5.48 lacs) to retained earnings after retaining residual value of 5% of original cost.



Notes forming part of the Financial Statements

₹. In Lacs

9. Non Current Investments

Particulars	As at 31st March 2015	As at 31st March 2014
a) Trade Investments	-	-
b) Other Investments In Government Securities- (Unquoted, At cost) (National Saving Certificates/IVP)	0.01	0.01
Total	0.01	0.01

10. Deferred Tax Assets

₹. In Lacs

Particulars	As at 31st March 2015	As at 31st March 2014
Arising on account of timing difference		
On account of Depreciation	74.61	82.87
On account of Gratuity, Compensated Absences & Bonus	60.66	64.92
Total	135.27	147.79

11. Long Term Loans and Advances

Particulars	As at 31st March 2015	As at 31st March 2014
i) Capital Advances (Unsecured & considered good) (Advance paid towards purchase of Land)	188.40	188.40
ii) Security Deposits (Unsecured & Considered good) Earnest Money Deposit Other Deposits	2.72 430.27	2.72 430.75
Total	621.39	621.87

12. Other Non Current Assets

₹. In Lacs

Particulars	As at 31st March 2015	As at 31st March 2014
a Long Term Trade Receivables Deposits-In Post office Savings bank Account (Pass Book lodged with Central Excise Dept.)	0.09	0.09
Total	0.09	0.09

13. Inventory

₹. In Lacs

Particulars	As at 31st March 2015	As at 31st March 2014
a Raw Material	995.80	575.78
b Stores & Spares	662.05	657.83
c Work in Process	379.52	494.13
d As Casting Goods	-	2.29
Total	2,037.37	1,730.03

14. Trade Receivables

₹. In Lacs

Particulars	As at 31st March 2015	As at 31st March 2014
Unsecured & Considered good Amount due for more than 6 months from the date they have fallen due	47.32	131.95
Others Debts	746.77	210.39
Total	794.09	342.34



Notes forming part of the Financial Statements

₹. In Lacs

15. Cash & Cash Equivalents

Particulars	As at 31st March 2015	As at 31st March 2014
Cash & Bank Balances :		
a Balance with Banks:		
i) In Current Accounts	2.61	16.14
ii) In Cash Credit Account Debit Balance	-	79.96
iii) Fixed Deposits	11.54	11.48
iv) Unpaid Dividend accounts	5.04	4.29
Sub Total (A)	19.19	111.87
Cash-in-Hand (B)	0.44	0.17
Total [A + B]	19.63	112.04

16. Short Term Loans and Advances

₹. In Lacs

Particulars	As at 31st March 2015	As at 31st March 2014
Short Term Loans & Advances: (Un Secured, Considered Good)		
a Advances Recoverable in cash or in kind or for value to be received	79.33	698.93
b Balance with Central Excise Dept.	143.91	168.39
c Balance with Sales Tax Dept.	433.54	691.02
d Income Tax Refund Due	10.05	3.91
e Loans and Advances to Staff	7.83	17.39
f Advance Income Tax	115.09	158.75
Less: Provision for Income Tax	(15.50)	(155.40)
Total	774.25	1,582.99

17. Other Current assets

₹. In Lacs

Particulars	As at 31st March 2015	As at 31st March 2014
DEPB Receivables	7.60	7.60
Interest Receivable on deposits	35.33	-
Total	42.93	7.60

18. Revenue from Operations

₹. In Lacs

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
Sale of Products : Grinding Media ball	22,136.04	25,853.32
Other Operating Revenues	14.10	23.17
	22,150.14	25,876.49
Less : Excise Duty	(1,814.22)	(2,085.65)
Total	20,335.92	23,790.84

19. Other Income

₹. In Lacs

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
a Interest on Bank Deposits	70.97	41.43
b Miscellaneous Receipts	6.49	1.73
Total	77.46	43.16



Notes forming part of the Financial Statements

₹. In Lacs

20. Cost of Material Consumed

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
RAW MATERIALS CONSUMED:		
Current Yr 100% indigeneous (Pr Yr 99.38 % indigeneous, 0.62% imported)		
MS SCRAP	7,197.64	7,645.23
FERRO CHROME	6,187.54	7,667.40
ALLOY STEEL AS CASTINGS	16.20	244.90
Total	13,401.38	15,557.53

