



## STEELCAST LIMITED

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BHAVNAGAR, GUJARAT  
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E-MAIL info@steelcast.net  
WEBSITE www.steelcast.net  
CIN L27310GJ1972PLC002033

AC/2079

By Listing Centre

July 12, 2019

Listing Compliance Department  
BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

Dear Sir,

**Sub: Notice of 48<sup>th</sup> Annual General Meeting (AGM) and Annual Report 2018-19.**  
**Ref: Scrip Code 513517**

Pursuant to Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are forwarding herewith the Notice of the 48th AGM along with Annual Report for the financial year 2018-19, which is being dispatched / sent to the members by the permitted mode(s). The same will be made available on the website of the Company, at [www.steelcast.net](http://www.steelcast.net).

You are requested to please take the same on your record.

Thanking you,

Yours faithfully,

**For STEELCAST LIMITED**

(Subhash Sharma)  
Chief Financial Officer

Encl: As above

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# CONSOLIDATING GROWTH



**STEELCAST LIMITED**  
48th Annual Report 2018-19

# Navigating through...

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## Investor information

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○ BSE Code	: <b>513517</b>
○ Bloomberg Code	: <b>STLCS:IN</b>
○ AGM Date	: <b>August 7, 2019</b>
○ AGM Venue	: Efcee Sarovar Portico- Sarovar Hotels, Iscon Mega city, Opp. Victoria Park, Bhavnagar, Gujarat- 364002

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Please find our online version at  
[http://www.steelcast.net/  
quarterly-results.html](http://www.steelcast.net/quarterly-results.html)

Or simply scan to download:



### Disclaimer:

This document contains statements about expected future events and financials of Steelcast Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

## Key Figures 2018-19

**₹ 299.45 Crores**

Market capitalisation as on  
March 31, 2019

**₹ 317.92 Crores**


Net Sales in 2018-19

**₹ 60.16 Crores**

EBITDA in 2018-19

**₹ 24.92 Crores**

PAT in 2018-19



If the year 2017-18 was about transformation, 2018-19 was the demonstration of our ability to adapt to the transformation and change in response to it.

And yes, we responded positively by using our **ability to adapt** and change. We evaluated our strengths, analysed where we stood and recognised all that we can be.

We overcame the adversities by **planning and strategising** in a way that helped us stay afloat.

We reduced our **segment concentration** by foraying into diverse business segments.

We worked on **new products** and also entered **new markets**.

Today, we are **better equipped** to face the **ever-growing demand** of the market.

The road, hereon, will drive our growth with the **abundance of opportunities** coming our way.

For us, it is **Consolidating Growth.**

# Key Reporting Principles



## Principle 1



### Business with ethics, transparency and accountability

The Company's Corporate Governance is designed keeping the highest standards of ethical and responsible conduct of business in mind. The basic motto is to create value for all stakeholders and the Company's CSR, HR and EHS policies are built keeping the commitment to ethics, transparency and accountability in mind.



## Principle 2



### Manufacturing goods that are safe and contribute to sustainability throughout their life cycle

The Company serves the core sector of the economy and is well aware of the profound impact its products can have. Hence, sustainability is an imperative part of the products' engineering and design. The Company works actively towards enhancing efficiencies, promotes material recycling and use of alternative materials.



## Principle 3



### Business should promote well-being of employees

The Company's employees form the foundation that the organisation is built on. Together, they give the Company its character and personality. Hence, the Company goals are well-aligned with individual aspirations. Timely trainings and orientation, safe environment to work within and an inclusive approach towards employment are given special attention.



## Principle 4



### Responsive towards all stakeholders

The Company realises its role in responsibly safeguarding the interests of all its stakeholders. Hence, continuous efforts are made towards improving the value proposition offered to customers, shareholders, employees, suppliers and other stakeholders. The Company pays special attention to the marginalised sections of the society through its CSR activities.



## Principle 5



### Business with protection of environment

The Company proactively identifies and assesses potential environmental risks and opportunities through a dedicated system in place for the task. We realise our responsibility towards conserving the environment and enhance adherence to all pollution control standards set by the relevant authorities. Regular internal checks are also conducted by the right authorities.

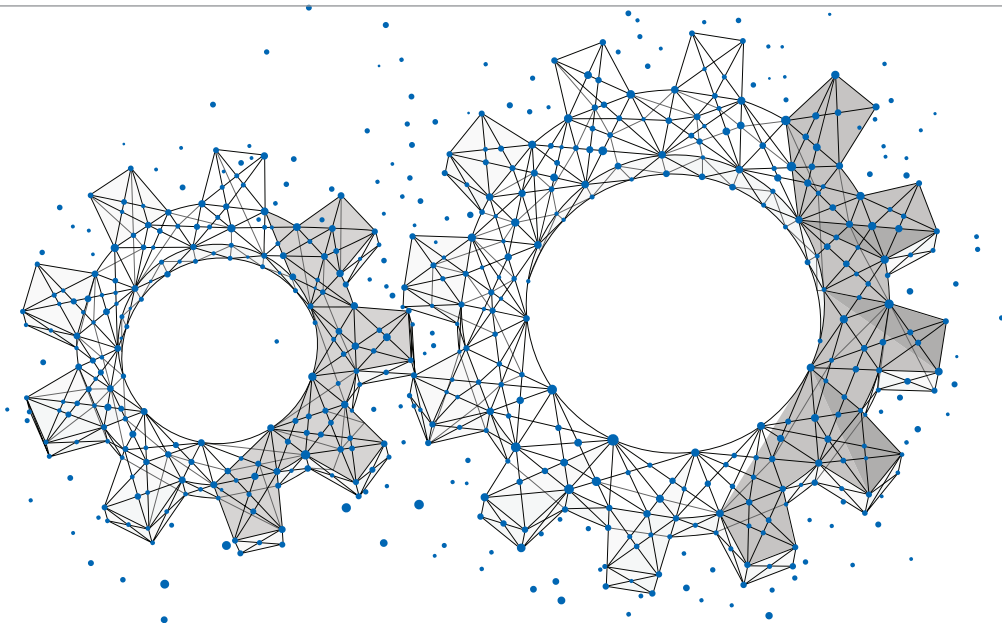


## Principle 6



### Value to customers

The Company, as part of its regular process, engages with customers to understand their expectations and requirements better. We feel our success depends on our ability to consistently improve the value we offer to our customers. Hence, we invest adequately towards R&D, technology, designing, manufacturing and testing processes. This helps ensure repeat business while boosting customer satisfaction and confidence.



## Steelcast Limited – at a glance

Steelcast Limited (henceforth, 'SL' or 'the Company') is one of India's leading manufacturer of Carbon steel and alloy steel castings in place of alloy and steel casting products. With over 5 decades of experience, the Company implements specialised technique of 'No Bake and Shell Moulding' into manufacturing of steel casting products.

So far, Steelcast Ltd manufactured products catering to the mining industry. Gradually over the years, it has expanded its operations into Equipment Manufacturing, Defence, Ground Engaging Tools, Locomotives and Railways, Oil exploration and the Transport industry. All the products developed by the Company primarily cater the Earth Moving and Construction Equipment manufacturers. Last year, the Company also forayed into other segments with new products and into newer markets.

**30,000 MTPA**

Total Casting Capacities

No. Bake: **13,000 MTPA**

No. Bake Automated Loop: **12,000 MTPA**

Shell Moulding Plant: **5,000 MTPA**

**9**

Countries where Products are Exported

**811**

Employees as on March 31, 2019



### Vision



- To be a reputed global provider of reliable and ready-to-use high quality castings
- To offer customer delight and employee growth with equal fairness towards all stakeholders
- To focus on innovation and creativity for promoting organisational participation and continuous learning
- To diversify into different products and businesses by providing state-of-the-art material



### Mission



- To continuously interact with customers to understand their needs
- To offer best-in-class customer service and provide them value for money to earn complete customer loyalty and facilitate access to larger markets
- To continuously develop processes for delivering high quality, reliable and consistent products
- To create a transparent, principled and system-based organisation that empowers employees at all levels to take initiatives, innovate, learn and grow while working with enthusiasm and commitment
- To be a debt-free company offering excellent shareholder returns, employee-friendly environment and pay all fair dues to the Government and society

# Business Model

## INPUT

**Financial Capital**

- Refers to the pool of funds or financial inputs required by the organisation
- Total capital employed: ₹ 179.39 Crores
- Debt-to-Equity ratio: 0.35

**Manufactured Capital**

- Refers to all the inputs like equipment, tools, plants, machinery and technology required for production
- No Bake: 13,000 tons
- No Bake automated loop: 12,000 tons
- Shell Moulding Plant: 5,000 tons

**Intellectual Capital**

- Refers to all the intangible resources like the innovation-led approach, strong R&D and State-of-the-art-technology, required for value creation

**Human Capital**

- Refers to the collective know-how of the organisation and investments made towards skill training of the workforce
- No. of employees: 811 skilled and motivated employees

**Social and Relationship Capital**

- Refers to the shared value, commitment and knowledge that forms the basis of the reputation and trust developed. It includes the efforts involved in maintaining relationship with regulatory bodies, shareholders, vendors, customers, channel partners and surrounding communities

**Natural Capital**

- Refers to aspects of the natural environment that deliver socio-economic value through ecosystem services.
- Capital invested: ₹ 461.37 Lakhs in energy conservation equipment



## VALUE-ENABLERS





## AND STRATEGIES

### Long-term Strategy

- Widening of Customer Base
- Entry into New Industry Segments
- Development of New Casting Products for Existing Customers

### Medium-term Strategy

- Improvement in Product Quality
- Control and Minimising Rejections
- Cost Reduction

## VALUES-CREATED

### Financial Capital

- Revenues: ₹ 319.34 Crores
- PAT: ₹ 24.92 Crores
- EBIDTA : ₹ 60.16 Crores

### Manufactured Capital

- Production: 13,219 MTPA
- Capacity utilisation: 44.06%

### Intellectual Capital

- Innovative cost-controlling methods of working
- Efficient quality control
- Developed a mechanism to treat liquid steel with Calcium and other rare Earth elements
- Developed an alternate to No Bake Binder, compatible with Olivine sand for producing Manganese steel casting
- Developed higher MEF exothermic Sleeve for improved yield of casting

### Human Capital

- Generating value through employee skills

### Social and Relationship Capital

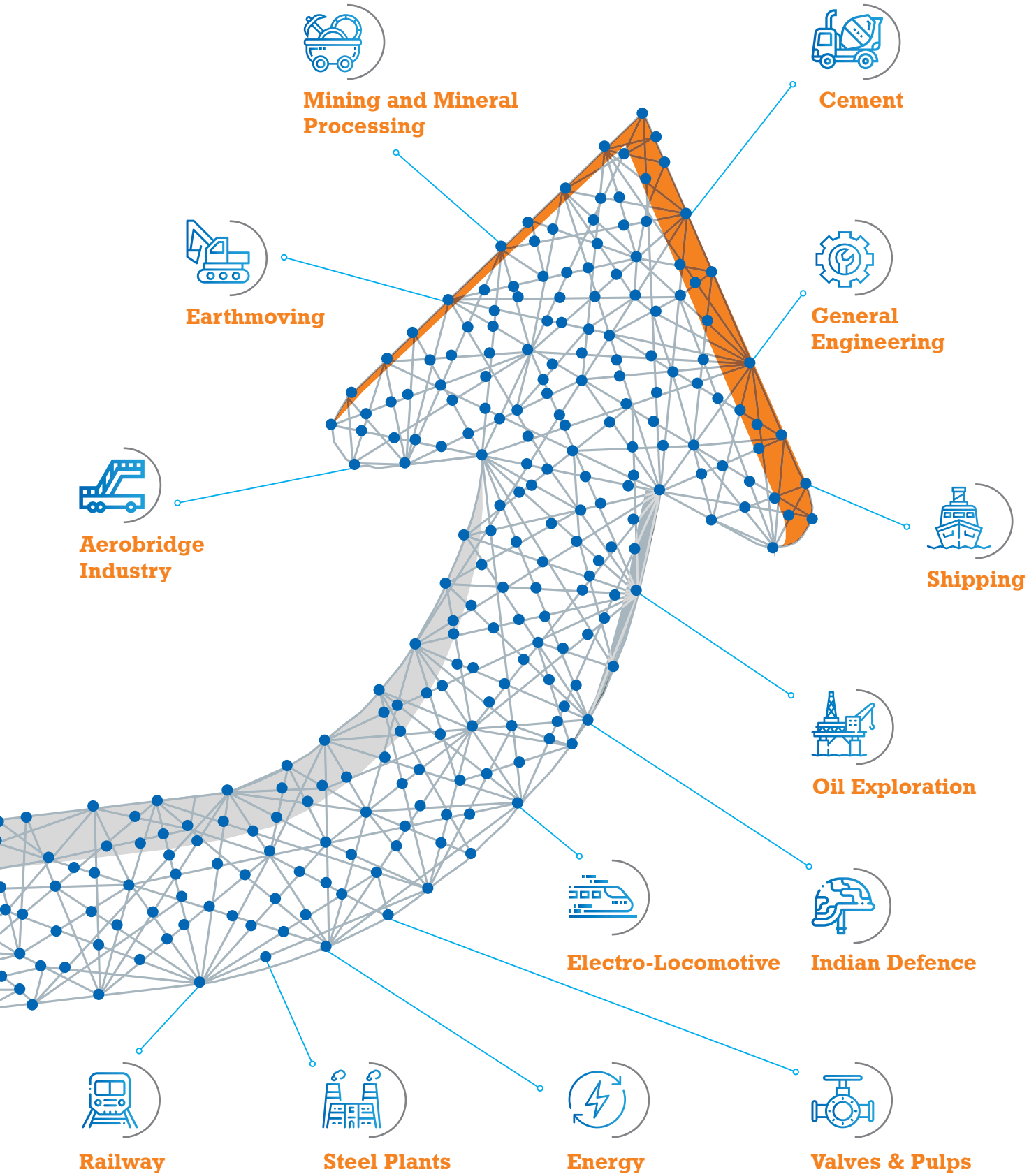
- Trust and optimum customer satisfaction
- Long-term relationship with partners, vendors and stakeholders
- Positive impact on community by promoting education, ensuring environmental sustainability, eradicating extreme hunger and poverty and working for welfare of the society

### Natural Capital

- Removal of excess cooling pumps in shakeout pre-reclaimer system for energy conservation
- Power saving by installing temperature control system in polymer quenching tank



# Industries Catered



# Our Footprints



## Company Head office

- Bhavnagar (Gujarat)

## Exported products and established footprints over 9 countries

- Germany
- USA
- Australia
- Thailand
- Denmark
- Singapore
- Brazil
- China
- South Korea

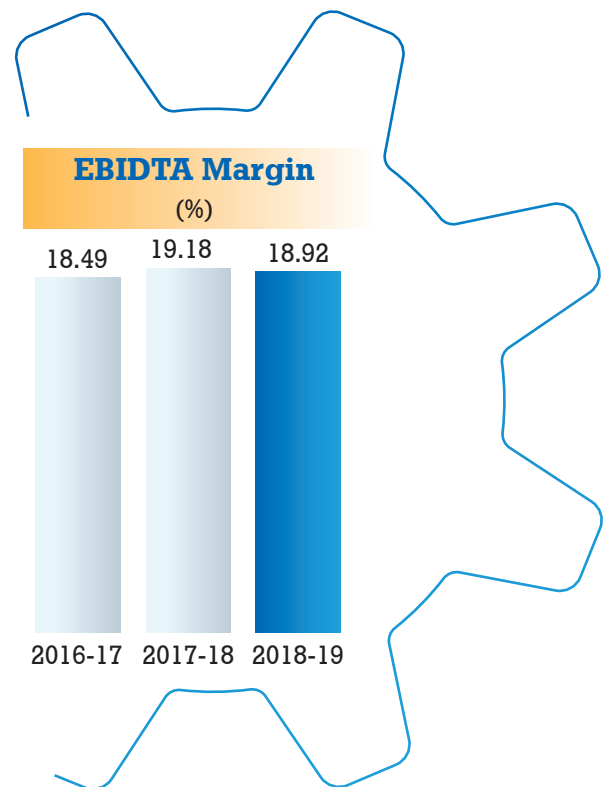
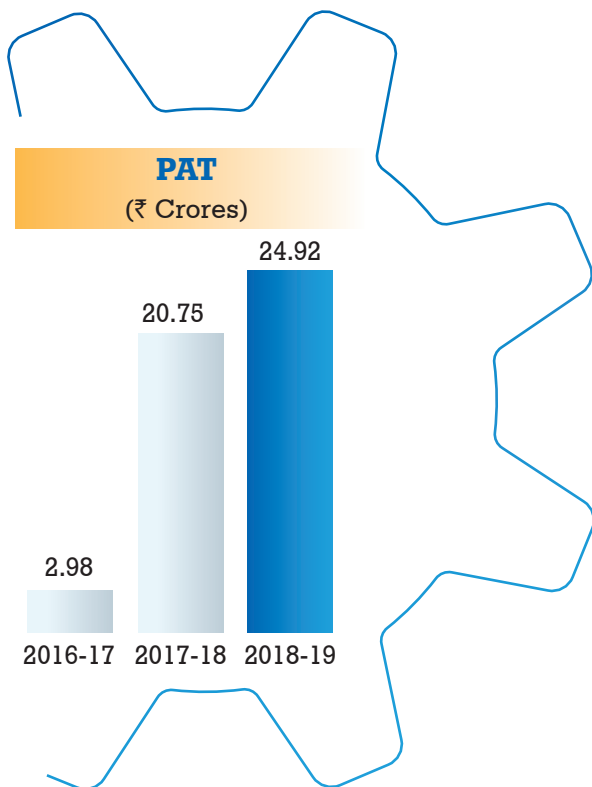
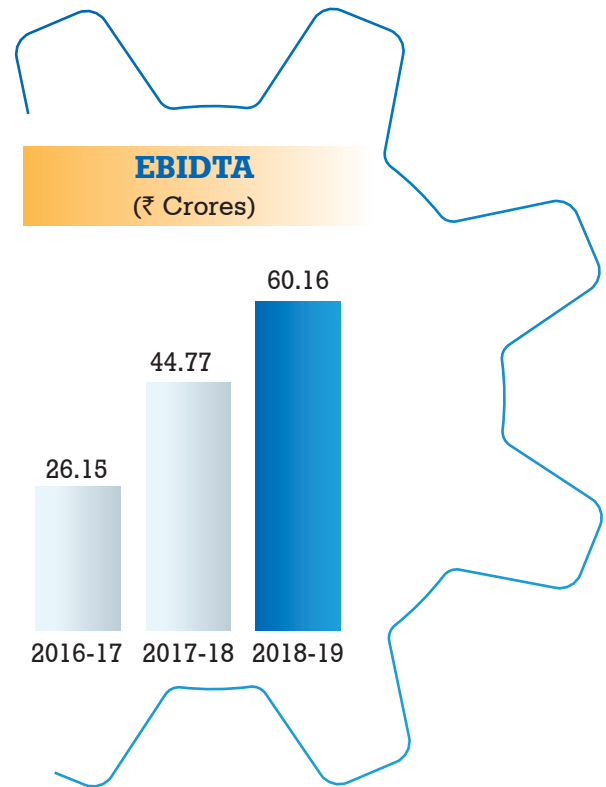
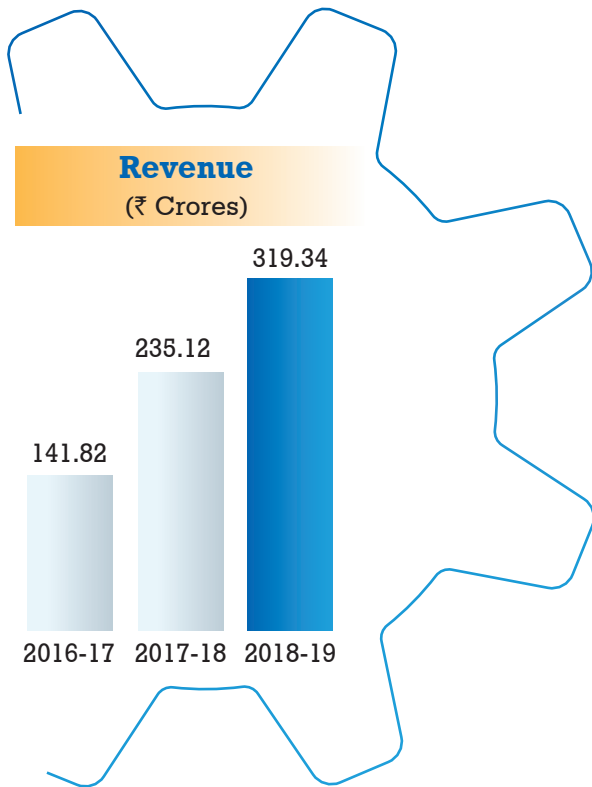


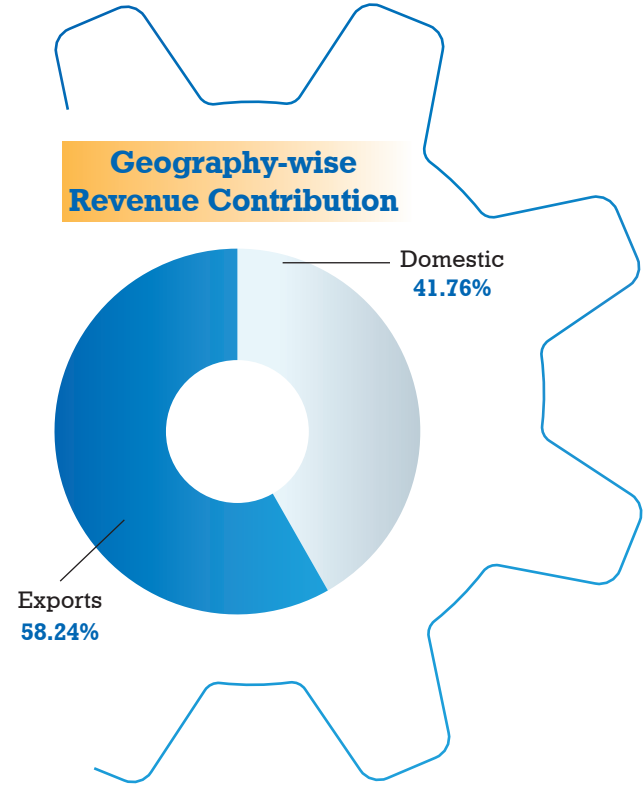
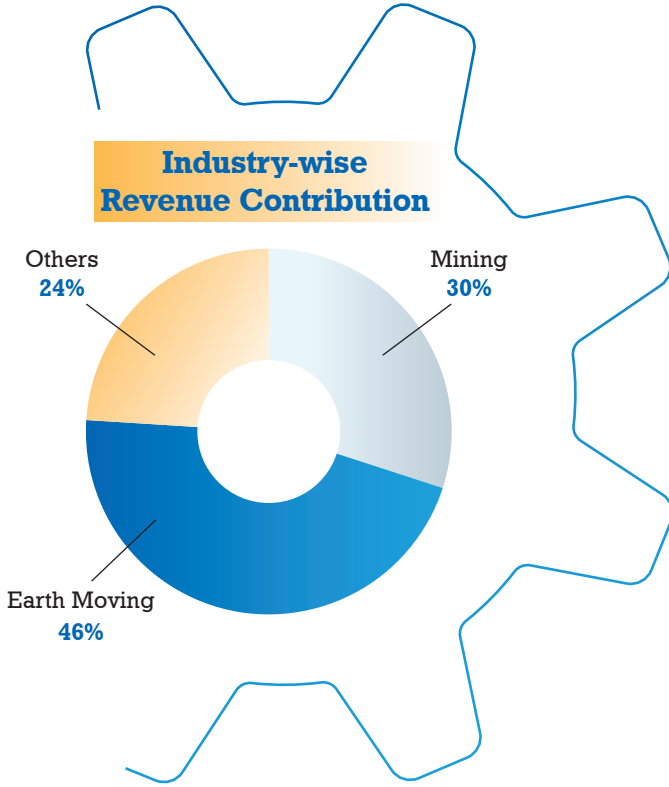
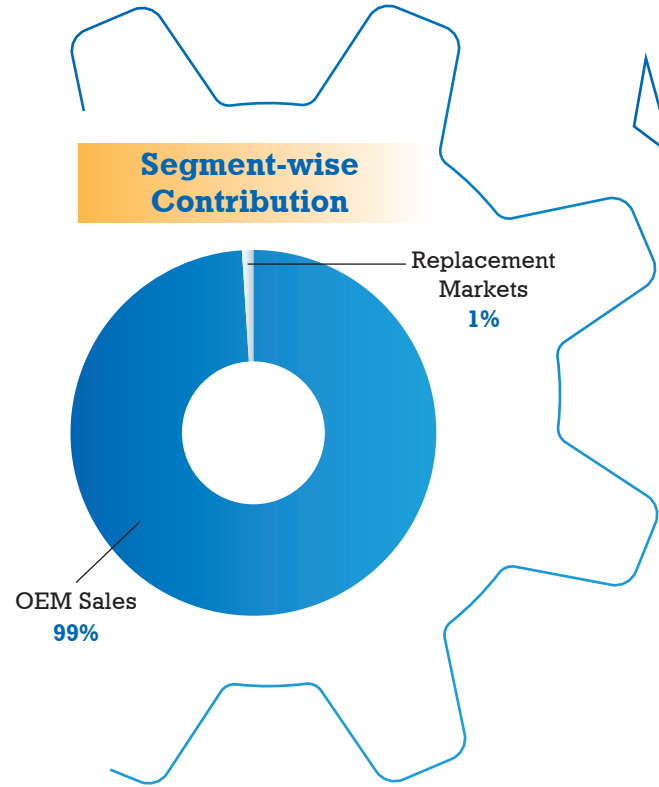
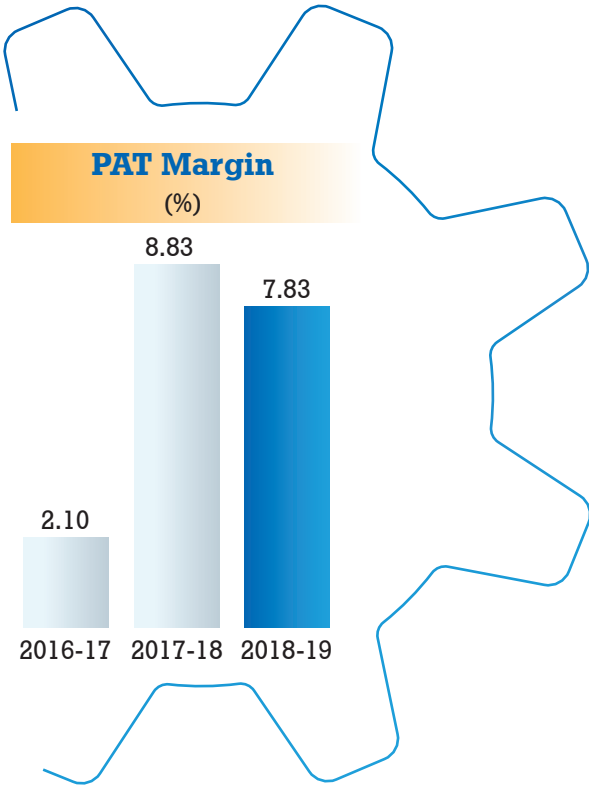
**Disclaimer:**

This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features / states do not necessarily reflect the actual position. The Company or any of its Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

# Performance Overview

## Key Performance Indicators





**Others** include Agricultural Equipment, Manufacturing, Steel Plants, Construction Equipment, Cement, Transportation, Defence, Locomotive and Railways

# Strategic Review

## Business strategies adopted

### What challenges you, also changes you for better!

The year 2018-19 has been a good demonstration of our ability to adapt the changes. The market and the industry demanded us to be proactive. We made efforts towards foraying into newer horizons. We modified our blueprint, used our business strategies differently and the results are for everyone to see.

