

Welcast Steels Limited

Works : Plot No. 15, Phase 1, Peenya Industrial Area, Bangalore - 560 058. INDIA
Phones : (91-80) 2839 4058, 2839 4059, 6450 2100, 6450 3269.
E-mail : info@welcaststeels.com Website - www.welcaststeels.com
CIN : L27104GJ1972PLC085827



21st August, 2020

To,
The Manager (Listing),
The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Dear Sir / Madam,

Sub: Annual Report for the Financial Year ended 31st March, 2020
Script Code: 504988

The 48th Annual General Meeting of the Company is scheduled to be held on Monday, the 14th September, 2020 through Video Conferencing/Other Audio Visual Means in accordance with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India.

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith Notice of Annual General Meeting (including e-voting instructions) alongwith Annual Report 2019-20, which is also being sent through electronic mode to the members.

The Annual Report containing the Notice of Annual General Meeting is also uploaded on the Company's website at www.welcaststeels.com.

You are requested to take the same on your record.

Thanking you.

Yours faithfully,
For Welcast Steels Limited

S. N. Jetheliya
Company Secretary
Encl: As above



48th
**ANNUAL
REPORT
2019-2020**



Welcast Steels Limited



WELCAST STEELS LIMITED

BOARD OF DIRECTORS

Mr. Vinod Narain – Chairman, Non – Executive & Non - Independent
Mr. D. P. Dhanuka - Independent
Mr. Bhadresh K. Shah - Non – Executive & Non - Independent
Mr. Pradip R. Shah - Independent
Mr. Rajendra S. Shah - Independent
Mr. Sanjay S. Majmudar - Independent
Mr. Ashok A. Nichani - Independent
Mrs. Khushali S. Solanki - Non – Executive & Non - Independent

KEY MANAGERIAL PERSONNEL

Mr. Mohana Rao VVR, CEO
Mr. Yash Raj, CFO
Mr. S. N. Jetheliya, Company Secretary

AUDITORS

M/s. Ganapath Raj & Co.,
Chartered Accountants
No.387 (71), 42nd Cross,
Jayanagar, 8th Block,
Bengaluru - 560 070

BANKERS

Canara Bank, Bengaluru
Citi Bank, Ahmedabad

REGISTERED OFFICE

115-116,G.V.M.M. Estate,
Odhav Road, Odhav,
Ahmedabad -382 415
Gujarat
Phone: 079-22901078
CIN: L27104GJ1972PLC085827
E-mail: info@welcaststeels.com
Web: www.welcaststeels.com

WORKS

Plot No. 15, Phase - 1
Peenya Industrial Area,
Bengaluru - 560 058
Landline: 080 - 28394058 / 59
E-mail: info@welcaststeels.com
Web: www.welcaststeels.com

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Pvt. Ltd.,
1st Floor, Bharat Tin Works Building,
Opp: Vasant Oasis,
Makwana Road, Marol,
Andheri (E), Mumbai- 400 059.
Phone: 022 – 62638200, Fax: 022 - 62638299
E-mail: info@bigshareonline.com



48TH ANNUAL GENERAL MEETING

Date	14th September, 2020
Day	Monday
Time	10.00 AM
Mode	Through Video Conferencing/Other Audio Visual Means

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NOTICE

NOTICE is hereby given that the Forty-Eighth Annual General Meeting of the members of Welcast Steels Limited will be held on Monday, the 14th day of September, 2020 at 10.00 A.M. through Video Conferencing / Other Audio Visual Means, to transact the following business:

ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2020 and the Statement of Profit and Loss for the year ended on that date and Reports of the Board of Directors' and Auditors' thereon.
- (2) To appoint a Director in place of Mrs. Khushali Samip Solanki (DIN 07008918), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

- (3) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI LODR Regulations”) the approval of the members be and is hereby accorded to the material related party transactions entered / to be entered into and carried out in the ordinary course of business and at arm’s length price with AIA Engineering Limited (AIA), a Holding Company and Related Party as per Indian Accounting Standard (Ind AS) 24, for the sale of goods during the period from 1st April, 2020 to 31st March, 2021 for an aggregate amount, which may exceed the threshold limit of 10 percent of annual turnover of the Company for the Financial Year 2019-2020 on the terms and conditions as mentioned in the Contract Manufacturing Agreement entered into by the Company with AIA on 1st January, 2014.

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

- (4) To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies [Audit and Auditors] Rules, 2014 [including any statutory modification (s) or re-enactment (s) thereof for the time being in force], the consent of the members be and is hereby accorded to ratify the remuneration of ₹ 75,000/-, decided by the Board of Directors on the recommendations of the Audit Committee, of ₹ 75,000/- (Rupees Seventy Five Thousand) payable to M/s. Kiran J. Mehta & Co., Cost Accountants in Practice, Ahmedabad appointed by the Board to conduct the audit of cost records of the Company for the Financial Year ending on 31st March 2021 ”.

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

By order of the Board of Directors

Place : Ahmedabad
Date : 15th June, 2020

S. N. Jetheliya
Company Secretary
ACS :5343

**NOTES**

1. The Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, are annexed hereto.
2. Pursuant to the provisions of the Act, a Member is entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA Circulars and SEBI Circular, the facility of appointment of proxies by the members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map of the AGM venue are not annexed to this Notice.
3. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Registrar & Share Transfer Agent.
4. In compliance with the circular of Ministry of Corporate Affairs for a "Green Initiative in the Corporate Governance" by allowing / permitting service of documents etc. in electronic form, electronic copy of the Annual Report of 2019-20 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes.
5. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection electronically during the period of AGM.

The Company proposes to send documents, such as the Notice of the Annual General Meeting and Annual Report etc. henceforth to the Members in electronic form at the e-mail address provided by them and made available to the Company by the Depositories from time to time.

The un-audited half-yearly and quarterly financial results of the Company are uploaded at the website of the Company.

In case you wish to receive the above documents in physical form, you are requested to please inform to the below mentioned E-mail ID. Please quote Name, your Demat Account No. [DP ID No. and Client ID No.]. Email ID for reply:invest_grievance@welcaststeels.com.

6. The Ministry of Corporate Affairs has notified provisions relating to unpaid/unclaimed dividend under Section 124 and 125 of the Companies Act, 2013 and Investor Education Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016.

Those members who have so far not en-cashed their dividend warrants for the below mentioned financial years, may claim or approach the Company for the payment thereof as the same will be transferred to the Investors' Education and Protection Fund (IEPF) of the Central Government, pursuant to Section 125 of the Companies Act, 2013. Members are requested to note that after such dates, the members can claim their dividend from IEPF Authority.

Sr. No.	Financial Year	Type of Dividend	Due date of Transfer to IEPF
1	2012-2013	Final Dividend	16.09.2020
2	2013-2014	Final Dividend	17.10.2021
3	2014-2015	Final Dividend	28-10.2022
4	2015-2016	Dividend not declared	Dividend not declared
5	2016-2017	Final Dividend	20.09.2024
6	2017-2018	Final Dividend	15.09.2025
7	2018-2019	Final Dividend	14.09.2026

The new IEPF Rules mandate the Companies to transfer the shares of those shareholders whose dividends remain unpaid/unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. The Company is required to transfer all unclaimed shares to the demat account of the IEPF Authority in accordance with IEPF Rules.

7. In accordance with the afore said IEPF Rules, the Company has sent notice to all the shareholders whose shares are due to be transferred to the IEPF Authority and has also published newspaper advertisement.

**8. Voting through electronic means:**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies [Management and Administration] Rules, 2014, the Company is providing e-voting facility as an alternative mode of voting which will enable the members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services [India] Limited (CDSL) to facilitate e-voting.

- (i) Mr. Tushar M. Vora, Practicing Company Secretary [Membership No. FCS 3459] has been appointed as the Scrutinizer to scrutinize the Remote E-Voting and E-Voting process in a fair and transparent manner.
- (ii) Members who have cast their vote by remote e-voting prior to the meeting can also attend the meeting but shall not be entitled to cast their vote again.
- (iii) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date i.e. 7th September, 2020 only shall be entitled to avail facility of Remote E-Voting and E-Voting.
- (vi) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as on cut-off date, may cast vote after following the instructions for e-voting as provided in the notice convening the meeting, which is available on the website of the Company and CDSL. However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and password for casting your vote.

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

9. Re-appointment of Director:

Mrs. Khushali Samip Solanki (DIN 07008918), Non-Executive and Non-Independent Director of the Company retires by rotation at this 48th Annual General Meeting of the Members of the Company and being eligible, has offered herself for re-appointment.

Pursuant to the requirements under the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("SEBI LODR Regulations") relating to Corporate Governance, a Statement containing brief resume together with the details of shares held by her, if any, is annexed hereto.

REQUEST TO THE MEMBERS

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

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

ITEM NO. 3: AIA Engineering Limited (AIA) is presently holding 74.85% of the shares in the equity share capital of Welcast Steels Limited (WSL). Therefore, AIA is a holding Company of WSL and is a Related Party as per definition under Section 2 (76) of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”)

The provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time exempts any transaction entered into by a Company with its related party in its Ordinary Course of Business and done at Arm’s Length price, from the requirement of prior approval of the Members by way of an Ordinary Resolution.

Transactions to be entered into / carried out with AIA are of sale and purchase of goods. Omnibus approval of the Audit Committee has been obtained at its meeting held on 27th January, 2020.

Mr. Bhadresh K. Shah, Mr. Rajendra S. Shah, Mr. Sanjay S. Majmudar and Mrs. Khushali S. Solanki, all being Directors in AIA Engineering Limited and Mr. S. N. Jethaliya, Company Secretary who is also a Company Secretary of AIA are related to AIA.

The transactions of WSL with AIA for the financial year 2020-21 are likely to exceed threshold limit of 10% of consolidated annual turnover as per the Audited Annual Accounts of WSL for the financial year 2019-20. The gross annual turnover of WSL for the financial year 2019-2020 as per the audited financial statements is ₹ 15001.54 lakhs. For the financial year 2020-2021 the transactions of WSL with AIA may exceed 10 % of the gross annual turnover of WSL for the financial year 2019-2020. The approval of the members for the transaction proposed to be entered into and carried out with AIA during the financial year 2020-2021, in ordinary course of business and at arm’s length price, is being sought by way of abundant caution and as a proactive measure.

Further, Regulation 23 of SEBI Listing Regulations (as amended w.e.f. 01.04.2019) requires that the entities / persons falling under the definition of related party shall not vote to approve the relevant transaction irrespective of whether the entity / person is a party to the transaction or not. Accordingly, AIA being the promoter of WSL holding 74.85% of the paid-up capital, shall not vote to approve this resolution.

Except Mr. Bhadresh K Shah, Mr. Rajendra S. Shah, Mr. Sanjay S. Majmudar, and Mrs. Khushali Samip Solanki directors of AIA and Mr.S N Jethaliya, Company Secretary of AIA and their relatives, none of the directors and Key Managerial personnel of the Company and their relatives, are in any way concerned or interested in the said resolution.

The Board recommends passing of the said resolution by way of an Ordinary Resolution for the approval of the Members of the Company.

ITEM NO. 4: The Board of Directors on the recommendations of the Audit Committee, re appointed M/s. Kiran J. Mehta, & Co., (FRN 000025) Practicing Cost Accountants, Ahmedabad as the Cost Auditors to carry out the audit of Cost records of the Company for the Financial Year 2020-2021 and fixed remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand) plus applicable tax and out of pocket expenses.

As per the provisions of Section 148 of the Companies Act, 2013 read with the Companies [Audit and Auditors] Rules, 2014, the remuneration fixed by the Board of Directors is required to be ratified by the members by passing a resolution.

Accordingly, consent of the members is being sought for passing an Ordinary Resolution for ratification of remuneration payable to the Cost Auditors to carry out the audit of cost records of the Company for the financial year 2020-21.

Except Mr. Bhadresh K Shah, Mr. Rajendra S. Shah, Mr. Sanjay S. Majmudar, and Mrs. Kushali Samip Solanki directors of AIA and Mr.S N Jethaliya, Company Secretary of AIA and their relatives, none of the directors and Key Managerial personnel of the Company and their relatives, are in any way concerned or interested in the said resolution.

The Board recommends passing of the said resolution by way of an Ordinary Resolution for the approval of the Members of the Company.

By order of the Board of Directors

Place : Ahmedabad
Date : 15th June,2020

S.N. Jethaliya
Company Secretary
ACS: 5343

**NOTICE**

(Contd..)

ANNEXURE TO THE NOTICE:

RELEVANT DETAILS AS STIPULATED UNDER REGULATION 26(4) OF THE SEBI LODR REGULATIONS AND SECTARIAL STANDARD ON GENERAL MEETING ("SS-2") ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA, WITH REGARD TO THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING (REFER ITEM NO.2)

Name	Mrs. Khushali Samip Solanki (DIN 07008918)
Date of Birth /Age	43 Years
Date of first appointment on the Board of the Company	10.09.2014
Qualifications	Diploma in Hotel Management
Experience (brief resume)	She possesses rich and varied experience in Production Administration and Accounts.
Disclosure of Relationship	She is the daughter of Mr. Bhadresh K. Shah, Director of the Company
No. of Shares held in the Company	-
Terms and Conditions of Re-appointment	As per the Resolution at item No.2 of the Notice convening this Annual General Meeting. Mrs. Khushali Sampi Solanki is proposed to be re-appointed as a director
Remuneration last drawn (including sitting fee if any)	₹ 0.15 Lakh (Sitting Fees)
Remuneration proposed to be paid	She shall be paid remuneration by way of sitting fee.
Number of meetings of the Board attended during the financial year	Please refer Corporate Governance Report Section of the Annual Report 2019-2020.
Directorships held in other Public Companies	
Membership/Chairmanships of Committees across other Public Companies	

**INSTRUCTIONS FOR E-VOTING:****CDSL e-Voting System – Remote & Venue Voting Facility.**

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as E-Voting system on the date of the AGM will be provided by CDSL.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through Remote E-Voting or E-Voting.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The helpline numbers regarding any query/assistance for participation in the AGM through VC/OAVM are 022-23058738 /022-23058543/ 022-23058542
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Process for those shareholders whose email ids are not registered:
 - a. For Members holding shares in Physical mode are requested to send an e-mail to invest_grievance@welcaststeels.com along with necessary details like Folio No, Name of Member(s) and self-attested scanned copy of PAN Card or Aadhar Card for registering their e-mail addresses.
 - b. Members holding shares in Demat mode can get their E-mail ID registered by contacting their respective Depository Participant or by sending Demat Account details (CDSL 16 digit beneficiary ID or NSDL 16 digit DPID+CLID), Name, Client Master Copy or copy of consolidated account statement, self-attested scanned copy of PAN or Aadhar Card to invest_grievance@welcaststeels.com.

INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE VOTING ARE AS UNDER:

- (i) The voting period begins on Friday, 11.09.2020 at 09.00 AM ends on Sunday, 13.09.2020 at 05.00 PM During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 07.09.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.



NOTICE

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- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is given through an e-mail.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN "**200810005 -Welcast Steels Limited**".
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

INSTRUCTIONS FOR SHAREHOLDERS VOTING ON THE DAY OF THE AGM ON e-VOTING SYSTEM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting have to register themselves as a speaker may send their request 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at invest_grievance@welcaststeels.com.
6. Shareholders who would like to express their views/have questions may send their questions have to in advance 10 days prior to meeting mentioning their name demat account number/folio number, email id, mobile number at (company email id invest_grievance@welcaststeels.com). The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company, if voted from individual tab & not uploaded the same on the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 022-23058738/022-23058543/022-23058542.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 022-23058738/022-23058543/022-23058542.