21 Changes in Inventories of finished goods, work in process & stock in trade

₹. In Lacs

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
Work in Process		
Opening Stock:	494.13	451.59
Less :		
Closing Stock	379.52	494.13
Total -A	114.61	(42.54)
Finished Goods:		
Total - A+B (Total Change in Inventory)	114.61	(42.54)

22 Employee Benefits Expense

₹. In Lacs

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
1 Salaries, Wages and Bonus	744.39	769.29
2 Contribution to Provident Fund / ESIC / Gratuity Fund	91.09	88.43
3 Staff Welfare Expenses	75.40	64.57
Total	910.88	922.29

23 Finance Costs

₹. In Lacs

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
Interest Expense		
- For Cash Credit and Working Capital	53.48	62.08
- For Others	0.19	0.30
Total	53.67	62.38

8. Depreciation & Amortisation Expense

₹. In Lacs

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
Depreciation	177.35	147.83
Less: Amount Transferred to Revaluation Reserve	0.00	1.17
Total	177.35	146.66



Notes forming part of the Financial Statements

₹. In Lacs

24. Other Expenses

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
Consumption of Stores & Spare Parts	2,008.91	2,284.84
Power and Fuel	2,557.88	3,124.00
Labour Charges	473.32	514.22
Factory Maintenance	71.24	65.48
Repairs and Maintenance		
- To Buildings	31.70	41.32
- To Plant and Equipments	115.53	105.57
- To Other Assets	10.41	13.00
Insurance	15.16	16.20
Rates and Taxes	12.20	14.96
Rent	5.11	4.89
Directors' Sitting Fees	2.30	2.20
Travelling Expenses		
- For Directors	0.69	0.66
- For Others	10.81	11.29
Statutory Auditor's Fees		
- For Audit Fees	2.00	2.00
- For Income Tax Audit Fees	0.50	0.50
- For KVAT Audit Fees	0.50	0.50
- For Income Tax matters	0.75	0.50
- For Certification/Limited Reviews	0.50	0.50
Legal and Professional Consultancy Fees	28.93	29.39
Bank Commission Charges	8.68	2.92
Printing and Stationery Expenses	8.04	9.73
Postage, Telephones, Courier, Internet & E-mail	5.93	6.10
Sales Promotion	3.59	5.89
Vehicle Repairs and Maintenance	6.35	6.16
Conveyance Expenses	1.33	1.48
Advertisement Expenses	1.42	1.89
Packing Materials Consumed	337.33	417.42
Freight Outward	3.62	17.86
Bad Debts	2.89	10.77
Miscellaneous Expenses	18.44	33.22
Total	5,746.06	6,745.46

25. Prior Period Expenses

₹. In Lacs

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
1 Repair & Maintenance	-	1.64
2 Freight inward	-	1.04
3 Labour charges	-	0.14
5 Professional fee	-	0.60
Total	-	3.42



Notes forming part of the Financial Statements

26. Significant Accounting Policies and Notes on Accounts for the year ended 31st March 2015.

A. Significant Accounting Policies

I. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements, except certain Fixed Assets which are revalued, have been prepared under the historical cost convention in accordance with Indian generally accepted accounting principles and the provisions of the Companies Act, 2013 as adopted consistently by the Company.

II. FIXED ASSETS

- a) Land, Building and Plant and Machinery acquired up to 31st March 1989 are stated on the basis of revaluation and other fixed assets are stated at cost.
- b) All direct costs and cost of financing relating to the specific borrowing attributable to the eligible fixed assets till they are commissioned are capitalized and CENVAT credit / VAT credit availed/ available on the capital goods are deducted from the cost of the corresponding assets.
- c) Profit / Loss on disposal of fixed assets are credited / charged, as the case may be, to Statement Profit and Loss.