**30%**

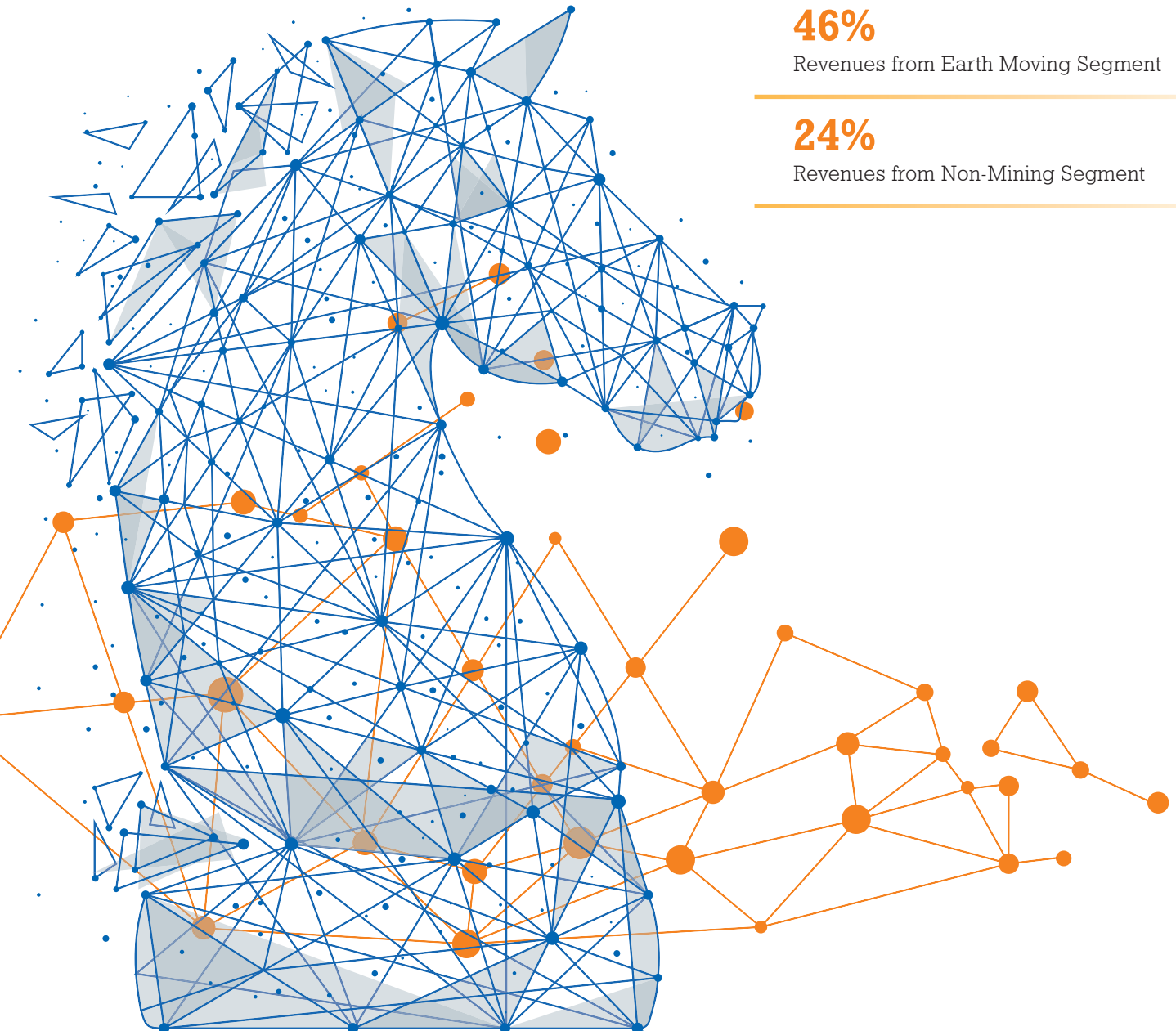
Revenues from Mining Segment

**46%**

Revenues from Earth Moving Segment

**24%**

Revenues from Non-Mining Segment





## Diversification



The year 2011 saw the Company entering into an agreement with one of the OEMs in mining equipment segment. Following the agreement, we underwent aggressive capacity expansion. However, the mining sector faced a huge setback and we ended up incurring huge losses.

We responded promptly using our proactive approach. We diversified and explored the non-mining segment. We developed new products and forayed into new markets, thereby turning our losses into opportunities while improving and utilising our spare capacities.



## Cost Effectiveness



Cost effectiveness is a prime part of our product planning and strategising. The Company's Management team focuses on reducing cost of not just one but the entire products' range in the Company's product portfolio.

To support this strategy, we constantly strive to produce goods that are high in quality and meet the specifics of our customers. Our products are strategically priced at a lower or competitive rate as compared to other companies producing the same product.



## Innovation



As a Company driven by innovation, we are guided by our values and poised for the future. We aspire to constantly innovate and upgrade. As part of our growth process, we put efforts towards improving our processes while building efficiency and adding value to our products. Our vision is to meet stakeholder expectations across the value chain.

We put constant efforts towards identifying newer technologies and collaborating with innovative people and organisations. While innovation is crucial to our business, we recognised our responsibility towards conservation of our natural resources as well. We directed our efforts keeping sustainability in mind.

## How is change driving growth for us?

- Growth of heavy industries (construction, mining and automotive) is rising demand for steel casting products. This is propelling demand for steel casting products as high-quality raw materials become a prerogative.
- Low maintenance and long-lasting nature of steel casting products heavily attract the mining industry. With the sector being focused on reducing operational costs, the sturdiness and strength of steel casted products is sure to benefit the automotive industry.

# Environment And Communities

## We have two hands, one for helping ourselves and other for helping others.

As a responsible and dedicated corporate citizen, we are committed towards a balance of economic, environmental and social imperatives. We undertake programs that support society's sustainable development on a regular basis. We emphasise on protecting the interests of the society and environment at large.

To enhance the quality of life for the people of the communities we work with, we undertook initiatives in areas of basic education, eradication of extreme hunger and poverty while providing a cleaner environment. During 2018-19, we spent a total of ₹ 15 Lakhs towards CSR activities.

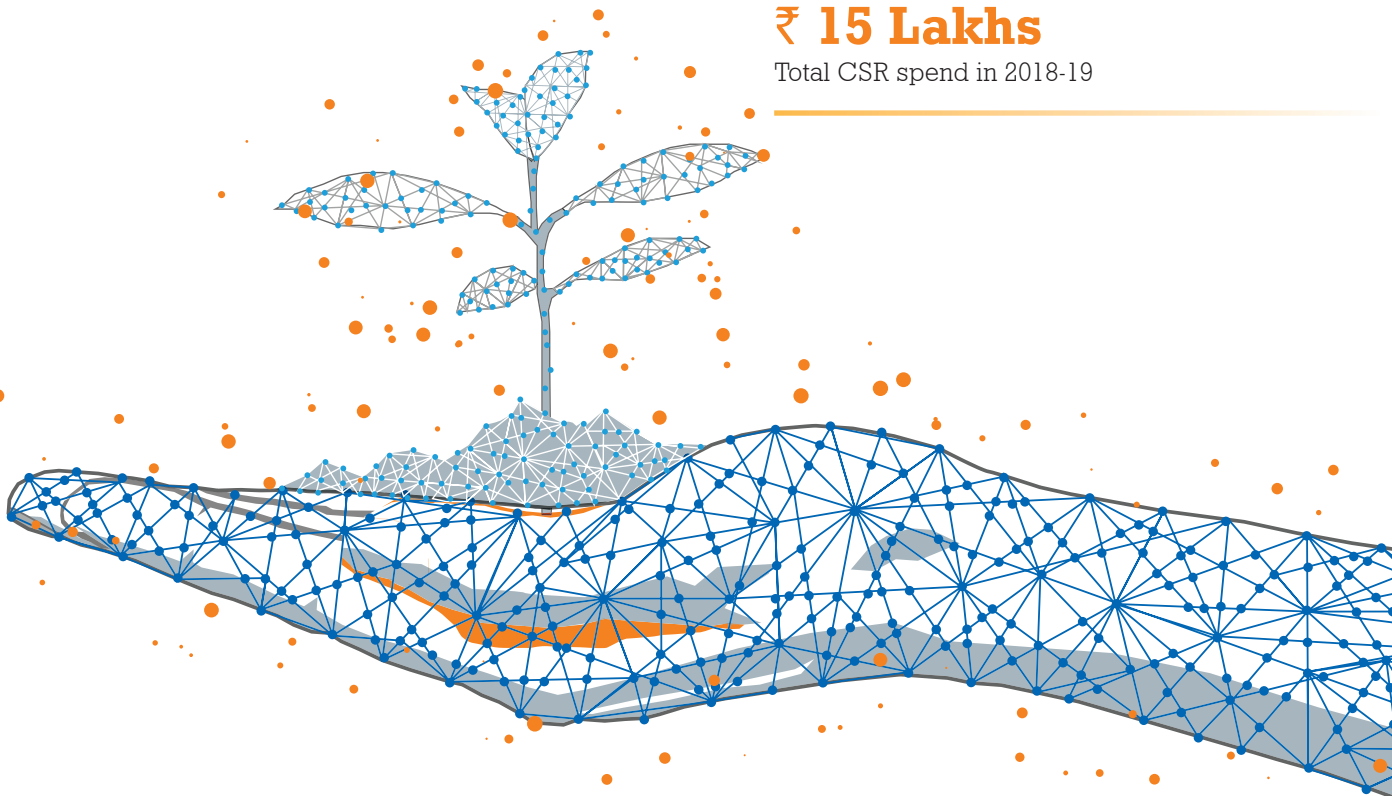
We also continuously focus on environment conservation and encourage using renewable energy and installation of energy-efficient equipment.

Few steps undertaken towards energy conservation are as follows:

- Removal of excess cooling pumps in shakeout pre-reclaimer system for energy conservation
- Power saving by installing temperature control system in polymer quenching tank

**₹ 15 Lakhs**

Total CSR spend in 2018-19





# Corporate Information

## Board of Directors

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### Mr. Chetan M Tamboli

Chairman & Managing Director

### Mr. Rushil C Tamboli

Whole Time Director (Appointed on 02.11.2017)

### Mr. T Kumar\*

Non-Independent Non-Executive Director

### Mr. Rajesh R Gandhi\*\*

Independent Director

### Mr. Apurva R Shah

Independent Director

### Mr. Rajendra V Gandhi

Independent Director

### Mr. Dhimant D Mehta

Additional Director (Appointed on 25.07.2017)

### Mrs. Manali C Tamboli

Non-Independent Non-Executive Director

\* Resigned w.e.f 7.09.2018

\*\*Resigned w.e.f 4.09.2018

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## Chief Financial Officer

### Mr. Subhash R Sharma

## Company Secretary

### Mr. Vishal K Sondagar\*

## Bankers

- Standard Chartered Bank
- HDFC Bank Limited
- RBL Bank Limited

## Auditors

SSM & Co., Chartered Accountants  
Bhavnagar

\*Resigned w.e.f 11.5.19

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## Registered Office & Works

Ruvapari Road, Bhavnagar,

Gujarat – 364005, India

Phone: (91) (278) 251 9062

Fax: (91) (278) 242 0589/251 9831

(91) (278) 251 3342

## Corporate Id No.

L27310GJ1972PLC002033

## ISIN

INE124E01020

## Script Code at BSE

513517

## SIGNIFICANT FINANCIAL INDICATORS FOR LAST TEN YEARS

Sr. No.	Aspect	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1	Total Income	9,566.27	13,379.89	23,797.66	28,735.05	14,448.80	7,914.31	13,704.24	14,182.41	23,512.07	31,934.03
2	Operating Profit	1,231.18	1,599.73	3,954.04	4,782.92	2,618.22	(4.57)	2,627.40	2,614.98	4,476.74	6,015.54
3	Profit After Tax	278.44	432.59	1411.01	1,965.42	42.57	(1,850.04)	13.29	298.09	2,075.18	2,492.30
4	Net Worth	4,086.49	4,520.13	5,961.96	7,704.14	7,907.10	5,990.84	7,186.46	7,404.04	9,333.06	11,495.95
5	Total Borrowed Funds	3,975.82	6,497.48	8,485.44	11,631.81	13,721.91	14,361.95	12,800.66	8,959.59	9,255.51	6,443.26
6	Fixed Assets (Net)	3,707.44	6,261.42	7,922.27	12,148.19	14,913.57	13,976.83	13,409.44	12,392.36	12,361.46	11,639.87
7	Net Current Assets	4,739.34	4,425.42	6,466.61	7,322.19	5,650.32	4,787.08	4,619.99	7,792.19	11,572.12	9,726.17
8	Book Value Per Share (Adjusted to Sub Division & Bonus Issue and PI)	27.00	29.00	36.00	44.00	43.00	32.89	35.51	36.58	46.11	56.80
9	Earning Per Share (Basic)(Adjusted to Sub Division & Bonus Issue)	1.90	2.80	9.30	11.80	0.23	(10.16)	0.07	1.47	10.31	12.34
10	Dividend (%)	15.00	20.00	60.00	36.00	0.00	0.00	0.00	12.00	27.00	40.00
11	Debt Equity Ratio (Total Borrowed Funds/Net Worth)	0.97	1.44	1.42	1.51	1.74	2.40	1.78	1.21	0.99	0.56
12	Operating Profit to Sale (%)	12.87	11.96	16.62	16.64	18.12	(0.06)	19.17	18.44	19.04	18.84

# STEELCAST LIMITED

CIN: L27310GJ1972PLC002033

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

Phone 0278-2519062 www.steelcast.net, info@steelcast.net

## NOTICE OF 48TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **48<sup>th</sup> Annual General Meeting** of the Members of STEELCAST LIMITED will be held at 1600 Hours on Wednesday the August 7, 2019, at Efce Sarovar Portico - Sarovar Hotels, Iscon Mega City, Opp. Victoria Park, Bhavnagar, Gujarat 364002, to transact the following business:

### Ordinary Business:

1. To receive, consider, approve and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2019 and the Report of the Board of Directors' and Auditors' thereon.
2. To declare dividend on equity shares for the year ended March 31, 2019.
3. To appoint a Director in place of Mr. Rushil C Tamboli, a Whole Time Director having Director Identification Number 07807971, who retires by rotation and being eligible offers himself for re-appointment.

### Special Business:

4. To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

**"RESOLVED THAT** pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, a remuneration of ₹80,000 (Rupees Eighty Thousand Only) plus Goods & Service Tax (GST) as applicable and reimbursement of actual travel and out-of-pocket expenses, for the Financial Year commencing on April 1, 2019 and ending on 31<sup>st</sup> March, 2020, as fixed by the Audit Committee and approved by the Board of Directors of the Company, to be paid to M/s. S K Rajani & Co., Cost Accountants (FRN.101113), for the conduct of the Cost Audit of the Company's Steel castings products (CETA Heading 73259920,73259999,73259930 and 84879000), be and is hereby ratified and confirmed."

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

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee, the approval of Board and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), subject

to approval of the Board of Directors and shareholders in ensuing general meeting, is hereby recommended for re-appointment of Mr. Rajendra V Gandhi (DIN 00189197) whose current period of office is expiring on September 30, 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a period of 3 (Three) consecutive years on the Board of the Company for a term w.e.f. October 1, 2019 upto September 30, 2022."

**"RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

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

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee, the approval of Board, pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to approval of shareholders in ensuing general meeting, is hereby accorded for re-appointment of Mr. Apurva R Shah (DIN 00004781) whose current period of office is expiring on September 30, 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and in respect of whom the Company has

## Notes (Contd.)

received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (Five) consecutive years on the Board of the Company for a term w.e.f. October 1, 2019 upto September 30, 2024.”

**“RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’

thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

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

Place: Bhavnagar  
Date: May 30, 2019

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

### NOTES:

1. The relevant Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013, in respect of the special business is annexed hereto.
2. A statement giving the relevant details of the Directors seeking re-appointment is annexed hereto.
3. **A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a Proxy to attend and vote instead of himself/herself and the Proxy need not be a member of the Company. The proxy form duly completed and signed should be lodge with the Company at its Registered Office at least 48 hours before the time of the meeting.**
4. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
5. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
6. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
8. All documents referred to in the notice and the explanatory statement requiring the approval of the Members at the meeting and other statutory registers shall be available for inspection by the Members at the Registered Office of the Company during office hours on all working days between 10.00 a.m. to 5.00 p.m. from the date of hereof up to the date of the Annual General Meeting.
9. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from August 3, 2019 to August 7, 2019 (both days inclusive) for the purpose of 48<sup>th</sup> Annual General Meeting.
10. Pursuant to Section 124 & Section 125 as per Companies Act, 2013 came in to effect on September 7, 2016 (corresponding to the provisions of Section 205A (5) and 205C of the Companies Act, 1956), the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Government. Accordingly, the unclaimed/unpaid dividend in respect of financial year 2011-12 (Final) is due for transfer to the said Fund in September 2019. In terms of provisions of Section 124 of the Companies Act, 2013 (corresponding to Section 205C of the Companies Act, 1956), no claim shall lie against the Company or the said Fund after the said transfer.
11. Members who have neither received nor encashed their dividend warrant(s) for the financial year 2011-12 (Final), are requested to write to the Company, mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s).
12. Members holding shares in physical form are requested to promptly notify in writing any changes in their

## Notes (Contd.)

address/bank account details to the R&T Agents M/s. MCS Share Transfer Agent Ltd, 101, First Floor, Shatdal Complex, Opp: Bata Show Room, Ahmedabad 380 009 or the Company at Ruvapari Road, Bhavnagar 364 005. Members holding shares in electronic form are requested to notify the changes in the above particulars, if any, directly to their Depository Participants (DP).

13. Equity shares of the Company are under compulsory demat trading by all investors. Considering the advantage of scripless trading, members are encouraged to consider dematerialisation of their shareholding so as to avoid inconvenience in future.

14. **Voting through electronic means:** In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI (LODR) Regulation 2015, the Company is pleased to offer e-voting facility to its members in respect of the business to be transacted at the 48<sup>th</sup> Annual General Meeting (AGM). The Company has engaged the service of National Securities Depository Limited (NSDL) as authorised agency to provide e-voting facilities. The instructions for remote e-voting are as under:

14.1 In case a Member receives an email from NSDL (for members whose email IDs are registered with the Company/Depository Participants), the following may be done:

- a) Open the email and the attached PDF file viz; "STEELCAST remote e-voting. PDF" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- b) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- c) Click on Shareholder-Login
- d) Put user ID and password as initial password/PIN noted in step (a) above. Click Login.
- e) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep password confidential.
- f) Home page of e-voting opens. Click on e-voting: Active Voting Cycle.

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

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

- a. Initial password will be provided separately: EVEN (E Voting Event Number) USER ID PASSWORD/PIN
- b. Please follow all steps in Sr. Nos. 14.1 a to l above to cast vote.

14.3 In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact Mr. Amit Vishal, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 on 022-24994360, toll free : 1800-222-990.

14.4 If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

14.5 The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. In

## Notes (Contd.)

- the event a member casts his votes through both the processes, the votes in the electronic system would be considered and the ballot vote would be ignored.
- 14.6 You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- 14.7 The remote e-voting period commences on August 4, 2019 (9:00 am) and end on August 6, 2019 (5:00 pm) During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of August 2, 2019, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- 14.8 The voting rights of the shareholders shall be in proportion of their shares of the paid up equity share capital of the Company as on the cut-off date of August 2, 2019.
- 14.9 Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. August 2, 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [cs@steelcast.net](mailto:cs@steelcast.net). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- 14.10 Mr. Dinesh G Bhimani of D G Bhimani & Associates, Practicing Company Secretary (Membership No. FCS 8064) (Address: 207, Nathwani Chambers, Sardar Gunj, Anand-388 001, Gujarat) has been appointed as the Scrutiniser to scrutinise the voting and remote e-voting process (including the physical ballots received from members who do not have access to the e-voting process and at the Annual General Meeting) in a fair and transparent manner.
- 14.11 The Scrutiniser shall immediately after the conclusion of voting at the meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than two (2) days of conclusion of the meeting, a consolidated Scrutiniser's Report of the total votes cast in favor or against, if any, to the Chairman of the Company who shall countersign the same and declare the result of the voting forthwith.
- 14.12 The Results shall be declared after the receipt of the Scrutiniser's Report from conclusion of the AGM of the Company. The Results declared along with the Scrutiniser's Report shall be placed on the Company's website [www.steelcast.net](http://www.steelcast.net) and on the website of NSDL immediately. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
15. To ensure correct identity of the members for the smooth conduct of the Annual General Meeting, each Member and Proxy Holder attending the meeting is expected to bring with him/her an appropriate photo ID document like a Driving License, Passport, and Voter ID Card.
16. The Company is concerned about the environment and utilises natural resources in a sustainable way. We request you to update your email address with your Depository Participant to enable us to send you the communications via email.
17. Members having any questions on accounts are requested to send their queries at least 10 days in advance to the Company at its Registered Office address to enable the Company to collect the relevant information.

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

Place: Bhavnagar  
Date: May 30, 2019

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



# EXPLANATORY STATEMENT

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

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

## ITEM NO. 4 OF SPECIAL BUSINESS:

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

On recommendation of the Audit Committee at its meeting held on May 30, 2019, the Board has considered and approved appointment of M/s S K Rajani & Co., Cost Accountants having FRN.101113, for the conduct of the Cost Audit of the Company's Steel castings products (CETA Heading 73259920,73259999,73259930 and 84879000) at a remuneration of ₹80,000 plus Goods & Services Tax (GST) as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending on March 31, 2020.

The Board recommends the resolution set out at Item No. 4 of the Notice for the approval and ratification by the members in terms of Section 148 of the Companies Act, 2013, as Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the passing of the Resolutions set out at Item No. 4.

## ITEM NO. 5 OF SPECIAL BUSINESS:

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges, at the 43rd Annual General Meeting held on July 30, 2014, Mr. Rajendra V Gandhi was appointed as an Independent Director of the Company for a period of 5 (five) consecutive years for a term upto September 30, 2019. Since, Mr. Rajendra V Gandhi will complete his initial term as an Independent Director of the Company on September 30, 2019, he is eligible for re-appointment for one more term.

Mr. Rajendra V Gandhi, aged 69 years, is Graduate Engineer from Indian Institute of Technology, Mumbai. He is president

of Indian Rubber Manufacturers Research Association (IRMRA) since 2015, Past Member of Managing Committee of AIRIA, Past Member of Advisory Panel to IRSG and serving on the board of several companies. He is recipient of prestigious K.M. Philip Gold Medal in 2013 from AIRIA for his contribution to growth of rubber industry in India. He is the Managing Director of GRP Ltd. He is a graduate engineer from the Indian Institute of Technology, Mumbai and the chief promoter of GRP Ltd. He has been a long serving member of the Governing Council of Indian Rubber Manufacturers Research Association (IRMRA). He has served in the past as a Member of the Managing Committee of the All India Rubber Industries Association (AIRIA) for more than 20 years, also one of the founding members of the Indian reclaim rubber manufacturer's association (IRRMA), and has been a member of the advisory panel to the International Rubber Study Group (IRSG). He initiated along with AIRIA the institution of the prestigious K. M. Philip Gold Medal Award for individuals who have contributed to the growth of the Indian Rubber Industry. He has also been recipient of a prestigious international award from CompuWorld Honors Award for his initiative in use of Technology for Economic, Environmental and Social Sustainability.

As on March 31, 2019, he is holding 2884 shares of the Company.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on May 30, 2019, subject to approval of Members at this Annual General Meeting and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on his skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by him during his tenure and outcome of performance evaluation of the Independent Directors, the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Rajendra V Gandhi (DIN 00004781) as an Independent Non-Executive Director of the Company, for the second term of 3 (Three) years w.e.f. October 1, 2019 upto September 30, 2022. Further Mr. Rajendra V Gandhi shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has received a declaration from Mr. Rajendra V Gandhi, being eligible for re-appointment as Independent Director for the second term providing his consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the



## Explanatory Statement (Contd.)

Companies (Appointment & Qualification of Directors) Rules, 2014, as amended from time to time. The Company has also received a declaration from Mr. Rajendra V Gandhi confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under the Regulation 16(b) of the Listing Regulations, as amended from time to time. Mr. Rajendra V Gandhi is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013, as amended from time to time. In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 and is independent of the management.

In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member proposing the candidature of Mr. Rajendra V Gandhi to be re-appointed as an Independent Non-Executive Director of the Company as per the provisions of the Companies Act, 2013.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services. Accordingly, consent of the Members is sought for passing Special Resolution as set out in this item of the Notice for re-appointment of Mr. Rajendra V Gandhi as an Independent Director of the Company.

Except Mr. Rajendra V Gandhi, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

Details of Directors seeking appointment at forthcoming Annual General Meeting:

(In pursuance of Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

<b>Name of the Director</b>	Mr. Rajendra V Gandhi (DIN No. 00189197)
<b>Date of Birth</b>	17-12-1949
<b>Nationality</b>	Indian
<b>Date of Appointment on Board</b>	28.10.2002
<b>Qualification</b>	Graduate Engineer from Indian Institute of Technology, Mumbai
<b>Experience</b>	He is president of Indian Rubber Manufacturers Research Association (IRMRA) since 2015, Past Member of Managing Committee of AIRIA, Past Member of Advisory Panel to IRSG and serving on the board of several companies. He is recipient of prestigious K.M. Philip Gold Medal in 2013 from AIRIA for his contribution to growth of rubber industry in India. He is the Managing Director of GRP Ltd. He is a graduate engineer from the Indian Institute of Technology, Mumbai and the chief promoter of GRP Ltd. He has been a long serving member of the Governing Council of Indian Rubber Manufacturers Research Association (IRMRA). He has served in the past as a Member of the Managing Committee of the All India Rubber Industries Association (AIRIA) for more than 20 years, also one of the founding members of the Indian reclaim rubber manufacturer's association (IRRMA), and has been a member of the advisory panel to the International Rubber Study Group (IRSG). He initiated along with AIRIA the institution of the prestigious K. M. Philip Gold Medal Award for individuals who have contributed to the growth of the Indian Rubber Industry. He has also been recipient of a prestigious international award from CompuWorld Honors Award for his initiative in use of Technology for Economic, Environmental and Social Sustainability.
<b>Shareholding</b>	Holding 2,884 shares (0.0142%)
<b>Terms and conditions of appointment along with details of sitting fees</b>	Reappointment as Independent Director for three years w.e.f. October 1, 2019 upto September 30, 2022 with sitting fees as applicable to other non-executive directors for attending Board of Directors meeting and committee meeting thereof.
<b>Sitting fees last drawn</b>	₹105,000/-
<b>No. of Meetings of the Board attended during the year</b>	Three meetings attended out of Six meetings held during the 2018-19.

## Explanatory Statement (Contd.)

<b>Designated Partner/ Directorship of other Companies</b>	<ol style="list-style-type: none"> <li>1. GRP Limited</li> <li>2. Grip Polymers Private Limited</li> <li>3. Marangoni GRP Private Limited</li> <li>4. Ghatkopar Estate &amp; Finance Corporation Private Limited</li> <li>5. Industrial Development &amp; Investment Co. Private Limited</li> <li>6. Enarjee Consultancy And Trading Company LLP</li> </ol>
<b>Membership/Chairmanship of Committees of other Companies</b>	Member of Stakeholders Relationship Committee of GRP Limited

There is no inter-se relationship between the Board Members.

No Director, Key Managerial personnel or their relatives, except Mr. Rajendra V Gandhi (DIN: 00189197), to whom the resolution relates, is interested or concerned in the resolution.