Contact Details

Company	WELCAST STEELS LIMITED Regd. Office 115-116, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad – 382 415, Gujarat CIN: L27104GJ1972PLC085827
E-mail Id	info@welcaststeels.com snj@aiaengineering.com
Registrar and Share Transfer Agent	Bigshare Services Pvt. Ltd., 1st Floor, Bharat TIN Works Building, Opp: Vasant Oasis. Makwana Road, Marol, Andheri (E), Mumbai- 400 059. Tel: 022 – 62638200, Fax: 022 - 62638299 E-mail: info@bigshareonline.com
e-Voting Agency	Central Depository Services (India) Limited E-mail : helpdesk.evoting@cdslindia.com
Scrutinizer	Tushar Vora & Associates, PCS, Ahmedabad E-mail : cstusharvora@gmail.com

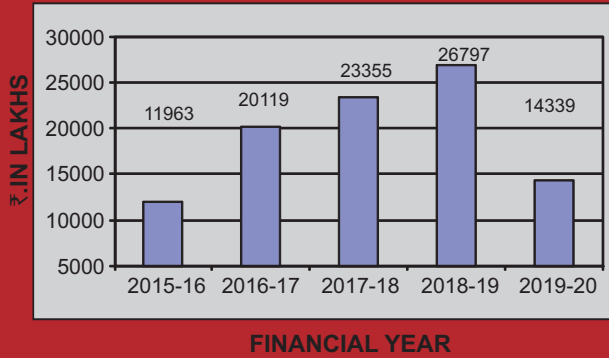


BOARD'S REPORT

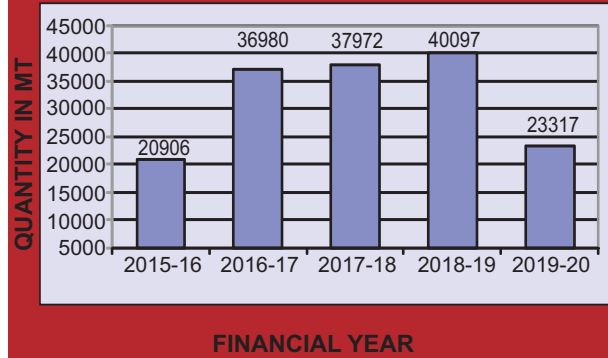
PERFORMANCE HIGHLIGHTS

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

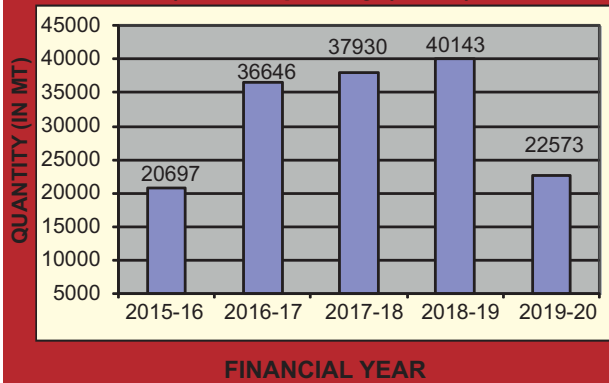
1) Sales Net of Excise Duty/ GST (₹.in Lakhs)



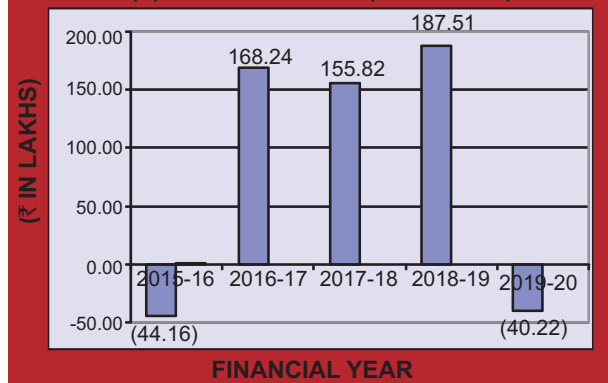
(2) Production Quantity (in MT)



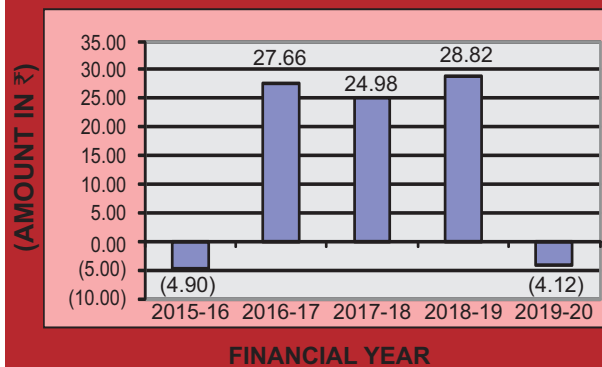
3) Sales quantity (in MT)



(4) Profit After Tax (₹ in Lakhs)



(5) Earnings Per Share - EPS - (₹)





The Members,
Welcast Steels Ltd
Ahmedabad

Your Directors take pleasure in submitting the 48th Annual Report and the Audited Annual Accounts of Company for the year ended 31st March 2020.

₹ In Lakhs

1. FINANCIAL HIGHLIGHT:

PARTICULARS	Year ended 31st March 2020	Year ended 31st March 2019
Revenue from Operations	15001.54	26961.65
Other Income	81.31	50.43
Total Revenue	15082.85	27012.08
Profit before Finance Cost, Depreciation & Amortization and Tax Expenses.	162.91	397.92
Finance Cost	34.43	35.66
Depreciation & Amortization	133.54	84.12
Profit Before tax	(5.06)	278.14
i) Provision for Taxation (Current)	-	63.00
ii) Taxes for earlier years	(5.27)	(4.98)
iii) Provision for Taxation (Deferred)	26.50	36.22
Total Tax (i+ii+iii)	21.23	94.24
Profit/(Loss) after Tax	(26.29)	183.90
Other Comprehensive Income	(13.93)	3.61
Total Comprehensive Income / (Expenses)	(40.22)	187.51

2. PRODUCTION:

During the year under review, the Company produced 23,317 tons of Grinding Media as compared to 40,097 tons in the previous year. The production during the year had to be curtailed for want of sufficient orders due to recession in the international market. The production in the current Financial Year 2020-21 is going to suffer badly due to COVID-19 effect.

3. SALES & PROSPECTS:

The Company sold 22,573 tons of Grinding Media during the year under review as against 40,143 tons in the previous year.

The demand for grinding media had declined during the year due to recession in the mining industry abroad resulting in drop in sales.

The prospects in the current year are also not encouraging due to COVID-19 effect.

4. DIVIDEND & RESERVES:

In view of the loss incurred by the Company during the year under report, your directors have not recommended any dividend for the Financial Year 2019-2020.

5. FINANCE:

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

6. EMPLOYEES RELATIONS:

The relationship with the employees, in general, remained cordial. However, as reported in the previous year, the cases related to disciplinary actions taken against some workmen who had indulged in misconduct during and after the illegal labour strike in November/December 2014, alongwith the issue of Charter of demands put up by one of the two Labour Unions in the Company, are still pending in the Honourable Labour Court/High Court. Our normal production activities are going on smoothly.

7. DIRECTORS:

Mrs.Khushali Samip Solanki, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. A brief resume of Mrs. Khusahali Samip Solanki is given as annexure to



the Notice.

Considering the integrity, expertise and experience (including the proficiency), the following Directors were reappointed during the year:

- (i) Mr. Rajendra S. Shah (DIN: 00061922): Reappointed as an Independent Director for a second term of 5 (five) consecutive years with effect from 10th September, 2019.
- (ii) Mr. Sanjay S. Majmudar (DIN: 00091305): Reappointed as an Independent Director for a second term of 5 (five) consecutive years with effect from 10th September, 2019.
- (iii) Mr. Debi Prasad Dhanuka (DIN: 00168198): Reappointed as an Independent Director for a second term of 5 (five) consecutive years with effect from 10th September, 2019.
- (vi) Mr. Pradip R. Shah (DIN: 00293396): Reappointed as an Independent Director for a second term of 5 (five) consecutive years with effect from 10th September, 2019.
- (v) Mr. Ashok A. Nichani (DIN : 02249844): Reappointed as an Independent Director for a second term of 5 (five) consecutive years with effect from 10th September, 2019.

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

During the year under review, Four Board Meetings and Four Audit Committee meetings were convened and held. The composition of Audit Committee is as under: -

Mr. D.P. Dhanuka, Chairman
Mr. Bhadresh K. Shah, Member
Mr. Pradip R. Shah, Member
Mr. Ashok A. Nichani, Member
Mr. Rajendra S. Shah, Member
Mr. Sanjay S. Majmudar, Member

All recommendations made by the Audit Committee during the year were accepted by the Board. The details of Composition of other Committees and dates of the meetings are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI LODR Regulations.

9. STATUTORY AUDITORS:

The Statutory Auditors M/s. Ganapath Raj & Co., Chartered Accountants (FRN:000846S) Statutory Auditors of the Company will hold office till the conclusion of the 50th Annual General Meeting. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

10. AUDITORS' REPORT AND NOTES ON ACCOUNTS:

The Board has duly reviewed the Statutory Auditors' Report for the Financial Year ended 31st March, 2020. There are no qualifications/observations in the Report.

11. COST AUDITORS:

The Cost Auditors have filed the cost audit report for the Financial Year ended 31st March, 2019 within stipulated time frame.

The Board of Directors on the recommendation of the Audit Committee has appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as the Cost Auditors of the Company to audit the cost accounting records of the Company for the Financial Year 2020-2021. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the members of the Company for their ratification at the ensuing Annual General Meeting. Accordingly, a resolution seeking members' ratification of the remuneration payable to M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad is included in the Notice convening the 48th Annual General Meeting.

12. INTERNAL CONTROL AND AUDIT:

Company has a proper and adequate system of Internal Control commensurate with its size and the nature of its operations to ensure that all assets are safeguarded and protected against loss from un-authorized use or disposition and all transactions are authorized, recorded and reported correctly. The Board of Directors at the recommendation of the Audit Committee appointed M/s. Talati & Talati, Chartered Accountants, Ahmedabad as Internal Auditors of the Company for Financial Year 2020-2021.

Internal Auditors monitor and evaluate the efficacy and adequacy of internal Control System in the Company. Significant Audit Observations and corrective actions thereon are presented to the Audit Committee of the Board.

13. DEPOSITS:

The Company has not accepted any deposit from the public during the year under review within the meaning of Section



73(a) of the Companies Act, 2013.

14. INSURANCE:

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

15. CORPORATE GOVERNANCE:

In line with the Company's commitment to good Corporate Governance Practices, your Company has complied with all the mandatory provisions of Corporate Governance as prescribed in Regulations 17 to 27 of the SEBI LODR Regulations.

A separate Report on Corporate Governance and Practicing Company Secretary's Certificate thereon is included as a part of the Annual Report.

16. MANAGEMENT DISCUSSION AND ANALYSIS (MDA):

MDA covering details of operations, opportunities and threats etc. for the year under review is given in a separate Section included in this report and forms a part of this Annual Report.

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

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

18. 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 clause (C) of sub Section (3) of Section 134 of the Companies Act 2013 which states that:

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

19. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The Company has neither given any loans, guarantees nor made any investments under Section 186 of the Companies Act, 2013 during the Financial Year 2019-2020.

20. TRANSACTIONS WITH RELATED PARTIES:

All the Related Party Transactions entered into during the Financial Year were on an Arms Length basis and in the Ordinary Course of Business. There are no material significant Related Party Transactions made by the Company with Promoters, Directors, key Managerial Personnel (KMP) which may have a potential conflict with the interest of the Company at large.

Prior Omnibus approval of the Audit Committee is obtained on yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were placed before the Audit Committee and the Board of Directors for their approval on quarterly basis. The details of Related Party Transactions entered by the Company are disclosed in Form AOC-2 – as Annexure 'B'.

The Policy on Related Party Transactions as approved by the Board of Directors is uploaded on the website of the Company viz <http://www.welcaststeels.com/newsite/Investor%20services/PolicyRelatedPartyTransaction.pdf>.

21. RISK MANAGEMENT:

The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.



The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. Corporate Risk Evaluation and Management is an ongoing process within the Organization. The Company has a well-defined Risk Management framework to identify, monitor and minimizing/mitigating risks. The Risk Management framework has been developed and approved by the senior management in accordance with the business strategy. The key elements of the framework include:

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

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

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

- Oversight of risk management performed by the executive management:
- Reviewing the Corporate Risk Management Policy and framework within the local legal requirements and "SEBI LODR"
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownerships as per a predefined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

22. SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed Mr. Tushar M. Vora, Practicing Company Secretary (ACS-3459, CP No. 1745), Ahmedabad to conduct Secretarial Audit of the Company's Secretarial and related records for the year ended 31st March 2020.

The Report on the Secretarial Audit for the year ended 31st March 2020 is annexed herewith as Annexure 'C' to this Board's Report. There are no qualification/observations in the Report.

23. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Vigil Mechanism Policy of the Company which also incorporates a whistle blower policy in terms of the Regulations 22 of SEBI Listing Regulations may be accessed on the Company's website. The company has nominated the Chief Financial Officer as the Chief Vigilance officer. Protected disclosures can be made by a whistle blower through e-mail or by anonymous letter addressed to the Chief Financial Officer.

24. NOMINATION AND REMUNERATION COMMITTEE:

The Board has on recommendation of Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The Nomination & Remuneration Policy is stated in the Corporate Governance Report which is part of the Board's Report. The detailed policy is placed on the Investor Section of the Company's website www.welcaststeels.com.

25. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI LODR Regulations, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

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

26. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter alongwith necessary documents, reports and internal policies to enable them to familiarize with the Company's Procedures and practices. The Company has through presentations at regular intervals, familiarized and updated the Independent Directors with the strategy, operations and functions of the Company and Engineering Industry as a Whole. Site visits to plant location is organized for the Directors to enable them to understand the operations of the Company. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at <http://www.welcaststeels.com/newsite/CorporateGovernance.html>.

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



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

28. EXTRACT OF ANNUAL RETURN:

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

29. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 of Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is annexed as Annexure 'E'. The statement containing particulars of employees as required under Section 197(12) of the Companies Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate Annexure forming part of this Report. Further the Report and the Accounts are being sent to members excluding aforesaid annexure in terms of Section 136 of the Act. The said Annexure is open for inspection at the Registered office of the Company. Any shareholder interested in obtaining the copy of the same may write to the Company Secretary.

Disclosures in respect of the Remuneration of the Managerial Personnel are given in Annexure "E".

30. ENVIRONMENT, HEALTH AND SAFETY:

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

31. SECRETARIAL STANDARDS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

32. ACKNOWLEDGMENTS:

Your Directors would like to express their appreciation for the assistance and co-operation received from the Company's customers, vendors, bankers, auditors, investors and Government bodies during the year under review. Your Directors place on record their appreciation of the contribution made by employees at all levels. Your Company's consistent growth was made possible by their hard work, solidarity co-operation and support.

For and on behalf of the Board of Directors

Place: Bengaluru
Date : 15th June 2020

VINOD NARAIN
Chairman
(DIN.00058280)



ANNEXURES TO BOARD'S REPORT

ANNEXURE :-A

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

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

I. CONSERVATION OF ENERGY

Effective steps were taken to conserve energy.

Heat treatment furnaces have been converted from LDO fired to PNG fire furnaces, which will result in savings of approximately 12% of fuel.

1. POWER AND FUEL CONSUMPTION

Electricity

Particulars	2019-2020	2018-2019
i) Units purchased	2,92,80,426	5,08,20,805
Total amount in ₹ in Lakhs	2350.50	3715.79
Rate / Unit (₹)	7.87	7.31
ii) Units generated	1892	2,712
Units generated /Litre of Diesel	2.08	1.90

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

Electricity Units

1256	1270
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II. RESEARCH AND DEVELOPMENT

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

- Introduction of Dry type cooling towers at heat treatment furnaces to save consumption of water
- Use of Vertical Grundfos pumps for pumping of quenching oil, which are absolutely leak proof, in place of normal centrifugal pumps, resulting in saving of oil and clean environment.
- Introduction of PNG in place of LDO/C9 oil at the second heat treatment furnace.

2. BENEFITS DERIVED:

- Saving in water consumption
- saving in consumption of oil and improvement in environment
- Reduction in cost and better environment

3. FUTURE PLAN OF ACTION

- Introduction of skip hoist mechanism at oil quenching tank for safety, avoiding oil spillage and better environment.
- Introduction of Dry type cooling towers at melting furnaces for water conservation.

III. TECHNOLOGY ABSORPTION AND INNOVATION:

1. EFFORTS MADE:

- Design of new patterns for specific applications of Grinding Media for better performance.
- Changes in raw material mix at melting furnaces for cost reduction.

2. BENEFITS:

- Wider market for our products
- Savings in input cost

3. PARTICULARS OF TECHNOLOGY IMPORTED DURING THE LAST:

5 YEARS -NIL-

4. EXPENDITURE ON R & D :

₹ in Lakhs

- Capital: 208.24
- Revenue : Nil

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO:

₹ in Lakhs

1. EARNINGS

Foreign exchange earned. Nil

2. OUTGO

CIF/CIP Value of Imports : 803.69

**ANNEXURE:- B****Form No. AOC-2**

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

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

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

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

2. "DETAILS OF MATERIAL CONTRACTS OF ARRANGEMENTS AT ARM'S LENGTH BASIS"

i)	Name(s) of the Related Party and nature of Relationship	AIA Engineering Ltd., a Holding Company of the Company.
ii)	Nature of Contract / arrangements / transactions	Contract Manufacturing Agreement
iii)	Duration of Contract / arrangements / transactions	5 Years
iv)	Salient Terms of Contract / arrangements / transactions including the value, if any	Company manufactures Grinding Media of different grades for AIA Engineering Ltd., (AIA) according to their Purchase Orders received from time to time as per their Technical Specifications and using the Technical Know how provided by AIA. The Company can also manufacture Grinding Media of different grades for other parties.
v)	Justification for entering into such contracts or arrangements or transactions	The Contract Manufacturing Agreement was entered to fully utilize the installed capacity of the Company.
vi)	Date (s) of approval by the Board	22nd May 2019
vii)	Amount paid as Advances, if any	NIL

For and on behalf of the Board,

Place : Bengaluru
Date : 15th June, 2020

(Vinod Narain)
Chairman
(DIN.00058280)

**ANNEXURE- C**

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Personnel) Rules, 2014]**

To,
The Members,
Welcast Steels Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion read with Annexure A forming part of this report, the Company has, during the audit period covering the Financial Year ended on 31st March, 2020, at large complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
 - (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 (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

We hereby report that during the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

- (vi) We further report that having regard to the compliance system and process prevailing in the Company and on examination of the relevant documents and records thereof on test-check basis, the Company has complied with the provision of (1) Water (Prevention & Control of Pollution) Act 1974, (2) The Air (Prevention & Control of Pollution) Act 1981, (3) The Hazardous Wastes (Management & Handling) Rules 1989, as amended up to 2008, (4) Noise Pollution (regulation & control) Rules 2000 as are specifically applicable to the Company.



We further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- b) Adequate notice is given at least seven days in advance to all directors to schedule the Board Meetings. As informed to us, the Company has also provided agenda and detailed notes on agenda to the directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting
- c) Majority decision is carried through while the dissenting members' views are captured and recorded, wherever applicable, as part of the minutes.

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

We further report that during the audit period, the following major events took place under the Companies Act, 2013 having bearing on the Company's affairs.

Shareholders' approval by way of Ordinary Resolution has been obtained for material related party transactions with holding Company to comply with the provisions of the Companies Act, 2013 and Regulation 23 of SEBI Listing Regulations for the financial year 2019-20.

Date : 15th June, 2020
Place : Ahmedabad

FOR TUSHAR VORA & ASSOCIATES
Company Secretaries

TUSHAR M VORA
Proprietor
FCS No. 3459
C P No.: 1745
UDIN: F003459B000343931

ANNEXURE TO SECRETARIAL AUDIT REPORT

To
The Members
Welcast Steels Limited

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 process as considered appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification as done on test basis is to reasonably ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. In respect of laws, rules and regulations other than those specifically mentioned in our report above, we have limited our review, analysis and reporting up to process and system adopted by the Company for compliance with the same and have not verified detailed compliance, submissions, reporting under such laws etc. nor verified correctness and appropriateness thereof including financial records and books of accounts of the Company.
4. Wherever 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 and its proper and adequate presentation and submission in prescribed formats is the responsibility of management. Our examination was limited to the verification of procedures on test basis and not its one to one contents.
6. The Secretarial Audit report is neither an assurance as to compliance in totality or the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Considering the limitations prevailing on account of global pandemic COVID - 19 Lockdown and semi-lockdown situation, we are not able to verify all the information physically as well as in detail, and, therefore, in respect of some of the matters, we have relied upon the information and explanations as provided by the Company, its officers, agents and authorized representatives.