III. DEPRECIATION AND AMORTISATION

- a) In respect of the assets acquired up to 31/03/1996, depreciation has been provided on straight-line method at the rates and in the manner stipulated under schedule II to the Companies Act 2013.
- b) In respect of tangible fixed assets acquired after 31/03/1996, depreciation has been provided on written down value method at the rates and in the manner stipulated under schedule II to the Companies Act 2013. Computer Software being Intangible asset amortised over a period of 3 years in SLM basis.

IV. INVESTMENTS

Investments held are classified as long term and carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary.

V. INVENTORIES

- a) Finished Goods and Work in process are valued at cost or net realizable value whichever is lower. Cost represents material cost, labour cost, and other appropriate overheads. Finished Goods are valued inclusive of excise duty.
- b) Raw Materials, Stores & Spares and other inputs are valued at cost or net realizable value whichever is lower, cost being determined on weighted average method. However raw materials and other inputs held for use in or in relation to production are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.
- c) Excess / shortage, if any, with in acceptable norms arising on physical verification are absorbed in the respective consumption accounts.

VI. REVENUE RECOGNITION

Revenue from sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer which generally coincide when the goods are dispatched from the factory or delivered to customers as per the terms of contract

VII. EMPLOYEE BENEFITS

a) Defined Contribution plans:

These are plans in which the Company pays pre defined amounts to separate funds, and does not have any legal or informal obligation to pay any additional sums. These comprise of defined contribution plans for employees comprising of government administered employees provident fund and pension plans. The contribution paid / payable to these plans during the year is charged to statement of profit and loss for the year on accrual basis.

b) Defined benefit plans:

- i. Gratuity: The Company makes contributions to the employees' group gratuity-cum-life assurance scheme of the Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits has been determined on actuarial valuation conducted annually by an independent Actuary using the projected unit credit method, as adjusted for un recognized past service cost , if any, and as reduced by the fair value of the plan assets, is recognized in the accounts. Actuarial gains and losses for the current year are recognized in full in the statement of profit and loss for the period in which they occur.
- ii. Compensated absence: The Company has a scheme to compensate absence for employees. The liability of which is determined on the basis of an actuarial valuation carried out by an independent actuary at the end of the year. The actuarial gains or losses are recognized in full in the statement of profit and loss for the period in which they occur.
- iii. Short term employee benefit: All employee benefits which are wholly due within twelve months of rendering the services are recognized in the period in which the employee renders the related services.

VIII. RESEARCH AND DEVELOPMENT

Revenue expenses incurred on Research and Development are charged off to revenue in the year of incurrence. Fixed assets purchased for Research and Development purposes are capitalized and depreciated as per the Company's Accounting policy.



IX. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Gains / losses resulting from the settlement of such transactions and from the translations of monetary assets and liabilities denominated in foreign currency as at the year end are recognized in the statement of profit and loss.

X. TAXATION

Tax on income for the current period is determined on the basis of taxable income estimated in accordance with provisions of Income tax Act, 1961. Deferred tax asset is recognized for the future tax consequences of the timing difference between the tax basis and the carrying values of assets and liabilities. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized in future and are reviewed every year. The tax effect is calculated on the accumulated timing differences at the end of the year based on enacted or substantively enacted tax rates.

XI. IMPAIRMENT OF ASSETS

At each Balance Sheet date, the management reviews the carrying amounts of its assets include in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre - tax discount rate that reflects the current market assessments of time value of money and risks specific to the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

Impairment losses recognized in prior years, if any, are reversed when there is an indication that recognized impairment losses for the asset, no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

XII. PROVISIONS AND CONTINGENT LIABILITIES

Provisions in respect of present obligations arising out of past events are made in the accounts when reliable estimates can be made of the amount of the obligations. Contingent liabilities, if material, are disclosed by way of Notes to Accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

XIII. EARNINGS PER SHARE

Basic earnings per share is arrived at based on net profit after taxation available to the equity shareholders to the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated on the same basis as basic earnings per share after adjusting for the effects of potential dilutive equity shares.