### ITEM NO. 6 OF SPECIAL BUSINESS:

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges, at the 43rd Annual General Meeting held on July 30, 2014, Mr. Apurva R Shah was appointed as an Independent Director of the Company for a period of 5 (five) consecutive years for a term upto September 30, 2019. Since, Mr. Apurva R Shah will complete his initial term as an Independent Director of the Company on September 30, 2019, he is eligible for re-appointment for one more term.

Mr. Apurva R Shah, aged 49 years, is Apurva Shah is a Chartered Accountant, a Cost and Works Accountant and a Post Graduate in International Accounting and Finance. He co-heads an Accounting firm Rajendra & Co. and has experience in Audit, Income Tax and Family Owned Businesses as well as Corporate restructuring.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on May 30, 2019, subject to approval of Members at this Annual General Meeting and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on his skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by him during his tenure and outcome of performance evaluation of the Independent Directors, the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Apurva R Shah (DIN 00004781) as an Independent Non-Executive Director of the Company, for the second term of 5 (Five) years w.e.f. October

1, 2019 upto September 30, 2024. Further Mr. Apurva R Shah shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has received a declaration from Mr. Apurva R Shah, being eligible for re-appointment as Independent Director for the second term providing his consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended from time to time. The Company has also received a declaration from Mr. Apurva R Shah confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under the Regulation 16(b) of the Listing Regulations, as amended from time to time. Mr. Apurva R Shah is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013, as amended from time to time. In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 and is independent of the management.

In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member proposing the candidature of Mr. Apurva R Shah to be re-appointed as an Independent Non-Executive Director of the Company as per the provisions of the Companies Act, 2013.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services. Accordingly, consent of the Members is sought for passing Special Resolution as set out in this item of the Notice for re-appointment of Mr. Apurva R Shah as an Independent Director of the Company.

Except Mr. Apurva R Shah, being an appointee, none of the other Directors and Key Managerial Personnel of the Company

## Explanatory Statement (Contd.)

and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

Details of Directors seeking appointment at forthcoming Annual General Meeting:

(In pursuance of Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

<b>Name of the Director</b>	Mr. Apurva R Shah (DIN No. 00004781)
<b>Date of Birth</b>	05.01.1970
<b>Nationality</b>	Indian
<b>Date of Appointment on Board</b>	18.06.2003
<b>Qualification</b>	Chartered Accountants, Cost and Works Accountant and a Post Graduate in International Accounting and Finance
<b>Experience</b>	Apurva Shah is a Chartered Accountant, a Cost and Works Accountant and a Post Graduate in International Accounting and Finance. He co-heads an Accounting firm Rajendra & Co. and has experience in Audit, Income Tax and Family Owned Businesses as well as Corporate restructuring.
<b>Shareholding</b>	NIL
<b>Terms and conditions of appointment along with details of sitting fees</b>	Reappointment as Independent Director for Five years w.e.f. October 1, 2019 upto September 30, 2024 with sitting fees as applicable to other non-executive directors for attending Board of Directors meeting and committee meeting thereof.
<b>Remuneration last drawn</b>	₹105,000/-
<b>No. of Meetings of the Board attended during the year</b>	Three meetings attended out of Six meetings held during the 2018-19.
<b>Designated Partner/Directorship of other Companies</b>	1. Asian Star Company Limited 2. Fine-Line Circuits Limited
<b>Membership/Chairmanship of Committees of other Companies</b>	1. Chairman of Audit Committee of Fine-Line Circuits Limited 2. Member of Audit Committee and Stakeholders Relationship Committee of Asian Star Company Limited

There is no inter-se relationship between the Board Members

No Director, Key Managerial personnel or their relatives, except Mr. Apurva R Shah (DIN : 00004781), to whom the resolution relates, is interested or concerned in the resolution.

## Explanatory Statement (Contd.)

### ANNEXURE- J TO ITEM NO. 3 OF THE NOTICE

Details of Directors seeking re-appointment at the 48th Annual General Meeting (In pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

<b>Name of the Director</b>	Mr. Rushil C Tamboli (DIN No. 07807971)
<b>Date of Birth</b>	14.08.1989
<b>Nationality</b>	Indian
<b>Date of Appointment on Board</b>	02.11.2017
<b>Qualification</b>	B. E. (IE)
<b>Experience</b>	Working since August 2011 in Steelcast Limited in various capacities like 6 Sigma project for improving fuel efficiency of Heat Treatment operations, headed Heat Treatment Section and Shell Moulding Foundry. He was instrumental in developing new parts, achieving improvement in Man Hours Per Ton etc.
<b>Shareholding</b>	NIL
<b>Terms and conditions of appointment along with details of remuneration</b>	-
<b>Remuneration last drawn (during FY 2018-19)</b>	₹1,410,423/-
<b>No. of Meetings of the Board attended during the year</b>	Six meetings attended out of Six meetings held during the 2018-19.
<b>Designated Partner/Directorship of other Companies</b>	1. Tamboli Investments Private Limited 2. CMRV Academy LLP
<b>Membership/Chairmanship of Committees of other Companies</b>	NIL
Mr. Rushil C Tamboli is the son of Mr. Chetan M Tamboli & Mrs. Manali C Tamboli	

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

Place: Bhavnagar  
 Date: May 30, 2019

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

**ROUTE MAP**

TO THE VENUE OF 48<sup>TH</sup> AGM OF STEELCAST LIMITED TO BE HELD ON WEDNESDAY, AUGUST 7, 2019



# Board's Report

## Dear Members,

The Directors of your Company are pleased to present the **48th Annual Report** together with the Audited Financial Statement for the Financial Year ended on March 31, 2019.

### 1. FINANCIAL RESULTS: (₹ in Lakhs)

Sr. No.	Particulars	2018-19	2017-18
1	Sales	31,792.46	23,339.46
2	Other Income	141.56	172.61
3	<b>Total Income</b>	<b>31,934.03</b>	<b>23,512.07</b>
4	Profit Before Depreciation & Tax (PBDT)	5,070.69	3,380.14
5	Less: Depreciation	1,565.03	1,481.92
6	Profit Before Taxation (PBT)	3,505.66	1,898.22
7	Less: Taxation (all Taxes)	1,008.13	(187.60)
8	Profit After Taxation (PAT)	2,497.53	2,085.82
9	Other comprehensive income	(5.22)	(10.63)
10	Add: Balance brought forward from last year	273.01	(1,472.76)
11	Amount Available for Appropriation	2,765.32	602.42
	<b>Appropriations:</b>		
	(a) Interim Dividend	-	-
	(b) Proposed Dividend	404.80	(273.24)
	(c) Corporate Dividend Tax	83.21	(56.17)
	(d) General Reserve	-	-
	(e) Balance to be carried forward	2,277.31	273.01

**2. STATE OF COMPANY'S AFFAIRS:** The Company has earned revenue from operation of ₹31,792.46 Lakhs during the year ended on March 31, 2019 as against ₹23,339.46 Lakhs earned during the previous year ended on March 31, 2018, giving a significant growth of 36.22 % as compared to previous year. The Company has also earned other income of ₹141.56 Lakhs during the year under review as against ₹172.61 Lakhs earned during the previous year.

The Company earned Profit Before Tax (PBT) of 11.03% of sales during the year ended on March 31, 2019 against 8.13 % of previous year ended on March 31, 2018.

The Company earned Profit After Tax (PAT) of 7.86% of sales during the year ended on March 31, 2019 against 8.93 % of previous year ended on March 31, 2018.

After adding the surplus in the Statement of profit & loss of ₹273.01 Lakhs brought forward from the previous

year to the profit of ₹2,492.30 Lakhs earned by the Company during the year under review, the total amount of ₹2,765.32 Lakhs profit is available for appropriation.

There are no material changes and commitment occurred during the period which affects the financial position of the Company.

Further, there are no change in the nature of business of the Company.

**3. DIVIDEND:** the Board of Directors of your Company are pleased to recommend dividend @ 40.00% (i.e. ₹2.00 per share) on full paid up equity shares of ₹5/- each for the financial year ended March 31, 2019, subject to approval of the shareholders at the ensuing Annual General Meeting.

**4. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EARNINGS AND OUTGO:** The Information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed to this Report as an **Annexure- A** and forming part of this Report.

**5. SEGMENT REPORTING:** The Company is engaged in the Castings business only and therefore there is only one reportable segment in accordance with the Indian Accounting Standard (Ind AS) 108 Operating Segments.

**6. SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE:** The Company was having a partnership firm namely STEELCAST LLC, in USA and now the Company is not able to exercise any of the agreed rights under the agreement and it is not expecting to receive any significant benefit from the exercise of its rights over the entity. Hence, the Company determined that it does not have control / joint control over the entity. During the year under review, no other Company became or ceased to become Subsidiary, Joint Venture or Associate Company.

**7. CORPORATE SOCIAL RESPONSIBILITY (CSR):** Company has formulated Policy on CSR in accordance with Schedule VII of the Companies Act, 2013 and the details of the composition of the Committee are covered in the Corporate Governance Report. Your Company's spent amount towards CSR activities during the year though not applicable to spend any amount under the CSR. Report on CSR activities is annexed as **Annexure-B** and forming part of this Report. The Board has approved Policy on CSR which has been uploaded on the Company's website at www.steelcat.net.

## Board's Report (Contd.)

**8. QUALITY:** Your Company has continued emphasis on Research & Development. A dedicated Quality Assurance ("QA") team is monitoring product quality. Your Company strives to be industry leader by adopting modern technology.

**9. INSURANCE:** All assets of the Company, including Building, Plant & Machinery, Stocks etc., wherever necessary and to the extent required, have been adequately insured.

### 10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

#### 10.1 CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the period of this report, Mr. Rajesh Rameshchandra Gandhi, Independent Director of the Company, has resigned from the position of Board & from the position of Independent Director of the Company with effect from September 4, 2018. The Board appreciated the valuable services rendered by him during his tenure.

Mr. Tipirneni Kumar, Non-Executive Non-Independent Director of the Company, has resigned from the position of Board & from the position of Non-Executive Non-Independent Director of the Company with effect from September 7, 2018. The Board appreciated the valuable services rendered by him during his tenure.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder, Mr. Rushil C Tamboli, Whole Time Director of the Company, shall retire by rotation at this Annual General Meeting and being eligible offers himself for re-appointment. The Members are requested to consider his re-appointment.

Necessary resolutions relating to Directors who are seeking appointment/reappointment are included in the Notice of Annual General Meeting. The relevant details of the said Directors are given in the Notes/Annexures to the Notice of the Annual General Meeting.

#### 10.2 COMPLIANCE ON CRITERIA OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS:

All Independent Directors of the Company have given declarations to the Company under Section 149(7) of the Act that they meet the criteria of independence as provided in Sub-Section 6 of Section 149 of the Act and also under the Listing Regulations.

#### 10.3 FORMAL ANNUAL EVALUATION:

The Board of Directors has carried out an annual evaluation of its own performance, its Committees and individual

Directors pursuant to the requirements of the Act and the Listing Regulations.

Further, the Independent Directors, at their exclusive meeting held January 31, 2019 during the year reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Listing Regulations.

#### 10.4 NOMINATION AND REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The details of the Nomination and Remuneration Policy are covered in the Corporate Governance Report. The said policy has also been uploaded on the Company's website at [www.steelcast.net](http://www.steelcast.net).

#### 10.5 MEETINGS:

During the year Six (6) Board Meetings and Five (5) Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### 10.6 FORMAL UPDATION PROGRAMME:

The Board of Directors has undergone 1<sup>st</sup> Formal Updation Programme on changes in applicable laws, regulations and compliance requirements conducted by the Company through Mr. Dinesh G Bhimani, Practicing Company Secretary as faculty.

#### 10.7 COMMITTEES OF THE DIRECTORS:

The details of various committees of Directors constituted under various provisions of Companies Act, 2013 and Rules made thereunder, their constitution, terms of reference and other details are provided in the Corporate Governance Report.

Compositions of Board of Directors and various Committees of Directors are available on the Company's website at [www.steelcast.net](http://www.steelcast.net).

### 11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, are given in the notes to the Financial Statements.

### 12. RELATED PARTY TRANSACTIONS:

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure- C** in the prescribed Form - AOC-2 and the same forms part of this report. All related party transactions are placed before



## Board's Report (Contd.)

the Audit Committee and Board of the Company for review and approval or Omnibus approval as permitted under law. Transactions with related parties, as per requirements Indian Accounting Standard (Ind AS) 24 are disclosed in the notes to accounts annexed to the financial statements. Your Company's Policy on Related Party Transactions, as adopted by your Board, can be accessed on the Company's website at [www.steelcast.net](http://www.steelcast.net).

- 13. PARTICULARS OF EMPLOYEES:** The Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed with this report as **Annexure-D**.

The Statement of particulars of employees under Section 197(12) read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is not provided with as during the financial year under review, no employee of the Company including Managing Director was in receipt of remuneration in excess of the limits set out in the said rules.

- 14. HUMAN RESOURCES:** Your Company believes that its employees are one of the most valuable assets of the Company. During the year under review, the Company organised various training programs at all level to enhance skill of the employees. As on March 31, 2019, total employees strength at STEELCAST is over 811. The employees are deeply committed to the growth of the Company.
- 15. VIGIL MECHANISM / WHISTLEBLOWER POLICY:** The Company has formulated Whistleblower Policy in conformity with the provisions of Section 177(9) of the Companies Act, 2013 and Listing Regulation to provide a mechanism for any concerned person of the Company to approach the Ethics Counselor/Chairman of the Audit Committee of the Company for the purpose of dealing with instance of fraud and mismanagement, if any and also ensure that whistleblowers are protected from retribution, whether within or outside the organisation. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the Company's website at [www.steelcast.net](http://www.steelcast.net).
- 16. EXTRACT OF ANNUAL RETURN:** Pursuant to the provisions of section 92(3) of the Companies Act, 2013, an extract of annual return is annexed hereto as **Annexure-E** and forms part of this report.

- 17. SECRETARIAL AUDITORS:** Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. D.G. Bhimani & Associates, Company Secretary, (CP: 6628) Anand, Gujarat have been appointed as the Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial Year 2019-20, the Secretarial Audit Report for the 2018-19 is annexed herewith as **Annexure-F** and forms part of this report.

The observations made in the Auditor's Report are self-explanatory and, therefore, do not call for any further comments under Section 134(3)(f) of the Companies Act, 2013. However, the Company would like to clarify with regard to point No. (v) of Annexure-B to The Independent Auditor's Report that the cheque given by a Director from a family member's account in Company's favour was accepted and deposited into Company's account out of ignorance. As soon as this error was realised, the amount was repaid.

- 18. CORPORATE GOVERNANCE REPORT AND CERTIFICATE:** Your Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by SEBI. As required under Regulation 34(3) read with Schedule V (C) of the Listing Regulations a Corporate Governance report and the certificate as required under Schedule V (E) of the Listing Regulations from Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance are given in **Annexure- G** and **Annexure- H** respectively, forming part of this report.
- 19. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:** Management Discussion and Analysis Report for the year under review, as stipulated under Listing Regulation, is annexed herewith as **Annexure-I** and forms part of this report.
- 20. COST AUDITORS:** In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors, on the recommendation of the Audit Committee, have appointed M/s. S K Rajani & Co. Cost Accountants, Bhavnagar as Cost Auditor of the Company, for the Financial Year 2019-20 on a remuneration as mentioned in the Notice of Annual General Meeting for conducting the audit of the cost records maintained by the Company. A Certificate from M/s. S K Rajani & Co. Cost Accountants has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in

## Board's Report (Contd.)

accordance with the limits specified under Section 141 of the Act and Rules framed thereunder. A resolution seeking Member's ratification for the remuneration payable to Cost Auditor forms part of the Notice of the Annual General Meeting of the Company and same is recommended for your consideration and approval.

Cost Audit report for the financial year ended March 31, 2018 were filed on September 1, 2018, which was within the time limit as prescribed in Companies (Cost Records and Audit) Rules, 2014 as amended.

**21. STATUTORY AUDITORS:** M/s. SSM & Co., Chartered Accountants, Statutory Auditors of the Company, having firm registration number 129198W, were appointed as Statutory Auditors at AGM pertaining to the FY 2016-17, held on July 4, 2017 for three consecutive years starting 2017-18 to 2019-20. As required under Listing Regulation, 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. The appointment of Statutory Auditors was made for three consecutive years subject to ratification at each Annual General Meeting of the Company until the conclusion of 4th Annual General Meeting to be held for the financial year 2019-20. As the Companies (Amendment) Bill, 2017, Ministry of Corporate Affairs have notified Section 139 & Section 140 on May 07, 2018, and there is no need to ratify appointment of Statutory Auditor of the Company in each Annual General Meeting. The Company have received consent letter from M/s SSM & Co, Chartered Accountants dated on April 29, 2019 for the eligibility to carry out Statutory Audit of the Company for the financial year 2019-20.

The observations made in the Auditor's Report are self-explanatory and, therefore, do not call for any further comments under Section 134(3)(f) of the Companies Act, 2013. However, the Company would like to clarify with regard to point No. (v) of Annexure-B to The Independent Auditor's Report that the cheque given by a Director from a family member's account in Company's favour was accepted and deposited into Company's account out of ignorance. As soon as this error was realised, the amount was repaid.

**22. INTERNAL FINANCIAL CONTROLS:** The Company has in place adequate internal financial controls with reference to financial statements. The Company has adopted an Internal Financial Control Framework policy and Procedure document in to ensure orderly and efficient conduct of the business, accuracy and

completeness of the accounting records and timely preparation of financial reports. The policy & procedure framework is supported by the ERP system. The ERP system used by the Company developed in-house is conforming to Accounting Standards and Financial Control Requirements. The ERP system of the Company is upgraded to handle newly introduced GST Laws and Ind As, however, fine tuning is still under process.

**23. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:** There were no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations, during the year under review.

**24. CHANGE IN THE NATURE OF BUSINESS:** During the year under review, there was no change in the nature of business of the Company and there is no material change and/or commitments, affecting the financial position of the Company, during the period from March 31, 2019 till the date of this report.

**25. DIRECTORS' RESPONSIBILITY STATEMENT:** To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) and 134 (5) of the Companies Act, 2013, that:

- a. in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if applicable;
- b. for the Financial Year ended March 31, 2019, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit and Loss of the Company for that period;
- c. 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;
- d. the Annual Financial Statements have been prepared on a going concern basis;

## Board's Report (Contd.)

- e. proper internal financial controls are in place and such internal financial controls are adequate and were operating effectively;
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and are adequate and operating effectively.
- 26. RISK MANAGEMENT:** The Company has been addressing various risks impacting the Company and details of the same are provided elsewhere in this Annual Report in Management Discussion and Analysis. The Company has voluntarily framed risk management policy and the same has been approved by the Audit Committee.
- 27. SEXUAL HARASSMENT POLICY:** Your Company has zero tolerance towards sexual harassment at the workplace and has adopted a **Policy on Sexual Harassment** in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The said policy can be accessed on the Company's website at [www.steelcast.net](http://www.steelcast.net)
- 28. CHANGE IN TAXATION ACT AND RULES:** The Government of India has enacted GST Act 2017 along with IGST Act 2017, SGST Act 2017 and UTGST Act 2017 effective from July 1, 2017. Your Company has been updating & implementing new changes in GST law issued by Govt from time to time.
- 29. CHANGE IN FINANCIAL REPORTING STANDARDS:** The Ministry of Corporate Affairs issued "The Companies (Indian Accounting Standards) Rules, 2015 and amendment thereto "The Companies (Indian Accounting Standards)Amendment Rules, 2016 as converged version of International Financial Reporting System (IFRS). Further "General instructions for preparation of Balance Sheet and Statements of Profit and Loss of a Company", for compliance and implementation of said rules are also notified by Govt. As per MCA notification, your Company has been updating & implementing new changes in Ind AS issued by Govt from time to time.
- 30. MATERIAL CHANGES AND COMMITMENTS IF ANY:** There is no any material change and commitment which have occurred between the end of the financial year and the date of the report which affect the financial position of the Company.
- 31. DEPOSITS:** The Company has not accepted/renewed any deposits during the year.
- 32. COMPLIANCE OF SECRETARIAL STANDARD:** Your Company have complied with all Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and approved by Central Government from time to time.
- 33. AUDIT COMMITTEE:** Composition of Audit Committee and details of number of audit committee held during the 2018-19 is shown herewith at **Annexure-G** under Corporate Governance Report. The Board has accepted all the recommendation and suggestions received from Audit Committee.
- 34. MEETING OF NON-EXECUTIVE DIRECTORS WITH SENIOR MANAGEMENT:** The meeting of Non-Executive Director with Senior Management of the Company was held on January 31, 2019 where the Non-Executive Directors have interacted with Senior Management of the Company.
- 35. ACKNOWLEDGEMENTS:** Yours Directors take this opportunity to express their sincere appreciation for the excellent support and co-operation extended by the shareholders, customers, suppliers, bankers and other business associates. Your Directors gratefully acknowledge the on-going co-operation and support provided by the Central and State governments and all Regulatory Authorities. Your Directors also place on record their deep sense of appreciation to all employees for their dedicated services rendered at various levels.

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

Place: Bhavnagar  
 Date: May 30, 2019

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

## ANNEXURE- A to the Board's Report:

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies(Accounts)Rules, 2014,

### (A) ENERGY CONSERVATION

(i) The steps taken or impact on conservation of energy:

- Installation of five energy efficient austenitising furnace.
- Modification of control panel and water cooling system of induction furnace K/L to increase melting capacity.
- Installation of new sand charging system closest to core shop in Plant-5 to minimise pneumatic and electric energy during sand transport.
- Installation of energy efficient induction furnace 1500kw/500Hz VIP-DUAL MODE-R-PI.
- Energy Conservation by replacing 25HP motor by 20HP motor without affecting the performance of Hanger blast machine.

(ii) The steps taken by Company for utilising alternate sources of energy:

Step taken for utilisation of alternate source of energy PNG which was introduced in financial year 2017-18 as substitute of LPG continued through in the 2018-19.

(iii) The capital investment on energy conservation equipment:

The Company has made capital investments amounting to ₹461.37 Lakhs during 2018-19 on the energy conservation equipment.

### (B) TECHNOLOGY ABSORPTION

#### Research and Development (R & D)

1) The efforts made towards technology absorption:

- a. Study of Resin and Hardner on Hot Tensile Strength of Resin Coated Sand.
- b. Some investigation of role of presence of Serpentine in Chromite sand and it's adverse effect on casting.
- c. Study and investigation of presence of Cr2O3 in Chromo magnesite furnace lining material.
- d. Tellurium Base Coating and its Chilling characteristics on Hot Spot Area .

- e. Development of Proprietary Ladle Flux to avoid slag Stick in Ladle.
- f. Study & development of High Toughness(Charpy Impact @ -40°C) and High Tensile (High Hardness) material through Polymer quenching.
- g. Customise & Optimise alloys content in LS Grade maintaining same quality requirement.
- h. Control of oxide inclusion to meet cleanliness of metal by improved technique of Ladle de-oxidation practice of induction furnace metal.

2) The benefits derived like product improvement, cost reduction, product development or import substitution:

The Company has in place well developed programe of

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

Benefits derived as a result of the above efforts (e.g. Product development, Cost reduction, Process Development, Import substitution etc.) have resulted in a saving of ₹281.14 Lakhs during the year 2018-19.

3) In case of imported technology (Imported during the last 3 years reckoned from the beginning of the year)

- i) The details of technology imported : Nil
- ii) The Year of import : Not Applicable
- iii) Whether technology is fully absorbed : Not Applicable
- iv) If not fully absorbed, areas where absorption has not taken place, reason thereof : Not applicable

4) The expenditure incurred on Research and Development

- Capital : ₹27,21,645.00
- Recurring : ₹1,48,98,085.00
- Total : ₹1,76,19,730.00

Total R & D expenditure as a percentage of total turnovers: 0.55 %.

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

Place: Bhavnagar  
Date: May 30, 2019

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

## ANNEXURE- B to the Board's Report:

### ANNUAL REPORT ON CSR ACTIVITIES

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Company has formulated Policy on CSR in accordance with Schedule VII of the Companies Act, 2013, which has been uploaded on the Company's website.
2	<b>The Composition of the CSR Committee:</b>	
	<b>Name of the Director</b>	<b>Category</b>
	Mr. Chetan M Tamboli	Executive Director
	Mr. Rajendra V Gandhi	Independent Director
	Mrs. Manali C Tamboli	Non-Independent Non-executive Director
	Mr. Rushil C Tamboli	Executive Director
3	Average net profit of the Company for last three financial years. (₹ In Lakhs)	755.60
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)(₹ in Lakhs)	15.11
5.	Details of CSR spent during the 2018-19:	
	(a) Total amount to be spent for the 2018-19: ₹1,511,500/-	
	(b) Amount unspent, if any: Nil	
	(c) Manner in which the amount spent during the financial year is detailed below:	

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies act, 2013, as amended)	Projects or programs (1) Local Area or other (2)Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub Heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Donation to Smt R. D. Gardi Bhavnagar Stree Kelavani Mandal	Promoting Education	Bhavnagar, Gujarat	10,000	10,000	10,000	Direct
2	Donation to Ravishankar Memorial Dispensary Trust	Health Care	Bhavnagar, Gujarat	15,000	15,000	25,000	Direct
3	Donation to Shree Ishwar Prathna Smaj	Promoting Education	Bhavnagar, Gujarat	15,000	15,000	40,000	Direct
4.	Donation to The National Indian Association	Promoting Education & Health Care	Bhavnagar, Gujarat	15,000	15,000	55,000	Direct
5	Donation to Matidevi Charitable Trust	Water Supply	Bhavnagar, Gujarat	500,000	500,000	555,000	Direct

## ANNEXURE- B to the Board's Report (Contd.)

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies act, 2013, as amended)	Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub Heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
6	Donation to Audhyogik Karmchari Kalyan Sangh	Promoting Education	Bhavnagar, Gujarat	7,500	7,500	562,500*	Direct
7	Donation to Junior Inspector Legal Metrology Flag Day, Bhavnagar	Welfare of Society	Bhavnagar, Gujarat	8,000	8,000	570,500	Direct
8	Donation to Smt. R. D. Gardi Bhavnagar Stree Kelavani Mandal	Promoting Education	Bhavnagar, Gujarat	385,000	385,000	955,500	Direct
9	Donation to Matidevi Charitable Trust	Promoting Education	Bhavnagar, Gujarat	350,000	350,000	1,305,500	Direct
10	Donation to Shaishav Trust	Promoting Education	Bhavnagar, Gujarat	25,000	25,000	1,330,500	Direct
11	Donation to Shishuvihar Trust	Promoting Education	Bhavnagar, Gujarat	20,000	20,000	1,350,500	Direct
12	Donation to National Defense Fund	Welfare of Soldiers	New Delhi, India	51,000	51,000	1,401,500	Direct
13	Donation to F. P. Tamboli Charitable Trust	Welfare of Society	Bhavnagar, Gujarat	110,000	110,000	1,511,500	Direct

6. **Reasons for not spending the two per cent of the average net profit of the last three financial years or any part thereof:** The Company has spent full amount towards CSR activities during the year as per Section 135 and Companies (Social Responsibility Policy) Rules, 2014. There is no unspent amount of against CSR obligation as on March 31, 2019.
7. **A responsibility Statement of CSR Committee of the Board of Directors of the Company:** The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

**(Rajendra V Gandhi)**  
MEMBER OF CSR COMMITTEE  
For **STEELCAST LIMITED**

**(Chetan M Tamboli)**  
CHAIRMAN OF CSR COMMITTEE  
For **STEELCAST LIMITED**

Place: Bhavnagar  
Date: May 30, 2019

## ANNEXURE- C to the Board's Report:

### FORM NO. AOC – 1

(Pursuant to clause (h) of sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Not Applicable as Company neither have any Subsidiary Company nor have any Associate Company**

### FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with 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

Sr. No	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	All the contracts or arrangements or transactions were at arm's length basis. Transactions with related parties, as per requirements of Accounting Standard 18 are disclosed in the notes to accounts annexed to the financial statements.
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

#### 2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No	Particulars	Details
(a)	Name(s) of the related party	There were no material contracts or arrangement or transactions. Transactions with related parties, as per requirements of Accounting Standard 18 are disclosed in the notes to accounts annexed to the financial statements.
(b)	Nature of relationship	
(c)	Nature of contracts/arrangements/ transactions	
(d)	Duration of the contracts / arrangements/transactions	
(e)	Salient terms of the contracts or arrangements or transactions including the value, if any:	
(f)	Date(s) of approval by the Board, if any:	
(g)	Amount paid as advances, if any:	

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

Place: Bhavnagar  
Date: May 30, 2019

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



## ANNEXURE- D to the Board's Report:

### PARTICULARS OF EMPLOYEES

The information required under Section 197 (12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each director, chief executive officer, chief financial officer, Company secretary in the financial year:**

Name of the Managing Directors, Chief Financial Officer and Company Secretary	Ratio to median remuneration of the employees	% increase in remuneration in the financial year	Comparison of the Remuneration of the KMP against the performance of the Company.
Mr. Chetan M Tamboli (Chairman and Managing Director)	1:14.79	3.15 %	<b>% Increase from FY 2017-18 to FY 2018-19:</b> Total Income: 35.82% Profit After Tax : 20.10% Remuneration of Employees: 10.90% The remuneration of the KMP is keeping in view the performance of the Company as aforesaid and trend of remuneration in industry.
Mr. Rushil C Tamboli (Whole Time Director)	1:4.70	32.89 %	
Mr. Subhash R Sharma (Chief Financial Officer)	1:6.62	12.38 %	
Mr. Vishal K Sondagar (Company Secretary) (Resigned on 11.05.2019)	1:1.41	18.49 %	

The Company does not pay any remuneration to the Non-Executive Directors except sitting fees for attending Board and Committee Meetings.