Date : 15th June, 2020
Place : Ahmedabad

FOR TUSHAR VORA & ASSOCIATES
Company Secretaries

TUSHAR M VORA
Proprietor
FCS No. 3459
C P No.: 1745
UDIN: F003459B000343931

**ANNEXURES TO BOARD'S REPORT**

(Contd..)

ANNEXURE - D

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on Financial Year ended on 31st March 2020**

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L27104GJ1972PLC085827
2.	Registration Date	28-02-1972
3.	Name of the Company	WELCAST STEELS LIMITED
4.	Category/Sub-category of the Company	Public Limited. Co.
5.	Address of the Registered office & contact details	115-116, G.V.M.M Estate, Odhav Road, Odhav, Ahmedabad - 38241 5. Phone No. 079-22901078, Email: invest_grievance@welcaststeels.com
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Pvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri – East, Mumbai – 400059, Maharashtra, India P : 022 62638205 M : +91 07045454396 E-mail: info@bigshareonline.com

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

Sl.No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	HIGH CHROME GRINDING MEDIA	24319	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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



ANNEXURES TO BOARD'S REPORT

(Contd..)

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

(i) Category-wise

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	477661	-	477661	74.85	477661	-	477661	74.85	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	477661	-	477661	74.85	477661	-	477661	74.85	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	50	50	0.01	-	50	50	0.01	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1) :-	-	50	50	0.01	-	50	50	0.01	-
2. Non-Institutions									
a) Bodies Corp.	9782	25	9807	1.53	2453	25	2478	0.39	(1.14)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹. 1 lakh	92292	26249	118541	18.57	93663	24424	118087	18.50	(0.07)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	15942	-	15942	2.50	-	-	-	-	(2,50)
c) Others (specify)									
Non Resident Indians	1568	25	1593	0.25	1476	25	1501	0.23	(0.02)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	257	-	257	0.04	22926	-	22926	3.59	3.55
Trusts	25	-	25	0.01	25	-	25	0.01	-
IEPF	14285	-	14285	2.24	15433	-	15433	2.42	0.18
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	134151	26299	160450	25.14	135976	24474	160450	25.14	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	611812	26349	638161	100	613637	24524	638161	100	-
C. Shares held by Custodian for GDRs & ADRs									
	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	611812	26349	638161	100	613637	24524	638161	100	-

**(ii) Shareholding of Promoter**

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

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

Sl. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4,77,661	74.85	4,77,661	74.85
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	4,77,661	74.85	4,77,661	74.85



ANNEXURES TO BOARD'S REPORT

(Contd..)

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	Shareholding at the beginning of the year 1st April, 2019		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year 2019-2020		Shareholding at the end of the year 31st March, 2020	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	JM FINANCIAL SERVICES LIMITED	-	-	30-Mar-2019		Sell		-		
			0.04	24-Jan-2020	228	Buy	228	0.04		
			2.53	31-Jan-2020	15,942	Buy	16,170	2.53		
		16170	2.53	31-Mar-2020			16,170	2.53	16,170	2.53
2	Ashish Navnitlal Shah	15942	2.50	30-Mar-2019			15,942	2.50		
			-	31-Jan-2020	-15,942	Sell		-	-	-
			-	31-Mar-2020				-		
3	MARKET-HUB STOCK BROKING PVT. LTD.	-	-	30-Mar-2019		Sell		-		
			0.94	19-Apr-2019	6,000	Buy	6,000	0.94		
			-	10-May-2019	-6,000	Sell		-		
			1.02	27-Mar-2020	6,500	Buy	6,500	1.02		
		6500	1.02	31-Mar-2020			6,500	1.02	6,500	1.02
4	IL And FS Securities Services Limited	6000	0.94	30-Mar-2019			6,000	0.94		
			-	19-Apr-2019	-6,000	Sell	-	-		
			-	31-Mar-2020				-	-	-
5	AMIT BHUTRA	5702	0.89	30-Mar-2019			5,702	0.89		
		5702	0.89	31-Mar-2020			5,702	0.89	5,702	0.89
6	YOGESH INDRAVADAN SHAH	4246	0.67	30-Mar-2019			4,246	0.67		
			0.67	26-Apr-2019	3	Buy	4,249	0.67		
			0.66	24-May-2019	-27	Sell	4,222	0.66		
			0.65	07-Jun-2019	-48	Sell	4,174	0.65		
			0.65	28-Jun-2019	3	Buy	4,177	0.65		
			0.66	26-Jul-2019	3	Buy	4,180	0.66		
			0.66	27-Sep-2019	3	Buy	4,183	0.66		
			0.62	04-Oct-2019	-232	Sell	3,951	0.62		
			0.62	25-Oct-2019	3	Buy	3,954	0.62		
			0.62	27-Dec-2019	4	Buy	3,958	0.62		
			0.60	03-Jan-2020	-100	Sell	3,858	0.60		
			0.56	10-Jan-2020	-308	Sell	3,550	0.56		
		3550	0.56	31-Mar-2020	-		3,550	0.56	3,550	0.56
		7	NANDITA RAJENDRA MEHTA	2143	0.34	30-Mar-2019			2,143	0.34
	0.34			22-Nov-2019	15	Buy	2,158	0.34		
	0.34			20-Dec-2019	34	Buy	2,192	0.34		
	0.34			27-Dec-2019	6	Buy	2,198	0.34		
	0.36			10-Jan-2020	97	Buy	2,295	0.36		
	0.36			31-Jan-2020	1	Buy	2,296	0.36		
	0.37			14-Feb-2020	58	Buy	2,354	0.37		
	0.38			21-Feb-2020	57	Buy	2,411	0.38		
	0.38			20-Mar-2020	45	Buy	2,456	0.38		
2456	0.38			31-Mar-2020	-	-	2,456	0.38	2,456	0.38
8	GAUTAM M MEHTA (HUF)	2411	0.38	30-Mar-2019			2,411	0.38		
			0.38	18-Oct-2019	5	Buy	2,416	0.38		
			0.38	25-Oct-2019	18	Buy	2,434	0.38		
		2434	0.38	31-Mar-2020	-	-	2,434	0.38	2,434	0.38



ANNEXURES TO BOARD'S REPORT

(Contd..)

Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Contd..

Sr. No.	Name	Shareholding at the beginning of the year 1st April, 2019		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year 2019-2020		Shareholding at the end of the year 31st March, 2020	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9	HASMU KH RAVJI SAVLA	1747	0.27	30-Mar-2019	-	-	1,747	0.27		
			0.28	05-Apr-2019	12	Buy	1,759	0.28		
			0.28	26-Apr-2019	11	Buy	1,770	0.28		
			0.29	10-May-2019	70	Buy	1,840	0.29		
			0.29	17-May-2019	30	Buy	1,870	0.29		
			0.30	24-May-2019	30	Buy	1,900	0.30		
			0.30	21-Jun-2019	20	Buy	1,920	0.30		
			0.30	05-Jul-2019	20	Buy	1,940	0.30		
			0.30	12-Jul-2019	2	Buy	1,942	0.30		
			0.31	06-Sep-2019	18	Buy	1,960	0.31		
			0.31	11-Oct-2019	1	Buy	1,961	0.31		
			0.31	20-Dec-2019	9	Buy	1,970	0.31		
			0.31	31-Jan-2020	10	Buy	1,980	0.31		
			0.31	14-Feb-2020	18	Buy	1,998	0.31		
			0.32	20-Mar-2020	21	Buy	2,019	0.32		
		2019	0.32	31-Mar-2020	-	-	2,019	0.32	2,019	0.32
10	MONIK DHARAMSHI	1653	0.26	30-Mar-2019	-	-	1,653	0.26		
		-	0.26	21-Jun-2019	34	Buy	1,687	0.26		
		-	0.27	08-Aug-2019	5	Buy	1,692	0.27		
		-	0.27	30-Aug-2019	10	Buy	1,702	0.27		
		-	0.27	20-Sep-2019	20	Buy	1,722	0.27		
		-	0.27	27-Sep-2019	32	Buy	1,754	0.27		
		-	0.28	04-Oct-2019	4	Buy	1,758	0.28		
		-	0.28	25-Oct-2019	35	Buy	1,793	0.28		
		-	0.28	01-Nov-2019	16	Buy	1,809	0.28		
		-	0.29	22-Nov-2019	42	Buy	1,851	0.29		
		-	0.29	20-Dec-2019	10	Buy	1,861	0.29		
		-	0.29	10-Jan-2020	3	Buy	1,864	0.29		
		1864	0.29	31-Mar-2020	-	-	1,864	0.29	1,864	0.29
11	RAJESH M R .	1215	0.19	30-Mar-2019	-	-	1,215	0.19		
		-	0.21	31-May-2019	153	Buy	1,368	0.21		
		-	0.24	22-Nov-2019	135	Buy	1,503	0.24		
		-	0.26	13-Mar-2020	158	Buy	1,661	0.26		
		1661	0.26	31-Mar-2020	-	-	1,661	0.26	1,661	0.26
12	MEENU GOEL	956	0.15	30-Mar-2019	-	-	956	0.1		
			0.16	31-May-2019	65	Buy	1,021	0.16		
		1021	0.16	31-Mar-2020	-	-	1,021	0.16	1,021	0.16
13	VIKRAMKUMAR RAMESHCHANDRA SHAH	1000	0.16	30-Mar-2019	-	-	1,000	0.16		
			1.10	10-May-2019	6,000	Buy	7,000	1.10		
		-	1.09	10-Jan-2020	-50	Sell	6,950	1.09		
		-	1.10	24-Jan-2020	50	Buy	7,000	1.10		
		-	0.08	27-Mar-2020	-6,500	Sell	500	0.08		
		500	0.08	31-Mar-2020	-	-	500	0.08	500	0.08
14	ARUNA ANIL SANGHAVI	1000	0.16	30-Mar-2019	-	-	1,000	0.16		
		1000	0.16	31-Mar-2020	-	-	1,000	0.16	1,000	0.16


(v) Shareholding of Directors and Key Managerial Personnel:

Particulars	Shareholding at the beginning of the year 1st April, 2019		Date	Increase/Decrease	Reason	Cumulative Shareholding during the year 2019-2020		Shareholding at the end of the year 31st March, 2020	
	No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mr. Vinod Narain - Chairman	10	0.00	-	-	-	10	0.00	10	0.00
Mr. D.P. Dhanuka - Director Mr. Bhadresh K. Shah - Director Mr. Pradip R. Shah - Director Mr. Rajendra S. Shah - Director Mr. Sanjay S. Majmudar - Director Mr. Ashok Nichani - Directors Mrs. Khushali S. Solanki - Director	None of the directors hold any shares in the Company								
Particulars	Shareholding at the beginning of the year 1st April, 2019		Date	Increase/Decrease	Reason	Cumulative Shareholding during the year 2019-2020		Shareholding at the end of the year 31st March, 2020	
	No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mr. Mohan Rao VVR. - CEO	-	-	-	-	-	-	-	-	-
Mr. Yash Raj - Chief Financial Officer	-	-	-	-	-	-	-	-	-
Mr. S. N. Jetheliya - Company Secretary	-	-	-	-	-	-	-	-	-

**ANNEXURES TO BOARD'S REPORT**

(Contd..)

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

₹ In Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	120	-	-	120
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	120	-	-	120
Change in Indebtedness during the financial year				
* Addition	695	-	-	695
* Reduction	415	-	-	415
Net Change	280	-	-	280
Indebtedness at the end of the financial year				
i) Principal Amount	400	-	-	400
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	400	-	-	400

(vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl.No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary					
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit					
	- others, specify...					
5	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-



ANNEXURES TO BOARD'S REPORT

(Contd..)

B. Remuneration to other directors

₹ In Lakhs

Sl.No.	Particulars of Remuneration	Name of Directors					Total Amount
		Pradip R shah	D.P. Dhanuka	Ashok A. Nichani	Rajendra S. Shah	Sanjay .S. Majamudar	
A	Independent Directors-Non-Executive						
1.	Gross Salary						
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-	-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission						
	- as % of profit	-	-	-	-	-	-
	- Others, specify...						
5.	Others-Sitting Fees	1.00	1.00	0.75	0.25	0.25	3.25
	Total (A)	1.00	1.00	0.75	0.25	0.25	3.25

B Other Non-Executive Directors

Sl.No.	Particulars of Remuneration	Name of Directors					Total Amount
		Bhadresh K Shah	Vinod Narain	Khushali Samip Solanki			
					-	-	-
1.	Gross Salary						
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-	-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission						
	- as % of profit	-	-	-	-	-	-
	- Others, specify...						
5.	Others-Sitting Fees	0.75	0.45	0.15			1.35
	- Profession Fees	-	1.20	-	-	-	1.20
	Total (B)	0.75	1.65	0.15			2.55

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

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1.	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	26.65	-	22.19	48.84
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	2.71	-	5.01	7.72
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	29.36	-	27.20	56.56

**ANNEXURES TO BOARD'S REPORT**

(Contd..)

(Viii) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

₹ In Lakhs

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

**ANNEXURE-'E'**

Particulars of Remuneration as per Section 197 (12) of the Companies Act, 2013 read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014.

- (1) The ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year;

Name of the Director	Ratio of remuneration of each director to the median remuneration of the employees
Mr. Vinod Narain Chairman	0.53:1
Mr. D.P. Dhanuka	0.88:1
Mr. Bhadresh K. Shah	0.88:1
Mr. Sanjay S. Majmudar	0.88:1
Mr.Rajendra S.Shah	0.88:1
Mr.Pradip R. Shah	0.88:1
Mr. Ashok A. Nichani	0.88:1
Mrs.Khushali S. Solanki	0.53:1

- (2) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year;

Name of the Director, CEO, CFO and Company Secretary	% increase in remuneration in the Financial Year
Mr. Vinod Narain Chairman	-
Mr. D.P. Dhanuka	-
Mr. Bhadresh K. Shah	-
Mr. Sanjay S. Majmudar	-
Mr.Rajendra S. Shah	-
Mr.Pradip R. Shah	-
Mr. Ashok A. Nichani	-
Mrs. Khushali S. Solanki	-
Mr. Mohana Rao	4.30
Mr. Yash Raj	4.66
Mr. S.N. Jetheliya	Nil

- (3) The percentage increase in the median remuneration of employees in the financial year was 4.47%
- (4) There were 176 permanent employees on the rolls of Company as on 31st March, 2020.
- (5) Average increase in the salaries of employees other than the managerial personnel in the last financial year was 3.37% whereas the average increase in the managerial remuneration was Nil, since the Company has no Managerial Personnel.
- (6) The Company affirms that the remuneration is as per the remuneration policy of the company.



REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

Our corporate governance philosophy:

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

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

Your Company believes that good Corporate Governance is essential for achieving long-term corporate goals of the Company and for meeting the needs and aspirations of its stakeholders, including shareholders. The Company's Corporate Governance philosophy has been further strengthened through the Model Code of Conduct for the Directors / Designated persons of the Company. The said Code of Conduct for prevention of the Insider Trading has also been amended from time to time in line with the amended Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations in this regard.

We take pleasure in reporting that your Company has complied in all respects with the requirements stipulated under Regulation 17 to 27 read with Schedule V and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), as applicable, with regard to Corporate Governance.

BOARD OF DIRECTORS:

(A) COMPOSITION OF THE BOARD:

The Composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors, meets the requirement of Provisions of Corporate Governance. The Board is headed by the Non-Executive Director as Chairman, Mr. Vinod Narain. The present strength of the Board of Directors is 8 which include 3 Non-Executive – Promoter Directors and Non-Independent Directors, 5 Independent Directors in terms of SEBI LODR Regulations and Section 149 of the Companies Act, 2013. Board represents a balanced mix of professionalism, knowledge and expertise.

Pursuant to the provisions of Section 149 (3) of the Companies Act, 2013 and Regulation 17 (1) (a) of SEBI LODR Regulations as amended from time to time, Mrs. Khushali S. Solanki is the Woman Director (Non-Executive – Non-Independent) on the Board.

(I) BOARD MEETINGS / DETAILS OF BOARD MEETINGS:

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

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

During the year under review, four Board meetings were held on 22nd May 2019, 8th August, 2019, 11th November, 2019 and 27th January 2020. The Company held one Board Meeting in each quarter and the gap between any two Board Meetings was not more than one hundred twenty days as prescribed under SEBI (LODR) Regulations and section 173(1) of the Companies Act 2013. Details of the Directors, their positions, attendance record at Board meetings and last Annual General Meeting (AGM), other Directorships (excluding Private Limited, Foreign Companies and Alternate Directorships) and the Memberships / Chairmanships of Board Committees (only Audit



REPORT ON CORPORATE GOVERNANCE

(Contd..)

Committee and Stakeholders Committee) other than your Company as on 31st March, 2020 are as follows:

Name of the Director	Category	Number of Board meetings attended during the year 2019-20	Attendance at the last AGM held on 9th August 2019	Number of Directorships in other public Companies		Number of Committee positions held in other public companies		Sitting Fees for Board and Committee Meetings paid ₹ in Lakhs
				Listed	Unlisted	Member	Chairman	
Mr. Vinod Narain Chairman	Non- Executive Non- Independent	3	No	-	-	-	-	0.45
Mr. D.P. Dhanuka	Independent	4	Yes	-	-	-	-	1.00
Mr. Bhadresh K. Shah	Non- Executive Non- Independent	3	Yes	2	-	4	-	0.75
Mr. Sanjay S. Majmudar	Independent	1	Yes	4	1	2	5	0.25
Mr. Rajendra S. Shah	Independent	1	Yes	2	1	1	1	0.25
Mr. Pradip R. Shah	Independent	4	Yes	-	-	-	-	1.00
Mr. Ashok A. Nichani	Independent	3	Yes	-	-	-	-	0.75
Mrs. Khushali S. Solanki	Non- Executive Non -Independent	1	Yes	1	-	-	-	0.15

As on 31st March, 2020, none of the Directors are related to each other except Mr. Bhadresh K. Shah and Mrs. Khushali S. Solanki. Mr. Bhadresh K. Shah is the father of Mrs. Khushali S. Solanki.