B. NOTES ON ACCOUNTS:

1 Contingent liability to the extent not provided for

₹. in Lacs

Particulars	31.03.2015	31.03.2014
In respect of claims against the company not acknowledged as debt	7.60	7.60
In respect of disputed Service Tax	116.64	116.64
In respect of disputed Custom duty	711.03	556.37

2 Estimated amount of contracts remaining to be executed and not provided for-

- a. On capital account - Rs.0.00 lacs (previous year: Rs. 0.07 lacs)
- b. On revenue account (Material contracts for purchase of Raw Materials, stores & service contracts) - Rs. 17.46 lacs (Previous Year: Rs. 315.11Lacs)

3 Amount remitted in foreign currency on account of Dividend:

₹. in Lacs

Particulars	31.03.2015	31.03.2014
Number of non resident share holders	11	12
Number of shares held by them	576	673
Amount of dividend (Rs. In lakhs)	0.03	1.92
Year for which dividend was remitted	2013-2014	2012-2013

(This information pertains to the non-resident shareholders, however dividend is remitted in INR to their NRO Accounts)

- 4 In the opinion of the Board, any of the assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- 5 The company manufactures and deals with a single product, Alloy steel Cast Grinding Media. Also Company's operations are solely situated in India. Hence there are no reportable segments as required by AS - 17 "Segment Reporting" prescribed under the Companies (Accounting Standards) Rules, 2006



Notes forming part of the Financial Statements (Contd..)

6. The company has not entered into any non cancelable lease arrangement.
7. Related party disclosures:
Parties where control exists:

Related Party	Relationship
AIA Engineering Ltd.	Holding Company Controlled By Bhadresh K. Shah - Director
DCPL Foundries Ltd.	Associate (Fellow Subsidiary amalgamated with holding Company w.e.f 31.03.2013)
Key Managerial Personnel:	
Vinod Narain	Chairman
Pradip R. Shah	Director
Bhadresh K. Shah	Director
D P Dhanuka	Director
Rajendra S Shah	Director
Sanjay Shailesh Majmudar	Director
Ashok A Nichani	Director
Komal Shaival Majmudar	Director (appointed as w.e.f 28.03.2015)

₹.in Lacs

Transactions with related parties	Current Year 2014-15		Previous Year 2013-14		
	Holding Company	Directors	Holding	Fellow Company	Directors Subsidiary
Purchases of Goods/Services	496.20	-	128.49	215.06	-
Sales of Goods	21,951.25	-	23,199.87	179.01	-
Sales - Others stores items	10.50	-	-	-	-
Transfer of Capital Work in progress (Crane)/Fixed assets	27.35	-	-	6.88	-
Professional charges	-	3.00	-	-	3.00
Sitting Fees	-	2.30	-	-	2.20
Dues Receivable as at last date of the financial year	746.77	-	-	-	-
Dues payable as at last date of the financial year	10.19	-	-	-	-

8 Earnings Per Share:

Particulars	2014-15	2013-14
Net Profit for the Year (Rs. In lakhs):	2.50	282.91
Number of Shares	638,161	6,38,161
Nominal Value of each Share (in Rs.)	10/-	10/-
Earnings per Share (Basic and Diluted)(in Rs.):	(0.39)	46.69

9 Disclosure pursuant to Section 22 of "The Micro, Small & Medium Enterprises Development Act 2006" is as follows:

The company has identified micro and small enterprises to whom the company owes the dues which are outstanding as at the year end:

Particulars	2014-15	2013-14
i) Principal amount remaining unpaid at the end of the year	10.98	28.69
ii) Interest accrued at the end of the year	NIL	NIL
iii) Interest remaining unpaid, out of above, as at the end of the year	NIL	NIL
iv) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, For the purpose of disallowance as a deductible expenditure under Section 23 of the Act.	NIL	NIL

Note: This information has been determined to the extent such parties have been identified on the basis of information available with the Company.



Notes forming part of the Financial Statements (Contd..)