- b. **The percentage increase in the median remuneration of employees in the financial year:** 10.90%.
- c. **The number of permanent employees on the rolls of Company:** 811
- d. **The explanation on the relationship between average increase in remuneration and Company performance:** On an average, employees received an annual increase of 10.90 %. The individual increments varied from 8.60 % to 12.96 %, based on individual performance. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organisation performance, apart from an individual's performance.
- e. **Market Capitalisation of the Company & Price Earning Ratio:**

Date	Market Price-Closing (₹)	EPS in ₹	P/E ratio	Market capitalisation (₹ In Lakhs)	% Change
31.03.2019	147.95	12.34	11.99	29945.08	-14.23
31.03.2018	172.50	10.31	16.73	34914.00	

- f. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

During the year under review, the average annual increase was around 10.90% accounting for promotions and other event based compensation revisions. Increase in the managerial remuneration (excluding Chairman and Managing Director and Whole Time Director) for the year was 12.96%. The difference arises from the different market situations for two categories.

- g. **Information as per Rule 5 (2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

## ANNEXURE- D to the Board's Report (Contd.)

### ANNEXURE-D I

Sr. No.	Name of Director	Designation	Salary for 2018-19 (in ₹)	Confirm / Contractual	Qualification	Experience in Steelcast Limited (In Years)	DOJ	Age (Yrs)	Previous Employer	% of Equity share held	Relative of Director or Not If, Yes to Whom
1	Chetan M Tamboli	Chairman & Managing Director	4,434,444	Confirm	MBA (Finance)	35	10/08/1983	58	Steelcast Limited	15.13	NA
2	Ashutosh C Shukla	Director (Manufacturing)	2,894,100	Confirm	B.E. (MECH)	22	11/05/1997	55	Cadmach Machinery Limited (Cadilla Group)	NIL	NA
3	Vijay K Modi	Vice President (Quality Assurance)	2,580,012	Confirm	DME	45	12/06/1974	62	Northern Alloys Bhavnagar Limited	0.001	NA
4	P N Shah	Dy General Manager (Marketing)	1,260,840	Confirm	DME	37	08/01/1982	55	Steelcast Limited	NIL	NA
5	Subhash R Sharma	Vice President (Finance)	1,985,806	Confirm	CMA	3	13/07/2016	52	C Doctor & Co Pvt Ltd	NIL	NA
6	Jagdish V Prajapati	General Manager (Production)	1,846,080	Confirm	B.E. (Prod), M.E.	16	10/02/2003	42	Hi-tech Investments Casting Private Limited	NIL	NA
7	Rajiv N Vaidya	General Manager (Marketing)	1,510,500	Confirm	Diploma in Mechanical Engineering	10	01/09/2009	58	Hi-tech Investments Casting Private Limited	NIL	NA
8	BN Verma	General Manager (Quality Assurance)	1,511,676	Confirm	B. Tech	2.5	21/11/2016	42	Tayo Rolls Limited (Sister concern of TATA Group)	NIL	NA
9	Dhaivat R Ghodadra	General Manager (Machine Shop)	1,486,812	Confirm	B.E. (Mechanical)	12	26/06/2007	58	Steelcast Limited	NIL	NA
10	Rushil C Tamboli	Whole Time Director (From 02.11.2017)	1,410,423	Confirm	BE, (IE)	7	24/08/2011	30	Steelcast Limited	NIL	Son of Mr. Chetan M Tamboli & Mrs. Manali C Tamboli

h. The key parameters for any variable component of remuneration in case of Managing Director of the Company is linked with the Company performance. In case of other key managerial personnel(s), the same is linked with Company performance and individual performance.

i. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:** Not applicable.

j. **Affirmation:** The Company affirms that the remuneration of the Managing Director and the employees of the Company are as per the remuneration policy of the Company.

k. The Statement of particulars of employees under Section 197(12) read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is not provided with as, during the financial year under review, no employee of the Company including Managing Director was in receipt of remuneration in excess of the limits set out in the said rules.

For and on behalf of the Board of Directors  
 For **STEELCAST LIMITED**

(Chetan M Tamboli)  
 Chairman & Managing Director

Place: Bhavnagar  
 Date : May 30, 2019

## ANNEXURE- E to the Board's Report:

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### FORM NO. MGT - 9

#### I. REGISTRATION AND OTHER DETAILS:

i	CIN:	L27310GJ1972PLC002033
ii	Registration Date	February 11, 1972
iii	Name of the Company	STEECAST LIMITED
iv	Category / Sub-Category of the Company	Public listed Company having Share Capital
V	Address of the Registered office and contact details	Ruvapari Road, Bhavnagar 364 005. Ph. No.: (91)(278) 2519062 Fax No.: (91)(278) 2420589 E-mail.: info@steelcast.net Website.: <a href="http://www.steelcast.net">www.steelcast.net</a>
Vi	Whether listed Company Yes / No	Yes
Vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s MCS Share Transfer Agent Ltd. 101, First Floor, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad 380 009, Gujarat Ph. No.: 079-26581296 E-mail: <a href="mailto:mcsahmd@gmail.com">mcsahmd@gmail.com</a>

#### 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:

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1	Steel casting	273	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary / Associate	% of shares held	Applicable Section
1	NA	NA	NA	NA	NA

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

##### i. Category-wise Share Holding:

Category of Shareholder	No. of Shares held at the beginning of the year [01.04.2018]				No. of Shares held at the end of the year [31.03.2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	4,928,840	0	4,928,840	24.35	4,928,840	0	4,928,840	24.35	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00

## ANNEXURE- E to the Board's Report (Contd.)

Category of Shareholder	No. of Shares held at the beginning of the year [01.04.2018]				No. of Shares held at the end of the year [31.03.2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Bodies Corp.	4,339,200	0	4,339,200	21.44	4,339,200	0	4,339,200	21.44	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(1):</b>	<b>9,268,040</b>	<b>0</b>	<b>9,268,040</b>	<b>45.79</b>	<b>9,268,040</b>	<b>0</b>	<b>9,268,040</b>	<b>45.79</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>9,268,040</b>	<b>0</b>	<b>9,268,040</b>	<b>45.79</b>	<b>9,268,040</b>	<b>Nil</b>	<b>9,268,040</b>	<b>45.79</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) Foreign Portfolio Investors	1,000	400	1,400	0.01	1000	400	1,400	0.006	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):</b>	<b>1,000</b>	<b>400</b>	<b>1,400</b>	<b>0.006</b>	<b>1,000</b>	<b>400</b>	<b>1,400</b>	<b>0.006</b>	<b>0.00</b>
<b>2. Central Govt/State Govt(s)/POI</b>									
i) Government	137,540	0	137,540	0.67	163,260	0	163,260	0.81	0.14
<b>3. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	1,652,553	52,400	1,704,953	8.42	1,456,688	11,200	1,467,888	7.25	-1.17
ii) Overseas	0	400,000	400,000	1.98	0	400,000	400,000	1.98	0.00
<b>b) Individuals</b>									
iii) Individual shareholders holding nominal share capital upto ₹2 lakh	3,105,674	338,704	3,444,378	17.01	3,182,037	263,104	3,445,141	17.02	0.01

## ANNEXURE- E to the Board's Report (Contd.)

Category of Shareholder	No. of Shares held at the beginning of the year [01.04.2018]				No. of Shares held at the end of the year [31.03.2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
iv) Individual shareholders Holding nominal share capital in excess of ₹2 lakh	3,340,745	0	3,340,745	16.50	3,481,107	0	3,481,107	17.19	0.69
<b>c) Others (specify)</b>									
i) NRI	1,245,263	73,200	1,318,463	6.51	1,361,431	64,000	1,425,431	7.05	0.54
ii) HUF	624,081	400	624,481	3.08	587,333	400	587,733	2.90	-0.18
<b>Sub-total (B)(2):</b>	<b>10,105,856</b>	<b>864,704</b>	<b>10,970,560</b>	<b>54.20</b>	<b>10,231,856</b>	<b>738,704</b>	<b>10,970,560</b>	<b>54.20</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>10106,856</b>	<b>865,104</b>	<b>10,971,960</b>	<b>54.21</b>	<b>10,232,856</b>	<b>739,104</b>	<b>10,971,960</b>	<b>54.21</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDR &amp; ADR</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>19,374,896</b>	<b>865,104</b>	<b>20,240,000</b>	<b>100.00</b>	<b>19,500,896</b>	<b>739,104</b>	<b>20,240,000</b>	<b>100.00</b>	<b>0.00</b>

### ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year [01.04.2018]			Shareholding at the end of the year [31.03.2019]			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / cumbered to total shares*	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mr. Chetan M Tamboli	3,062,920	15.13	100%	3,062,920	15.13	Nil	0.00
2	M/s. Rushil Industries Ltd	2,376,000	11.74	Nil	2,376,000	11.74	Nil	0.00
3	M/s. Tamboli Investment Pvt Ltd	1,963,200	9.70	Nil	1,963,200	9.70	Nil	0.00
4	Mrs. Manali C Tamboli	1,029,480	5.09	100%	1,029,480	5.09	Nil	0.00
5	Chetan M Tamboli (HUF)	835,320	4.13	Nil	835,320	4.13	Nil	0.00
6	Mrs. Hansa M Tamboli	1,120	0.005	Nil	1120	0.005	Nil	0.000
	<b>TOTAL</b>	<b>9,268,040</b>	<b>45.79</b>	<b>44.16%</b>	<b>9,268,040</b>	<b>45.79</b>	<b>Nil</b>	<b>0.00</b>

\* Pledged shares released from pledge on 07.05.2018

### iii. Change in Promoters' Shareholding:

Sr. No.	Particulars	Shareholding at the beginning of the year [01.04.2018]		Cumulative Shareholding during the year [01.04.2018 to 31.03.2019]	
		No. of share	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	9,268,040	45.79	9,268,040	45.79
2	Decrease/ Increase in Shareholding during the year	0	0	0	0
3	At the end of the year	9,268,040	45.79	9,268,040	45.79

There is no change in Promoters' Shareholding during the 2018-19

## ANNEXURE- E to the Board's Report (Contd.)

### iv. Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [01.04.2018]		Cumulative Shareholding during the year [01.04.2018 to 31.03.2019]	
		No. of share	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>Mr. Gautam B Doshi</b>				
	At the beginning of the year	789,558	3.90	789,558	3.90
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			789,558	3.90
2	<b>Mr. Nrupesh C. Shah</b>				
	At the beginning of the year	506,000	2.5	506,000	2.5
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			506,000	2.5
3	<b>M/s. Kurimoto Limited</b>				
	At the beginning of the year	400,000	1.98	400,000	1.98
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			400,000	1.98
4	<b>Mr. Miten Mehta</b>				
	At the beginning of the year	400,000	1.98	400,000	1.98
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			400,000	1.98
5	<b>Mr. Rajiv B. Doshi</b>				
	At the beginning of the year	327,336	1.62	327,336	1.62
	Increase/ Decrease in Shareholding during the year	0	0	(5,308)	(0.03)
	At the end of the year			322,028	1.59
6	<b>Mrs. Kusum B. Doshi</b>				
	At the beginning of the year	268,767	1.33	268,767	1.33
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			268,767	1.33
7	<b>M/s. Neoworth Commercial Pvt. Ltd.</b>				
	At the beginning of the year	228,500	1.13	228,500	1.13
	Increase in Shareholding during the year	0	0	0	0
	At the end of the year			228,500	1.13
8	<b>M/s. Meenakshi Mercantiles Limited</b>				
	At the beginning of the year	183,000	0.90	183,000	0.90
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			183,000	0.90
9	<b>Mr. Ranjit Dongre (HUF)</b>				
	At the beginning of the year	165,000	0.81	165,000	0.81
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			165,000	0.81
10	<b>Investor Education &amp; Protection Fund Authority (Ministry of Corporate Affairs)</b>				
	At the beginning of the year	137,540	0.68	137,540	0.67
	Increase/ Decrease in Shareholding during the year	0	0	25,720	0.14
	At the end of the year			163,260	0.81

## ANNEXURE- E to the Board's Report (Contd.)

### v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year [01.04.2018]		Cumulative Shareholding during the year [01.04.2018 to 31.03.2019]	
		No. of share	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Mr. Chetan M Tamboli (Chairman &amp; Managing Director)</b>				
	At the beginning of the year	3,062,920	15.13	3,062,920	15.13
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year	3,062,920	15.13	3,062,920	15.13
<b>2</b>	<b>Mr. Tipirneni Kumar (Director) (Resigned on 07.09.2018)</b>				
	At the beginning of the year	120,000	0.59	120,000	0.59
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year	120,000	0.59	120,000	0.59
<b>3</b>	<b>Mr. Rajendra V Gandhi (Director)</b>				
	At the beginning of the years	2,884	0.02	2,884	0.02
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year	2,884	0.02	2,884	0.02
<b>4</b>	<b>Mr. Dhimant D Mehta (Director)</b>				
	At the beginning of the year	0	0	0	0
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year	0	0	0	0
<b>5</b>	<b>Mr. Apurva R Shah (Director)</b>				
	At the beginning of the year	0	0	0	0
	Decrease in Shareholding during the year	0	0	0	0
	At the end of the year	0	0	0	0
<b>6</b>	<b>Mr. Rajesh R Gandhi (Director) (Resigned on 04.09.2018)</b>				
	At the beginning of the year	400	0.001	400	0.001
	Increase in Shareholding during the year	0	0	0	0
	At the end of the year	400	0.001	400	0.001
<b>7</b>	<b>Mrs. Manali C Tamboli (Director)</b>				
	At the beginning of the year	1,029,480	5.09	1,029,480	5.09
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year	1,029,480	5.09	1,029,480	5.09
<b>8</b>	<b>Mr. Rushil C Tamboli (Whole Time Director)</b>				
	At the beginning of the year	0	0	0	0
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year	0	0	0	0
<b>9</b>	<b>Mr. Subhash R. Sharma (Chief Financial Officer)</b>				
	At the beginning of the year	0	0	0	0
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year	0	0	0	0
<b>10</b>	<b>Mr. Vishal K Sondagar (Company Secretary) (Resigned on 11.05.2019)</b>				
	At the beginning of the year	0	0	0	0
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year	0	0	0	0



## ANNEXURE- E to the Board's Report (Contd.)

### vi. INDEBTEDNESS: Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in INR Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,218.26	-	-	<b>2,218.26</b>
ii) Interest due but not paid	6.80	-	-	<b>6.80</b>
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,225.06</b>	<b>-</b>	<b>-</b>	<b>2,225.06</b>
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
Addition	2,835.12	924.00	-	<b>3,759.12</b>
Reduction	1,026.98	924.00	-	<b>1,950.98</b>
Net Change	1,808.14	-	-	<b>1,808.14</b>
<b>Net Indebtedness</b>	<b>3,993.10</b>	<b>-</b>	<b>-</b>	<b>3,993.10</b>
Break up of Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	3,993.10	-	-	<b>3,993.10</b>
ii) Interest due but not paid	36.16	-	-	<b>36.16</b>
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>4,029.26</b>	<b>-</b>	<b>-</b>	<b>4,029.26</b>

### vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Mr. Chetan M. Tamboli Chairman & Managing Director	Mr. Rushil C. Tamboli (Whole Time Director)	Total Amount
<b>1</b>	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,043,093*	1,410,423	<b>19,453,516</b>
	(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	-	-	-
<b>2</b>	<b>Stock Option</b>	-	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-	-
<b>4</b>	<b>Commission</b>			
	- as % of profit	3.74%	-	<b>3.74%</b>
	- Others, specify...	-	-	-
<b>5</b>	<b>Others: Contribution to PF</b>	-	-	-
	<b>Total (A)</b>	<b>18,043,093</b>	<b>1,410,423</b>	<b>19,453,516</b>

Ceiling as per the Act ₹360.86 Lakhs (being 10% of Net Profit of the Company calculated as per section 198 of Companies Act, 2013).

\*Includes Commission

## ANNEXURE- E to the Board's Report (Contd.)

### B. Remuneration to other directors:

#### 1. Independent Directors

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount in INR
		Mr. Rajendra V Gandhi	Mr. Apurva R Shah	Mr. Rajesh R Gandhi (Resigned w.e.f. 04.09.2018)	Mr. Dhimant D Mehta	
1	- Fee for attending board / committee meetings	105,000	105,000	75,000	172,500	457,500
	- Commission	0	0	0	0	0
	- Others, please specify	0	0	0	0	0
	<b>Total (1)</b>	<b>105,000</b>	<b>105,000</b>	<b>75,000</b>	<b>172,500</b>	<b>457,500</b>

#### 2. Other Non-Executive Directors

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount in INR
		Mrs. Manali C Tamboli	Mr. Tipirneni Kumar (Resigned w.e.f. 07.09.2018)	
2	- Fee for attending board / committee meetings	52,500	37,500	90,000
	- Commission	0	0	0
	- Others, please specify	0	0	0
	<b>Total (2)</b>	<b>52,500</b>	<b>37,500</b>	<b>90,000</b>

**Total (B)=(1+2)**

**547,500**

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

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount in INR
		Mr. Vishal Sondagar, Company Secretary (Resigned w.e.f. 11.05.2019)	Mr. Subhash Sharma, Chief Financial Officer	
<b>1</b>	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	424,051	1,985,806	<b>2,409,857</b>
	(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	-	-	-
<b>2</b>	<b>Stock Option</b>	-	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-	-
<b>4</b>	<b>Commission</b>			
	- as % of profit	-	-	-
	- Others, specify...	-	-	-
<b>5</b>	<b>Others, please specify</b>	-	-	-
	<b>Total</b>	<b>424,051</b>	<b>1,985,806</b>	<b>2,409,857</b>

## ANNEXURE- E to the Board's Report (Contd.)

### ix. 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)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

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

Place: Bhavnagar  
 Date: May 30, 2019

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

## ANNEXURE- F to the Board's Report:

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
STEELCAST LIMITED  
Bhavnagar.

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by STEELCAST LIMITED (hereinafter called the Company). Secretarial Audit was conducted in accordance with the Guidance Notes issued by the Institute of Company Secretaries of India and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 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.

We have examined the books, papers, minute books, forms and returns filed and the other records maintained by STEELCAST LIMITED for the financial year ended on March 31, 2019 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 - **As informed to us, there were no FDI transaction in the Company during the year under review.**
- (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, 2015;
- (c) 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 - Company has appointed SEBI registered Category-I Registrar and Share Transfer Agent.

**We further report that** there were no actions/events in pursuance of the following regulations requiring compliance thereof by the Company during the period of this report:

- (a) The Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) The Securities and Exchange Board of India ( Issue and Listing of Debt Securities ) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

#### (vi) Other Applicable Acts

As informed to us, there are no laws which have specific applicability to the Company other than general laws applicable to the industry generally, namely:

- (a) Factories Act, 1948
- (b) Payment of Wages Act, 1936, and rules made there under,
- (c) The Minimum Wages Act, 1948, and rules made there under,
- (d) Employees' State Insurance Act, 1948, and rules made there under,
- (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
- (f) The Payment of Bonus Act, 1965, and rules made there under,

## ANNEXURE- F to the Board's Report (Contd.)

- (g) Payment of Gratuity Act, 1972, and rules made there under,
- (h) The Water (Prevention and Control Pollution) Act, 1974.
- (i) The Air (Prevention and Control Pollution) Act, 1981,
- (j) Industrial Dispute Act, 1947,

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited.
- (iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015.

During the Period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards, etc. mentioned except for one deposit aggregating to ₹1,375,000 which was inadvertently accepted by the Company. However, the said deposit was immediately repaid.

### 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 was given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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 as part of the minutes. However, there was no any dissenting views.

**We further report that** there are adequate systems and processes on the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **D. G. Bhimani & Associates**

**Dineshkumar G. Bhimani**

Place: Anand  
Date: May 10, 2019

Company Secretary  
C P No.: 6628

**Note :** This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

## ANNEXURE- F to the Board's Report (Contd.)

### ANNEXURE A

To,  
The Members,  
**STEELCAST LIMITED**  
Bhavnagar.

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

1. 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.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **D. G. Bhimani & Associates**

**Dineshkumar G. Bhimani**

Company Secretary

C P No.: 6628

Place: Anand  
Date: May 10, 2019

## ANNEXURE- G to the Board's Report:

### CORPORATE GOVERNANCE REPORT

In terms of Compliance to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") on Corporate Governance, your Company is complying with the Listing Regulations. The report for year ended on March 31, 2019 is as follows:

#### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company has been adhering to the principles of Corporate Governance since over three decades by conducting its affairs in a transparent manner with regularity, responsibility and accountability. The Philosophy of the Company on Corporate Governance lies in its concern to protect interests of various stakeholders, fair dealings with all and active contribution to the Society at large, while enhancing the wealth of shareholders. The processes of Company are directed to achieve compliance with the Code of Corporate Governance. Company's own policies and expectations include ethical conduct, protection of health, safety and environment and commitment to employees.

Your Company has complied with all applicable guidelines & regulations as stipulated by the Securities and Exchange Board of India pertaining to the Corporate Governance.

- 2. BOARD OF DIRECTORS:** The Company has a balanced Board, comprising Three (3) Independent Non-Executive Directors, One (1) Non-Independent Non-Executive Director (Woman Director), and Two (2) Executive Directors including one Managing Director and one Whole Time Director, which is in conformity with the requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Chairman of the Board is an Executive Director (Promoter). The Non-Executive Directors including Independent Directors on the Board are experienced, competent and renowned persons in their respective fields. The Board is headed by the Managing Director.

The Board of Directors at their meeting held on 18.09.2018 appointed Mr. Rajesh R Gandhi and Mr. Tipirneni Kumar as permanent invitee to attend the Board and Committee meetings thereof.

#### a. Composition/ Category of Directors/ Attendance at Meetings/ Directorships and Committee Memberships in other companies:

Sr. No	Name of Directors	Category	Number of Board Meetings attended out of Six meetings held in 2018-19	Whether attended last AGM	Number of Directorships and Committee Membership / Chairmanship (including Steelcast Limited)		
					Directorship *	Committee Membership**	Committee Chairmanship**
1	Mr. Rajendra V Gandhi	Independent	3	No	2	2	1
2	Mr. Apurva R Shah	Independent	3	Yes	3	3	2
3	Mr. Rajesh R Gandhi	Independent (Resigned effective from 04.09.2018)	2	No	3	3	1
4	Mr. Dhimant D Mehta	Independent Director	5	Yes	1	2	-
6	Mr. Rushil C Tamboli	Whole Time Director (Promoter)	6	Yes	1	1	-
7	Mrs. Manali C Tamboli	Non-Independent Non-Executive (Promoter)	3	Yes	1	-	-
8	Mr. Tipirneni Kumar	Non-Independent Non-Executive (Resigned on 07.09.2018)	2	Yes	1	-	-
9	Mr. Chetan M Tamboli	Managing Director (Promoter)	6	Yes	2	2	-

\* This excludes Directorship held in Private & Foreign Companies and Companies incorporated under Section 8 of the Companies Act, 2013.

\*\* Committees include Audit Committee and Stakeholders' Relationship Committee of Public Company.



## ANNEXURE- G to the Board's Report (Contd.)

None of the Directors is a director in more than 20 Companies and more than 10 public limited Companies, in terms of Section 165 of the Companies Act, 2013. Also, none of the Directors is a member of neither more than 10 Committees, nor acts as Chairman of more than 5 Committees across all Companies in which they are Directors, as required under Regulation 26 of the Listing Regulation. The Independent Directors fulfill the requirements stipulated in Regulation 25(1) of the Listing Regulations.

**b. Disclosures pertaining to directors:** The SEBI(Listing Obligations & Disclosure Requirements)(Amendment)Regulations, 2018 introduced requirement to disclose separately the names of the listed entities, where the persons is a director and the category is of directorship. The details of all directors are as below:

Sl. No.	Name of Director	Name Company in which he/she is director	Type of Directorship
1.	Mr. Chetan M Tamboli	1. Steel Cast Limited	Managing Director
		2. Vadilal Industries Limited	Independent Director
2.	Mr. Apurva Rajendra Shah	1. Steel Cast Limited	Independent Director
		2. Asian Star Company Limited	Independent Director
		3. Fine-Line Circuits Limited	Independent Director
3.	Mr. Rajendra Vadilal Gandhi	1. GRP Limited	Managing Director
		2. Steel Cast Limited	Independent Director
		3. Grip Polymers Ltd	Nominee Director
4.	Mr. Dhimant Dhirajlal Mehta	1. Steel Cast Limited	Independent Director
5.	Mrs. Manaliben Chetankumar Tamboli	1. Steel Cast Limited	Non-Executive Director
6.	Mr. Rushil Chetanbhai Tamboli	1. Steel Cast Limited	Whole Time Director

**c. No. of Board Meetings held during the 2018-19 and dates on which held:** The Board held six (6) meetings during the 2018-19 i.e. on :

Sr. No.	Date of Board Meetings	Place
1	May 30, 2018	Bhavnagar
2	August 7, 2018	Bhavnagar
3	September 18, 2018	Ahmedabad
4	October 29, 2018	Ahmedabad
5	January 31, 2019	Bhavnagar
6	March 29, 2019	Bhavnagar

**d. Relationship between Directors:** Mr. Chetan M Tamboli and Mrs. Manali C Tamboli are related as husband and wife respectively. Mr. Rushil C Tamboli is son of Mr. Chetan M Tamboli & Mrs. Manali C Tamboli. No other Director is related to any other Director on the Board.

**e.** No of Securities held by each director are given in **Annexure-F** to the Board's Report.

**f. Independent Directors:** The Independent Directors, who are from diverse fields of expertise and have long standing experience and expert knowledge in their respective fields are very

relevant as well as of considerable value for the Company's business. As a part of familiarisation programme as required under Listing Regulations, the Directors have been appraised during the Board Meetings about the amendments to the various enactments viz., Companies Act, 2013 (the Act), Listing Regulations, Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information etc.