Details of Directors who are the Directors of Listed Company alongwith Category:

Name of the Director	Name of Listed Company	Category of Directorship
Mr. Vinod Narain	-	-
Mr. Bhadresh K. Shah	AIA Engineering Ltd Cadila Healthcare Ltd	Promoter & Managing Director Independent Director
Mr. Debi Prasad Dhanuka	-	-
Mr. Pradip R. Shah	-	-
Mr. Ashok A. Nichani	-	-
Mr. Rajendra S. Shah	Dishman Carbogen Amics Ltd AIA Engineering Ltd	Independent Director Independent Director
Mr. Sanjay S. Majmudar	Dishman Carbogen Amics Ltd AIA Engineering Ltd Aarvee Denims and Exports Ltd. Ashima Ltd	Independent Director Independent Director Independent Director Independent Director
Mrs. Khushali S. Solanki	AIA Engineering Ltd	Non – Independent, Non-Executive Director

Skills/Expertise/Competence of the Board of Directors in the context of the business:

Chart/Matrix setting out the skills/expertise/competence of the Board of Directors of Welcast Steels Limited

Skills/Expertise/Competencies		Director who possess such skills/expertise/competencies
Strategic Leadership	Significant leadership experience to think strategically and develop	Entire Board
Industry Experience	Experience and/or knowledge of the industry in which the Company Operates	Mr. Rajendra S. Shah Mr. Bhadresh K. Shah Mr. Vinod Narain Mr. D.P. Dhanuka Mr. Ashok A. Nichani
Financial Expertise	Qualification and/or experience in accounting and/or finance coupled with ability to analyze key financial statements; critically assess financial viability and performance; contribute to financial planning; assess financial controls and oversee capital management and funding arrangements.	Mr. Rajendra S. Shah Mr. Bhadresh K. Shah Mr. Sanjay S. Majmudar Mr. Pradip R. Shah Mr. D.P. Dhanuka
Governance, Risk and Compliance	Knowledge and experience of best practices in governance structures, policies and processes including establishing risk and compliance frameworks, identifying and monitoring key risks.	Entire Board
Diversity	Representation of gender, cultural or other such diversity that expand the Board's understanding and perspective.	Mrs. Khushali S. Solanki

**(B) CONFIRMATION OF INDEPENDENT DIRECTORS:**

The Board of Directors of the Company confirms that the independent directors fulfil the conditions specified in SEBI LODR Regulations and are also independent of the management of the Company. A certificate from Practicing Company Secretary that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Companies by the Board/Ministry of Corporate Affairs or any such statutory authority is enclosed separately.

In addition, the Independent Directors provide an annual confirmation that they meet the criteria of independence as defined under Section 149(6) on an annual basis of the Companies Act, 2013.

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all Independent Directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard.

(C) NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:

Non-Executive Directors including independent Directors are paid sitting fees in accordance with the applicable laws. Company is paying sitting fees of ₹15,000 for attending a Board Meeting and ₹10,000 for attending an Audit Committee Meeting.

(D) ROLE OF INDEPENDENT / NON-INDEPENDENT – NON EXECUTIVE DIRECTORS:

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

(E) CODE OF CONDUCT:

Company's Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct is available on the website of the Company www.welcaststeels.com. The Code lays down the standard of conduct which is expected to be followed by the Board Members and the Senior Management of the Company in particular on matters relating to integrity at the Work Place, in business practices and in dealing with Stakeholders. All Board Members and Senior Management Personnel have affirmed compliance of the Code of Conduct. A declaration signed by the Chief Executive officer to this effect is enclosed at the end of this report.

(F) PROHIBITION OF INSIDER TRADING:

SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/59 dated 31st December, 2018 has amended the SEBI (Prohibition of Insider Trading) (Amendment) (Regulations) 2018 which will be applicable from 1st April, 2019. In compliance with the aforesaid notification of SEBI, the Company has revised Model Code of Conduct of Insider Trading Regulations which is applicable to all the Directors, Officers and the Designated Employees of the Company who are expected to have access to the Unpublished Price Sensitive Information relating to the Company.

The said Code lays down guidelines which advise them on procedures to be followed and disclosures to be made while dealing in the Shares of the Company.

(G) VIGIL MECHANISM / WHISTLE BLOWER POLICY:

In compliance with Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, the Company has formulated a Vigil Mechanism / Whistle Blower Policy (Mechanism) for its stakeholders, Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct policy.

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

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

(H) POLICY ON PROTECTION OF WOMEN AGAINST SEXUAL HARASSMENT AT WORKPLACE:

The Company is committed to create a healthy and conducive working environment that enables women employees to work without fear of prejudice, gender bias and sexual harassment and/or any such orientation in implicit or explicit form. Pursuant to the provisions of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, the Company has adopted a "Policy on Protection of Women against Sexual Harassment at Work Place" by forming a Committee as prescribed in the Regulation. Through this Policy, the Company seeks to provide protection to its women employees against sexual harassment at work place and thereby provide mechanism for redressal of complaints related to matters connected therewith or incidental thereto. During the year, no case was reported under the Policy.

(I) FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarize with the Company's Procedures and practices. The Company has through presentations at regular intervals, familiarized and updated the Independent Directors with the strategy, operations and functions of the Company and Engineering Industry as a Whole. Site visit to the plant location is organized for the Directors to enable them to understand the operations of the Company. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at <http://www.welcaststeels.com/newsite/CorporateGovernance.html>

**II. COMMITTEES OF THE BOARD:**

The Company has Four Committees, namely:

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

The terms and reference to these Committees are determined by the Board and their relevance reviewed from time to time. Each of these Committees has been mandated to operate within a given framework. Minutes of the meetings of each of these Committees are tabled regularly at the Board Meetings.

1) AUDIT COMMITTEE:

The Company has formed a qualified and Independent Audit Committee which acts as a link between the Statutory and Internal Auditors and the Board of Directors. The very purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for Internal financial controls, governance and reviewing the Company's Statutory and Internal Audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and the SEBI Listing Regulations.

As on 31st March, 2020, the Audit Committee comprises of 5 Independent Directors and 1 non independent Director. Names of the members and the Chairman of the Committee as on 31st March, 2020 together with their attendance are given in the following table.

Name of the Directors	Category	No of Meetings held	No of meetings Attended
Mr. D. P. Dhanuka – Chairman	Independent	4	4
Mr. Bhadresh K. Shah	Non Independent	4	3
Mr. Pradip R. Shah	Independent	4	4
Mr. Ashok A. Nichani	Independent	4	3
Mr. Rajendra S. Shah	Independent	4	1
Mr. Sanjay S. Majmudar	Independent	4	1

During Financial Year 2019-2020, four (4) Audit Committee meetings were held on 22nd May 2019, 8th August, 2019, 11th November, 2019 and 27th January 2020. Necessary quorum was present in all the meetings. The time gap between any two Audit committee meetings was not more than one hundred and twenty days. Mr. D.P. Dhanuka Chairman of the Audit Committee attended the last Annual General Meeting (AGM) of Shareholders of the Company. The Terms of Reference of the Audit Committee cover the matters specified for Audit Committee under Regulation 18 of SEBI Listing Regulations and Section 177 (1) of the Companies Act, 2013. The details are as under:

Brief description of Terms of Reference:

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgement by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any Related party transactions;
 - (g) Modified Opinion(s) in the draft audit report.
- (v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer document / prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (viii) Approval or any subsequent modification of transactions of the company with related parties;
- (ix) Scrutiny of inter-corporate loans and investments;
- (x) Valuation of undertakings or assets of the company, wherever it is necessary;
- (xi) Evaluation of internal financial controls and risk management systems;



- (xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xiv) Discussion with internal auditors of any significant findings and follow up there on;
- (xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- (xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors;
- (xviii) To review the functioning of the Whistle Blower mechanism;
- (xix) Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- (xxi) Reviewing the Management Discussion and analysis of financial condition and results of operations;
- (xxii) Reviewing , the appointment, removal and terms of remunerations of the Chief Internal Auditor;
- (xxiii) Reviewing and discuss with the management the status and implications of major legal cases;
- (xxiiii) Recommending the board, the appointment of a Cost Accountant within the meaning of the Cost and Works Accountants Act, 1959 to conduct audit of cost records of the company in compliance with the provisions of Section 148 of the Companies Act, 2013 and the rules made thereunder;
- (xxv) Reviewing the statements of significant related party transactions, management letters etc.
- (xxvi) Reviewing the compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations 2015 as amended from time to time at least once in a financial year and shall verify that the system for internal control are adequate and are operating effectively.
- (xxvii) carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

Statutory Auditors, Internal Auditors and their representatives are permanent invitees to the Audit Committee Meetings. The Chief Executive Officer (CEO), Chief Financial Officer (CFO) and other concerned Executives of the Company are also invited to attend the Audit Committee Meetings.

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

2) STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

- (i) resolving the grievances of the security holders of the company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividend, issue of new/duplicate certificates, general meetings etc.;
- (ii) review of measures taken for effective exercise of voting rights by stakeholders;
- (iii) review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- (iv) review of various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrant/annual reports/ statutory notices by the shareholders of the Company;

Names of the members and the Chairman of the Committee as on 31st March, 2020 together with their attendance are given in the following table.

Name of the Directors	Category	No of Meetings Held	No of meetings Attended
Mr. Vinod Narain - Chairman	Non Independent	4	3
Mr. D.P.Dhanuka	Independent	4	4
Mr. Pradip R. Shah	Independent	4	4
Mr. Sanjany S. Majmudar	Independent	4	1
Mr. Bhadresh K. Shah	Non Independent	4	3

The Company Secretary acts as Compliance officer of the Committee pursuant to Regulation 20 of SEBI LODR Regulations.

**Meetings and attendance during the year:**

The Committee meets on need basis. During the year under review Committee met four times on 22nd May 2019, 8th August, 2019, 11th October, 2019 and 27th January 2020.

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

Number of Shareholders' complaints received during the Financial Year:

During the period under review, Company has not received any Complaint from Shareholders. There is no outstanding complaint as on 31st March, 2020. Number of Complaints not solved to the satisfaction of Shareholders: Nil
Number of pending Share Transfers: Nil

3) RISK MANAGEMENT COMMITTEE:

Though the provisions of Regulation 21 of SEBI LODR Regulations relating to Risk Management Committee do not apply to the Company, the Board of Directors has constituted a Risk Management Committee, voluntarily.

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

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

The key elements of the framework include

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

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

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

- Oversight of risk management performed by the executive management;
- Reviewing the Corporate Risk Management Policy and framework within the legal requirements and the SEBI Listing Regulations;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownerships as per a predefined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks. \

The composition of the Risk Management Committee is as under:

Name of the Member	Category
Mr. Bhadresh K. Shah - Chairman	Non Independent
Mr. Pradip R. Shah	Independent
Mr. Sanjay S Majmudar	Independent

4) NOMINATION AND REMUNERATION COMMITTEE:

The Terms of Reference of the Nomination and Remuneration Committee cover the matters specified in SEBI LODR Regulations and Section 178 of the Companies Act, 2013 are as under:

- (i) shall identify persons who are qualified to become directors and who may be appointed in Senior Management;
- (ii) recommend to the board their appointment and removal;
- (iii) carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval;
- (iv) Devising a policy on Board diversity;
- (v) shall formulate the criteria for determining qualifications, positive attributes and independence of a director;
- (vi) recommend to the Board a Policy relating to the remuneration for the directors, Key Managerial personnel and other employees;
- (vii) administer, monitor and formulate detailed terms and conditions of the Employees Stock Option Scheme including:
 - (a) The quantum of options to be granted under Employees Stock Option Scheme per employee and in aggregate;
 - (b) The conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
 - (c) The exercise period within which the employee shall exercise the option and that the option would lapse on failure to exercise the option within the exercise period;
 - (d) The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
 - (e) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;



- (f) The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as right issues, bonus issues, merger, sale of division and others;
- (g) The granting, vesting and exercising of options in case of employees who are on long leave; and the procedure for cashless exercise of options.
- (viii) carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- (ix) perform such other functions as may be necessary or appropriate for the performance of its duties.
- (x) recommend to the board, all remuneration, in whatever form, payable to senior management.

The Nomination and Remuneration Committee shall look into the following while taking into account Remuneration Policy of the Company:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company;
- (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmark;
- (c) remuneration to directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals;
- (d) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;
- (e) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;
- f) percentage increase in the median remuneration of employees in the financial year;
- (g) the number of permanent employees on the rolls of the company;
- (h) the explanation on the relationship between average increase in remuneration and company performance;
- (i) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;
- (j) 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;
- (k) comparison of each remuneration of the Key Managerial Personnel against the performance of the company;
- (l) the key parameters for any variable component of remuneration availed by the directors;
- (m) the ratio of the remuneration of the highest paid director to that of the employee who are not directors but receive remuneration in excess of the highest paid director during the year;

The composition of the Nomination and Remuneration Committee is as under:

Name of the Member	Category
Mr. D. P. Dhanuka - Chairman	Independent
Mr. Bhadresh K. Shah	Non - Independent
Mr. Pradip R. Shah	Independent

During the year under review, one meeting of the Nomination and Remuneration Committee was held 22.05.2019, which was attended by all members.

5. INDEPENDENT DIRECTORS' MEETING:

As per Secretarial Standard (SS) 1 issued by the Institute of Company Secretaries of India and relevant provisions of the Companies Act, 2013 and Rules made thereunder, the Independent Directors meet once in a calendar year. During the year under review, the Independent Directors met on 08.08.2019, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeline of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

6. RELATED PARTY TRANSACTIONS:

All transactions entered into with Related Party as defined under the Section 188 of the Companies Act, 2013 and of SEBI LODR Regulations during the Financial Year 2019-2020 were in Ordinary Course of Business and at Arms' Length basis. Suitable disclosures as required under Indian Accounting Standards (Ind AS-24) have been made in the notes to the Financial Statements.

III. DISCLOSURES:

(A) MATERIAL SIGNIFICANT RELATED PARTY TRANSACTIONS:

The Company has not entered into transactions of material nature with related parties i.e. Promoters, Directors or Key Managerial Persons or their relatives conflicting with the Company's interest at large. During the year under review the Company has entered into transactions of sale and purchase of material with its holding Company, AIA Engineering Limited. The Company proposes to take approval of members of the Company by way of an Ordinary Resolution to be passed in the ensuing Annual General Meeting. The Register of Contracts containing transactions



with related parties was placed before the Audit Committee / Board regularly for their approval. The details of Related Party Transactions are disclosed in Financial Section of this Annual Report. The Board has approved a Policy for Related Party Transactions which has been uploaded on the website of Company <http://www.welcaststeels.com/newsite/Investor%20services/PolicyRelatedPartyTransaction.pdf>

(B) DISCLOSURE OF ACCOUNTING TREATMENT:

These Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The previous year figures have been regrouped/reclassified or restated, so as to make the figures comparable with the figures of current year. The significant Accounting Policies which are consistently applied have been set out in the Notes to the Financial Statements.

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

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

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

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

(2) Remuneration:**a. Remuneration Policy for Directors**

- i. The Company does not pay any remuneration to its Directors except sitting fees for attending Board and Committee Meetings.
- ii. The Directors shall be entitled to receive remuneration by way of sitting fees, for each of the meeting of Board or Committee of the Board attended by them as approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in addition to the reimbursement of expenses, if any, for participation in the Board / Committee Meetings.
- iii. The Company does not have any Stock option plan, performance linked incentive scheme or commission scheme.
- iv. The details of sitting fees paid to the Directors for attending Board and Audit Committee Meetings during the Financial Year 2019-2020 are given under the heading Details of Board Meeting in this report.

b. Remuneration Policy for the Senior Management Employees:

- I. In determining the remuneration of the Senior Management Employees (i.e. KMPs and Core Committee Members), the Nomination and Remuneration Committee ensure / consider the following:
 - the relationship of remuneration and performance benchmark is clear;
 - the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus, wherever applicable;
 - the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis--vis the annual budget achievement, individual performance vis--vis KRAs / KPIs, industry benchmark and current compensation trends in the market.
- II. The Chief Executive Officer and Chief Financial Officer carry out the individual performance review based on the standard appraisal matrix and take into account the appraisal score card and other factors mentioned herein-above.

(3) Performance Evaluation:

In Compliance with the provisions of the Companies Act, 2013 and of SEBI LODR Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various



aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligation and governance.

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

(D) BOARD DISCLOSURE – RISK MANAGEMENT:

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

(E) PUBLIC ISSUE:

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

(F) MANAGEMENT:

(i) Management Discussion and Analysis Report:

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

(ii) Disclosure of material Financial and Commercial Transactions:

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

(G) SHAREHOLDERS:

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

Mrs, Khushali Samip Solanki, Director of the Company retires by rotation at the ensuing 48th Annual General Meeting of the Company and being eligible, offers herself for re appointment.

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

(iii) Except Mr. Vinod Narain, who is holding 10 Equity Shares, no other Directors held any shares of the company at any point of time during the Year.

H) COMPLIANCE BY THE COMPANY:

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

iv. CEO / CFO CERTIFICATION:

The Chief Executive Officer and the Chief Finance Officer of the Company have certified to the Board that the Financial Results of the Company for the year ended 31st March, 2020 do not contain any false or misleading statements or figures and do not omit any material facts which may make the statements or figures contained therein misleading as required under Regulation 33 of SEBI LODR Regulations.

v. FEES PAID TO AUDITORS:

Total fees for all services paid by the Company to the M/s. Ganapath Raj & Co, Chartered Accountants Statutory Auditors and all the entities in the network firm/network entity of which Statutory Auditors is as given below:

Particulars	Amount-₹
Statutory Audit fees	2,50,000.00
Quarterly fees towards Limited Review:	50,000.00
Total:	3,00,000.00

vi. MEANS OF COMMUNICATION:

The quarterly and half yearly results are published in widely circulating national and local dailies. These results are not sent individually to the Shareholders but are available on the website www.welcaststeels.com of the Company.