10. Figures for the previous reporting period have been recast in line with current year's presentation.
11. As per revised Accounting Standard 15 "Employee Benefits", the disclosures of Employee Benefits as defined in the Accounting standard are given below:

Employee benefits:

₹. in Lacs

I. Defined Contribution Plan	For the year ended 31-03-2015		For the year ended 31-03-2014	
Contribution to Defined Contribution Plan, recognized as expense for the year are as under:				
Particulars				
Employer's Contribution to Provident Fund	32.72		24.55	
ii. Defined Benefit plans:				
1. Actuarial assumptions	Gratuity - Funded		Leave Encashment - unfunded	
	Current Year	Previous Year	Current Year	Previous Year
Discount Rate (Per annum)	7.80%	9.10%	7.80%	9.10%
Expected return on plan assets	9.15%	9.15%	0.00%	0.00%
Salary escalation rate	6.00%	6.00%	6.00%	6.00%
Mortality Rate LIC (2006-08) published table of Mortality rates				
2. Reconciliation of present value of obligation				
Present value of obligation at the beginning of the year	227.80	193.53	38.93	30.97
Interest cost	16.12	14.55	3.10	2.36
Current service cost	15.88	14.71	7.16	6.57
Actuarial (gain) /Loss	20.07	28.30	8.13	2.06
Benefits Paid	(35.32)	(23.29)	(11.11)	(3.03)
Present value of obligation at the end of the year	244.56	227.80	46.21	38.93
3. Reconciliation of Fair value of plan assets				
Fair value of plan assets at the beginning of the year	66.62	50.18	0.00	0.00
Expected return on plan assets	5.10	5.11	0.00	0.00
Actuarial gain / (Loss)	1.95	0.07	0.00	0.00
Contributions	20.79	34.18	0.00	0.00
Benefits paid	0.00	(23.29)	0.00	0.00
Adjustment to the fund	0.00	0.37	-	-
Fair value of plan assets at the end of the year	94.46	66.62	0.00	0.00
4. Net (Assets) / Liability recognized in the balance sheet as at year end				
Present value of obligation at the end of the year	244.56	227.80	46.21	38.93
Fair value of plan assets at the end of the year	(94.46)	(66.62)	0.00	0.00
Net present value of unfunded obligation recognised as (assets) /Liability in the Balance Sheet.	150.10	161.17	46.21	38.93
5. Expenses recognised in the statement of profit and loss				
Current Service cost	15.88	14.71	7.16	6.57
Interest cost	16.12	14.55	3.10	2.36
Expected return on plan assets	(5.10)	(5.11)	0.00	0.00
Actuarial (Gain) / Loss recognised in the period	18.12	28.23	8.13	2.06
Settlement Cost	0.00	0.00	(0.00)	(0.00)
Total Expenses recognised in the statement profit and loss for the year	45.03	52.38	18.39	10.98
Actual return on plan assets	5.10	5.11	-	-



Notes forming part of the Financial Statements (Contd..)

₹. in Lacs

The above disclosures are based on information certified by the independent actuary and relied upon by the auditors.

- 12 Consequent to the requirement of Schedule II of The Companies Act, 2013, the company has revised the estimated useful life of assets which has resulted in additional depreciation charges of Rs.50.44 lacs compared to the depreciation calculation based on erstwhile Companies Act and the same has been considered as an exceptional item.
- 13 Based on transitional provision provided in Note 7 (b) of Schedule II, the net book value (after retaining the residual value) in respect of those assets where remaining useful life is nil, amounting to Rs 12.27 lakhs (Net of Deferred Tax) has been charged to retained earnings.

	Current Year	Previous Year
14 Consumption of Raw materials	2014-15	2013-14
Indigenous - Value	13,385.17	15,217.76
Percentage	100.00%	99.38%
Imported	-	94.87
Percentage	0.00%	0.62%

15 CIF Value of Imports: ₹. In lacs

Raw materials	0.00	200.55
---------------	------	--------

16 Consumption of Stores and Spares ₹. In lacs

Indigenous - Value	2,008.91	2,260.92
Percentage	100.00%	99.95%
Imported	-	23.92
Percentage	0.00%	0.05%

17 CIF Value of Imports: ₹. In lacs

Stores & spare parts	0.00	23.92
----------------------	------	-------

18 Particulars of Sale of Raw materials, Stores and other material netted in the respective consumptions ₹. In lacs

	2014-15	2013 -14
Ferro Chrome	-	239.72
Stores, Spares and other material	-	11.40

For and on behalf of the Board
D.P. DHANUKA
BHADRESH K. SHAH
PRADIP R.SHAH
ASHOK A. NICHANI
 Directors