During the year, a separate meeting of the Independent Directors was held on January 31, 2019, without the presence of Non-Executive Directors / Managing Director / Management to discuss the matter as required/agreed amongst them.

Further familiarisation programmes and the terms & conditions of appointment of the Independent Directors as required under the Companies Act, 2013 & Listing Regulations are updated on the Company's website at [www.steelcast.net](http://www.steelcast.net)

**g. Formal annual evaluation:** The Board of Directors, Nomination & Remuneration Committee and Independent Director has carried out an annual evaluation of its own performance, its Committees and individual Directors pursuant to the requirements of the Act and the Listing Regulations.

## ANNEXURE- G to the Board's Report (Contd.)

- h. Function and Procedure of Board:** Board meets regularly to make and review policies. Board's role, functions and responsibility are well defined. All relevant information as required under the Listing Regulation and Companies Act, 2013 as amended from time to time is regularly placed before the Board. Further the Board periodically reviews the compliance reports submitted by the management in respect of all laws applicable to the Company.
- 3. AUDIT COMMITTEE:** Your Company has an Audit Committee at the Board level with the powers and role that are in accordance with Listing Regulation and Companies Act, 2013.
- a. Terms of Reference:** The Audit Committee acts on the terms of reference given by the Board pursuant to Section 177 of the Act and Regulation 18 of the Listing Regulations. The Committee acts as a link between the Management, the Statutory Auditors, the Internal Auditors, the Cost Auditors, Secretarial Auditors and the Board of Directors. The scope of functioning of the Audit Committee is to review, from time to time, the internal control system &

procedures and its adequacy. The Committee reviews accounting policies and financial reporting system & procedures of the Company. It ensures that the financial statements are correct, sufficient and credible and also such other functions as may prescribe from time to time by Regulatory Authorities. The Audit Committee is vested with the necessary powers to achieve its objectives.

- b. Composition, name of Members & Chairman, Meetings held during the year and attendance at meetings:** The Audit Committee presently consists of four Non-executive Independent Directors. The Audit Committee meets regularly as stipulated in Regulation 18 of the Listing Regulation. The Executive Directors, Internal Auditors and the Statutory Auditors are permanent invitees to the meetings of the Committee. The Secretarial Auditors and Cost Auditor are also invited to attend the Audit Committee Meetings, as and when required.

The details of composition of the Audit Committee, meetings held during the year and attendance of members are as under:

Sr. No	Name of Directors	Category	Position in the Audit Committee	No. of Meetings attended out of five(5) meetings held during the year 2018-19
1	Mr. Rajendra V Gandhi	Independent Director	Chairman	3
2	Mr. Apurva R Shah	Independent Director	Member	2
3	Mr. Rajesh R Gandhi	Independent Director (Resigned w.e.f. 04.09.2018)	Member	2
4	Mr. Dhimant D Mehta	Independent Director	Member	4

During the 2018-19, five (5) meetings of the Audit Committee were held as per details given below:

Sr. No.	Date of Audit Committee Meetings	Place
1	May 30, 2018	Ahmedabad
2	August 7, 2018	Bhavnagar
3	October 29, 2018	Ahmedabad
4	January 31, 2019	Bhavnagar
5	March 29, 2019	Bhavnagar

## ANNEXURE- G to the Board's Report (Contd.)

### 4. NOMINATION AND REMUNERATION COMMITTEE:

- a. Terms of Reference:** The terms of reference and Role of the Nomination and Remuneration Committee are as per the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, which includes Devising a policy on Board diversity, Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal, determination of qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees and also formulating performance evaluation criteria. The Committee also ensures equity, fairness and consistency.

The recommendations of the Nomination and Remuneration Committee are considered and approved by the Board, subject to the approval of Members, wherever necessary.

The policy is framed by the Nomination and Remuneration Committee and approved by the Board, which includes performance evaluation criteria for Independent Directors is disclosed on the website of the Company at [www.steelcast.net](http://www.steelcast.net)

- b. Composition, name of Members & Chairman, Meetings held during the year and attendance at meetings:** The Nomination and Remuneration Committee presently consist of four Independent Non-Executive Directors. The Chairman is an Independent Non-Executive Director.

The details of composition of the Nomination and Remuneration Committee, meetings held during the year and attendance of members are as under:

Sr. No	Name of Directors	Category	Position in the Committee	No. of Meetings attended out of Two(2) meetings held during the year 2018-19
1	Mr. Rajesh R Gandhi	Independent Director (Resigned on 04.09.2018)	Chairman till 04.09.2018	1
2	Mr. Rajendra V Gandhi	Independent Director	Member	1
3	Mr. Apurva R Shah	Independent Director	Member	1
4	Mr. Dhimant D Mehta	Independent Director	Chairman from 18.09.2018	1

During the 2018-19, Two (2) meetings of the Nomination and Remuneration Committee were held as per details given below:

Sr. No.	Date of Nomination and Remuneration Committee Meetings	Place
1	May 30, 2018	Bhavnagar
2	September 18, 2018	Ahmedabad

- c. Policy for selection and appointment of Directors and their remuneration:** The Nomination and Remuneration (N&R) Committee has adopted a Policy which, inter alia, deals with the manner of selection of Board of Directors and Key Managerial Personnel and their remuneration are as under:

- (i) Appointment criteria and qualification:** The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the

Board and recommend to the Board his / her appointment.

A person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment of KMP (other than Managing / Whole time Director) or Senior Management Personnel. Further, for administrative convenience, the appointment of KMP (other than Managing / Whole time Director) or Senior Management, the Managing Director is authorised to identify and appoint a suitable person for such position. However, if the need be, the Managing Director may consult the Committee / Board for further directions / guidance.

- (ii) Remuneration Policy:** The Company has a standard remuneration policy for the Executive and Non Executive Directors, which

## ANNEXURE- G to the Board's Report (Contd.)

is periodically reviewed by the Nomination and Remuneration Committee, are as under.

- The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / Shareholders.
- An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Companies Act, 2013 and Listing Regulation, as amended from time to time
- The Board of Directors at their meeting held on May 30, 2019 revised sitting fees payable to Non-Executive Directors for attending Board meetings and committee thereof with effect from April 1, 2019. The revised fees structure is as under:

SI No.	Type of Meeting	Existing Siting Fee (in ₹)	Revised Sitting Fee (in ₹)
1	Board of Directors	15,000	30,000
2	Audit Committee	15,000	30,000
3	Nomination & Remuneration Committee	7,500	10,000
4	Stakeholders Relationship Committee	7,500	10,000
5	Independent Directors	7,500	10,000
6	Non-Executive Director Meeting with Senior Management	7,500	10,000

- The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole Time Director will be determined by the Committee and recommended to the Board for approval. Subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made thereunder.
- Further, the Managing Director of the Company is authorised to decide the remuneration of KMP (other than Managing / Whole time Director) and Senior Management, and which shall be decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company
- The Board has approved Nomination and Remuneration Policy which has been uploaded on the Company's website.

**d. Details of Remuneration to all the Directors:** The Details of remuneration/sitting fees paid/payable to the Directors for the 2018-19 are as under: (Amount in INR)

Name of the Director	Salary, Allowance, Perquisites and other benefits	Performance-linked Income/Bonus / Commission Paid or Payable***	Stock Option**	Pension	Sitting Fees Paid
<b>Whole Time Directors</b>					
Mr. Chetan M Tamboli*	4,434,444	13,608,649	-	-	-
Mr. Rushil C Tamboli (Whole Time Director)	1,410,423	-	-	-	-
<b>Non-Executive Directors</b>					
Mr. Rajendra V Gandhi	-	-	-	-	105,000
Mr. Apurva R Shah	-	-	-	-	105,000
Mr. Rajesh R Gandhi (Resigned w.e.f. 04.09.2018)	-	-	-	-	75,000
Mr. Dhimant D Mehta (Independent Director)	-	-	-	-	172,500
Mr. Tipirneni Kumar (Resigned w.e.f. 07.09.2018)	-	-	-	-	37,500
Mrs. Manali C Tamboli	-	-	-	-	52,500

No Director is related to any other Director on the Board, except Mr. Chetan M Tamboli and Mrs. Manali C Tamboli, who are husband and wife respectively. Further Mr. Rushil C Tamboli is son of Mr. Chetan M Tamboli and Mrs. Manali C Tamboli.

## ANNEXURE- G to the Board's Report (Contd.)

\* Service Contract/Notice Period/Severance Fees are as per Agreement entered with Managing Director and Whole Time Director.

\*\*The Company is not having stock option scheme therefore the same is not applicable.

\*\*\*Commission is payable to Managing Director and Whole Time Director only, as per the terms of Contract entered into between the Company and the Managing Director & Whole Time Director.

**e. Pecuniary Relationship with Non-Executive Directors:** None of the Non-executive Directors has any pecuniary relationship or transactions with the Company except as per requirements of Accounting Standard 18 are disclosed in the notes to accounts annexed to the financial statements.

**5. STAKEHOLDERS RELATIONSHIP COMMITTEE:** The Stakeholders Relationship Committee, amongst the areas, mentioned in Regulation 20 of the Listing Regulations and Section 178 of the Act is ensuring expeditious redressal of shareholders' and investors' complaints like non-receipt of annual report, non-receipt of share certificates upon transfer of shares, dematerialisation/re-materialisation, transfer/ transmission, split/consolidation of shares etc.

The details of Composition of the Committee are as under:

Sr. No	Name of Directors	Category	Position in the Committee	No. of Meetings attended out of Two (2) meetings held during the year 2018-19
1	Mr. Apurva R Shah	Independent Director	Chairman	1
2	Mr. Rajesh R Gandhi	Independent Director (Resigned on 04.09.2018)	Member	1
3	Mr. Rajendra V Gandhi	Independent Director	Member	1
4	Mr. Dhimant D Mehta	Independent Director	Member	2
5	Mr. Chetan M Tamboli	Executive Director	Member	2
6	Mr. Tipirneni Kumar	Non-Executive Non-Independent Director (Resigned on 07.09.2018)	Member	1
7	Mr. Rushil C Tamboli	Executive Director	Member	2

During the 2018-19, Two (2) meetings of the Nomination and Remuneration Committee were held as per details given below:

Sr. No.	Date of Stakeholders Relationship Committee Meetings	Place
1	August 7, 2018	Bhavnagar
2	March 29, 2019	Ahmedabad

Mr. Chetan M Tamboli, Chairman and Managing Director is the Compliance Officer.

The details of investors' complaints received and resolved during the 2018-19 are as under:

No. of investors' complaints received during the Year	No. of investors' complaints Resolved during the year	Investors' complaints pending at the end of the year
1	1	Nil

**6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:** The Corporate Social Responsibility Committee was constituted in accordance with the provisions of the Companies Act, 2013 and rules made there under. Amongst the areas, mentioned under the Companies Act, 2013, is to formulate policy and monitoring activities of Corporate Social Responsibility spending.

The terms of reference and role of the Corporate Social Responsibility Committee are as mentioned in policy formulated in line with schedule VII to the Companies Act, 2013 and Rules made thereunder, same is disclosed on the website of the Company at [www.steelcast.net](http://www.steelcast.net)

## ANNEXURE- G to the Board's Report (Contd.)

The details of composition of the Corporate Social Responsibility Committee meeting held during the year and attendance of members are as under:

Sr. No	Name of the Directors	Category	Position in the Committee	No. of Meetings attended out of One (1) meeting held during the year 2018-19
1	Mr. Chetan M Tamboli	Executive Director	Chairman	1
2	Mr. Rushil C Tamboli	Executive Director	Member	1
3	Mr. Rajendra V Gandhi	Independent Director	Member	1
4	Mrs. Manali C Tamboli	Non-Independent Non-executive Director	Member	1
5	Mr. Tipirneni Kumar	Non-Independent Non-executive Director (Resigned on 07.09.2018)	Member	1

During the 2018-19, one meeting of the Corporate Social Responsibility Committee was held as per details given below:

Sr. No.	Date of Corporate Social Responsibility Committee Meeting	Place
1	May 30, 2018	Bhavnagar

**7. SUBSIDIARY COMPANIES:** The requirement of formulating a specific policy on dealing with material subsidiaries doesn't arise as the Company has no Subsidiary as on date.

**8. GENERAL BODY MEETINGS:**

**a. Location and time where last three Annual General Meetings (AGMs) held:**

Financial Year	AGM/EGM	Location	Date	Time
2017-18	AGM	Efcee Sarovar Portico - Sarovar Hotels, Iscon Mega City, Opp. Victoria Park Bhavnagar, Gujarat	August 7, 2018	1600 Hours
2016-17	AGM	Efcee Sarovar Portico - Sarovar Hotels, Iscon Mega City, Opp. Victoria Park Bhavnagar, Gujarat	July 4, 2017	1600 Hours
2015-16	AGM	Nilambag Palace Hotel, Bhavnagar, Gujarat	August 9, 2016	1630 Hours

**b. Special Resolutions passed in the previous three AGM:**

Financial Year	AGM held on	Special Resolutions passed
2017-18	August 7, 2018	1. For appointment of Mr. Rushil C Tamboli as Whole Time Director of the Company. 2. For appointment of Mr. Tipirneni Kumar as Non-Executive Non-Independent Director of the Company.
2016-17	July 4, 2017	No Special Resolution was passed.
2015-16	August 9, 2016	For increase in remuneration payable to Mr. Chetan M. Tamboli, Chairman & Managing Director

**c. Passing of Resolution by Postal Ballot:** None of special resolution was passed by way of postal ballot during the financial year ended March 31, 2019. As on date, the Company does not have any proposal to pass any special resolution by way of postal ballot.

**9. DISCLOSURES:**

**a. Related Party Transactions:** Transactions with related parties, as per requirements of Indian Accounting Standard (Ind AS) 24 are disclosed in the notes to accounts annexed to the financial statements. All the transactions with related parties were in the ordinary course of business and on arm's length basis. In terms of Regulation 23 of Listing Regulations the Company has started obtaining prior approval of the Audit Committee for entering into any transaction with related parties. The Audit Committee granted omnibus approval for certain transactions to be entered into with the related parties, during the year. Statement giving details of all related party transactions entered into pursuant to the omnibus approval so granted is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis

Policy on dealing with Related Party Transactions can be viewed in the Company's website at [www.steelcast.net](http://www.steelcast.net)

## ANNEXURE- G to the Board's Report (Contd.)

- b. Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities or any matter related to capital markets during the last three years:** No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets in the last three years.
- c. Whistleblower Policy:** The Company has formulated Whistleblower Policy in conformity with the Regulation 22 of the Listing Regulation and Section 177 of the Companies Act, 2013, to provide a mechanism for directors and employees of the Company to approach the Ethics Counselor/ Chairman of the Audit Committee of the Company for the purpose of dealing with instance of fraud and mismanagement, if any and also ensure that whistleblowers are protected from retribution, whether within or outside the organisation.
- No personnel have been denied access to the Audit Committee, if any, during the year.
- The Company's Whistleblower Policy is on the Company's website at [www.steelcast.net](http://www.steelcast.net)
- d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Listing Regulation:**
- **Mandatory:** During the year, the Company has fully complied with the mandatory requirements as stipulated in Listing Regulations. Further Company has disseminated report on compliance with corporate governance requirements as specified in regulation 17 to 27 and 46(2) on it's website at [www.steelcast.net](http://www.steelcast.net) and also submitted with BSE.
  - **Non Mandatory** The Company has adopted following Non-Mandatory requirements of C & E of the Non-Mandatory requirements as provided in Part E of Schedule II to the Listing Regulations and not adopted A, B & D since they are discretionary requirements.
- e. Commodity Price Risk and Hedging activities:** Company is a sizable user of various commodities, including base metals & others, which exposes it to the price risk on account of procurement of commodities. The Company is drawing a hedging policy for activities exposed to foreign exchange fluctuations including for imports of goods.
- 10. RISK MANAGEMENT:** The management of the Company has identified some of the major areas of concern having inherent risk, viz. Foreign Currency Fluctuation, Client Concentration, Technology Risks, non compliance risk and Credit Control. The processes relating to minimising the above risks have already been put in place at different levels of management. The management of the Company reviews the risk management processes and implementation of risk mitigation plans periodically. The processes are continuously improved. The Company has drawn a Risk Management Policy and approved by Audit Committee.
- 11. GENERAL CODE OF CONDUCT:** The Company has formulated and implemented a General Code of Conduct (copy available on Company's website at [www.steelcast.net](http://www.steelcast.net)) for all its Directors and Senior Management of the Company in compliance with Listing Regulation. All the Board Members and Senior Management of the Company have affirmed compliance with the Said Code of Conduct for the financial year ended March 31, 2019. A declaration by the Chairman & Managing Director affirming compliance with the said Code of Conduct by Board Members and Senior Management is annexed at the end of the Report and forms part of this Report.
- 12. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:** The Board of Directors at their meeting held on March 29, 2019 has revised policy for code of practices and procedures for fair disclosure of unpublished price sensitive information as per SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and the Rules made thereunder. The said policy can be accessed on the Company's website at [www.steelcast.net](http://www.steelcast.net). The necessary preventive actions, including Closure of Trading Window around the time of any price sensitive events or information, are taken. All the Designated Persons have given declaration affirming compliance with the said Code for the year ended March 31, 2019.
- 13. MD/CEO & CFO CERTIFICATION:** In accordance with the requirements of Regulation 17(8) of Listing Regulation, a certificate from Managing Director and Chief Financial Officer of the Company, on the financial statements of the Company was placed before the Board in the Meeting held on May 30, 2019 and the same is annexed to this report, also forms part of this Annual Report.
- 14. REPORT ON CORPORATE GOVERNANCE:** This Corporate Governance Report forms part of the Annual Report. Certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in Listing Agreement/Listing Regulation



## ANNEXURE- G to the Board's Report (Contd.)

and the same is annexed to this report, also forms part of this Annual Report.

**15. MEANS OF COMMUNICATION:** The Company has a practice to publish Quarterly\Annual results in leading newspapers of the Country, namely, Financial Express (English & Gujarati), Indian Express, now in Economic Times and also to put the same on its website at www.steelcast.net. The aforesaid financial results are also disclosed on (www.bseindia.com) website of BSE Limited (BSE) where the Company's securities are listed, immediately after these are approved by the Board. Moreover, a direct communication is also made to the shareholders by the Managing Director as and when required. Further, there is separate General Shareholder Information section in this Annual Report and forms part of it.

**16. Disclosures of Related Party Transactions (RPTs):** The SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 have introduced, as a part of the "related party disclosure" in the annual report, disclosures of transactions of the listed entity with any person or entity belonging to the promoter or promoter group which hold(s) 10% or more shareholding in the listed entity. The details of related party transactions entered during the 2018-19 are as below:

Name of the Related Party	Nature of Transaction	Amount in ₹
Mr. Chetan M Tamboli	Remuneration	4,434,444
	Commission paid for Financial Year 2017-18	5,163,164
	Loan taken	22,500,000
	Interest Paid	32,700
	Loan Repaid	22,500,000
Rushil Industries Limited	Loan Taken	22,500,000
	Interest Paid	115,274
	Loan Repayment	22,500,000

**17. Disclosure on audit and non-audit services rendered by the auditor:** The SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 requires to disclose total fees paid to auditors for audit and non-audit services to improve transparency. The total fee

paid to the Statutory Auditor during the FY 2018-19 is as under:

a. Fee paid for audit services:	₹3.50 Lakhs
b. Fee paid for Non-Audit Service:	₹1.68 Lakhs
<b>Total fee paid:</b>	<b>₹5.18 Lakhs</b>

**18. Disclosure pertaining to Credit Rating:** [SEBI (LODR) (Amendment) Regulations, 2018, Para 3(t)(ii) and Para 3(x)(c)(ii)] require listed entity to disclose as a part of the Corporate Governance Report, a list of all credit ratings obtained by the listed entity for all debt instruments or for any fixed deposit program, or any scheme or proposal involving mobilisation of funds, needs to be disclosed along with any revisions thereto during the relevant financial year. The rating for the following CREDIT facilities sanctioned by banks, carried out by CARE Ratings Limited and intimated vide their letter no. CARE/ARO/RL/2018-19/1526 dated 23.07.2018:

Sr. No.	Credit Facilities	Rating
1.	Long-Term Bank Facilities	CARE BBB; Stable (Triple B; Outlook: Stable)
2.	Short-Term Bank Facilities	CARE A3+ (A Three Plus)
3.	Long-Term / Short-Term Bank Facilities	CARE BBB; Stable/ CARE A3+ (Triple B; Outlook: Stable / A Three Plus)

**19. Disclosures pertaining to disqualification of Directors:** The SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 introduced requirement to disclose a certificate from a Company Secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as the directors of companies by the Board/MCA or any such statutory authority. In this regard, Company have received certificate from Mr. Dinesh Bhimani, Practicing Company Secretary (Membership No. FCS 8064) (Address: 207, Nathwani Chambers, Sardar Gunj, Anand-388 001, Gujarat) dated on 10/05/2019 that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as the directors of companies by the Board/MCA or any such statutory authority.

## ANNEXURE- G to the Board's Report (Contd.)

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**Steelcast Limited**  
Ruvapari Road,  
Bhavnagar - 364005.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of STEELCAST LIMITED having CIN L27310GJ1972PLC002033 and having registered office at Ruvapari Road, Bhavnagar - 364005 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Apurva Rajendra Shah	00004781	18/06/2003
2	Mr. Chetankumar Manmohanbhai Tamboli	00028421	31/08/1991
3	Mr. Rajendra Vadilal Gandhi	00189197	28/10/2002
4	Mr. Dhimant Dhirajlal Mehta	00362227	25/07/2017
5	Mrs. Manaliben Chetankumar Tamboli	02544323	16/05/2009
6	Mr. Rushil Chetanbhai Tamboli	07807971	02/11/2017

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Anand  
Date: May 10, 2019

**Dineshkumar G. Bhimani**  
Company Secretary  
Membership No.: F-8064  
C P No.: 6628

**20. Views of committees not accepted by the Board of Directors:** The SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 introduced requirement to disclose, along with the reasons thereof, where the Board has not accepted any recommendation of any committee of the Board which is mandatorily required. We hereby confirm that the Board has accepted all the recommendations received from committee of the Board which is mandatorily required and there is no recommendation which has not been accepted by the Board to comment on required to disclose.

## ANNEXURE- G to the Board's Report (Contd.)

### 21. GENERAL SHAREHOLDERS INFORMATION:

#### a. Information about Annual General Meeting, Financial Year, Book Closure & Dividend Payment Date, Stock Exchanges & Stock Code:

Sr. No	Particulars	Details				
		1	Financial Year: From April 1 to March 31			
2	Annual General Meeting (as indicated in the Notice)	Date	Time	Venue		
		07.08.2019	1600 Hours	Efcee Sarovar Portico - Sarovar Hotels, Iscon Mega City, Opp. Victoria Park, Bhavnagar, Gujarat 364002		
3	Date of Book Closure (both days inclusive)	From	To	Dividend Payment Date		
		03.08.2019	07.08.2019	20.08.2019		
4	Listing on Stock Exchange (s)	Name of Stock Exchange		Stock Code	ISIN	Listing Fees paid upto
		BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001		513517	INE124E01020	March 31, 2020
5	Address for Correspondence	Name of contact person	Address	Telephone	e-mail	
		Mr. Subhash Sharma (Chief Financial Officer)	Steelcast Limited Ruvapari Road, Bhavnagar 364005	0278-2519062	ss@steelcast.net	

#### b. Market Price Data and Performance in comparison to broad-based indices viz., BSE Sensex: (As per records of BSE Limited in respective month of the 2018-19)

Month	Share Price at BSE (₹)		BSE Sensex	
	High	Low	High	Low
Apr, 2018	216.65	170.05	35160.36	33019.07
May, 2018	203.65	165.10	35556.71	34344.91
Jun, 2018	180.00	155.00	35739.16	34903.21
Jul, 2018	197.40	153.00	37606.58	35264.41
Aug, 2018	212.00	175.30	38896.63	37165.16
Sep, 2018	188.00	160.00	38389.82	36227.14
Oct, 2018	173.00	138.05	36526.14	33349.31
Nov, 2018	162.45	146.00	36194.30	34431.97
Dec, 2018	171.00	141.00	36484.33	34959.72
Jan, 2019	169.80	145.05	36578.96	35513.71
Feb, 2019	170.00	137.50	36971.09	35352.61
Mar, 2019	161.00	144.10	38672.91	36063.81

#### c. Registrar and Share Transfer Agents:

MCS Share Transfer Agent Limited  
 101, First Floor, Shatdal Complex  
 Opp: Bata Show Room, Ahmedabad 380 009.  
 Ph.No.: 079-26581296, 079-26582878  
 Email Id: mcsstaahmd@gmail.com

#### d. Share Transfer System: The Company's shares being in compulsory demat list, are transferable through the depository system. However, shares in the physical form are processed by the Registrar and Share Transfer Agents. In order to expedite the process, the Board of Directors has delegated the authority to it to approve the share transfer/transmission and accordingly, it approves the transfer/transmission of shares as and when require. The share transfer process is reviewed and noted by the Board/Committee.

#### e. Distribution of shareholding as on March 31, 2019:

No. of equity shares	No of share-holders	% of share-holders	No of shares held	% of share-holding
1 to 500	2811	71.11	725604	3.58
501 to 1000	398	10.06	326312	1.61
1001 to 2000	275	6.95	413705	2.04
2001 to 3000	106	2.68	272708	1.35
3001 to 4000	75	1.90	266847	1.31
4001 to 5000	56	1.41	260006	1.28
5001 to 10000	99	2.50	720241	3.55
10001 to 50000	88	2.22	1999825	9.88
50001 to 100000	18	0.45	1362364	6.73
100001 & above	26	0.68	13892388	68.63
<b>Total</b>	<b>3952</b>	<b>100.00</b>	<b>20,240,000</b>	<b>100.00</b>

## ANNEXURE- G to the Board's Report (Contd.)

### Shareholding pattern as on March 31, 2019:

Sr. No.	Category of shareholder	Number of Shareholders	Number of shares held	Number of shares held in dematerialised form	% of shareholding	% of shareholders
<b>1.0</b>	<b>Shareholding of Promoter and Promoter Group</b>	<b>6</b>	<b>9,268,040</b>	<b>9,268,040</b>	<b>45.79</b>	<b>0.15</b>
<b>2.0</b>	<b>Public Shareholding</b>					
2.1	Institutions-FPI	2	1400	1000	0.01	0.05
2.2	Central government / IEPF Suspense Account	1	163,260	163,260	0.81	0.01
2.3	Bodies Corporate	100	1,467,888	1,456,688	7.25	2.53
2.4	Individuals	3,551	6,926,248	6,663,144	34.22	89.85
2.5	NRI	159	1,425,431	1,361,431	7.04	4.02
2.6	Foreign Company	1	400,000	-	1.98	0.01
2.7	HUF	132	587,733	587,333	2.90	3.34
	<b>Total Public Shareholding</b>	<b>3,946</b>	<b>10,971,960</b>	<b>10,232,856</b>	<b>54.21</b>	<b>99.85</b>
	<b>Grand Total (1.0) + (2.0)</b>	<b>3,952</b>	<b>20,240,000</b>	<b>19,500,896</b>	<b>100.00</b>	<b>100.00</b>

**f. Dematerialisation of Shares and Liquidity:** The equity shares of the Company are available in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd., (CDSL). The Company's equity shares are traded compulsorily in the dematerialised form. As on date, out of 20,240,000 equity shares of the Company, 19,500,896 equity shares have been dematerialised, representing 96.35% of the total number of shares.

Your Company confirms that the promoters' holdings were converted into dematerialised form and the same is in line with the circulars issued by SEBI.

Shareholders who are still holding shares in physical form are requested to dematerialise their shares at the earliest. This will be necessary and also be advantageous to deal in securities. For queries / clarification / assistance, shareholders are advised to approach the Company's Registrar and Share Transfer Agents.