**VII. GENERAL BODY MEETINGS: (LAST THREE YEARS DISCLOSURES) GENERAL MEETING: ANNUAL GENERAL MEETINGS:**

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

SL No	Financial Year	Venue	Time and Date	Whether any special Resolution Passed
1	2018-19	A 203, "ELANZA CREST" Near Sigma Corporates, Off S.G.Highway, Sindhu Bhavan Road, Bodakdev, Ahmedabad - 380 054	10.30 A.M. on 8th August 2019	Yes
2	2017-18	H.T.Parekh Convention Center, Ahmedabad Management Association, "ATIRA Campus", Dr.Vikram Sarabhai Marg, Ahmedabad -380015	10.30 A.M. on 9th August 2018	Yes
3	2016-17	H.T.Parekh Convention Center, Ahmedabad Management Association, "ATIRA Campus", Dr.Vikram Sarabhai Marg, Ahmedabad – 380015	11.30 A.M. on 14th August 2017	Yes

The following Special Resolutions were passed by the members during the past 3 Annual General Meetings:

Annual General Meeting held on 8th August 2019:

- Re-appointment of Mr.Rajendra S. Shah as an Independent Director
- Re-appointment of Mr.Sanjay S. Majmudar as an Independent Director
- Re-appointment of Mr.D.P. Dhanuka as an Independent Director
- Re-appointment of Mr.Pradip R. Shah as an Independent Director
- Re-appointment of Mr.Ashok A. Nichani as an Independent Director

Annual General Meeting held on 9th August 2018:

- Approval of continuation of directorship of Mr. Vinod Narain and Mr. D.P. Dhanuka

Annual General Meeting held on 14th August 2017:

- Alteration of Articles of Association of the Company.

POSTAL BALLOT:

During the year under review, there was no resolution passed through Postal Ballot.

VIII. GENERAL SHAREHOLDERS' INFORMATION**1. General**

Date and Time of 48th AGM	Monday, 14th, September 2020 at 10.00 A.M.
Venue of AGM	Through Video Conferencing/Other Audio Visual Means
Financial Year ended	31st March, 2020
Registered Office Address	115-116, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad -382415
Company Secretary	Mr. S.N Jetheliya
Email for redressal of Investors' Complaints	invest_grievance@welcaststeels.com
Website	www.welcaststeels.com

2. Financial Calendar (subject to change) for the Financial Year 2020-21:

First Quarter Results	On or before 14th August, 2020
Second Quarter & Half Yearly Results	On or before 14th November, 2020
Third Quarter Results	On or before 14th February, 2021
Audited Results for the Financial Year 2020-21	On or before 30th May, 2021

3. Listing on Stock Exchange:

Name and Address of the Stock Exchange	Scrip Code
Bombay Stock Exchange Limited 25th Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400 001	504988

The listing fees for the year 2020-21 has been paid to the Stock Exchange.

**4. Market Price Data:**

The securities of the Company have been listed on Bombay Stock Exchange. The stock market prices with BSE Sensex were as under:

SL. No	Month	BSE Sensex	High	Low
1.	April 2019	39031.55	624.00	550.00
2.	May 2019	39714.20	576.95	450.00
3.	June 2019	39394.64	578.00	475.00
4.	July 2019	37481.12	540.85	461.80
5.	August 2019	37332.79	504.00	450.00
6.	September 2019	38667.33	545.00	454.00
7.	October 2019	40129.05	509.50	445.00
8.	November 2019	40793.81	528.00	460.05
9.	December 2019	41253.74	517.00	430.00
10.	January 2020	40723.49	485.70	425.00
11.	February 2020	38297.29	440.00	365.05
12.	March 2020	29468.49	403.00	300.00

5. Registrar & Share Transfer Agent:

M/s Big Share Services Pvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, MUMBAI – 400 059 Tel: 022-62638200, Fax No. 022-62638299, email-info@bigshareonline.com is the Registrar and Share Transfer Agent of the Company (R & T Agent). They deal with all matters pertaining to transfers, transmissions, sub divisions and consolidation of Company's securities and also correspondence for shares held in physical form. It may be noted that the request for demat of shares should be made by investors to their respective depository participants. There are no legal proceedings against the Company on any share transfer matters.

6. SHARE TRANSFER SYSTEM / DIVIDEND AND OTHER RELATED MATTERS:**i. Share Transfers:**

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

ii. Nomination facility for shareholding:

Pursuant to the provisions of Section 72 of the Companies Act, 2013 and rules made thereunder, facility for making nomination is available for members in respect of shares held by them. Members holding shares in dematerialized form should contact their Depository Participant (DP) in this regards.

iii. Permanent Account Number (PAN):

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

IV. Dividend:**Unclaimed Dividends:**

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. The Company will in September 2020 transfer to the said Fund, the dividend for the year ended 31st March 2012 which will remain unpaid.

V. Reconciliation of Share Capital Audit:

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

**7. Distribution of Shareholding:**

i. Distribution of Shareholding as on 31st March 2020

No. of Equity Shares	HOLDER(S)		HOLDER(S)	
	No. of folios	% of total folios	No. of Shares	% of holding
1 to 500	1949	98.38	87566	13.72
501 to 1000	20	1.01	14124	2.12
1001 to 2000	3	0.15	4546	0.71
2001 to 3000	3	0.15	6909	1.08
3001 to 4000	1	0.05	3550	0.56
4001 to 5000	-	-	-	-
5001 to 10000	2	0.10	12202	1.91
10001 & above	3	0.15	509264	79.80
Grand Total	1981	100.00	638161	100.00

ii Shareholding Pattern as on 31st March, 2020.

Category of Share holders	No of Shares held		Number of Share Holders	Percentage of Holding
	Electronic	Physical		
Promoter & Promoter Group	4,77,661	-	1	74.85
Public shareholding	-	-	-	-
Institutions	-	-	-	-
Financial Institutions / Banks	-	50	2	0.01
Central & State Governments (IEPF)	15433	-	1	2.42
- Bodies Corporate	2453	25	15	0.39
- Individuals	93663	24424	1897	18.50
- Trusts	25	-	1	-
- NRI	1476	25	19	0.24
- Clearing Member	22926	-	7	3.59
GRAND TOTAL	613637	24524	1943	100.00

8. Dematerialization of Shares & Liquidity:

The Shares of the Company are compulsorily traded in DEMAT form at BSE Ltd. The Shares are available for dematerialization on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on 31st March, 2020

Category of shares held	No of folios	% of total folios	No of Shares	% of holding
In Physical Mode	546	27.56	24524	3.84
In Electronic Mode	1435	72.44	613637	96.16

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

10. **Outstanding Shares in Unclaimed Suspense Account of the Company as on 31st March 2020:** NIL

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

12. **Address for Correspondence:**

a) **For transfer / dematerialization of Shares, change of address of members and other queries:**

Welcast Steels Limited

No.115-116, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad – 382415, Gujarat Phone No. 079-22901078

Email: invest_grievance@welcaststeels.com.

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

Mr. S N Jetheliya,

Company Secretary No.115-116, G.V.M.M. Estate, Odhav Road, Odhav,

Ahmedabad – 382415, Gujarat. Phone No. 079-22901078

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

Details of Non-Compliance:

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

NON-MANDATORY REQUIREMENTS:

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

B) **Shareholder Rights:**

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

**PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of
Welcast Steels Limited
Ahmedabad

I have examined the compliance of conditions of Corporate Governance by Welcast Steels Limited, CIN-L27104GJ1972PLC085827 for the year ended 31st March 2020, as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company.

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 24, 27 Schedule II, Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further I also state that during the Financial Year 2019-20 the Company has not received any complaint from investor.

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

Place: Bengaluru
Date: 09th July 2020

Syed Shahabuddin
Company Secretary in Practice
C.O.P.No.:11932
UDIN : A004121B000431394

The above Corporate Governance Report was adopted by the Board of Directors at their Meeting held on 15th June 2020.

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
Welcast Steels Limited
115-116, G.V.M.M. Estate,
Odhav Road, Odhav, Ahmedabad – 382415

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Welcast Steels Limited having CIN: L27104GJ1972PLC085827 and having registered office at 115-116, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad – 382415 (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 31st March, 2020 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. Bhadresh Kantilal Shah	00058177	30/08/2001
2	Mr. Vinod Narain	00058280	28/02/1972
3	Mr. Rajendra Shantilal Shah	00061922	23/05/2007
4	Mr. Sanjay Shaileshbhai Majmudar	00091305	23/05/2007
5	Mr. Debi Prasad Dhanuka	00168198	28/02/1972
6	Mr. Pradip Rasiklal Shah	00293396	03/05/1995
7	Mr. Ashok Asharam Nichani	02249844	02/11/2011
8	Mrs. Khushali Samip Solanki	07008918	15/04/2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on my 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 : Bengaluru
Date : 09th July 2020

Syed Shahabuddin
Company Secretary
Membership No: 4121
Certificate of Practice No: 11932
UDIN : A004121B000431438

**DECLARATION**

In compliance with Regulations 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I V.V.R. Mohana Rao, Chief Executive Officer of the Company hereby declare on the basis of information furnished to me that all Board Members and Senior Managerial Personnel have affirmed in writing the Compliance of their respective Code of Conducts adopted by the Board for the Financial Year 2019-2020.

Place: Bengaluru
Date: 15th June 2020

V.V.R. Mohana Rao
Chief Executive Officer

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFICATION

To,
The Board of Directors,
WELCAST STEELS LIMITED,
Ahmedabad

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

- (a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2020 and based on our knowledge and belief, we state that:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the Company's state of affairs and are in compliance with existing accounting standards, applicable laws & regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions executed by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- (c) We are responsible for establishing & maintaining Internal Controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control system, if any, and that we have taken the required steps to rectify these deficiencies.
- (d) We have indicated, based on our evaluation, wherever applicable, to the Auditors and the Audit Committee:
- (i) Significant changes, if any, in internal control over financial reporting during the year;
 - (ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the Financial Statements; and
 - (iii) Instances of fraud which we have become aware of and the involvement therein, if any, of management or an employee having significant role in the Company's internal control system over financial reporting.

Place : Bengaluru
Date : 15th June 2020

V.V.R. MOHANA RAO
Chief Executive Officer

YASH RAJ
Chief Financial Officer



REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

A. INDUSTRY OVERVIEW:

The Company manufactures High Chrome Grinding Media which is mainly used in the Cement, Mining and Mineral Processing Industries for the crushing / grinding process. These Industries are the major contributors for infrastructure developments which are taking place in most of the countries and shall continue to have good growth. It is expected that, being an essential input for them, the demand for Grinding Media shall also continue to be fairly good. However, the effect of COVID-19 is going to last for quite some time and industries in most of the fields are likely to suffer badly. We could face both production and demand constraints.

B. SEGMENT WISE PERFORMANCE:

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

C. OUT LOOK AND PROSPECTS:

As mentioned above, the demand for Grinding Media will continue to remain good since it is a consumable item for Mining, Mineral Processing and Cement Industries, which will continue to grow.

The Company has a high reputation for supplying good quality products at competitive prices and is considered as market leader in its field. The Company has good prospects for future also. However, the COVID-19 effect is likely to cause a major damage in the near future.

D. CAPEX PLAN:

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

E. RISKS AND CONCERNS:

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

F. INTERNAL CONTROL SYSTEMS AND ADEQUACY:

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

The internal control system has been designed so as to ensure that the financial and other records are reliable and reflects a true and fair view of the state of the Company's business. A qualified and independent Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them. Similarly, the Internal Auditors are also monitoring the Internal Control Systems.

G. FINANCIAL PERFORMANCE REVIEW:

An analysis of financial performance of the Company is given below:

• Production

The production achieved is as under.

(Qty.in M.T)

Product	F.Y.2019-2020	F.Y.2018-2019
High Chrome Grinding Media Balls	23,317	40,097

• Sales Turnover

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

(₹ in Lakhs)

Particulars	F.Y.2019-2020	F.Y.2018-2019
Sales (Net of GST)	15,001.54	26,961.65
Other Income	81.31	50.42
Total	15,082.85	27,012.07



REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

₹ In Lakhs

Key Performance Indicators

An analysis of the key indicators as percentage to Revenue is given below:

Sr. No	Particulars	FY	% of	FY	% of
		2019-2020	Revenue	2018-2019	Revenue
1.	Revenue from Operations (Net)	15,001.54	100.00	26961.65	100.00
2.	Cost of Materials Consumed (including Trading Purchase)	8970.06	59.79	17832.39	66.14
3.	Employee Benefits Expense	989.22	6.59	973.97	3.61
4.	Other Expenses	4960.66	33.07	7807.80	28.96
5.	EBIDTA	81.60	0.54	347.49	1.29
6.	Other Income	81.31	0.54	50.43	0.19
7.	Finance Costs	34.43	0.23	35.66	0.13
8.	Depreciation & Amortization Expenses	133.54	0.89	84.12	0.31
9.	Profit/(Loss) before Tax	(5.06)	(0.03)	278.14	1.03
10.	Tax Expenses	21.23	0.14	94.24	0.35
11.	Profit/(Loss) for the period after tax	(26.29)	(0.18)	183.90	0.68

H. INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT:

The Company believes that human resource is the most important asset of the organization. During the year under review, your Company continued its efforts to improve HR related processes, practices and systems to align these to the organizational objectives. Training and development of its employees is ensured through on the job and outside training programs and workshops. The relationships with the employees, in general, remain cordial.

I. DETAILS OF SIGNIFICANT CHANGES IN THE KEY FINANCIAL RATIOS & RETURN ON NET WORTH

Pursuant to amendment made in Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 details of significant changes (i.e change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios and any changes in Return on Net Worth of the Company including explanations therefor are given below:

SI No.	Particulars	2020	2019	Change	Change in %	Explanations
1	Debtors Turnover (Days)	27	17	10	58.82	Low Turnover.
2	Inventory Turnover (Days)	53	30	23	76.67	Higher Inventory as against Cost of Sales.
3	Interest coverage Ratio	0.85	4.31	(3.46)	80.28	Lower Profit.
4	Current Ratio	2.48	2.23	0.25	11.21	Lower Current Liabilities.
5	Debt Equity Ratio	0.12	0.03	0.09	300	Increase in Debt.
6	Operating Profit Margin(%)	0.20	1.34	(1.14)	(85.07)	Lower Sales.
7	Net Profit Margin(%)	(0.18)	0.68	(0.86)	(126.47)	Lower Sales & Fixed Cost.
8	Return on Net Worth (%)	(0.76)	5.25	(6.01)	(114.48)	Loss during the Year.

J. CAUTIONARY STATEMENT:

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

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



INDEPENDENT AUDITORS' REPORT

To,

**The Members of
WELCAST STEELS LIMITED
Ahmedabad.**

Report on the audit of financial statements

Opinion

We have audited the accompanying financial statements of WELCAST STEELS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, changes in equity and its cash flows for the period ended on that date.

Basis for opinion

We conducted our audit 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 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 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 opinion on the 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Sr.No.	Key Audit Matter	Auditor's Response
1.	Related party transaction – The gross revenue of the company is mainly from related party. Determination of arm's length transaction is dependent of various business decisions and judgments made by the management. Refer Note: 37 Of the Financial Statements.	We assessed the Company's process to identify the cost of the product and the selling price. Our Audit approach consisted of testing and operating effectiveness of the substantive testing as follows: - <ul style="list-style-type: none"> Selected few sample of continuing and new purchase orders and performed the following procedures: Studied and analysed the comparable data provided by the company Studies and analysed the agreement between Related Party Considered the factors like pricing mechanism, Terms of supply, Payment Terms, Volume of Business, past history and continuity of the business and veracity of management judgments in determining arm's length transaction.
2.	Evaluation of Contingent Liabilities. Refer Notes: 35 of the Financial Statements	We have gone through the expert opinion obtained by the company, representations made by the company to the concerned authorities, other related correspondence on the issues raised by the concerned authorities and management judgments and assessed the probability of contingency.

Information other than the financial statements and auditors 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 Annexure to Board Report and Corporate Governance Report, but does not include the financial statement and our auditor's report thereon.

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



AUDITORS' REPORT

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 responsibilities for the financial statements

The Company's Board of Directors is responsible for matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 control 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 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 financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and in terms of the information and explanations sought by us and given by the company, we give a statement on the matters specified in paragraphs 3 and 4 of the Order.
 - (i) As per the books and records examined by us in the normal course of audit based on such audit check that we considered necessary and appropriate and to the best of our knowledge and belief, we state that :
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties are held in the name of the company.
 - (ii) The Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the nature of business and volume of operations and the same have been properly dealt with in the books of accounts.
 - (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership Firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"), hence the question of grant of such loans being prejudicial to company's interest, schedule of repayment of interest and principal, receipt of principal and interest on regular basis and steps for recovery of overdue amount for more than 90 days as per clause (iii) of the Order does not arise.
 - (iv) The company has not granted any loans, investments, nor given guarantees/security to any party attracting the provisions of section Sec 185 and 186 of the Companies Act 2013, hence the question of compliance with the said provisions as per clause (iv) of the Order does not arise.
 - (v) The company has not accepted any deposits from the public, hence the question of compliance with the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and other relevant provisions of the Companies Act, 2013 and the rules framed there under as per clause (v) of the Order does not arise.
 - (vi) We have broadly reviewed the books of accounts relating to materials, Labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
 - (vii) (a) According to the records of the Company, the company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods & Services Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues to the extent applicable to it.
 - (b) According to the information and explanation given to us and based on the records verified by us, we state that no undisputed amount payable in respect of Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Goods & Services Tax, Value Added Tax, Duty of Customs, Duty of Excise or Cess, which have remained outstanding as at 31st March 2020 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us there are no dues of Income Tax, Sales Tax, Value Added Tax, Service Tax, Goods & Services Tax, Duty of Customs, Duty of Excise or Cess, the dues which have not been deposited on account of dispute except as stated below-

Sl No	Statute	Nature of Liabilities	Amount in dispute (₹ in Lakhs)	Period to which amount relates	Forum where Dispute pending
1	Finance Act, 1994	Service Tax	116.64	September 2004 to August 2006	Customs, Excise & Service Tax Appellate Tribunal, Bangalore.