VINOD NARAIN
 Chairman

YASHRAJ
 Chief Financial Officer

S N JETHELIYA
 Company Secretary

As per our Report attached
 for **DAGLIYA & CO.**
 Chartered Accountants
 (FRN 000671S)

(P MANOHARA GUPTA)
 Partner
 Membership No 16444

Place : Bengaluru
 Date : 02-05-2015



CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2015

₹. in Lacs

	2014-2015	2013-2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AS PER STATEMENT OF PROFIT & LOSS	9.41	442.24
Adjusted for		
Extraordinary items:		
Net Profit before tax & extraordinary items	9.41	442.24
Adjustments for :		
Profit on sale of Fixed assets	18.74	
Prior Year's expenditure	-	(3.42)
Depreciation (net)	177.35	146.66
Interest	53.67	62.38
Operating Profit before working capital changes	259.17	647.86
Adjustments for :		
(Increase)/Decrease Trade & Other Receivable	418.39	(181.44)
(Increase)/Decrease Inventories	(307.35)	409.93
Increase/(Decrease) Trade Payable	(740.24)	(785.69)
Cash generated from operations	(370.03)	90.66
Direct Taxes paid	(108.89)	(161.24)
Cash flow before extraordinary items	(478.92)	(70.58)
Net Cash flow from Operating Activities	(478.92)	(70.58)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(109.39)	(47.95)
Sale of Fixed Assets	6.64	-
Net Cash Flow from Investing Activities	(102.75)	(47.95)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment)/ Proceeds of long term borrowings	660.25	196.17
Net increase/(Decrease) in working capital borrowings		
Interest Paid	(53.68)	(62.38)
Dividend Paid	(31.91)	(31.91)
Dividend Distribution tax Paid	(5.42)	(5.18)
Net Cash Flow from Financing Activities	569.24	96.70
Net (Decrease) / Increase in cash & cash equivalents (A+B+C)	(12.43)	(21.82)
Cash & Cash equivalent at the beginning of the year	32.18	53.99
Cash & Cash equivalent at the closure of the year	19.73	32.18

For and on behalf of the Board

D.P.DHANUKA
BHADRESH K. SHAH
ASHOK A. NICHANI
DIRECTORS

YASHRAJ
Chief Financial Officer

VINOD NARAIN
Chairman

S N JETHELIYA
Company Secretary

Place : Bengaluru
Date : 02-05-2015

Notes:

1. Cash flow statement has been prepared under the indirect method as set out in Accounting Standard -3 notified under Companies (Accounting Standards) Rules, 2006.
2. Purchase of fixed assets includes movements of capital work-in-progress between the beginning and the end of the year.
3. Previous year figure regrouped/recasted wherever necessary.

Place : Bengaluru
Date : 02-05-2015

For **DAGLIYA & Co.,**
FRN:000671S
Chartered Accountants
(P.MANOHARA GUPTA)
Partner
M.NO.16444

ATTENDANCE SLIP

WELCAST STEELS LIMITED

[CIN:L27104KA1972PLC002163]

Regd. Office: Plot no 15, Phase 1, Peenya Industrial Area, Bengaluru – 560 058 Email: info@welcaststeels.com

website: www.welcaststeels.com

Phone: 080 -28394058

43RD ANNUAL GENERAL MEETING

I/We hereby record my / our presence at the 43rd Annual General Meeting of the Company to be held at the 21st day of September, 2015 at 3.00 PM at Hotel Ramanashree, No.16, Raja Ram Mohan Roy Road, Bengaluru – 560 025

Member's Folio / DP ID Client ID No

Member's / Proxy name in Block

Member's / Proxy's Signature

Note:

1. Please complete the Folio / DP ID-Client ID No. and Name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Electronic copy of the Annual Report for 2014-15 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form are being sent to all the members whose email address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2014-15 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode (s) to all members whose email address is not registered or have requested for a hard copy.

Attendance Slip & Proxy Form

PROXY FORM

WELCAST STEELS LIMITED

[CIN:L27104KA1972PLC002163]

Regd. Office: Plot no 15, Phase 1, Peenya Industrial Area, Bengaluru - 560 058 Email: info@welcaststeels.com

website: www.welcaststeels.com

Phone: 080 -28394058

Name of the Member (s):

Registered Address:

E-mail Id:

Folio / DP ID Client ID No.