**g. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity:** As on date, the Company has not issued GDRs, ADRs or any other Convertible Instruments and as such, there is no impact on the equity share capital of the Company.

**h. Plant Locations:** The Company's plant is only located at Ruvapari Road, Bhavnagar, Gujarat 364005.

**i. Commodity Price Risk/Foreign Exchange Risk and Hedging Activities:** Company is exposed to foreign

exchange risk on account of import and export transactions entered into. Also it is a sizable user of various commodities, including base metals, which exposes it to price risk on account of procurement of commodities. The Company has not done any hedging during the year.

**j. Disclosure with respect to demat suspense account/ unclaimed suspense account of shares:** As on date, 163,260 shares have been transferred to Investor Education Fund Suspense Account.

Pursuant to Section 124 & 125 of the Companies Act 2013 read with the **Investor Education and Protection Fund Authority (Accounting Audit Transfer and Refund) Rules, 2016** ('the Rules') notified by the Ministry of Corporate Affairs, New Delhi, The Rules, inter alia, provide for transfer of all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years, to the Investor Education Protection Fund (IEPF) set up by the Central Government.

All shareholders are requested to claim their unclaimed dividend for financial year 2011-12 (Final) before September 2019 as the same is due to transfer to Investor Education Protection Fund in the month of September 2019. The shares of shareholders will also get transferred to IEPF Suspense Account maintained by Central Government if the shareholder had not claimed dividend on their shares for seven consecutive years.

## ANNEXURE- G to the Board's Report (Contd.)

### k. Discretionary Requirements:

- The position of the Chairman and Managing Director are not separate.
- The Company does not maintain a separate office for the Non-Executive Chairman as Chairman and Managing Director is the same person.
- The quarterly financial results are published in the newspapers of wide circulation and are not sent to individual shareholders. Further, the financial results are available on the website of the Company and of the Stock Exchange where the shares of the Company are listed, i.e. BSE Ltd.
- The Auditors' Opinion on the Financial Statements is unmodified.
- Internal Auditor reports to the Audit Committee.

### i. Disclosure of the Compliance with Corporate Governance requirement as specified in Listing Regulation:

During the Financial Year under review, SEBI issued new Listing Regulations viz., Securities and Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations 2015 which is effective from December 1, 2015. As required under the said Regulations, the Company has complied with the following requirements:

- (i) Adopted Policy on Preservation of Documents and Policy on Materiality of Event/Information,
- (ii) Executed fresh Listing Agreements with BSE Limited.

Further the Company affirms that all the requirements applicable under the Listing Agreement (valid upto November 30, 2015) and Listing Regulations (effective from December 1, 2015) are complied with. Company has also disseminated, report on compliance with corporate governance requirements as specified in Listing Agreement (valid upto November 30, 2015) and regulation 17 to 27 and 46(2) of Listing Regulation (effective from December 1, 2015), on its website at [www.steelcast.net](http://www.steelcast.net), and also submitted with BSE.

For and on behalf of the Board of Directors  
 For **STEELCAST LIMITED**

Place: Bhavnagar  
 Date : May 30, 2019

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

## ANNEXURE- G to the Board's Report (Contd.)

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

In the above regard as provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I declare as follows:

1. The Company does have a General Code of Conduct approved by its Board of Directors, which is posted on its website www.steelcast.net
2. All the members of the Board of Directors and all the members of the Senior Management of the Company have individually submitted statements of affirmation of compliance with the said Code of Conduct for the financial year ended March 31, 2019.

For and on behalf of the Board of Directors  
For **STEELCAST LIMITED**

Place: Bhavnagar  
Date : May 30, 2019

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

### MD/CEO & CFO CERTIFICATION

To  
The Board of Directors,  
**STEELCAST LIMITED,**

We certify that:

- a. We have reviewed financial statements and the cash flow statement of Steelcast Limited for the year ended March 31, 2019 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, no transactions entered into by the Company during the years which are fraudulent, illegal or violative of the Code of Conduct of the Company.
- c. We accept responsibility for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of internal control systems of the Company over financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls over financial reporting, if any, of which we are aware and the steps we have taken, propose to take, to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting;
- d. We have indicated to the auditors and the Audit Committee that there are:
  - (i) no significant changes in internal control over financial reporting during the year;
  - (ii) no significant changes in accounting policies during the year and
  - (iii) no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

For **STEELCAST LIMITED**

For **STEELCAST LIMITED**

**(Chetan M Tamboli)**  
Chairman & Managing Director  
Place: Bhavnagar  
Date: May 30, 2019

**(Subhash R Sharma)**  
Chief Financial Officer

## ANNEXURE- H to the Board's Report:

### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

(In terms of Regulation 34(3) and Schedule V (E) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015)

To,  
The members of  
**Steelcast Limited**

We have examined the compliance of conditions of Corporate Governance by Steelcast Limited for the year ended on March 31, 2019 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the review of procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of 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-referred Listing Regulation.

We further state that such compliance is not an assurance either to the future viability of the Company or to the efficiency and effectiveness with which the management has conducted the affairs of the Company.

For **SSM & Co,**  
Chartered Accountants  
FRN : 129198W

**CA Sarju S. Mehta**

Partner  
M. N. 106804

Place: Bhavnagar  
Date: May 30, 2019



## ANNEXURE- I to the Board's Report:

### MANAGEMENT DISCUSSION AND ANALYSIS

#### Company overview

Steelcast Ltd is a well known name in the Steel & Alloy Steel castings industry. It manufactures casting products using No Bake and Shell Molding processes. The Company continued its growth in 3<sup>rd</sup> straight year after a medium spell of recessionary years. The Company kept on working on its strategy of reducing sector specific dependency during the year. The Company benefitted significantly during the year as the market improved a lot. The Company continued catering to the main sectors like earth moving equipment, mining & mineral processing, railways, steel plants, cement, locomotive etc. The Company looking for new opportunities in new industrial segment and products. The improvement is happening steadily.

#### Awards and recognitions received during 2018-19

- a. The Company received 3<sup>rd</sup> IPF Industrial Excellence Awards on December 13, 2018 at NSE, Mumbai, as winner in Auto Ancillary (Medium) category.
- b. Accreditation from National Accreditation Board for Testing & Calibration Laboratories (NABL) for our testing Laboratory.
- c. Certified as per EN: 9100/2018/AS 9100 D for scope "Manufacture of Ferrous Castings for Aerospace application"

The war of tariff is at the center stage of global trade scenario. Our Company is no exception to these developments. The Company's exports are higher than domestic sales and such developments of this nature will have its impact on our business to some extent. Amidst of all these circumstances, we expect our Sales for FY 2019-20 to be higher compared to ₹319.34 Cr sales of FY 2018-19.

#### Industry Structure and Developments:

**1.0 Mining Industry:** Sales during FY 2018-19 were ₹93.29 Cr which shows a little improvement compared to previous year. We expect this be better in coming year FY 2019-20.

- 1.1 **Domestic:** We had developed Ground Engaging Tools (GET) parts for a customer in this segment during FY 2018-19 and the entity have started placing orders on our Company for the same.

We expect this will contribute in increasing our turnover in FY 2019-20.

- 1.2 **Exports:** The customers in this segment are performing well and expect the same performance will get repeated in FY 2019-20.

**2.0 Earth Moving Industry:** Sales during FY 2018-19 were ₹142.00 Cr. We expect this to be a little higher over the previous year. In the year FY 2019-20. This sector is leading in terms of turnover.

- 2.1 **Domestic:** Sales during FY 2018-19 are ₹75.00 Cr. We expect this to be almost same in FY 2019-20. The outlook seems stable in this domestic market.

- 2.2 **Exports:** Sales in FY 2018-19 were ₹67.00 Cr & we expect this to be higher in FY 2019-20.

**3.0 Construction Equipment:** Sales during FY 2018-19 were ₹54.12 Cr. The contribution from this segment is quite good in total turnover. We expect this to be of same level in FY 2019-20.

**4.0 US Railroad Industry:** This market is now showing some signs of recovery and increase in business from FY 2020-21 onwards. Our alliance partner in USA has so far not been able to penetrate this market. We are working on other alliances/representation in USA to penetrate this market in big way.

**5.0 Partnering with Indian Defence Units:** The Company is making its constant endeavour to contribute to the building of the nation by partnering with the Indian Defence units. The Company submitted samples of steel castings which are approved and the customer awarded trial order valuing ₹2.70 Cr to start with in this segment.

#### Industrial opportunities and outlook:

The Indian economy has been progressing well despite temporary hiccups like demonetisation and GST implementation. Recognised as the sixth largest economy globally, the Indian economy's strong growth momentum helped it regain the tag of being one of the fastest growing economies on a global landscape. Due to likely trade war between USA & China and sanction issue on Iran, the Company expecting slowdown in global market. However, stable Govt at Centre is expected to come to rescue to the Indian industry which may face such global challenges.

## ANNEXURE- I to the Board's Report (Contd.)

### Financial Performance snapshot:

(₹ in Lakhs)

Particulars	2018-19	2017-18
Sales/Income from Operations	31,792.46	23,339.46
Other Income	141.56	172.61
<b>Sub-Total</b>	<b>31,934.03</b>	<b>23,512.07</b>
Total Expenditure (before Interest & Depreciation)	25,918.49	19,035.34
Operating Profit (EBIDTA)	6,015.54	4,476.74
Operating Margin %	18.92%	19.18%
Profit/(loss) After Tax	2,492.30	2,075.18
Return on Capital Employed % (EBIT) (ROCE=Total Equity + LT Borrowings)	28.73%	25.93%
No. of months Receivables (Receivables/Sales*12)	2.14	2.71
Current Ratio (Current Assets/Current Liabilities)	1.41	0.97
Debt Equity Ratio (Long Term Borrowings/Net Worth)	0.35	0.24
Production (in MT)	13,219	12,684

### Disclosures of key changes in financial indicators

#### Key Financial Ratios:

(disclosure of the following ratio changed 25% or more as compared to previous year)

Sr. No.	Ratios	Change compared to Previous year	Remarks
1	Debtors Turnover	26.92%	Timely realisation from customers coupled with increase in sales by 35.82 % Both the changes had positive effect.
2	Inventory Turnover	129.64%	Reduction in total Inventory coupled with increase in Sales by 35.82 %. Both the changes had positive effect.
3	Interest Coverage Ratio	35.76%	Reduction in finance cost & improvement in EBIT had combined effect has resulted into higher interest coverage ratio.
4	Current Ratio	45.36 %	1. Refund from Govt authorities has improved over the last year.

Sr. No.	Ratios	Change compared to Previous year	Remarks
			2. Significant reduction in working capital borrowing over the last year. 3. Significant reduction in Trade Payables over the last year and corresponding higher decrease in Current Liability compared to Current Assets.
5	Debt Equity Ratio	45.83%	Increase in Long Term debt neutralised improvement in net worth thus resulted into adverse change in debt equity ratio.
6	Operating Profit Margin	35.67%	Better cost control coupled with higher revenue resulted into better operating margin ratio.

### Quality Assurance:

As a Company policy, we are committed to total customer satisfaction both in terms of quality and services in a healthy, safe & environmentally responsible manner. The Company is committed to:

- Deliver goods with excellent performance and at reasonable price
- Comply with applicable legal & other requirements
- Adopt programs for prevention of pollution, improving health & safety performance, resource conservation and waste reduction
- Continual improvement in our quality, environmental and occupational health & safety performance through efficient systems and procedures.

We encourage teamwork, co-operation, education and training of all our people to fulfill our commitment to quality, environmental and OH&S management system in our operations.

During 2018-19, we undertook following initiatives to further strengthen our quality parameters:

- (a) A dedicated team is working to eliminate inclusion related defects.
- (b) Prime Quality Steel scrap as a Metallic Charge-mix having low Sulphur, Phosphorus and lower gas level used for critical part production.

## ANNEXURE- I to the Board's Report (Contd.)

- (c) A special Task force is working on Quality up gradation of specific product having Cost of Poor Quality (Internal + External).
- (d) Castings having Higher Cross-section thickness (> 200mm), Micro alloying added to eliminate 'Hydrogen induced Crack' below bigger riser.
- (e) Daily Quality round with Cross-functional Team at fixed schedule time to make 1<sup>st</sup> observation of Shakeout casting & immediate Corrective actions-If required.
- (f) By design development and implementation of Special probe under Ultrasonic test for subsurface defect detection , resulting customer complain reduced significantly.
- (g) Welder Qualified by adopting stringent Test Procedure incorporating Bend Test along with Radiography.
- (h) To counter Stress generated Crack during Re-gas cutting, Intermediate 'Tempering' introduced in between Normalising -Hardening having casting higher Cross - section(>200mm).

### Research and Development:

Since 1976, the Company's in-house R&D is recognised by DSIR (Department of Scientific and Industrial Research). The Company is involved in manufacturing high quality products through R&D activities across product development, technology upgradations and process improvements. The R&D team has hands-on foundry experience that combine with in-depth knowledge of latest metallurgy & foundry technology. The department is equipped with state-of-the-art equipment with digital calculations to monitor mechanical & chemical testing results having NABL Accreditation. A modern version of software for methoding is utilised with expert engineers. Dedicated sets of equipment are installed to carry out testing of different sands including resin Coated & No-Bake sands and test critical parameters of quenching media (Water & Polymer). A Strong sub-section in R&D allows us to do conduct complete failure analysis and give latest technical inputs based on Fractography & SEM/EDS report.

Our constant efforts on R&D have allowed us to maintain ever -increasing demand of high-end products by global customers, especially in the high strength materials. Our initiatives have helped us get orders for items requiring import substitution with international specifications through pilot batches mechanism followed by bulk orders.

Going ahead, the Company will further undertake the following R&D strengthening initiatives:

- (a) Development of High Toughness(Charpy Impact @ -40°C) and High Tensile (High Hardness) material through

Polymer quenching for GET( Ground Engineering Tool) Parts casting.

- (b) Control of Oxide inclusion to meet cleanliness of metal by improved technique of Ladle inoculants of induction furnace metal.
- (c) Derive benefits out of the improvised launch of CIP (Continuous Improvement Plan) to get innovative ideas from employees
- (d) Development of Zirconium Aluminate high performance water base coating for better Surface finish of casting.
- (e) Optimise different 'Polymer Quenching Concentration' to establish Crack free casting with High Hardness (>450BHN).
- (f) Study & Investigation of role of presence of 'Serpentine' in Chromite sand and it's adverse effect on casting.
- (g) Study and investigation of presence of Cr2O3 in Chrome magnesite furnace lining material to increase Induction furnace lining life..

### Human resources and industrial relations:

The human resource philosophy and strategy of your Company have been designed to attract and retain the best talent, creating a workplace environment that keeps employees engaged, motivated and encourages innovation. Your Company has fostered a culture that rewards continuous learning, collaboration and development, making it future ready with respect to the challenges posed by ever- changing market realities. Employees are your Company's most valuable asset and your Company's processes are designed to empower employees and support creative approaches in order to create enduring value. Your Company maintains a cordial relationship with its employees. Its emphasis on safe work practices and productivity improvement is unrelenting. Your Company employs more than 1300 employees, directly and indirectly.

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

### Risk Management :

The Company recognises that every business has its inherent risks and it is required to possess a proactive approach to identify and mitigate them. Your Company has embedded an efficient organisational risk management framework,

## ANNEXURE- I to the Board's Report (Contd.)

which regularly scans all possible internal and external environment to identify risks, decide on possible mitigation plans and incorporate them in its strategic plans. Some of the key risks include industry risk, foreign currency fluctuation, client concentration, technology risks and financial risk. The processes relating to minimising of the above risks have already been put in place at different levels of management. The risk mitigation plans are regularly monitored and reviewed by the Management and Audit Committee of your Company.

### Long-term and medium-term strategy:

The Company has strategies for business development to cop up with the dynamic situation evolving everyday globally. Your Company is subject to all the positive & negative effects of the change in the global scenario. Your Company works on long term and medium term strategies to deal with the challenges:

#### a. Long-term Strategy:

- a) Widening of customer base
- b) Entry into new industry segments
- c) Development of new casting products for existing customers

#### b. Medium-term Strategy:

- a) Improvement in product quality
- b) Control & minimising rejections
- c) Cost reduction

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

For and on behalf of the Board of Directors  
For **STEELCAST LIMITED**

Place: Bhavnagar  
Date : May 30, 2019

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

# Independent Auditors' Report

To  
The Members of  
**STEELCAST LIMITED**

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying standalone financial statements of STEELCAST LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the

standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There is no any key audit matter to be communicated in our report.

### Information other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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

## Independent Auditors' Report (Contd.)

presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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.



## Independent Auditors' Report (Contd.)

- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) 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, as amended, in our opinion and to the best of our

information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position except those stated under note no. 40(c) - Contingent Liabilities.
  - 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent possible.

For **SSM & Co**  
Chartered Accountants  
FRN : 129198W

**CA Sarju S. Mehta**  
Partner  
M. N. 106804

Place: Bhavnagar  
Date: May 30, 2019



## ANNEXURE – A to the Independent Auditors' Report

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

### REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **STEELCAST LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that –

- (a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (c) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S S M & Co,**  
 Chartered Accountants  
 FRN : 129198W

Place: Bhavnagar  
 Date : May 30, 2019

**CA Sarju S. Mehta**  
 Partner  
 M. N. 106804

## ANNEXURE – B to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

- i. In respect of fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified by the management at reasonable intervals having regard to the size of the Company, in a phased manner in accordance with a programme of physical verification. As informed, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and based on the records of the Company examined by us, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventories were physically verified by the management at reasonable intervals during the year. As informed to us, no material discrepancies were noticed on such physical verification carried out by the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.
- iv. The Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security, to the extent applicable.
- v. The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under with regard to the deposits accepted from the public *except for one deposit aggregating to ₹1,375,000 which was inadvertently accepted by the Company. However, the said deposit was immediately repaid.* No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of

the cost records with a view to determine whether they are accurate or complete.

- vii. In respect of statutory and other dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and other statutory dues, to the extent applicable, with the appropriate authorities during the year. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable.
  - (b) There are no amounts outstanding, which have not been deposited on account of dispute except for the following:

Nature of Payment	Financial Year	Amount	Forum where dispute is pending
Income Tax	2005-2006	Tax amount ₹562,086	The Assistant Commissioner of Income Tax

- viii. The Company has not defaulted in repayment of loans or borrowing to banks and financial institution. The Company has not obtained any borrowings from government or by way of debentures.
- ix. Terms loans obtained by the Company have been applied for the purpose for which they were obtained. The Company has not raised any money, during the year, by way of public offer (including debt instruments).
- x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company or on the Company by its officers or employees was noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, managerial remuneration paid or provided by the Company during the year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. Since the Company is not a Nidhi Company, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with the related

## Annexure – B to the Independent Auditors' Report (Contd.)

parties are in compliance with Section 177 and 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and

hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **SSM & Co,**  
Chartered Accountants  
FRN : 129198W

Place: Bhavnagar  
Date : May 30, 2019

**CA Sarju S. Mehta**  
Partner  
M. N. 106804

## Balance Sheet as at March 31, 2019

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	11,452.58	12,007.86
Capital Work-in-Progress	3	36.55	228.10
Intangible Assets	4	234.23	288.31
Financial Assets			
Investments	5	8.70	9.52
Non Current: Loans	6	15.43	28.74
Non-Current Tax Assets (Net)	7	119.63	47.94
Other Non Current Assets	8	474.53	53.52
<b>Total Non Current Assets</b>		<b>12,341.65</b>	<b>12,663.99</b>
<b>Current Assets</b>			
Inventories	9	2,398.77	4,042.80
Financial Assets			
Trade Receivables	10	5,663.51	5,279.42
Cash and Cash Equivalents	11	359.79	48.49
Other Bank Balances	12	280.22	99.07
Loans	13	9.53	20.18
Other Financial Assets	14	6.49	-
Other Current Assets	15	1,007.86	2,082.17
<b>Total</b>		<b>9,726.17</b>	<b>11,572.12</b>
Assets Classified as Held for Sale	16	150.74	125.50
<b>Total Current Assets</b>		<b>9,876.92</b>	<b>11,697.63</b>
<b>Total Assets</b>		<b>22,218.56</b>	<b>24,361.62</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	17	1,012.00	1,012.00
Other Equity	18	10,483.95	8,321.06
<b>Total Equity</b>		<b>11,495.95</b>	<b>9,333.06</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	19	2,762.84	1,407.53
Provisions	20	95.01	214.14
Deferred Tax Liabilities (Net)	21	421.26	183.89
Other Non-Current Liabilities	22	445.07	1,137.24
<b>Total Non Current Liabilities</b>		<b>3,724.18</b>	<b>2,942.81</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	23	2,450.16	7,041.10
Trade Payable:	24		
(a) Total outstanding dues of Micro Enterprises and Small Enterprises; and		0.37	-
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises.		1,620.26	2,972.46
Other Financial Liabilities	25	2,181.70	1,473.11
Provision	26	66.54	95.07
Other Current Liabilities	27	679.40	466.31
<b>Total</b>		<b>6,998.44</b>	<b>12,048.05</b>
Liabilities directly associated with Assets Classified as Held for Sale	28	-	37.70
<b>Total Current Liabilities</b>		<b>6,998.44</b>	<b>12,085.75</b>
<b>Total Liabilities</b>		<b>10,722.62</b>	<b>15,028.55</b>
<b>Total Equity and Liabilities</b>		<b>22,218.56</b>	<b>24,361.62</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **SSM & CO**

Chartered Accountants

FRN : 129198W

**CA Sarju Mehta**

Partner

M. No. 106804

Place: Bhavnagar

Date: May 30, 2019

For **STEELCAST LIMITED**

**Subhash Sharma**

Chief Financial Officer

For and on behalf of the Board of Directors

**Rushil C Tamboli**

Whole Time Director

DIN: 07807971

Place: Bhavnagar

Date: May 30, 2019

**Chetan M Tamboli**

Chairman & Managing Director

DIN: 00028421

## Statement of Profit & Loss for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>INCOME:</b>			
Revenue from Operations	29	31,792.46	23,339.46
Other Income	30	141.56	172.61
<b>Total Income</b>		<b>31,934.03</b>	<b>23,512.07</b>
<b>EXPENSES:</b>			
Cost of Materials Consumed	31	7,374.99	5,470.12
Changes in Inventories of Finished Goods and Work-in-Progress	32	1,426.88	(1,239.94)
Excise Duty		-	215.14
Employee Benefits Expense	33	2,576.01	2,013.27
Finance Costs	34	944.85	1,096.59
Depreciation and Amortisation Expense		1,565.03	1,481.92
Other Expenses	35	14,540.62	12,576.75
<b>Total Expenses</b>		<b>28,428.37</b>	<b>21,613.85</b>
<b>Profit / (Loss) Before Exceptional Items and Tax</b>		<b>3,505.66</b>	<b>1,898.22</b>
Exceptional Items	36	-	-
<b>Profit/(loss) Before Tax</b>		<b>3,505.66</b>	<b>1,898.22</b>
<b>Tax Expense:</b>			
Current Tax		760.57	378.88
MAT Credit Entitlement		(39.36)	(378.88)
Short / (Excess) Provision of Tax of Earlier Years		8.05	(2.33)
Deferred Tax		278.87	(185.26)
<b>Profit / (Loss) for the Year</b>		<b>2,497.53</b>	<b>2,085.82</b>
<b>Other Comprehensive Income:</b>			
Items that will not be reclassified to Profit or Loss			
Re-Measurement Gains / (Losses) on Defined Benefit Plans		(7.37)	(15.64)
Income Tax Effect		2.15	5.41
Net Gain / (Loss) on FVOCI Equity Instruments		-	(0.41)
Income Tax Effect		-	-
<b>Total other Comprehensive Income for the Year, Net of Tax</b>		<b>(5.22)</b>	<b>(10.63)</b>
<b>Total Comprehensive Income for the Year (Comprising Profit and Other Comprehensive Income for the Year)</b>		<b>2,492.30</b>	<b>2,075.18</b>
<b>Earnings per Equity Share:</b>			
Face Value per Equity Share		5.00	5.00
Basic and Diluted Earnings per Share (₹)	37	12.34	10.31

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **SSM & CO**

Chartered Accountants

FRN : 129198W

**CA Sarju Mehta**

Partner

M. No. 106804

Place: Bhavnagar

Date: May 30, 2019

For **STEELCAST LIMITED**

**Subhash Sharma**

Chief Financial Officer

For and on behalf of the Board of Directors

**Rushil C Tamboli**

Whole Time Director

DIN: 07807971

Place: Bhavnagar

Date: May 30, 2019

**Chetan M Tamboli**

Chairman & Managing Director

DIN: 00028421

## Statement of Cash Flow for the Year Ended March 31, 2019

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit Before Taxation		3,505.66		1,898.23
<b>Adjustments for -</b>				
Depreciation and Amortisation	1,565.03		1,481.92	
(Profit)/Loss on Sale of Property, Plant & Equipment	(82.89)		(13.34)	
Dividend	-		(0.02)	
Interest Expense(Net)	787.65	2,269.80	745.82	2,214.37
<b>Operating Profit Before Working Capital Changes</b>		<b>5,775.45</b>		<b>4,112.60</b>
<b>Adjustments for -</b>				
Trade Receivables	(384.09)		(1,826.69)	
Inventories	1,644.04		(1,567.84)	
Other Financial and Non Financial assets	488.80		13.06	
Non-Current/Current Financial and Other Liabilities/Provisions	(1,037.09)	711.66	735.33	(2,646.14)
<b>Cash Generated From Operations</b>		<b>6,487.11</b>		<b>1,466.46</b>
Direct Taxes (Payment)/Refund		(1,079.82)		(149.40)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>5,407.29</b>		<b>1,317.06</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Property, Plant & Equipment		(895.97)		(1,485.11)
(Purchase)/Sale of Investments (Net)		0.73		-
Sale of Property, Plant & Equipment (including Held for Sale)		151.94		71.80
Interest Received		57.75		124.21
Dividend Received		-		0.02
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(685.54)</b>		<b>(1,289.08)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Proceeds/(Repayment) from Long Term Borrowings		1,355.30		(1,148.27)
Interest Paid		(845.40)		(870.03)
Dividend Paid		(329.42)		(146.16)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>180.49</b>		<b>(2,164.46)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>4,902.23</b>		<b>(2,136.48)</b>
Cash and Cash Equivalents as at Beginning of the Year		(6,992.61)		(4,856.13)
Cash and Cash Equivalents as at End of the Year		(2,090.37)		(6,992.61)
<b>Reconciliation of Cash and Cash Equivalents as per the Cash Flow Statement</b>				
Cash and Cash Equivalents as per above comprise of the following:				
Cash and Cash Equivalents (Refer Note 11)		359.79		48.49
Working Capital Finance from Banks (Refer Note 23)		2,450.16		7,041.10
<b>Balance as per Cash Flow Statement</b>		<b>(2,090.37)</b>		<b>(6,992.61)</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **SSM & CO**

Chartered Accountants

FRN : 129198W

**CA Sarju Mehta**

Partner

M. No. 106804

Place: Bhavnagar

Date: May 30, 2019

For **STEELCAST LIMITED**

**Subhash Sharma**

Chief Financial Officer

For and on behalf of the Board of Directors

**Rushil C Tamboli**

Whole Time Director

DIN: 07807971

Place: Bhavnagar

Date: May 30, 2019

**Chetan M Tamboli**

Chairman & Managing Director

DIN: 00028421

## Statement of Changes in Equity for the Year Ended March 31, 2019

### A. EQUITY SHARE CAPITAL:

(₹ in Lakhs)

At March 31, 2018	1,012.00
Changes in Equity Share Capital	-
<b>At March 31, 2019</b>	<b>1,012.00</b>

### B OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves & Surplus				Total Other Equity
	Security Premium	Capital Reserve	General Reserve	Retained Earnings	
<b>As at March 31, 2018</b>	<b>1,916.18</b>	<b>4.67</b>	<b>5,797.79</b>	<b>602.43</b>	<b>8,321.06</b>
Net Profit for the Period	-	-	-	2,497.53	2,497.53
Other Comprehensive Income	-	-	-	(5.22)	(5.22)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,492.30</b>	<b>2,492.30</b>
Final Dividend	-	-	-	(273.24)	(273.24)
Dividend Distribution Tax	-	-	-	(56.18)	(56.18)
<b>As at March 31, 2019</b>	<b>1,916.18</b>	<b>4.67</b>	<b>5,797.79</b>	<b>2,765.32</b>	<b>10,483.95</b>



# Notes to the Financial Statements for the year ended March 31, 2019

## NOTE: 1 CORPORATE INFORMATION

The financial statements are of Steelcast Limited (the Company) for the year ended March 31, 2019. The Company was incorporated on 11.02.1972. The Company is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is engaged in casting manufacturing business.