- (viii) In our opinion, the Company has not defaulted in repayment of dues to banks. The company has neither borrowed any loans from Financial Institutions other than banks, Government nor issued any debentures and consequently the question of default in repayment does not arise.
- (ix) The company has not raised any money by way of initial public offer or further public offer and the company has not taken any term loans from banks or financial institutions during the year. Hence the question of application of moneys raised by way of initial public offer, further public offer and term loans for the purpose for which they were raised does not arise.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid any managerial remuneration other than Directors' Sitting Fees, within the meaning of sec



197 read with Schedule V to the Act. Hence the provisions of Clause XI of the Order are not applicable.

- (xii) The Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, the company has complied with the provisions of Sections 177 and 188 of the Act and the disclosure of such transactions in the Financial Statements etc., as required by applicable Accounting Standards in respect of transactions entered into with related parties.
- (xiv) The company has not made any preferential allotment/ private placement of shares/ fully or partly convertible debentures during the year, hence the requirement of compliance with provisions of Section 42 of the Act and utilization of amounts so raised for the purpose for which the funds were raised as per clause (xiv) of the Order does not arise.
- (xv) In our opinion the Company has not entered into any non-cash transactions with directors or persons connected with him; hence the requirement of compliance to provisions of Section 192 of the Act as per clause (xv) of the Order does not arise.
- (xvi) The company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934, hence the requirements of clause (xvi) of the Order does not arise.

2. As required by section 143(3) of the Act, we report that:

- (i) 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;
- (ii) 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;
- (iii) The Balance Sheet, Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (iv) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.
- (v) On the basis of the written representations received from the directors, as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (vi) 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";
- (vii) With respect to the other matters to be included in the Auditor's Report in accordance with requirements of section 197 (16) of the Act, as amended :

In our opinion and to the best of our information and according to the explanations given to us, company has not paid any managerial remuneration other than directors sitting fees, for attending board and committee meetings during the year the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act, and

- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
 - (a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No. 35 to the financial statements.
 - (b) As explained to us, the Company does not foresee any loss on long-term contract entered in to. The company has not entered in to any derivative contracts. In view of the above the question of making provision does not arise;
 - (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (d) The disclosure requirement as envisaged in Notification G.S.R 308(E) dated 30th March 2017 is not applicable to the Company for the year.

For GANAPATH RAJ & CO.
CHARTERED ACCOUNTANTS
FIRM REG NO:-000846S

C. GANAPATH RAJ
PARTNER

MEMBERSHIP NO.022955
UDIN 20022955 AAAAAW5336

PLACE : Bengaluru
DATE : 15th June 2020



ANNEXURE A - TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE A - TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF WELCAST STEELS LIMITED

Report on the Internal Financial Controls 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 Welcast Steels limited ("the Company") as of March 31, 2020 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 control 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 ("Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). 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.

Auditor's 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) 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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2020, 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.

Place : Bengaluru
Date: 15th June 2020

For **GANAPATH RAJ & CO**
Chartered Accountants
(FRN 000846S)

C. GANAPATH RAJ
PARTNER

Membership No.022955
UDIN 20022955 AAAAW5336



Balance Sheet As at 31st March 2020

₹ In Lakhs

Particulars	Note No.	31st March 2020	31st March 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	786.75	664.96
(b) Capital work-in-progress	5	-	5.51
(c) Other intangible assets	6	3.59	0.93
(d) Financial assets			
(i) Loans	7	434.16	436.79
(e) Deferred tax assets (net)	33b	68.61	90.43
(f) Other tax assets (net)	8	80.71	61.52
(g) Other non-current assets	9	188.40	188.40
Total non-current assets		1,562.22	1,448.54
Current assets			
(a) Inventories	10	2,040.88	2,196.08
(b) Financial assets			
(i) Trade receivables	11	936.58	1,259.15
(ii) Cash and cash equivalents	12	54.90	34.67
(iii) Bank balances other than (iii) above	13	28.04	24.08
(iv) Loans	14	14.75	15.23
(v) Derivatives		-	
(vi) Other financial assets	15	25.98	28.05
(c) Other current assets	16	374.59	498.60
Total current assets		3,475.72	4,055.86
Total assets		5,037.94	5,504.40
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	17	63.84	63.84
(b) Other equity	18	3378.11	3437.56
Total equity		3,441.95	3,501.40
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(b) Provisions	19	193.93	184.71
Total non-current liabilities		193.93	184.71
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	400.00	120.00
(ii) Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		6.10	34.45
Total outstanding dues of creditors other than micro enterprises and small enterprises		585.26	1,044.30
(iii) Other financial liabilities	22	4.08	4.58
(b) Other current liabilities	23	328.16	421.77
(c) Provisions	24	78.46	193.19
Total current liabilities		1,402.06	1,818.29
Total liabilities		1,595.99	2,003.00
Total equity and liabilities		5,037.94	5,504.40
The accompanying notes are integral part of these financial statements		2-40	

As per our Report attached
For **GANAPATH RAJ & CO**
Chartered Accountants
(Firm registration No. 000846S)

GANAPATH RAJ .C.
Partner
Membership No 022955
UDIN 20022955 AAAAW5336

Place : Bengaluru
Date : 15th June 2020

For and on behalf of the Board

VINOD NARAIN
Chairman
DIN : 00058280

S. N. JETHELIYA
Company Secretary
ACS : 5343

YASH RAJ
Chief Financial Officer

Place : Bengaluru
Date : 15th June 2020

D.P. DHANUKA
Director
DIN : 000168198

BHADRESH K. SHAH
Director
DIN : 00058177

V V R MOHANA RAO
Chief Executive Officer

Place : Bengaluru
Date : 15th June 2020

**Statement of Profit & Loss for the year ended 31st March 2020**

₹ In Lakhs

Particulars	Note No	Year ended 31st March 2020	Year ended 31st March 2019
Income			
Revenue from operations	25	15,001.54	26,961.65
Other income	26	81.31	50.43
Total income		15,082.85	27,012.08
Expenses			
Cost of materials consumed	27	9,293.54	17,845.70
Changes in inventories of finished goods and work-in-progress and stock in trade	28	(323.48)	(13.31)
Employee benefits expense	29	989.22	973.97
Finance costs	30	34.43	35.66
Depreciation and amortisation expense	31	133.54	84.12
Other expenses	32	4,960.66	7,807.80
Total expenses		15,087.91	26,733.94
Profit before tax		(5.06)	278.14
Tax expense	33		
Current tax		-	63.00
Previous years tax adjustments		(5.27)	(4.98)
Deferred tax		26.50	36.22
		21.23	94.24
Profit / (Loss) for the year		(26.29)	183.90
Other Comprehensive Income			
A (i) Items that will not be reclassified to statement of profit and loss		(18.61)	5.00
(ii) Income tax relating to items that will not be reclassified to statement of profit and loss		4.68	(1.39)
Other comprehensive income for the year (net of tax)		(13.93)	3.61
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)		(40.22)	187.51
Earnings per equity share - Equity share of par value ₹10/- Basic and diluted	34	(4.12)	28.82
The accompanying notes are integral part of these financial statements	2-40		

As per our Report attached
For **GANAPATH RAJ & CO**
Chartered Accountants
(Firm registration No. 000846S)

GANAPATH RAJ .C.
Partner
Membership No 022955
UDIN 20022955 AAAAW5336

Place : Bengaluru
Date : 15th June 2020

For and on behalf of the Board

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Director
DIN : 00058177

V V R MOHANA RAO
Chief Executive Officer

Place : Bengaluru
Date : 15th June 2020



CASH FLOW STATEMENT

₹ In Lakhs

FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	(5.06)	278.14
Add\Less) : adjustments		
Interest Income	(26.37)	(26.28)
Loss\Profit) on sale of assets (Net)	(42.21)	(2.53)
Depreciation and amortization	133.54	84.12
Finance cost	34.43	35.66
Effect of exchange differences on translation of foreign currency	-	-
Cash generated from operations before working capital changes:	94.33	369.11
Adjustment for:		
Decrease in Trade receivable	322.57	53.33
Decrease in Loans	0.44	0.13
Decrease / (Increase) in Inventories	155.20	(154.48)
Decrease / (Increase) in Financial Assets	2.63	(1.05)
Decrease in Other Current assets	124.00	88.59
(Decrease) / Increase in Provisions	(124.11)	176.82
(Decrease) in Trade payables	(487.40)	(172.91)
(Decrease) / Increase in Other Current Liabilities	(93.60)	263.54
Cash(used in) / generated from operations	(5.94)	623.08
Income taxes paid	(13.92)	(58.02)
Net cash (used in) / generated by operating activities = A	(19.86)	565.06
B. Cash flows from investing activities		
Acquisition of Property, plant and equipments, CWIP & other intangibles	(276.23)	(166.16)
Proceeds from sale of Property, plant & equipments	65.96	3.28
(Increase) / Decrease in fixed deposits in Bank (net)	(3.42)	4.35
Interest income	27.45	39.30
Net cash (used in)/generated from investing activities = B	(186.24)	(119.23)
C. Cash flows from financing activities		
Increase / (Decrease) in current borrowings	280.00	(380.00)
Finance cost	(34.43)	(35.66)
Dividend paid, including dividend distribution tax	(19.23)	(15.39)
Net cash generated / (used in) from financing activities = C	226.34	(431.05)
Net changes in cash and cash equivalents (A+B+C)	20.24	14.78
Cash and cash equivalents at the beginning of the year	34.67	19.89
Cash and cash equivalents at the end of the period	54.90	34.67
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:		
Cash and Cash Equivalents at the end of the year (Note 9)		
(a) Cash on Hand	1.78	0.77
(b) Balance with bank - In Current Accounts	53.12	33.90
Total	54.90	34.67

Note : The above statement of cash flow has been prepared under the "indirect Method" as set out in the IND AS-7 "Statement of Cash flows".

The accompanying notes are integral part of these financial statements

2-40

As per our Report attached
For **GANAPATH RAJ & CO**
Chartered Accountants
(Firm registration No. 000846S)

GANAPATH RAJ .C.
Partner
Membership No 022955
UDIN 20022955 AAAA5336

Place : Bengaluru
Date : 15th June 2020

For and on behalf of the Board

VINOD NARAIN
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DIN : 00058280

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Director
DIN : 00058177

V V R MOHANA RAO
Chief Executive Officer

Place : Bengaluru
Date : 15th June 2020



Statement of changes in Equity for the year ended 31 March 2020

₹ In Lakhs

A. Equity share capital					
No of Equity shares					
Particulars	31.03.2020	31.03.2019			
Balance at the beginning of the reporting year	638,586	638,586			
Changes in equity share capital during the year	-	-			
Balance at the end of the reporting year	638,586	638,586			
B. Other equity					
Particulars	Reserves and Surplus				
	Securities premium reserve	General reserve	Retained earnings	Re-measurement of defined benefit plan	Total
Balance as at 1 April 2018	47.79	371.86	2,845.78	-	3,265.43
Profit for the year	-	-	183.90	-	183.90
Dividend paid on equity shares	-	-	(12.76)	-	(12.76)
Tax on dividends	-	-	(2.62)	-	(2.62)
Recognised during the year				3.61	3.61
Transferred to retained earnings				(3.61)	(3.61)
Remeasurement of defined benefit plan	-	-	3.61	-	3.61
Balance as at 31 March 2019	47.79	371.86	3,017.91	-	3,437.56
Profit for the year	-	-	(26.29)	-	(26.29)
Dividend paid on equity shares	-	-	(15.95)	-	(15.95)
Tax on dividends	-	-	(3.28)	-	(3.28)
Remeasurement of defined benefit plan	-	-	(13.93)	-	(13.93)
Recognised during the year				(13.93)	(13.93)
Transferred to retained earnings				13.93	13.93
Balance as at 31 March 2020	47.79	371.86	2,958.46	-	3,378.11
Statement of Changes in Equity for the year ended 31 March 2020					

As per our Report attached
For **GANAPATH RAJ & CO**
Chartered Accountants
(Firm registration No. 000846S)

GANAPATH RAJ .C.
Partner
Membership No 022955
UDIN 20022955 AAAAW5336

Place : Bengaluru
Date : 15th June 2020

For and on behalf of the Board

VINOD NARAIN
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V V R MOHANA RAO
Chief Executive Officer

Place : Bengaluru
Date : 15th June 2020



Notes forming part of Balance Sheet as at 31st March 2020

Nature and purpose of reserves:

- (a) **Securities premium reserve:** The amount received in excess of face value of the equity shares is recognised in Securities premium reserve.
- (b) **General reserve:** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.
- (c) **Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions to shareholders.

The accompanying notes are integral part of these financial statements.

Significant Accounting Policy and Notes to the Financial Statements for the financial year ended 31st March, 2020

1. Background

Welcast Steels Limited (the 'Company') is a Company domiciled in India, with its registered office situated at 115, G.V.M.M Estate, Odhav Road, Odhav, Ahmedabad-382410, Gujarat, India. The Company has been incorporated under the provisions of Companies Act applicable in India and its equity shares are listed on the BSE Ltd. in India. The Company is primarily involved in manufacturing of High Chrome Grinding Media Balls used in mill Internals of cement and mining industry.

2. Basis of preparation

2.1 Statement of compliance

The Ind AS financial statements of the Company comprises, the balance sheet as at 31st March 2020, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein referred to as "financial statements"). These financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The audit committee in its meeting held on 15/06/2020 reviewed these financial statements and recommended the same for board's approval.

The board of directors in its meeting held on 15/06/2020, based on the recommendation of the audit committee approved these financial statement.

Details of the company's accounting policies are included in Note 3 of the financial statements.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments) and liabilities (including derivative instruments)	Fair value
Employee defined benefit Plans	Plan assets measured at fair value less present value of defined benefit obligation

2.3 Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 40 – determining the amount of expected credit loss on financial assets (including trade receivables)

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 is included in the following notes:

Note 4 and 6 – estimate of useful life used for the purposes of depreciation and amortisation on property plant and equipment and other intangible assets, impairment of goodwill;

Note 33(b) – recognition of deferred tax liabilities;

Note 36 – measurement of defined benefit obligations: key actuarial assumptions;

Notes 19, 24, and 35 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources:



2.4 Measurement of fair values

Some of the company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements reports directly to the Chief Financial Officer.

As the company does not have any financial assets comprising of securities that are traded in security market / exchanges, therefore the measurement of fair value for these assets does not arise .

2.5 Functional and presentation currency

The financial statements are presented in Indian Rupees, the currency of the primary economic environment in which the Company operates. All the amounts are stated in the nearest rupee in lakhs.

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. The exchange differences, if any, are recognised in the statement of profit and loss.

(b) Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

A financial asset is measured at amortized cost, which are transaction costs that are attributable to its acquisition.

A financial asset is measured at amortised cost if it meets both of the following conditions

The asset is held within a business model whose objective is to hold assets to collect contractual cash flows: and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets: and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the company irrevocably designate a financial asset that meets the requirements to be measured at amortised cost and by doing so either eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(c) De-recognition

Financial assets

The company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised

Financial liabilities

The company de recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d) PROPERTY, PLANT & EQUIPMENT (PPE)

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in statement of profit and loss.

Subsequent measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.



Depreciation

Depreciation on fixed assets is charged on written down value method over the useful life of assets as prescribed by Schedule II (except for Plant & Machinery for which useful life determined as per technical estimate) of Companies Act, 2013 as follows:

Asset Class	Useful life of asset in years
Plant & Machinery	7.5 to 15
Factory Building	30
Furniture & Fixtures	10
Office Equipment's	5
Motor Cars	8
End user devices, such as desktops, laptops etc	3
Servers & Networks	6
RCC Road	10

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

De recognition

The carrying amount of an item of property, plant and equipment is de-recognized on disposal or when no future economic benefits are expected from its use or disposal. The consequential gain or loss is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the statement of profit and loss account

(e) Intangible asset

Intangible assets are initially measured at cost. Such Intangible assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Computer Software being Intangible asset amortized over a period of 3 years on WDV basis.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

(f) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials / Stores and Spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition excludes credit of refundable taxes. Cost is determined on weighted average cost basis. However raw materials and other inputs held for use in or in relation to production are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

Finished goods and Work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average cost basis.

Net realizable value is the estimated selling price in the ordinary course of business. The net realizable value of work-in-progress is determined with reference to the selling price of the related finished products. The comparison of cost and net realizable value is made on an item-by-item basis.

(g) Revenue recognition:

The company adopted Ind AS 115 "revenue from contracts with customers", with effect from 1st April 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 revenue and Ind AS 11 construction contracts.

Sale of goods

Revenue is recognized upon transfer of control of promised goods to customers for an amount that reflects the consideration which the company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognized at the point in time when control is transferred to the customer, which generally coincides with the delivery of goods to customers, based on contracts with the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.



Other operating revenue – export incentives

Export incentives are recognised as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(h) Other income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective applicable interest rate

(i) Employee benefits

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards government administered provident fund scheme, obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees

Defined benefit plans:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Company makes contributions to the employees' group gratuity-cum-life assurance scheme of the Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits is determined on actuarial valuation conducted annually by an independent Actuary using the projected unit credit method, as adjusted for un recognized past service cost, if any, and as reduced by the fair value of the plan assets, is recognized in the accounts. Remeasurements, comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated absence:

The Company has a scheme to compensate absence for employees. The liability of which is determined on the basis of an actuarial valuation carried out by an independent actuary at the end of the year. The actuarial gains or losses are recognized in full in the statement of profit and loss for the period in which they occur.

Short term employee benefit

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g., short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(j) Provisions (other than employee benefits), contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an out flow of economic benefits will be required to settle the obligation. Provisions are determined by the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date).

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized and disclosed only when an inflow of economic benefits is probable.