I/We being the member (s) holding shares of the above named Company hereby appoint:

(1) Name: _____ Address: _____

Email ID: _____ Signature: _____ or failing him / her:

(2) Name: _____ Address: _____

Email ID: _____ Signature: _____ or failing him / her:

(3) Name: _____ Address: _____

Email ID: _____ Signature: _____

as my /our proxy to attend and vote for my / our behalf at the Forty Third Annual General Meeting of the Members of the Company to be held on Monday, the 21st September 2015 at 3.00 Pm at Hotel Ramanashree, Raja Ram Mohan Roy Road, Bengaluru – 560 025 and at any adjournment thereof in respect of Resolutions as are indicated below:.

Resolution No.	Particulars of Resolution	Optional	
		For	Against
	ORDINARY BUSINESS		
1.	Adoption of Financial Statements for the year ended 31st March 2015		
2.	Declaration of Dividend for the Financial Year 2014-15		
3.	Re appointment of Mr. Vinod Narain, Director, liable to retire by rotation		
4.	Re Appointment of Statutory Auditors.		
	SPECIAL BUSINESS		
5.	Appointment of Mrs. Khushali Samip Solanki as an Director liable to retire by rotation		
6.	Ratification of Remuneration to Cost Auditors.		
7.	Approval of Related Party Transaction		

Signed this _____ day of _____ 2015

Signature of Shareholder _____

Signature of Proxy holder (s) _____

Affix ₹. 1 revenue stamp

- Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 43rd Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member (s) in the above box before submission.



NOTICE

Dear Share holder/s,

Usage of Electronic Payment Modes for making payments to Investors.

We would like to inform you that SEBI vide its circular No CIR/MRD/DP/10/2013 dated 21st March,2013 directed that in view of the advancements in the field of electronic payment system viz. NEFT, RTGS etc. for making cash payments to the investors, Companies whose securities are listed in the Stock exchanges shall use RBI approved electronic mode of payment. The said circular also provides that in cases where either the bank details such as MICR, IFSC code etc. are not available or the electronic payment instructions have failed or have been rejected by the bank, Companies may use the physical payment instrument for making cash payments to the investors and Companies shall mandatorily print the bank account details of the investors on such payment instruments.

In view of the above and to comply with the SEBI directions, in case, if you have not provided the relevant details, we request you to kindly fill the enclosed form and send the same to Company on or before 10th September 2015 to update mandate details in the system for future payments to you.

For this purpose we have also enclosed self-addressed and pre-stamped envelope.

Thanking you,
Yours faithfully
For Welcast Steels Limited.,
S. N. Jethaliya
Company Secretary

Shareholder's authorization to receive dividends through Electronic Credit Clearing Mechanism.

Unit: Welcast Steels Limited.

Registered Folio No	
Name of the first/sole shareholder	
PAN	
Telephone Number of investor	
Email id of investor	
Bank Name	
Branch Address & Telephone No. of Branch Bank Account Number (As appearing on the Cheque Books)	
Branch Code & IFS Code	
9 digit code number of the Bank and Branch appearing on the MICR cheque issued by the Bank. (Please attach a blank cancelled cheque, or a photocopy (Xerox copy) of a cheque issued to you by your Bank, for verification of the above particulars)	
Account Type -SB/CA	

I hereby, declare that the particulars given above are correct and complete. If the payment transaction is delayed or not effected at all for any reasons, including but not limited to incomplete or incorrect information, I will not hold the Company/RTA responsible. I agree to discharge the responsibility expected from me as a participant under the scheme.

I further undertake to inform the Company of any subsequent change(s) in the above particulars.

Place:

Date :

Signature of the Holder(s):

Note:

1. Please fill in the information in CAPITAL LETTERS in ENGLISH ONLY.
2. **KINDLY RETURN THE ABOVE DULY ATTESTED BY YOUR BANKERS TOGETHER WITH THE SELF ATTESTED COPY OF THE PAN CARD**



Welcast Steels Limited