The registered office of the Company is located at Ruvapari Road, Bhavnagar, Gujarat – 364005.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 30, 2019.

## NOTE: 2 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on an accrual basis and under the historical cost convention basis except for the following:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit plans – plan assets measured at fair value.

### 2.1 Summary of significant accounting policies

#### A. Current versus non-current classification

All assets and liabilities are classified into current and non-current.

##### Assets

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

#### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within 12 months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

#### Operating cycle

Based on the nature of services and the normal time between the acquisition of assets and their realisation into cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

#### Deferred tax

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### B. Property, Plant and Equipment

Property, plant and equipment, capital work in progress are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price net of refundable taxes and any attributable cost of bringing the asset to its working condition for its intended use and initial estimate of decommissioning, restoring and similar liabilities. Borrowing costs relating to acquisition of property, plant and equipment which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Company. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciation over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the assets and has useful life that is materially different from that of the remaining asset.

### C. Depreciation on property, plant and equipment

Depreciation is provided on Straight Line Method in the manner specified in the Schedule II in accordance with the provisions of section 123(2) of the Companies Act, 2013. The identified components are depreciated over their useful lives; the remaining assets are depreciated over the life of the principal assets.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### D. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Software is amortised using the straight-line method over a period of 6 years. The amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

### E. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered

impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

### F. Leases

#### Company as a lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

### G. Inventories

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

- Raw materials and stores and spares - on a weighted average method basis;
- Finished and semi-finished goods - at material cost plus direct expenses and appropriate value of overheads; cost of finished goods includes excise duty as applicable.

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### H. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

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

Income from export incentives under various schemes notified by government is accounted on accrual basis.

The Company does not accrue interest on long-term advances received from customers towards supply of goods or services.

### I. Research & Development

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- How the assets will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The liability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related project. Amortisation is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Revenue expenditure on Research & Development is charged to the statement of profit and loss for the year in which it is incurred. Capital expenditure on Research & Development is shown as an addition to property, plant and equipment and depreciated on the same basis as other assets.

### J. Foreign currency transactions

#### Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate prescribed fortnightly by the Central Board of Indirect Taxes and Customs (CBIC) for exports between the reporting currency and the foreign currency at the date of the transaction. This practice followed by the Company is consistent with Para 22 of the Ind AS 21.

#### Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

#### Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

### K. Employee benefits

#### Short-term employee benefits

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

#### Post-employment benefit plans

- i. Defined Contribution Plan: Contribution for provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner. Contribution for Superannuation in respect of certain employees of the Company is made in accordance with the scheme with Life Insurance Corporation of India.
- ii. Defined Benefit Plan: The liability in respect of gratuity is determined using Projected Unit Credit Method with actuarial valuation carried out as at balance sheet date. Contributions in respect of gratuity are made to the Group Gratuity Scheme

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

with Life Insurance Corporation of India. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- b. Net interest expense or income

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

### Other long-term employee benefits

Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per Projected Unit Credit method. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

### L. Borrowing costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### M. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax asset is reviewed as at each balance sheet date and written down or written up to reflect whether taxable profit will be available or not.

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

### N. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### (i) Financial assets

##### **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

##### **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

##### **Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

##### **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

##### **Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value in case of equity investments which are not held for trading. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

### De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets which are measured at amortised cost or FVOCI.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss (P&L). This amount is reflected in a separate line in the P&L as an impairment gain or loss.

For financial assets measured as at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in



## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

### (ii) Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

#### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### (iii) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.



## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### (iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### O. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

### P. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### Q. Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### R. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### S. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

### Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

#### 3 PROPERTY, PLANT AND EQUIPMENT & CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Vehicles	Vehicles on Finance Lease	Furniture & Fixture	Office Equipment	Total	Capital Work in Progress
<b>Cost or Deemed Cost (Gross Carrying Amount)</b>										
<b>As at March 31, 2018</b>	<b>632.51</b>	<b>443.32</b>	<b>3,078.28</b>	<b>10,177.58</b>	<b>65.01</b>	<b>43.23</b>	<b>78.90</b>	<b>56.92</b>	<b>14,575.74</b>	<b>228.10</b>
Additions	40.24	11.01	143.18	849.46	150.72	-	7.78	21.48	1,223.87	36.55
Deductions	-	-	25.96	1,047.54	23.22	-	5.90	25.73	1,128.35	228.10
Deduction of Assets Classified as Held for Sale	-	-	156.13	-	-	-	-	-	156.13	-
Exchange Differences Capitalised	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>672.76</b>	<b>454.33</b>	<b>3,039.38</b>	<b>9,979.50</b>	<b>192.51</b>	<b>43.23</b>	<b>80.78</b>	<b>52.67</b>	<b>14,515.14</b>	<b>36.55</b>
<b>Accumulated Depreciation and Impairment Losses</b>										
<b>As at March 31, 2018</b>	-	<b>38.51</b>	<b>209.79</b>	<b>2,252.96</b>	<b>17.04</b>	<b>2.25</b>	<b>22.22</b>	<b>25.11</b>	<b>2,567.89</b>	-
Depreciation for the Year	-	21.82	117.37	1,309.14	24.80	-	10.37	13.08	1,496.58	-
Deductions	-	-	21.96	932.75	12.16	-	5.26	24.39	996.51	-
Depreciation of Assets Classified as Held for Sale	-	-	5.39	-	-	-	-	-	5.39	-
<b>As at March 31, 2019</b>	-	<b>60.34</b>	<b>299.82</b>	<b>2,629.35</b>	<b>29.67</b>	<b>2.25</b>	<b>27.33</b>	<b>13.80</b>	<b>3,062.57</b>	-
<b>Net Block</b>										
<b>As at March 31, 2019</b>	<b>672.76</b>	<b>393.99</b>	<b>2,739.56</b>	<b>7,350.15</b>	<b>203.81</b>	-	<b>53.45</b>	<b>38.86</b>	<b>11,452.58</b>	<b>36.55</b>
<b>As at March 31, 2018</b>	<b>632.51</b>	<b>404.81</b>	<b>2,868.49</b>	<b>7,924.62</b>	<b>47.97</b>	<b>40.98</b>	<b>56.68</b>	<b>31.80</b>	<b>12,007.86</b>	<b>228.10</b>

- All term loans from banks and financial institutions are secured against first pari passu charge on gross block of the fixed assets. Working capital finance taken from banks are also secured by way of second charge on gross block of fixed assets.
- Vehicles on finance lease are hypothecated as security towards the finance lease obligation in previous year FY 2017-18. No vehicle is on finance lease as on 31.03.2019.
- The Company has also received long-term advance from one of the customer. The said advance is secured against plant and machinery purchased from such advance.

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 4 INTANGIBLE ASSETS

(₹ in Lakhs)

	<b>Software</b>
<b>Cost or Deemed Cost (Gross Carrying Amount)</b>	
<b>As at March 31, 2018</b>	<b>380.42</b>
Additions	14.38
Deductions	0.27
<b>As at March 31, 2019</b>	<b>394.54</b>
<b>Accumulated Amortisation and Impairment Losses</b>	
<b>As at March 31, 2018</b>	<b>92.11</b>
Depreciation for the Year	68.46
Deductions	0.25
<b>As at March 31, 2019</b>	<b>160.31</b>
<b>Net Block</b>	
<b>As at March 31, 2019</b>	<b>234.23</b>
<b>As at March 31, 2018</b>	<b>288.31</b>

### 5 INVESTMENTS

(₹ in Lakhs)

Particulars	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>Investment in Equity Instruments (Quoted)</b>		
4,000 Equity Shares of Electrosteel Castings Limited of ₹ 1 each	-	0.98
<b>Investment in Equity Instruments (Unquoted)</b>		
79000 Equity Shares of Bhadreshwar Vidyut Private Limited of ₹ 0.19 each	0.15	-
<b>Investment in Gold Soverien Bond</b>	<b>8.55</b>	<b>8.55</b>
	<b>8.70</b>	<b>9.52</b>

### 6 NON CURRENT: LOANS

(₹ in Lakhs)

Particulars	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>Unsecured considered good</b>		
Loans to Employees	10.48	10.00
Security Deposits	4.95	18.74
	<b>15.43</b>	<b>28.74</b>

### 7 NON-CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Tax Paid in Advance (Net of Provision)	119.63	47.94
	<b>119.63</b>	<b>47.94</b>

### 8 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Capital Advances	474.53	53.52
	<b>474.53</b>	<b>53.52</b>

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 9 INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Inventories (At lower of Cost and Net Realisable Value)</b>		
Raw Materials	207.80	365.53
Work-in-Progress	1,464.33	2,543.32
Finished Goods (includes Stock in Transit of ₹ NIL (March 31, 2018: ₹ 202.29 Lakhs))	82.93	430.82
Stores and Spares	643.71	703.13
	<b>2,398.77</b>	<b>4,042.80</b>

### 10 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Trade Receivables considered good – Secured;	-	-
(b) Trade Receivables considered good – Unsecured;	5,663.51	5,279
(c) Trade Receivables which have significant increase in Credit Risk; and	-	-
(d) Trade Receivables – Credit Impaired	-	-
	<b>5,663.51</b>	<b>5,279.42</b>

### 11 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with Bank		
In Current Account	354.54	33.30
In Deposit Account (with Original Maturity upto 3 Months)	-	-
Cash on Hand	5.25	15.19
	<b>359.79</b>	<b>48.49</b>

### 12 OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deposits with Original Maturity of more than 12 Mths	26.24	-
Unpaid Dividend Accounts	17.45	17.19
Margin Money Deposits	236.53	81.87
	<b>280.22</b>	<b>99.07</b>

### 13 LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Loans Receivables considered good – Secured;	-	-
(b) Loans Receivables considered good – Unsecured;	9.53	20.18
(c) Loans Receivables which have significant increase in Credit Risk; and	-	-
(d) Loans Receivables – Credit Impaired	-	-
	<b>9.53</b>	<b>20.18</b>

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 14 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Interest Receivable Accrued but Not Due	-	-
Other Financial Assets	6.49	-
	<b>6.49</b>	<b>-</b>

### 15 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Government Authorities	662.51	1,619.63
DEPB and Duty Drawback Claim Receivable	167.82	251.91
Trade Advance to Suppliers	65.98	81.86
Prepaid Expenses	92.21	85.81
Advances to Staff	0.46	4.26
Other Current Assets	18.88	38.71
	<b>1,007.86</b>	<b>2,082.17</b>

### 16 ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Leasehold Land	-	-
Buildings	150.74	125.50
	<b>150.74</b>	<b>125.50</b>

Assets classified as held for sale as on March 31, 2019 includes buildings which the management of the Company has decided to sell as they are no longer used in the normal course of the business. The sale of this asset is expected to be completed within next one year from the reporting date.

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Break up of Financial Assets carried at Amortised Cost</b>		
Investment in Gold Sovereign Bond (Refer Note 5)	8.55	8.55
Investment in Equity Instruments (Unquoted)(Refer Note 5)	0.15	-
Loans(Refer Note 6 & 13)	24.97	48.92
Trade Receivables (Refer Note 10)	5,663.51	5,279.42
Cash and Cash Equivalents (Refer Note 11)	359.79	48.49
Other Bank Balances(Refer Note 12)	280.22	99.07
Other Financial Assets(Refer Note 14)	6.49	-
	<b>6,343.68</b>	<b>5,484.44</b>
<b>Break up of Financial Assets carried at Fair Value through Other Comprehensive Income</b>		
Investment in Equity Instruments (Quoted)(Refer Note 5)	-	0.98
	<b>-</b>	<b>0.98</b>

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 17 EQUITY SHARE CAPITAL

#### A Authorised Share Capital

(₹ in Lakhs)

	Equity shares of ₹ 5 each	
	No. of shares	Amount
<b>As at March 31, 2018</b>	30,000,000	1,500.00
Increase / (Decrease) during the year	-	-
<b>As at March 31, 2019</b>	30,000,000	1,500.00

#### B Terms/ Rights attached to Equity Shares

The Company has one class of shares referred to as equity shares having a par value of ₹ 5 each. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### C Issued Equity Capital

(₹ in Lakhs)

	No. of shares	Amount
<b>Equity Shares of ₹ 5 each Issued, Subscribed and Fully Paid</b>		
<b>As at March 31, 2018</b>	20,240,000	1,012.00
Changes during the year	-	-
<b>As at March 31, 2019</b>	20,240,000	1,012.00

D Of the Total Share Capital 1,31,16,000 Equity Shares were issued as fully paid up bonus shares.

#### E Details of Shareholders Holding more than 5% Shares in the Company

(₹ in Lakhs)

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% holding	No. of shares	% holding
Mr. Chetan M Tamboli	3,062,920	15.13%	3,062,920	15.13%
Mrs. Manali C Tamboli	1,029,480	5.09%	1,029,480	5.09%
Tamboli Investments Pvt. Ltd.	1,963,200	9.70%	1,963,200	9.70%
Rushil Industries Limited	2,376,000	11.74%	2,376,000	11.74%

F During the year ended March 31, 2019, the Company paid the final dividend of ₹ 2,73,24,000 (₹ 1.35 per equity share) and dividend distribution tax of ₹ 56,17,608 for the year ended March 31, 2018.

G On May 30, 2019, the Board of Directors has recommended the final dividend of ₹ 2.00 per equity share on the share capital for the year ended March 31, 2019 subject to approval from shareholders. On approval, the total dividend payment based on number of shares outstanding as on March 31, 2019 is expected to be ₹ 404.80 Lakhs and the payment of dividend distribution tax is expected to be ₹ 83.21 Lakhs.

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 18 OTHER EQUITY

(₹ in Lakhs)

<b>Securities Premium</b>	
As at March 31, 2018	1,916.18
<b>As at March 31, 2019</b>	<b>1,916.18</b>
<b>Capital Reserve</b>	
As at March 31, 2018	4.67
<b>As at March 31, 2019</b>	<b>4.67</b>
<b>Securities Premium</b>	
As at March 31, 2018	5,797.79
<b>As at March 31, 2019</b>	<b>5,797.79</b>
<b>Retained Earnings</b>	
<b>As at March 31, 2018</b>	<b>602.43</b>
Add / (Less): Profit / (Loss) during the Year	2,497.53
Add / (Less): Other Comprehensive Income	(5.22)
(Less): Appropriations	
Dividend on Equity Shares	(273.24)
Dividend Distribution Tax on Dividend	(56.18)
<b>As at March 31, 2019</b>	<b>2,765.32</b>

**Securities Premium** – Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to “Security Premium”. The Company may issue fully paid-up bonus shares to its members out of the securities premium reserve and the Company can use this reserve for buy-back of shares.

**Capital Reserve** – It represents gain of capital nature which mainly includes gain on reissue of forfeited shares.

**General Reserve** – General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up and not paid-up bonus shares.

**Retained Earnings** – Retained earnings are the profits that the Company has earned till date, less any transfers to General reserve and payment of dividend.

### 19 LONG-TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Secured</b>		
Term Loans:		
From Banks (Foreign Currency Accounts)	-	-
From Banks (Indian Rupee Accounts)	-	329.41
From Financial Institutions (Indian Rupee Accounts)	3,993.10	1,849.67
Finance Lease Obligations	-	35.32
<b>Unsecured</b>		
Intercompany Loan	-	-
Loan from Promoters	-	-
	<b>3,993.10</b>	<b>2,214.41</b>



## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 19 LONG-TERM BORROWINGS (CONTD.)

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current Maturity of Long Term Borrowings clubbed under "Current Financial Liabilities" (Refer Note 25)</b>		
Term loans:		
From Banks (Foreign Currency Accounts)	-	-
From Banks (Indian Rupee Accounts)	-	329.41
From Financial Institutions (Indian Rupee Accounts)*	1,230.26	472.82
Finance Lease Obligations	-	4.64
	<b>1,230.26</b>	<b>806.88</b>
<b>Total Non-Current Borrowings</b>	<b>2,762.84</b>	<b>1,407.53</b>
<b>The above amount includes -</b>		
Secured Borrowings	2,762.84	1,407.53
Unsecured Borrowings	-	-

#### Notes:

#### a) Rate of Interest & Terms of Repayment

Particulars	March 31, 2019	March 31, 2018	Rate of Interest	Repayment Term for Loans Outstanding as on March 31, 2019
<b>Term Loans</b>				
<b>From Banks (Indian Rupee Accounts):</b>				
HDFC Bank Limited				
a. Term Loan-I	-	141.18	Base rate + 1.40%	Fully repaid in the year ended on March 31, 2019
b. Term Loan-II	-	188.24	Base rate + 1.40%	Fully repaid in the year ended on March 31, 2019
<b>From Financial Institutions (Indian Rupee Accounts)</b>				
Tata Capital Financial Services Ltd				
a. Term Loan-I	307.20	307.20	Long Term Lending Rate less 5.25% pa	Repayable in 60 Equal Monthly Instalments (EMIs) starting from period ranging from October 2016 to February 2017
b. Term Loan-II	166.67	166.68		Repayable in 17 EQIs starting from period ranging from October 2017 to April 2018
c. Term Loan-III	609.00	-	Long Term Lending Rate less 8.25% pa on ₹ 10 Cr TL-1 and 8.00% pa on ₹ 7.35 Cr TL-2	Repayable in 24 Equal Monthly Instalments (EMI) starting from period ranging from Jul 2019.
Dewan Housing Finance Limited	4.64	2.79	9.10%	Repayable in 90 EMIs starting from period ranging from October 2017 to January 2018
Aditya Birla Finance Limited	157.14	-	Long Term Lending Rate less 6.60% pa	Repayable in 84 EMIs starting from period ranging from May 2018.
<b>Finance Lease Obligations</b>	-	35.32	8.90%	Fully repaid in the year ended on March 31, 2019.

\* Note: ₹ 14.39 Lakhs (Previous Year ₹ 3.85 Lakhs) pertaining to Unamortise Loan Processing Charge is net from term loans due within 1 Year.

#### b) Nature of Security

- Term loans from banks and financial institutions are secured against first pari passu charge on gross block of the fixed assets (excluding Plant & Machinery charged to Caterpillar India Pvt. Ltd) and further guaranteed by one of the directors.
- Term loan from Aditya Birla Finance Limited is exclusively secured through mortgage on certain residential properties.
- Home loan from Dewan Housing Finance Limited is secured only against a specific property and not on all gross block of the fixed assets.

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 20 NON-CURRENT PROVISIONS

(₹ in Lakhs)

	Equity shares of ₹ 5 each	
	No. of shares	Amount
<b>Provision for Employee Benefits</b>		
Provision for Leave Encashment	95.01	93.26
Provision for Gratuity	-	120.88
	<b>95.01</b>	<b>214.14</b>

### 21 DEFERRED TAX LIABILITIES (NET)

The major components of Income Tax Expense for the years ended March 31, 2019 and March 31, 2018 are:

#### Statement of Profit and Loss:

(₹ in Lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Profit or Loss Section</b>		
<b>Current Income Tax:</b>		
Current Income Tax Charge	760.57	378.88
Adjustments in respect of Current Income Tax of Previous Year	8.05	(2.33)
<b>Deferred Tax:</b>		
Relating to origination and reversal of temporary differences	278.87	(185.26)
Relating to changes in tax rates		
<b>Income Tax Expense reported in Profit or Loss Section</b>	<b>1,047.49</b>	<b>191.29</b>
<b>Other Comprehensive Income (OCI) Section</b>		
<b>Deferred Tax related to Items Recognised in OCI during in the Year:</b>		
Net Loss/(Gain) on Remeasurements of Defined Benefit Plans	2.15	5.41
	<b>2.15</b>	<b>5.41</b>

The Company is subject to income tax in India on the basis of its standalone financial statements. As per the Income Tax Act, 1961, the Company is liable to pay income tax based on higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of fifteen years and can be offset against future tax liabilities arising from regular income tax.

#### Tax Payable under Minimum Alternate Tax Provisions at tax rate of 21.5488% (March 31, 2018: 21.342%)

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Book Profit	3,529.51	1,775.29
Computed Tax Expenses	<b>760.57</b>	<b>378.88</b>

#### Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate, under section 115JB of income tax act, for the year ended March 31, 2019 and March 31, 2018.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Accounting Profit Before Tax from continuing operations</b>	<b>3,505.66</b>	<b>1,898.22</b>
<b>Adjustments</b>		
Additions to arrive at Book Profit	29.07	40.56
Deductions to arrive at Book Profit	(5.22)	(163.50)
<b>Book Profit</b>	<b>3,529.51</b>	<b>1,775.29</b>
Enacted Tax Rates (MAT)	21.549%	21.342%
<b>At the effective Income Tax Rate of 21.549 % (March 31, 2018: 21.342%)</b>	<b>760.57</b>	<b>378.88</b>

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 21 DEFERRED TAX LIABILITIES (NET)(CONTD.)

#### Reconciliation of Deferred Tax Liability (Net)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening balance as of 1 April	562.77	753.45
Tax (Income)/Expense during the period recognised in Profit or Loss	278.87	(185.26)
Tax (Income)/Expense during the period recognised in OCI	(2.15)	(5.41)
<b>Closing balance as at March 31</b>	<b>839.50</b>	<b>562.77</b>

Finance Act, 2018, changed the statutory tax rate applicable for Indian companies having turnover of less than ₹ 250 crore from 34.608% to 29.120% (including surcharge and cess) from assessment year 2019-20. The Company has accordingly re-measured deferred tax balances expected to reverse in future periods based on the revised applicable rate.

The Company has unabsorbed depreciation of ₹ Nil (March 31, 2018: ₹ 12,96,90,814).

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liabilities (Net)	839.50	562.77
MAT Credit Entitlement Receivable	(418.24)	(378.88)
	<b>421.26</b>	<b>183.89</b>

### 22 OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Advances from Customers	445.07	1,137.24
	<b>445.07</b>	<b>1,137.24</b>

### 23 SHORT-TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Loans Repayable on Demand</b>		
Working Capital Finance from Banks (in Foreign Currency Accounts) <sup>(1)</sup>	-	2,032.28
Working Capital Finance from Banks (in Rupee Accounts) <sup>(2)</sup>	2,450.16	5,008.82
	<b>2,450.16</b>	<b>7,041.10</b>

#### Notes:

- (1) Working capital finance (in foreign currency accounts) is secured against pari passu charge on inventory and book debts and second charge on gross block of fixed assets of the Company and further guaranteed by one of the director. These loans are repayable on demand. This carries interest rate of LIBOR + 3%.
- (2) Working capital finance (in rupee accounts) is secured against first pari passu charge on inventory and book debts and second charge on gross block of fixed assets of the Company and further guaranteed by one of the director. These loans are repayable on demand. This carries interest rate ranging from 7.25% to 10.55%.

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 24 TRADE PAYABLE

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Trade Payable</b>		
(a) Total outstanding dues of Micro Enterprises and Small Enterprises; and	0.37	-
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises.	1,620.26	2,972.46
	<b>1,620.62</b>	<b>2,972.46</b>

#### Notes:

#### DUES TO MICRO AND SMALL ENTERPRISES

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year;	0.37	-
(b) the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	-
(c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year. The above mentioned amount ₹ 0.37 Lakhs is on account of a supply having quality issue which the vendor failed to resolve.

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 25 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Maturities of Long-Term Borrowings (Refer Note 19)	1,230.26	806.88
Interest Accrued but not due on Borrowings	37.95	16.17
Payable to Employees	241.66	176.40
Unclaimed Dividend	17.45	17.19
Derivative Instruments	13.10	47.88
Payable for Capital Goods	168.17	268.51
Directors Commission Payable	136.09	59.49
Other Financial Liabilities	337.04	80.58
	<b>2,181.70</b>	<b>1,473.11</b>

### 26 CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Provision for Employee Benefits</b>		
Provision for Leave Encachment	19.35	14.01
Provision for Gratuity	47.20	81.06
	<b>66.54</b>	<b>95.07</b>

### 27 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advances from Customers	513.77	399.35
Statutory Liabilities	89.55	49.64
Others Liabilities	76.08	17.32
	<b>679.40</b>	<b>466.31</b>

### 28 LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance received against Assets Classified as Held for Sale	-	37.70
	<b>-</b>	<b>37.70</b>

#### Break up of Financial Liabilities carried at Amortised Cost

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings (Refer Note 19 & 23)	5,213.00	8,448.63
Trade Payable (Refer Note 24)	1,620.62	2,972.46
Other Financial Liabilities (excluding Derivative instruments) (Refer Note 25)	2,168.61	1,425.23
	<b>9,002.23</b>	<b>12,846.32</b>

#### Break up of Financial Liabilities carried at Fair Value through Profit or Loss

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Derivative Instruments (Refer Note 25)	13.10	47.88
	<b>13.10</b>	<b>47.88</b>

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 29 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Sale of Goods</b>		
Export Sale	17,545.53	14,252.54
Domestic Sale	13,279.13	8,445.57
<b>Other Operating Income</b>		
Export Incentives & Credits	554.66	483.68
Foreign Currency Fluctuation Gain/(Loss)	351.77	95.63
MTM Gain on Derivative Instruments	61.37	62.04
	<b>31,792.46</b>	<b>23,339.46</b>

### 30 OTHER INCOME

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Dividend income from Investments measured at FVTOCI	-	0.02
Interest Receipts	57.75	124.21
Insurance Claim Receipts	0.62	16.16
Profit on Sale of Fixed Assets (Net)	82.89	13.34
Profit on Sale of Share Investment	0.09	-
	0.21	18.88
	<b>141.56</b>	<b>172.61</b>

### 31 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Raw Materials Consumed</b>		
Stock at the beginning of the Year	365.53	184.95
<b>Add : Purchases and Direct Expenses</b>	7,217.25	5,650.70
	7,582.78	5,835.65
<b>Less : Stock at the end of the Year</b>	207.80	365.53
	<b>7,374.99</b>	<b>5,470.12</b>

### 32 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Stock at the beginning of the Year</b>		
Finished Goods	430.82	137.06
Work-in-Progress	2,543.32	1,597.14
	<b>2,974.14</b>	<b>1,734.21</b>
<b>Stock at the end of the Year</b>		
Finished Goods	82.93	430.82
Work-in-Progress	1,464.33	2,543.32
	<b>1,547.26</b>	<b>2,974.14</b>
	<b>1,426.88</b>	<b>(1,239.94)</b>

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 33 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Salaries, Wages, Allowances and Bonus	2,259.37	1,733.95
Contribution to Employee Benefit Funds	183.26	158.57
Gratuity Expenses	52.89	42.09
Staff Welfare Expenses	80.49	78.66
	<b>2,576.01</b>	<b>2,013.27</b>

### 34 FINANCE COSTS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Interest Expense on:</b>		
Working Capital Finance	460.19	467.56
Term Loan	383.06	391.63
Others	2.14	10.85
Loss on Foreign Currency Borrowings	62.68	208.38
Other Borrowing Cost	36.77	18.17
	<b>944.85</b>	<b>1,096.59</b>

### 35 OTHER EXPENSES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Manufacturing Expense</b>	<b>12,705.76</b>	<b>11,115.46</b>
Power, Fuel & Water Charges	4,587.34	3,864.07
Machinery Repairs and Maintenance	131.62	104.70
Stores & Spares Consumption	4,920.53	4,675.98
Other Manufacturing Expense	3,066.27	2,470.71
<b>Selling &amp; Distribution Expense</b>	<b>1,175.29</b>	<b>909.74</b>
Sales Commission	344.14	233.82
Export Freight & Insurance	229.27	299.08
Sales Promotion Expense	7.60	23.97
Export Market Development Expense	40.29	9.09
Other Selling Expense	553.98	343.78
<b>Administrative Expense</b>	<b>659.57</b>	<b>551.54</b>
Travelling Expense	49.27	54.00
Rent	0.30	10.29
Rates & Taxes	16.99	16.02
Insurance Premium	21.45	19.20
Building and Other Repairs	50.26	36.67
Advertisement Expense	9.46	3.79
Directors' Setting Fees	5.48	8.48
Legal & Professional Fees	141.93	117.86
Payment to Auditors	5.18	5.41
Bank Discount, Commission and Other Charges	44.92	50.05



## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 35 OTHER EXPENSES (CONTD.)