(k) TAXATION

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized to the extent that it is probable that the future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that the future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

(l) Impairment of assets

At each Balance Sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and risks specific to the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. Impairment losses recognized in prior years, if any, are reversed when there is an indication that recognized impairment losses for the asset, no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

(m) Cash and cash equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and bank balances, demand deposits with banks where the original maturity is three months or less and other short-term highly liquid investments not held for investment purposes.

(n) Earning per share

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

(o) Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(p) Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size in nature are only disclosed.

(q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. For the disclosure on reportable segments see Note 39

(r) Operating cycle:

Based on products / activities of the company and normal time between acquisition of assets and their realization in cash / cash equivalent, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



Notes forming part of Balance Sheet as at 31st March 2020 (Contd..)

NOTE 4
Property, Plant & Equipments Annexued to and Forming Part of The Balance Sheet as at 31st March 2020 ₹ In Lakhs

PARTICULARS	Gross Block			Depreciation			Net Block		
	As at 01.04.2019	Additions during the year	Deletions during the year	As at 31.03.2020	For the Year	Withdrawal/ Deductions	Total Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
	₹	₹	₹	₹	₹	₹	₹	₹	₹
TANGIBLE ASSETS :									
Freehold land	3.25	-	-	3.25	-	-	-	3.25	3.25
Buildings	642.46	7.54	1.13	648.87	13.84	-	511.31	137.56	144.99
Plant & machinery	3,831.89	263.20	461.47	3,633.62	107.74	438.84	3,017.55	616.07	483.24
Furniture & fixtures	54.02	0.81	-	54.83	1.86	-	47.95	6.88	7.93
Computers	66.08	2.62	-	68.70	2.71	-	63.58	5.12	5.21
Office equipments	103.70	3.61	-	107.31	3.78	-	97.43	9.88	10.05
Laboratory equipments	51.21	-	-	51.21	1.11	-	46.00	5.21	6.32
Vehicles	27.66	-	-	27.66	1.19	-	24.88	2.78	3.97
Total	4,780.27	277.78	462.60	4,595.45	132.23	438.84	3,808.70	786.75	664.96
Previous year - tangible	4,473.85	321.53	15.11	4,780.27	83.10	14.35	4,115.31	664.96	
Note 5: Capital work-in-progress									
Asset under construction	5.51	1.13	6.64	-	-	-	-	-	5.51
Previous year	161.09	155.74	311.32	5.51	-	-	-	5.51	161.09
Note 6; other intangible assets									
Software	8.09	3.97	-	12.06	1.31	-	8.47	3.59	0.93
Total- B	8.09	3.97	-	12.06	1.31	-	8.47	3.59	0.93
Previous year - Intangible	7.87	0.22	-	8.09	1.02	-	7.16	0.93	
Grand total	4,793.87	282.88	469.24	4,607.51	133.54	438.84	3,817.17	790.34	671.40
Previous year	4,642.81	477.49	326.43	4,793.87	84.12	14.35	4,122.47	671.40	
1. Out of total assets, identified assets comprising factory land, buildings and plant and machineries, furniture and fixtures excluding vehicles of the Company are mortgaged / hypothecated to Canara Bank for availing various working capital facilities to the tune of Rs.1500 lakhs.									
2. Refer Note 35 B for contractual commitments with respect to property, plant and equipments.									



Notes forming part of Balance Sheet as at 31st March 2020 (Contd..)

₹ In Lakhs

Note 7: Loans Non-current loans	31.03.2020	31.03.2019
Security deposits (unsecured, considered good)	433.36	433.69
Loans to staff -Unsecured, considered good	0.80	3.10
	434.16	436.79

Note 8: Other tax assets (net)	31.03.2020	31.03.2019
Advance income tax / tax deducted at source (net of provision for tax)	80.71	61.52
	80.71	61.52

Note 9: Other non-current assets	31.03.2020	31.03.2019
Capital advances	188.40	188.40
	188.40	188.40

Note 10: Inventories	31.03.2020	31.03.2019
Raw materials	501.04	841.25
Work-in-progress	197.33	190.92
Stores and spares	592.30	730.77
SFG	750.21	433.14
	2,040.88	2,196.08

*Inventories are hypothecated to secure working capital facilities from Banks (refer Note 20)

Note 11: Trade receivables	31.03.2020	31.03.2019
*Current trade receivables (unsecured)		
# Considered good	936.58	1,259.15
Trade receivables which have significant increase in credit risk		
Trade Receivables – Credit impaired	-	-
	936.58	1,259.15
Less: Provision for doubtful receivables	-	-
	936.58	1,259.15
* Inventories are hypothecated to secure working capital facilities from Banks (refer Note 20)		
# Includes trade receivable from related parties (refer Note 37).	708.76	981.88

Note 12: Cash and cash equivalents	31.03.2020	31.03.2019
Cash and cash equivalents		
Balances with banks	53.12	33.90
Cash on hand	1.78	0.77
	54.90	34.67

Note 13: Other bank balances	31.03.2020	31.03.2019
Balances with bank in fixed deposit accounts (maturity within 3-12 months from reporting date)	23.96	19.50
Earmarked balances with bank (unpaid dividend)*	4.08	4.58
	28.04	24.08
	82.94	58.75

* The Company can utilise these balances only towards payment of dividend.



Notes forming part of Balance Sheet as at 31st March 2020 (Contd..)

₹ In Lakhs

Note 14: Loans	31.03.2020	31.03.2019
Current loans		
Security deposits (unsecured, considered good)	3.70	3.88
Loans to staff -Unsecured, considered good	11.05	11.35
	14.75	15.23

Note 15: Other financial assets (current)	31.03.2020	31.03.2019
Accrued interest on deposit	25.98	28.05
	25.98	28.05

Note 16: Other current assets	31.03.2020	31.03.2019
Advances other than capital advances		
Advances to related parties	-	-
Other advances	-	-
Advances to suppliers	331.67	452.36
Advances to staff	-	-
Others		
Balances with Statutory/ Revenue authorities	25.46	30.74
Prepaid expenses	17.46	15.50
	374.59	498.60

Note 17: Equity Share capital	31.03.2020		31.03.2019	
Equity Shares	Number of shares	Amount	Number of shares	Amount
AUTHORISED				
Equity Shares of Rs 10 /- each with voting rights	2,000,000	200.00	2,000,000	200.00
Issued, subscribed and fully paid up share capital				
Equity shares of Rs.10/- each per value fully allotted for cash	638,161	63.82	638,161	63.82
Equity shares of Rs10/- each (originally paid up @ Rs5/- per share on 425 numbers	425	0.02	425	0.02
	638,586	63.84	638,586	63.84

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

Equity Shares	31.03.2020		31.03.2019	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding as at the beginning of the year	638,161	63.82	638,161	63.82
Add/ (Less): Shares allotted/ (bought back) during the year	-	-	-	-
Shares outstanding as at the end of the year	638,161	63.82	638,161	63.82



Notes forming part of Balance Sheet as at 31st March 2020 (Contd..)

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

Name of the shareholder	31.03.2020		31.03.2019	
	Number of shares	% of holding	Number of shares	% of holding
AIA Engineering Ltd - Holding Company	477,661	74.85	477,661	74.85

TERMS / RIGHTS ATTACHED TO EQUITY SHARES

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

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

₹ In Lakhs

Note 18: Other equity	31.03.2020	31.03.2019
Reserves and surplus		
(a) Securities premium reserve		
Balance at the beginning and at the end of the year	47.79	47.79
(b) General reserve		
Balance at the beginning and at the end of the year	371.86	371.86
(c) Retained earnings		
Balance at the beginning of the year	3,017.91	2,845.78
Add: Profit for the year	(26.29)	183.90
(Less): Remeasurement of defined benefit obligations transferred from OCI	(13.93)	3.61
(Less): Dividends paid	(15.95)	(12.76)
(Less): Income tax on dividends paid	(3.28)	(2.62)
Balance at the end of the year	2,958.46	3,017.91
Total reserves and surplus (A)	3,378.11	3,437.56
Other comprehensive income		
Balance at the beginning of the year	-	-
Recognised during the year	(13.93)	3.61
Less: Transferred to retained earnings	13.93	(3.61)
Balance at the end of the year	-	-
Total other comprehensive income (B)	-	-
Total other equity (A+B)	3,378.11	3,437.56

Refer statement of changes in equity for nature and purpose of reserves.

Dividend on equity shares paid during the year:

Final dividend for the financial year 2018-19 ₹ 15.95 lakhs (for financial year 2017-18: ₹ 12.76 lakhs) per equity share of 10 each and Dividend distribution tax for financial year 2018-19 is ₹ 3.28 lakhs (for the financial year 2017-18 is ₹ 2.62 lakhs)

Note:

Board of Directors have proposed final dividend of Nil per equity share for the financial year 2019-20. Proposed dividend on equity shares are subject to approval at the Annual General Meeting and hence not recognised as a liability as at 31 March 2020. No interim dividend was declared and paid during the financial year 2019-20.



Notes forming part of Balance Sheet as at 31st March 2020 (Contd..)

₹ In Lakhs

Note 19: Provisions	31.03.2020	31.03.2019
Non-current provisions		
Provision for employee benefits		
- Gratuity	135.56	126.75
- Leave encashment	58.37	57.96
	193.93	184.71

Note 20: Borrowings	31.03.2020	31.03.2019
Current borrowings		
Loans repayable on demand		
Secured loans from banks	400.00	120.00
	400.00	120.00

PC facility from Canara Bank carrying interest rate ranging from 9.20%(previous year: 9.20% to 9.40%) is secured by hypothecation of identified plant and equipments, accessories, book debts and inventories and further secured by mortgage of land and buildings.

Note 21: Trade payables	31.03.2020	31.03.2019
Total outstanding dues of creditors - micro enterprises and small enterprises	6.10	34.45
Due to related parties	-	-
Due to others	585.26	1,044.30
	591.36	1,078.75

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31 March is provided as under, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act):

Principal amount due to micro and medium and small enterprises	6.10	34.45
Interest due on above	-	-
Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the principal amount of the payment made to the supplier beyond the appointed day during the period.	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

Note

The Company had sought confirmation from its vendors on their status under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from 2 October 2006. Dues to micro and small enterprises have been determined to the extent confirmations received by the Company from its vendors. This has been relied upon by the auditors.

Note 22: Other financial liabilities	31.03.2020	31.03.2019
Unpaid dividends *	4.08	4.58
	4.08	4.58

* There is no amount due to be transferred to Investor Education and Protection Fund.



Notes forming part of Balance Sheet as at 31st March 2020 (Contd..)

₹ In Lakhs

Note 23: Other current liabilities	31.03.2020	31.03.2019
Advance from customers	92.91	89.52
Salary, wages and bonus payable	106.50	113.32
Statutory dues and other payables	128.75	218.93
	328.16	421.77
Note 24: Provisions	31.03.2020	31.03.2019
Current provisions		
Provision for employee benefits		
Gratuity	23.61	21.27
Leave encashment	27.27	28.12
Provision for outstanding expenses	27.58	143.80
	78.46	193.19
Note 25: Revenue from operations	Year ended 31st Mar 2020	Year ended 31st Mar 2019
Sale of products	14,338.88	26,796.91
Other operating revenue	662.66	164.74
	15,001.54	26,961.65

Disclosures pursuant to Indian Accounting Standard (Ind AS) 115 - Revenue from Contract with Customers

Reconciliation of revenue from operations with the contracted price:

Contracted price	14,338.88	26,796.91
Adjustments :		
- Discounts	-	-
- Sales return	-	-
Sale of products	14,338.88	26,796.91
Other operating revenue - export incentives	-	-
Revenue from operations	14,338.88	26,796.91
Revenue disaggregation by geography:		
India	14,338.88	26,796.91
Outside India:	-	-

Contract balances:

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

Particulars	31.03.2020	31.03.2019
Trade receivables	936.58	1,259.15
Contract assets	-	-
Contract liabilities	-	-
Advance from customers	92.91	89.52

Note 26: Other income	Year ended 31st Mar 2020	Year ended 31st Mar 2019
Interest income	26.37	28.22
Profit on sale of assets (net)	42.21	2.53
Insurance claim	4.95	6.14
Miscellaneous receipts	7.78	13.54
	81.31	50.43



Notes forming part of Balance Sheet as at 31st March 2020 (Contd..)

₹ In Lakhs

Note 27: Cost of materials consumed	Year ended 31st Mar 2020	Year ended 31st Mar 2019
Opening stock at the beginning of the year	841.25	775.44
Add: Purchases during the year	8,953.33	17,911.51
Less: Closing stock at the end of the year	501.04	841.25
	9,293.54	17,845.70
Note 28: Changes in inventories of finished goods, work-in-progress and stock in trade	Year ended 31st Mar 2020	Year ended 31st Mar 2019
Opening stock		
Work-in-Progress	190.92	577.50
Semi-finished goods	433.14	33.25
Total- (A)	624.06	610.75
Closing stock		
Work-in-Progress	197.33	190.92
Semi-finished goods	750.21	433.14
Total- (B)	947.54	624.06
(A-B)	(323.48)	(13.31)
Note 29: Employee benefits expense	Year ended 31st Mar 2020	Year ended 31st Mar 2019
Salaries, wages and bonus	864.55	845.01
Contribution to provident and other funds	50.11	51.44
Expenses related to post employment defined benefit plans (Ref Note 36 (B))	31.06	29.10
Staff welfare expenses	43.50	48.42
	989.22	973.97
Note 30: Finance costs	Year ended 31st Mar 2020	Year ended 31st Mar 2019
Interest on:		
Bank borrowings	34.35	35.66
Others	0.08	-
	34.43	35.66



Notes forming part of Balance Sheet as at 31st March 2020 (Contd..)

₹ In Lakhs

Note 31: Depreciation and amortisation	Year ended 31st Mar 2020	Year ended 31st Mar 2019
Depreciation of property, plant and equipment (refer Note 4)	132.23	83.10
Amortisation of intangible assets (refer Note 6)	1.31	1.02
	133.54	84.12

Note 32: Other expenses	Year ended 31st Mar 2020	Year ended 31st Mar 2019
<u>Manufacturing Expenses</u>		
Consumption of stores	1,135.29	2,225.30
Power and Fuel	2,601.97	3,870.23
Contract labour charges	495.10	822.34
Repairs and maintenance		
- Buildings	24.28	30.93
- Plant and machineries	92.70	101.78
- Others	17.78	22.10
<u>Administrative Expenses</u>		
Rent	4.05	3.64
Rates and taxes	12.41	11.98
Insurance	28.26	24.16
Security expenses	30.39	27.73
Communication expenses	5.96	9.67
Printing & Stationery	7.48	8.53
Travelling and conveyance expense	5.98	6.43
Advertisement	0.82	0.90
Directors' sitting fees	4.60	3.30
Payments to auditors statutory audit fees	3.00	3.00
Legal and professional consultancy fees	88.41	67.72
Bank commission charges	8.95	12.92
Vehicle maintenance	5.70	6.32
Donation	0.05	-
Other miscellaneous expenses	27.55	24.71
<u>Selling Expenses</u>		
Packing materials	221.57	471.28
Freight outward	135.56	50.31
Inspection & test charges and sales promotion	2.80	2.52
	4,960.66	7,807.80



Notes forming part of Balance Sheet as at 31st March 2020 (Contd..)

₹ In Lakhs

Note 33: Tax expenses	Year ended 31st Mar 2020	Year ended 31st Mar 2019
(a) Income tax expense		
Current tax		
Provision for current tax	-	63.00
Excess provision for current tax of earlier years written back	(5.27)	(4.98)
Net deferred tax [refer Note 33C]	26.50	36.22
Income tax expense for the year	21.23	94.24
(b) Deferred tax		
Deferred tax assets		
Difference between written down value of property, plant and equipments and other intangible assets as per books of account and Income-tax, Act 1961	6.99	25.31
Others	61.62	65.12
	68.61	90.43
Deferred tax assets (net) [refer Note 33C]	68.61	90.43

(c) Movement in deferred tax

Particulars	Opening balance as at 1 April	Statement of profit and loss	OCI*	Closing balance as at 31 March 2019-20
Deferred tax Assets				
Difference between written down value of property, plant and equipments and other intangible assets as per books of account and Income-tax, Act 1961	25.31	(18.31)	-	7.00
	25.31	(18.31)	-	7.00
Deferred tax assets				
Leave encashment	23.95	(2.40)	-	21.55
Gratuity	41.17	(5.79)	4.68	40.06
	65.12	(8.19)	4.68	61.61
Deferred tax assest (net)	90.43	(26.50)	4.68	68.61
2018-19				
Deferred tax assets				
Difference between written down value of property, plant and equipments and other intangible assets as per books of account and Income-tax, Act 1961	54.46	(29.15)	-	25.31
	54.46	(29.15)	-	25.31
Leave encashment	23.20	0.75	-	23.95
Gratuity	48.99	(7.82)	-	41.17
	72.19	(7.07)	-	65.12
	126.65	(36.22)	-	90.43
Deferred tax assests (net)	126.65	(36.22)	-	90.43

*OCI = OTHER COMPREHENSIVE INCOME

Deferred tax for the 2018-19 (₹ 36.22) lakhs includes ₹ 1.39 on OCI



Notes forming part of Balance Sheet as at 31st March 2020 (Contd..)