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Donations	5.03	5.37
Sundry Balances Written Off	0.16	29.35
Corporate Social Responsibility Expense	15.12	1.81
Provision for Impairment of Trade Receivables	8.25	6.60
Loss on Fair Valuation of Investments measured at FVTPL	-	11.44
General Expense	285.77	175.20
	<b>14,540.62</b>	<b>12,576.75</b>
<b>Payments to the Auditor:</b>		
Audit Fees	3.50	2.50
In Other Capacity (Including Quarterly Limited Review)	1.68	2.91
	<b>5.18</b>	<b>5.41</b>

### 36 EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
No item to report under this category	-	-

### 37 EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Face Value Per Share (₹)	5.00	5.00
Weighted Average number of Equity Shares outstanding during the Year	20,240,000	20,240,000
Profit After Tax (₹ in Lakhs)	2,497.53	2,085.82
Basic and Diluted Earnings Per Share (₹)	<b>12.34</b>	<b>10.31</b>

### 38 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 38 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

#### Employee Benefit Plans

The cost of defined benefit gratuity plan and other long-term employment benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 39.

#### Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Details on current taxes are disclosed in Note 21.

#### Impairment of Financial Assets

The impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Estimated impairment allowance on trade receivables is based on the ageing of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not to be collectible.

### 39 EMPLOYEE BENEFIT

#### Defined Benefit Plans

The Company has defined benefits gratuity plan. Every employee who has completed five years or more of service gets gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed years of service. The Company's Gratuity Fund is managed by Life Insurance Corporation of India.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet.

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(a) Gratuity Cost Recognised in the Statement of Profit and Loss</b>		
Current Service Cost	37.00	31.08
Net Interest Cost	31.00	11.01
Net Gratuity Cost Recognised in the Statement of Profit and Loss	<b>68.00</b>	<b>42.09</b>
<b>(b) Gratuity Cost Recognised in the Other Comprehensive Income (OCI)</b>		
Return on Plan Assets, excluding Interest Income	(0.42)	4.68
Actuarial changes arising from experience adjustments	4.70	21.82
Actuarial changes arising from changes in financial assumptions	3.08	(10.87)
Actuarial changes arising from changes in demographic assumptions	-	-
Net (Income) / Expense for the period recognised in OCI	<b>7.37</b>	<b>15.64</b>
<b>(c) Movements in the Present Value of the Defined Benefit Obligation</b>		
Obligation at the beginning of the year	393.90	401.70
Current Service Cost	37.00	31.08
Interest Cost	31.00	30.23
Benefits Paid	(37.13)	(80.06)
Experience Adjustments	4.70	21.82
Actuarial changes arising from changes in financial assumptions	3.08	(10.87)
Actuarial changes arising from changes in demographic assumptions	-	-
Obligation at the end of the year	<b>432.55</b>	<b>393.90</b>

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 39 EMPLOYEE BENEFIT (CONTD.)

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(d) Movements in the Fair Value of the Plan Assets:</b>		
Plan Assets at the beginning of the Year, at Fair Value	191.96	255.49
Interest Income	15.11	19.21
Contributions by the Employer	215.00	2.00
Benefits Paid	(37.13)	(80.06)
Return on Plan Assets, excluding Interest Income	0.42	(4.68)
Plan Assets at the end of the Year, at Fair Value	<b>385.35</b>	<b>191.96</b>
Actual Return on Plan Assets	15.52	14.53
Plan Asset / (Liability)	<b>(47.20)</b>	<b>(201.94)</b>

The major categories of plan assets of the fair value of the total plan assets are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
	%	%
Insurance Fund	100.00	100.00
	<b>100.00</b>	<b>100.00</b>

The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Company's plans are shown below:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
	%	%
Discount Rate	7.78	7.87
Salary Escalation	7.00	7.00
Attrition Rate	1.00	1.00

#### Sensitivity Analysis :

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Projected Benefit Obligation on Current Assumptions	432.55	393.90
Delta Effect of +1% Change in Rate of Discounting	(31.57)	(27.68)
Delta Effect of -1% Change in Rate of Discounting	37.85	32.96
Delta Effect of +1% Change in Rate of Salary Increase	37.77	32.91
Delta Effect of -1% Change in Rate of Salary Increase	(32.05)	(28.12)
Delta Effect of +1% Change in Rate of Employee Turnover	1.60	1.64
Delta Effect of -1% Change in Rate of Employee Turnover	(1.99)	(2.00)

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 39 EMPLOYEE BENEFIT (CONTD.)

#### Projected Benefits Payable (from fund) in Future Years From the Date of Reporting

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
1st Following Year	97.12	79.99
2nd Following Year	14.15	16.45
3rd Following Year	71.23	36.37
4th Following Year	29.99	67.06
5th Following Year	16.85	31.25
Sum of Years 6 To 10	123.44	101.25
Sum of Years 11 and above	748.36	641.44

The average duration of the Projected Benefit Obligation at the end of the reporting period is 10 years (March 31, 2018: 9 years).

### 40 COMMITMENTS AND CONTINGENCIES

#### a. Leases

##### Finance Lease - Company as Lessee

The Company has taken land for its Bhavnagar Factory on lease for 30 years and the said lease has been classified as finance lease. Upon expiry, the Company also has an option to renew the said lease for another period of 30 years.

#### b. Commitments

##### Estimated amount of contracts remaining to be executed on capital account and not provided for:

The Company has entered into various contracts with suppliers and contractors for the acquisition of plant and machinery, equipment and various civil contracts of capital nature amounting to ₹ 322.23 Lakhs, (2017-18: ₹ 333.50 Lakhs).

#### c. Contingent Liabilities

##### Finance Lease - Company as Lessee (to the extent not provided for)

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
In respect of Central Sales Tax in respect of non-collection of C forms	-	2.70
Disputed Income Tax Liabilities	9.35	5.93
In respect of Land Revenue Charges	19.65	19.65
In respect of Other Matters	1.80	1.80
	<b>30.80</b>	<b>30.08</b>

**Note:** (i) Some retrenched employees of the Company have preferred an appeal for their reinstatement, liability of which is unascertainable pending decision of the higher court. The Company, however, does not expect any liability to arise on this account as the said retrenchment was lawfully made as per the order of the Dy. Commissioner of Labour, Government of Gujarat and Gujarat Industrial Tribunal.

(ii) In the year of 2010 the Company purchased a plot of land having city survey no. 302, admeasuring 22,325.59 sq. mtrs, identified in Company's record as Plot no. F-26, from a private party and acquired the lease rights thereon. The relevant transfer of the property and lease rights thereon was accepted by Bhavnagar Municipal Corporation (BMC) and taken on their record. Subsequently, the Collector of Bhavnagar District intervened and passed an order holding the transfer of the property to the Company to be invalid. The Company then went in appeal to the High Court of Gujarat and the Honorable High Court was pleased to stay the order of the Collector. The Company is confident of ultimately winning the case on merits and does not foresee any adverse consequences and or liability in this regard.

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 41 RELATED PARTY TRANSACTIONS

#### A. Name of Related Parties

Particulars	
<b>I. Key Managerial Personnel &amp; their Relative</b>	Shri Chetan M Tamboli -Chairman & Managing Director Shri T Kumar -Non Executive Director * Shri Manali C Tamboli -Non Executive Director Shri Rushil C Tamboli -Whole Time Director Shri Subhash R Sharma -Chief Financial Officer Shri Vishal K Sondagar -Company Secretary# Ms. Vidhi C Tamboli - Daughter of Managing Director
<b>II. Entities Controlled by Key Managerial Personnel</b>	Tamboli Investment Pvt Ltd Rushil Industries Limited Dynamic Ship Recyclers Private Limited Bhavnagar Industrial Parts Private Limited

#### B. Transactions with Related Parties

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Remuneration</b>		
<b>Key Managerial Personnel</b>		
Shri Chetan M Tamboli	44.34	42.73
Shri T Kumar	-	20.30
Shri Rushil C Tamboli	14.10	10.61
Shri Subhash R Sharma	19.86	17.67
Shri Vishal K Sondagar	4.24	3.58
<b>Commission</b>		
<b>Key Managerial Personnel</b>		
Shri Chetan M Tamboli	136.09	51.63
Shri T Kumar	-	7.86
<b>Interest Paid</b>		
<b>Key Managerial Personnel</b>		
Shri Chetan M Tamboli	0.33	-
Shri Rushil C Tamboli	0.36	-
Mrs Manali C Tamboli	2.13	-
Ms. Vidhi C Tamboli	0.18	-
<b>Entities Controlled by Key Managerial Personnel</b>		
<b>Rushil Industries Limited</b>	1.15	35.73
Dynamic Ship Recyclers Pvt Ltd	-	2.05
C M Tamboli-HUF	0.75	-
Tamboli Investment Pvt Ltd	0.23	-
<b>Loan Taken</b>		
<b>Key Managerial Personnel &amp; their Relative</b>		
Shri Chetan M Tamboli	225.00	-
Shri Rushil C Tamboli	19.00	-
Mrs Manali C Tamboli	382.00	-
Ms. Vidhi C Tamboli	13.75	-

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 41 RELATED PARTY TRANSACTIONS (CONTD.)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Entities Controlled by Key Managerial Personnel</b>		
Rushil Industries Limited	225.00	1,425.85
Dynamic Ship Recyclers Pvt Ltd	-	500.00
C M Tamboli-HUF	38.00	-
Tamboli Investment Pvt Ltd	21.25	-
<b>Loan Payment</b>		
<b>Key Managerial Personnel &amp; their Relative</b>		
Shri Chetan M Tamboli	225.00	-
Shri Rushil C Tamboli	19.00	-
Mrs Manali C Tamboli	382.00	-
Ms. Vidhi C Tamboli	13.75	-
<b>Entities Controlled by Key Managerial Personnel</b>		
Rushil Industries Limited	225.00	1,425.85
C M Tamboli-HUF	38.00	-
Tamboli Investment Pvt Ltd	21.25	-
<b>Sitting Fees</b>		
<b>Key Managerial Personnel</b>		
Shri Manali C Tamboli	0.53	1.20
Shri T Kumar	0.38	0.15
<b>Auxiliary Services</b>		
<b>Entities Controlled by Key Managerial Personnel</b>		
Bhavnagar Industrial Parts Private Limited	-	6.35

\* Resigned from the Company effective from September 7, 2018.

# Resigned from the Company effective from May 11, 2019.

### Balance payable at Year End

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Remuneration and Commission Payable</b>		
<b>Key Managerial Personnel</b>		
Shri Chetan M Tamboli	138.80	52.60
Shri T Kumar	-	7.86
Shri Rushil C Tamboli	1.23	0.83
Shri Subhash R Sharma	2.47	1.20
Shri Vishal K Sondagar	0.47	0.38

### Terms and Conditions of Transactions with Related Parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 41 RELATED PARTY TRANSACTIONS (CONTD.)

#### Compensation of Key Management Personnel of the Company

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-Term Employee Benefits	0.00	0.00
Post-Employment Benefits Plans §	4.44	4.93
<b>Total Compensation paid to Key Management Personnel</b>	<b>4.44</b>	<b>4.93</b>

§ This do not include the provisions made for gratuity as it is determined on an actuarial basis for the Company as a whole. Similarly, provision for leave encashment are not included in the above table as the same is also determined on an actuarial basis for the Company as a whole.

### 42 SEGMENT INFORMATION:

#### a. Basis for Segmentation

The Company's senior management consisting of the Chief Executive, the Chief Financial Officer and the Directors, examines the Company's performance on the basis of single segment namely Castings Manufacturing business. Hence, the Company has only one operating segment under Ind AS 108 'Operating Segments' i.e. Castings Manufacturing business.

#### b. Geographical Information

The geographical information have been identified based on revenue within India (sales to customers with in India) and revenue outside India (sales to customers located outside India). The following table presents geographical information regarding the Company's revenue:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
India	13,279	8,446
Outside India	18,513	14,894
	<b>31,792</b>	<b>23,339</b>

All the Non-current assets (excluding financial instruments) are located in India only.

#### c. Major Customer

Following is the details of customers which individually contribute more than 10% of Company's Revenue.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Customer 1	12,234	11,045
Customer 2	7,855	6,187
Customer 3	<b>4,335</b>	<b>3,058</b>

### 43 FAIR VALUES

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The management assessed that the carrying amounts of its financial instruments are reasonable approximations of fair values.



## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company's financial risk management policies are set by the Board of Directors. All derivative activities for risk management purposes are carried out by teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises interest rate risk and currency risk.

The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

#### Interest Rate Risk

The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt. All the borrowing of the Company are at floating rate of interest.

#### Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Lakhs)		
Particulars	Increase/ Decrease in Basis Points	Effect on Profit Before Tax
<b>As at March 31, 2019</b>		
	+50	(46)
	-50	46
<b>As at March 31, 2018</b>		
	+50	(46)
	-50	46

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

#### Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). To mitigate the foreign currency risk, the Company enters into foreign exchange forward contracts. These foreign exchange forward contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirements and risk management strategy of the Company.

The most significant foreign currencies the Company is exposed to is the USD and EURO. The following tables sets forth information relating to foreign currency forward contracts and unhedged foreign currency exposures as at March 31, 2019 and March 31, 2018.

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

#### a) Forward Contracts Outstanding as at the Reporting Date (in Respective Currency)

Amount as at March 31, 2019 (₹ in Lakhs)

Particulars of Transactions	Currency	Foreign Currency	₹
Foreign Currency Receivable	USD	1,015,000	701.92
Foreign Currency Receivable	EURO	835,000	648.56
<b>Total</b>			<b>1,350.48</b>

Amount as at March 31, 2018 (₹ in Lakhs)

Particulars of Transactions	Currency	Foreign Currency	₹
Foreign Currency Receivable	EURO	3,450,000	2,781.47

#### b) Particulars of Unhedged Foreign Currency Exposure as at the Reporting Date

Amount as at March 31, 2019 (₹ in Lakhs)

Particulars of Transactions	Currency	Foreign Currency	₹
Export Trade Receivable	USD	804,046	556.04
Export Trade Receivable	EURO	246,002	191.07
Import Payment	USD	32,700	22.61
Foreign Currency Borrowings	EURO	-	-

Amount as at March 31, 2018 (₹ in Lakhs)

Particulars of Transactions	Currency	Foreign Currency	₹
Export Trade Receivable	USD	3,402,054	2,178.81
Export Trade Receivable	AUD	155,016	77.69
Import Payment	USD	456,942	292.64
Foreign Currency Borrowings	EURO	2,619,536	2,111.93

#### Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EURO and AUD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of unhedged foreign currency monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

(₹ in Lakhs)

	Change in USD rate	Effect on profit before tax
<b>March 31, 2019</b>	+5%	27
	-5%	(27)
<b>March 31, 2018</b>	+5%	94
	-5%	(94)

(₹ in Lakhs)

	Change in EURO rate	Effect on profit before tax
<b>March 31, 2019</b>	+5%	(10)
	-5%	10
<b>March 31, 2018</b>	+5%	(106)
	-5%	106

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(₹ in Lakhs)

	Change in EURO rate	Effect on profit before tax
March 31, 2019	+5%	-
	-5%	-
March 31, 2018	+5%	4
	-5%	(4)

#### Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and foreign exchange transactions.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

#### i) Trade Receivables

Customer credit risk is managed on the basis of the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30 days to 145 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored.

For trade receivables, expected credit loss (ECL) is provided as per simplified approach. The Company has applied the practical expedient as per Ind AS 109 'Financial Instruments' to measure the loss allowance at lifetime ECL. The Company determines the ECL on trade receivables by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Below table represents the reconciliation of provision made for expected credit loss for trade receivables:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Balance	14.35	66.60
Changes in Loss Allowance:		
Impairment Allowance based on ECL	8.25	6.60
Utilised during the Year	-	(58.85)
<b>Closing Balance</b>	<b>22.60</b>	<b>14.35</b>

#### ii) Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties.

#### Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligation on time or at a reasonable price. Processes and policies related to such risks are overseen by senior management. The Company regularly monitors the rolling forecasts and actual cashflows, to ensure it has sufficient funds to meet the operational needs.

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in Lakhs)

	Payable within 0-12 Months	More than 12 Months	Total
<b>As at March 31, 2019</b>			
Borrowings including Current Maturities (Refer Note 19, 23 & 25)	3,680.42	2,762.84	6,443.26
Trade Payable (Refer Note 24)	-	-	-
Derivative Instruments (Refer Note 25)	13.10	-	13.10
Other Financial Liabilities (Refer Note 25)	938.35	-	938.35
	<b>4,631.87</b>	<b>2,762.84</b>	<b>7,394.71</b>

(₹ in Lakhs)

	Payable within 0-12 Months	More than 12 Months	Total
<b>As at March 31, 2018</b>			
Borrowings including Current Maturities (Refer Note 19, 23 & 25)	7,847.97	1,407.53	9,255.51
Trade Payable (Refer Note 24)	-	-	-
Derivative Instruments (Refer Note 25)	47.88	-	47.88
Other Financial Liabilities (Refer Note 25)	618.35	-	618.35
	<b>8,514.21</b>	<b>1,407.53</b>	<b>9,921.74</b>

### 45 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings (including current maturities), trade payables, less cash and cash equivalents and other bank balances.

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings including Current Maturities (Refer Note 19, 23 & 25)	6,443.26	9,255.51
Trade Payable (Refer Note 24)	-	-
Less: Cash and Cash Equivalents (Refer Note 11)	(359.79)	(48.49)
Less: Other Bank Balances (Refer Note 12)	(280.22)	(99.07)
<b>Net Debt</b>	<b>5,803.25</b>	<b>9,107.95</b>

## Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

### 45 CAPITAL MANAGEMENT (COND.)

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Equity	11,495.95	9,333.06
Total Capital	11,495.95	9,333.06
<b>Capital and Net Debt</b>	<b>17,299.20</b>	<b>18,441.01</b>
Gearing Ratio	34%	49%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

### 46 RESEARCH & DEVELOPMENT EXPENDITURE

The total amount of Research & Development Expenditure charged to profit and loss during the year is ₹ 176.19 Lakhs (previous year: ₹ 219.05 Lakhs).

### 47 DETAILS OF EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:

Total CSR expenditure incurred during the year by way of donation to various trusts is ₹ 15.12 Lakhs (previous year: ₹ 1.81 Lakhs).

### 48 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, when they become effective.

The Ministry of Corporate Affairs (MCA) notified on March 30, 2019 the Companies (Indian Accounting Standards) First Amendment Rules, 2019 amending the following standard:

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognise right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities. The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have insignificant impact on key profit & loss and balance sheet, ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc. as Company has very limited nature of lease transactions which are not material in value.

### 49 Previous year figures have been recasted/restated wherever necessary.

As per our report of even date attached

For **SSM & CO**

Chartered Accountants

FRN : 129198W

**CA Sarju Mehta**

Partner

M. No. 106804

Place: Bhavnagar

Date: May 30, 2019

For **STEELCAST LIMITED**

**Subhash Sharma**

Chief Financial Officer

For and on behalf of the Board of Directors

**Rushil C Tamboli**

Whole Time Director

DIN: 07807971

Place: Bhavnagar

Date: May 30, 2019

**Chetan M Tamboli**

Chairman & Managing Director

DIN: 00028421

**STEELCAST LIMITED**

CIN: L27310GJ1972PLC002033

**Registered Office:** Ruvapari Road, Bhavnagar, Gujarat 364 005  
Phone 0278-2519062 www.steelcast.net, info@steelcast.net

Dear Member(s)

**Sub: Electronic mode of service of documents.**

As a part of Green initiative by the Ministry of Corporate Affairs (MCA), now members can receive various communications and correspondence including Annual Report through electronic mode i.e. e-mail. In this connection, we request the members to support the green initiative by registering their e-mail id's in the below format to receive various communications to be sent by the Company, electronically.

1. Members holding the shares in physical form may send the communication to the Registrar and Share Transfer Agents (RTA) MCS Share Transfer Agent Limited either physically or through e-mail at: (a) mcsahmd@gmail.com (or)(b) cs@steelcast.net
2. Members holding the shares in demat form may furnish the details to the respective Depository Participants.

The E-communication registration form should be signed by the sole/first named Member as per the specimen signature recorded with the RTA. Upon a specific request, even after registering the e-communication, members are entitled to receive such communications in physical form.

Thanking You

Yours faithfully

For **STEELCAST LIMITED**

Sd/-

**Chetan M Tamboli**

Chairman & Managing Director



**E-COMMUNICATION REGISTRATION FORM**

**MCS Share Transfer Agent Limited**

101, First Floor, Shatdal Complex  
Opp: Bata Show Room  
Ahmedabad 380 009, Gujarat  
Ph.No.: 079-26581296, 079-26582878  
Email Id: mcsahmd@gmail.com

Folio No. / DP ID & Client ID : .....

Name of the sole / first named Member : .....

Name of joint holder(s): .....

Registered Address : .....

.....

E Mail ID to be registered : .....

Date: ..... Signature of the Member: .....

**Note:** Members holding shares in demat form are requested to address and send the E-communication registration form to their depository participant (DP). Members are requested to keep DP/RTA/Company informed as and when there is any change in the e-mail address. Unless the e-mail ID given above is changed by you by sending another communication in writing / e-mail, the Company will continue to send the documents to you on the above mentioned e-mail ID.





**STEELCAST LIMITED**

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

**ATTENDANCE FORM**

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

I hereby record my presence at the 48<sup>th</sup> Annual General Meeting of the Company at Efceee Sarovar Portico – Sarovar Hotels, Iscon Mega City, Opp. Victoria Park, Bhavnagar, Gujarat 364002 at 1600 hours on August 07, 2019.

Signature of the attending Member/Proxy	
---	--

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



**STEELCAST LIMITED**

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

**FORM NO. MGT-11 - PROXY FORM**

*[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name & Address of the Shareholder: (In BLOCK Letters)			
Email ID:			Folio No.:
No. of shares held:			DP ID - Client ID:

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

1.	Name:	
	Address:	
	E-mail ID: Signature:	

or failing him/her

1.	Name:	
	Address:	
	E-mail ID: Signature:	

or failing him/her

1.	Name:	
	Address:	
	E-mail ID: Signature:	

or failing him/heras my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the 48th Annual General Meeting of the Company, to be held on Wednesday, the 7th day of August, 2019 at 1600 hours at Efceee Sarovar Portico – Sarovar Hotels, Iscon Mega City, Opp. Victoria Park, Bhavnagar, Gujarat 364002 and at any adjournment thereof in respect of all resolutions proposed to be passed therein as under:

Resolution No.	Resolution (s)	Vote	
		For	Against
<b>Ordinary Business</b>			
1	To receive, consider, approve and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2019 and the Report of the Board of Directors' and Auditors' thereon.		
2	To declare dividend on equity shares for the year ended March 31, 2019.		
3	To appoint a Director in place of Mr. Rushil C Tamboli, Whole Time Director having Director Identification Number 07807971, who retires by rotation and being eligible offers himself for re-appointment.		
<b>Special Business</b>			
4	To ratify the remuneration paid to M/s. S K Rajani & Co., Cost Auditors(FRN.101113), for the financial year 2019-20.		
5	To appoint Mr. Rajendra V Gandhi, having Director Identification Number 00189197 as an Independent Director for the period of Three (3) years with effect from 01.10.2019.		
6	To appoint Mr. Apurva R Shah, having Director Identification Number 00004781 as an Independent Director for the period of Five (5) years with effect from 01.10.2019.		

Signed on this day of ..... 2019 Signature of shareholder: .....

Signature of Proxy holder(s): ..... Signature across Revenue Stamp

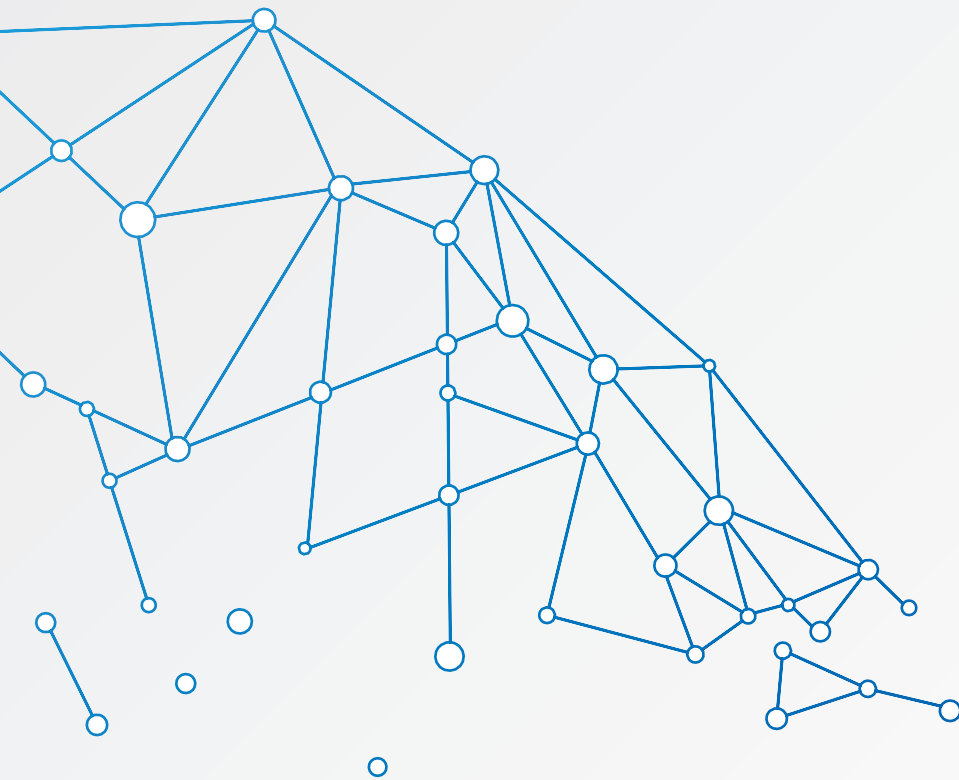
Affix One  
Rupee

- Note:**
1. The Proxy must be lodged at the Regd. Office of the Company mentioned as above, not less than 48 hours before the time of the Annual General Meeting.
  2. The Proxy need not be a Member of the Company.
  3. In case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint-holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
  4. This form of proxy confers authority to demand or join in demanding a poll.
  5. The submission by a Member of this form of proxy will not preclude such Member from attending in person and voting at the Meeting.

**For Office Use** Proxy No.:

Date of Receipt:





## **STEELCAST LIMITED**

### **Registered Office & Works**

Ruvapari Road, Bhavnagar,

Gujarat – 364005, India

Phone : (91) (278) 251 9062

Fax : (91) (278) 242 0589/251 9831, (91) (278) 251 3342