₹ In Lakhs

(d) Effective tax reconciliation

Reconciliation of the tax expense (i.e., current tax and deferred tax) amount considering the enacted Income tax rate and effective Income tax rate of the Company is as follows:

Particulars	Year ended 31st Mar 2020	Year ended 31st Mar 2019
Profit before tax for the year	(5.06)	278.14
Tax at statutory income tax rate of 25.168% (previous year: 27.82%) in India	-	77.38
Deductible expenses for tax purposes		(14.00)
DTA expensed on account of decrease in income tax rate	8.62	20.08
Reduction in Deferred tax assets value	17.88	14.75
Taxes of earlier years written back	(5.27)	(4.98)
	21.23	93.23
Note 34: Earnings per share	Year ended 31st Mar 2020	Year ended 31st Mar 2019
Net profit attributable to the equity shareholders	(26.29)	183.90
Weighted average number of equity shares outstanding during the period (nos.)	638,161	638,161
Nominal value of equity share	10	10
Basic and diluted earnings per share	(4.12)	28.82
Note 35: Contingent liabilities and capital commitments		
A. Contingent Liabilities		
Particulars	31.03.2020	31.03.2019
In respect of claims against the company not acknowledged as debt	7.60	7.60
In respect of disputed Service Tax	179.95	116.64
In respect of disputed Custom duty	-	879.62
Gurantees: Outstanding bank guarantees	106.67	160.37
Other matters relating to employees:		
Illegal strike wages under dispute - Workmen and Casual labour	158.92	134.56
Charter of demands made by one of the Labour Union, pending for disposal at Industrial Tribunal (Labour Court), Bangalore.	no reliable estimate can be made	
Notes:		
The issue of litigation pertaining to Service tax are based on interpretation of the respective law & rules thereunder. Management has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgments of respective judicial authorities which supports its contention. As such no material impact on the financials of the Company is envisaged.		
B. Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	3.61	-

**Notes forming part of Balance Sheet as at 31st March 2020 (Contd..)****Note 36: Employee benefits**

₹ in lakhs

The Company has the following post-employment benefit plans:

A. Defined contribution plan

Contribution to defined contribution plan recognised as expense for the year is as under:

Particulars	31 March 2020	31 March 2019
Employer's contribution to provident fund	36.95	36.36

B. Defined benefit plans

Gratuity: The employees' gratuity fund scheme is a defined benefit plan managed by a Trust. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The benefits are governed by the Payment of Gratuity Act, 1972. The key features are as under :

Benefits offered	$15 / 26 \times \text{Salary} \times \text{Duration of service}$
Salary definition	Basic salary
Benefit ceiling	Benefit ceiling of ₹ 20 lakhs is not applied
Vesting conditions	5 years of continuous service (not applicable in case of death / disability)
Benefit eligibility	Upon death or resignation / withdrawal or retirement
Retirement age	58

(i) Risks associated to the defined benefit plans:

- Actuarial risk: Risks due to adverse salary growth / Variability in mortality and withdrawal rates.
- Investment risk: Risks due to significant changes in discount rate during the inter-valuation period.
- Liquidity risk: Risks on account of Employees resign/retire from the company and as result strain on the cash flow arises.
- Market risk: Risks related to changes and fluctuation of the financial markets and assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
- Legislative risk: Risks of increase in the plan liabilities or reduction in plan assets due to change in legislation.

(ii) Reconciliation of opening and closing balances of defined benefit obligation:

Particulars	31 March 2020	31 March 2019
Gratuity (funded)		
Defined benefit obligation at the beginning of the year	339.02	312.46
Recognised in statement of profit and loss:		
Current service cost	21.24	20.42
Interest cost	19.79	18.91
Actuarial (gain) / loss recognised in other comprehensive income:		
Due to change in financial assumptions	15.92	2.93
Due to change in demographic assumptions	(0.03)	-
Due to experience adjustments	6.42	(5.12)
Benefits paid	(21.81)	(10.59)
Defined benefit obligation at the end of the year	380.54	339.02

**Notes forming part of Balance Sheet as at 31st March 2020 (Contd..)**

(iii) Reconciliation of opening and closing balances of fair value of plan assets:

₹ In Lakhs

Particulars	2019-20	2018-19
Gratuity (funded)		
Fair value of plan assets at the beginning of the year	191.03	164.28
Interest income	9.97	8.84
Return on plan assets excluding amounts included in interest income	3.69	2.81
Contributions by the employer	16.67	15.10
Benefits paid	-	-
Fair value of plan assets at the end of the year	221.36	191.03
Actual return on plan assets	13.66	11.65

(iv) Expense recognised during the year:

Particulars	2019-20	2018-19
Gratuity (funded)		
Current service cost	21.24	20.42
Net interest cost	9.82	10.07
Net value of remeasurement on the obligation and plan assets	-	-
Net cost recognised in statement of profit and loss	31.06	30.49
Components of actuarial gains / (losses):		
Due to change in financial assumptions	15.92	2.93
Due to change in demographic assumptions	(0.03)	-
Due to experience adjustments	6.42	(5.12)
Return on plan assets excluding amounts included in interest income	(3.69)	(2.81)
Net cost recognised in other comprehensive income	18.62	(4.99)

(v) Reconciliation of fair value of assets and obligations:

Particulars	2019-20	2018-19
Gratuity (funded)		
Present value of obligation	380.54	339.01
Fair value of plan assets	221.36	191.03
Net defined benefit liability at end of the year	159.18	147.98

(vi) Composition of plan assets:

Particulars	2019-20	2018-19
Gratuity (funded)		
Investment funds	-	-
Insurance policies	100%	100%
Total	100%	100%

(vii) Key actuarial assumptions:

Particulars	2019-20	2018-19
Gratuity (funded)	-	-
Financial assumptions		
Discount rate	6.45%	7.15%
Expected rate of return on plan assets	6.45%	7.15%
Salary growth rate	7.00%	7.00%



Notes forming part of Balance Sheet as at 31st March 2020 (Contd..)

Demographic assumptions

Withdrawal rate	10% at younger ages reducing to 1% at older ages	10% at younger ages reducing to 1% at older ages
Mortality table	Indian assured lives mortality (2012-14)	Indian assured lives mortality (2006-08)

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

(viii) Sensitivity analysis:

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Impact on defined benefit obligations - Gratuity:

Particulars	Increase in assumption		Decrease in assumption	
	2019-20	2018-19	2019-20	2018-19
Discount rate				
Change in assumption by 0.50%	-3.03%	-2.82%	3.25%	3.01%
Salary growth rate				
Change in assumption by 0.50%	3.11%	2.94%	-3.00%	-2.84%
Withdrawal rate				
Change in assumption by 0.10%	-0.08%	0.02%	0.08%	-0.19%

The Methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

(ix) Maturity profile of the defined benefit obligation:

₹ In Lakhs

Particulars	Gratuity (funded)	
	2019-20	2018-19
Age wise distribution of defined benefit obligation		
Age in years		
Less than 25	0.58	0.57
25 to 35	18.66	21.58
35 to 45	94.37	68.15
45 to 55	123.01	108.37
above 55	143.92	140.35
Accrued gratuity for left employees	-	-
	380.54	339.02
Past service wise distribution of defined benefit obligation	2019-20	2018-19
Service period in years		
0 to 4	3.62	2.84
4 to 10	30.04	24.10
10 to 15	82.23	82.06
15 and above	264.65	230.02
Accrued gratuity for left employees	-	-
	380.54	339.02

C. Other long-term employee benefits

Leave encashment: The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.



Notes forming part of Balance Sheet as at 31st March 2020 (Contd..)

The benefits are governed by the Company's leave policy. The key features are as under :

Salary for encashment	Basic salary
Salary for availment	Cost to company
Benefit event	Death or resignation or retirement or availment
Maximum accumulation	No restrictions
Benefit formula	$(\text{Leave days}) \times (\text{Basic salary}) / (\text{Leave denominator})$
Leave denominator	30
Leave credited annually	30
Retirement age	58

Key actuarial assumptions:

Particulars	Leave encashment (funded)	
	2019-20	2018-19
Discount rate	6.45%	7.15%
Expected rate of return on plan assets	6.45%	7.15%
Salary growth rate	7.00%	7.00%

Demographic assumptions

Withdrawal rate	10% at younger ages reducing to 1% at older ages	10% at younger ages reducing to 1% at older ages
Mortality table	Indian assured lives mortality (2012-14)	Indian assured lives mortality (2006-08)

Leave encashment recognised during the year in the standalone statement of profit and loss amounts to ₹ 4.71 lakhs (previous year ₹ 4.83 lakhs)

D. Company's estimate of contributions expected to be paid during financial year 2020-21 is as under:

(i) Defined contribution plan:	
(a) Employer's contribution to provident fund	12% of basic salary
(ii) Defined benefit plan:	
(a) Gratuity (₹ In Lakhs)	23.61
(iii) Other long-term employee benefits	
(a) Leave encashment (₹ In Lakhs)	27.27

The above disclosures are based on information certified by the independent actuary.

**Notes forming part of Balance Sheet as at 31st March 2020 (Contd..)****Note : 37 - Related party disclosures:****A List of Related Parties ;**

(i) Holding Company:				
Sr. no.	Name of entity	Country of incorporation	% of holding` as at 31-03-2020	% of holding as at 31-03-2019
1	Direct Holdings AIA Engineering Limited	India	74.85%	74.85%

(ii) Key managerial personnel ('KMP'):

Sr. no.	Name	Designation
1	Mr. Vinod Narain	Chairman
2	Mr. Bhadresh K. Shah	Director
3	Mr. Mohana Rao VVRM	Chief executive officer
4	Mr. Yash Raj	Chief financial officer
5	Mr. SN Jethaliya	Company Secretary

(iii) Independent directors:

Sr. no.	Name
1	Mr. D.P. Dhanuka
2	Mr. Sanjay S. Majmudar
3	Mr. Pradip R. Shah
4	Mr. Rajendra S. Shah
5	Mr. Ashok Nichani

(iv) Others:

1	AB Trade link Limited	Enterprises over which key managerial personnel or close member of their family exercise control -[Ref: Ind AS 24, para 9(b)(vi)]
2	Vee Connect Travels Private Limited	
3	Discus IT Private Limited	
4	Pradip R Shah & Co	
5	Mrs. Khushali Samip Solanki *	Relatives of key managerial personnel
6	Mrs.Tayaramma	

* Non- executive director of the Company.



Notes forming part of Balance Sheet as at 31st March 2020 (Contd..)

₹ In Lakhs

B. Transactons with related parties:												
Details of related party transactions during the year :												
Sr No	Nature of transactions	Holding companies		Key Managerial Personnel		Independent Directors		Enterprises over which KMP of close member of their family exercise control		Relatives of key managerial personnel		
		31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019	
		Year ended		Year ended		Year ended		Year ended		Year ended		
1.	Sale of Products*	12,806.21	28,383.62	-	-	-	-	-	-	-	-	
2.	Purchase of Goods*	314.78	279.08	-	-	-	-	-	-	-	-	
3.	Consultancy Services*	-	-	1.20	1.20	-	-	2.04	2.12	-	-	
4.	Traveling Expenses	-	-	-	-	0.75	0.41	0.18	0.23	-	-	
5.	Sitting Fees	-	-	1.20	1.05	3.25	2.20	-	-	0.15	0.05	
6.	Commission expenses on Purchases	-	-	-	-	-	-	-	1.42	-	-	
7.	Rent	-	-	-	-	-	-	-	-	1.42	1.35	
8.	SAP ERP functional and technical support	-	-	-	-	-	-	-	0.61	-	-	
9.	Salary, Bonus & Perquisites -	-	-	56.56	54.14	-	-	-	-	-	-	
10.	Contribution to Gratuity funds	-	-	-	-	-	-	-	-	-	-	
	Total	13,120.99	28,662.70	58.96	56.39	4.00	2.61	2.22	4.38	1.57	1.40	
	Outstanding balance receivable at year	708.76	981.88	-	-	-	-	-	-	-	-	
	Outstanding balance payable at year	-	-	2.56	2.68	-	-	0.41	0.48	0.12	0.13	
	* Inclusive of taxes											



Notes forming part of Balance Sheet as at 31st March 2020 (Contd..)

C. Disclosures in respect of transactions with related parties during the year

₹ In Lakhs

Sr. no.	Nature of transaction	Name of related party	Year Ended 31 March 2020	Year Ended 31 March 2019
1	Sale of products *	AIA Engineering Limited	12,806.21	28,383.62
2	Purchase of goods *	AIA Engineering Limited	314.78	279.08
3	Commission expenses on purchases	AB Trade Link Limited	-	1.42
4	SAP ERP functional and technical support	Discus IT Private Limited	-	0.61
5	Salary, Bonus and Perquisites	Mr.Mohana Rao Mr.Yash Raj	29.36 27.20	28.15 25.99
6	Rent, rates and taxes	Mrs. Tayamma	1.42	1.35
7	Travelling expenses	Vee Connect Travel Private Limited	0.18	0.23
8	Legal and professional consultancy fees	Pradip R. Shah & Co Mr. Vinod Narain	2.04 1.20	2.12 1.20
9	Sitting Fees Paid	Mr. Vinod Narain Mr. Bhadresh K. Shah Mrs. Khushali S. Solanki Mr. D.P Dhanuka Mr.Pradip R.Shah Mr.Rajendra S.Shah Mr.Sanjay S.Majmudar Mr. Ashok Nichani	0.45 0.75 0.15 1.00 1.00 0.25 0.25 0.75	0.35 0.70 0.05 0.70 0.70 0.10 0.15 0.55

*Inclusive of taxes

Details of Amounts due to or due from related parties as at 31st March 2020

Sr no.	Nature of transaction	Name of related party	AS at 31 March 2020	AS at 31 March 2019
1	Trade Receivables Holding Company	AIA Engineering Limited	708.76	981.88
2	Trade Payables Key Managerial Personal	Mr.Mohana Rao Mr.Yash Raj Vinod Narain	1.42 0.87 0.27	1.44 0.97 0.27
3	Enterprises over which key managerial personnel or Close member of their family exercise control	Pradip R. Shah & Co	0.41	0.48
4	Relative of KMP	Mrs. Tayamma	0.12	0.13

E Break up of compensation paid to key managerial personnel

Sr No	Particulars	Name of the Key managerial personnel	AS at 31 March 2020	AS at 31 March 2019
1	Short-term employee benefits	Mr.Mohana Rao Mr.Yash Raj	29.35 27.20	28.17 24.68
2	Post-employment benefits	Mr.Mohana Rao Mr.Yash Raj	- -	- -

Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis. No amount has been recognised as bad or doubtful in respect of transactions with the related parties.

The Company's transactions with its related party its holding company are at arm's length, as per the independent accountant's report for the year ended 31 March 2020. The management believes that the Company's transactions with its holding company post 31 March 2020 continue to be at arm's length and that transfer pricing legislations will not have any impact on the financial statements, particularly on the amount of tax expenses for the financial year 2019-20 and the amount of provision for taxation as at 31 March 2020.



Note No 38

Lease Arrangements:

The company has not entered into any no-cancellable lease arrangement.

Note No 39

Segmental reporting:

The company manufactures and deals with a single product, Alloy steel Cast Grinding Media. Also Company's operations are solely situated in India. Hence there are no reportable segments as required by Ind AS - 108 "Operating Segments" under the Companies (Indian Accounting Standards) Rules, 2015. Further sales to a single customer amounting to 10 percent or more of the company's revenue from sale of grinding media amounted to Rs 10,203.44 Lakhs (P.Y.Rs.23,908.16 Lakhs) excluding GST.

Note No 40:

Financial risk management

The Company's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk, market risk and commodity risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee which is responsible for developing and monitoring the Company's risk management policies. The key risks and mitigating actions are also placed before the Audit Committee of the Company. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management Committee of the Company is supported by the Finance team and experts who provide assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to protect the Company's financial results and position from financial risks, maintain market risks within the acceptable parameters while optimizing returns and protect the Company's financial investments while maximizing returns. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk in the financial statements.

Nature of risk	Exposure arising from	Measurement	Management
Credit risk	Cash and Cash equivalents, trade receivables, financial assets measured at amortized cost	Aging analysis Credit rating	Credit limit set and aging analysis protect Company from potential losses due to excess credit to the customers. Further the Company has also obtained ECGC insurance cover for loss against pre export sales.
Liquidity risk	Borrowing and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Commodity risk	Purchase of raw material	Fluctuation in imported Ferro chrome prices and currency rates	Procurement and inventory strategy

Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle the obligation as agreed. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. Customer wise limits are set accordingly.

The Company considers the probability of default of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

Expected credit loss for trade receivables under simplified approach:

Ageing of trade receivables as at year end:

₹ In Lakhs

Due from date of invoice	31 March 2020	31 March 2019
Not due		
0 - 3 months	934.18	1171.44
3 - 6 months	0.54	-
6 - 12 months	0.06	-
Beyond 12 months	1.80	87.71
Gross carrying amount	936.58	1,259.15
Expected credit loss	-	-
Net carrying amount	936.58	1,259.15

**Notes forming part of Balance Sheet as at 31st March 2020 (Contd..)**

₹ In Lakhs

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Financing arrangements

The Company had access to following undrawn borrowing facilities as at year end:

Particulars	As at 31 March 2020	As at 31 March 2019
Fund and non-fund based facilities	993	1,220

The table below analyses non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	As at 31 March 2020		As at 31 March 2019	
	Less than 1 year	Total	Less than 1 year	Total
Short term borrowings	400.00	400.00	120.00	120.00
Trade payables	591.36	591.36	1,078.75	1,078.75
Other financial liabilities	4.08	4.08	4.58	4.58
Total	995.44	995.44	1,203.33	1,203.33

Note: The company has not issued any guarantees to any one against their borrowing limits.

Market risk – Interest rates

Interest rate risk is the risk that the fair value of future cash flows of the financial borrowings for its working capital requirements with the banks. Instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management. The company borrows from bank for working capital requirement on floating rate. Market risk: Foreign currency risk: The company does not have exposure to foreign currency risk except for the imports. As the policy the company does not cover the foreign exchange requirement for its imports.

Exposure to interest rate risk

Particulars	31-Mar-20	31-Mar-19
Borrowings bearing variable rate of interest	34.43	35.66

Market risk: Foreign currency risk: The company does not have exposure to foreign currency risk except for the imports which is quite small quantum. The Company monitors the market rates of foreign currency at the time of requisition of imported materials.

Expected credit loss for loans and deposits:

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
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As at 31 March 2020**Loss allowance measured at 12 month expected credit losses:**

Financial assets for which credit risk has not increased significantly since initial recognition	Loans	11.85	-	-	11.85
	Deposits	437.06	-	-	437.06

Loss allowance measured at life time expected credit losses:

Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	NA	-	-	-	-
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Notes forming part of Balance Sheet as at 31st March 2020 (Contd..)

As at 31 March 2019

₹ In Lakhs

Loss allowance measured at 12 month expected credit losses:

Financial assets for which credit risk has not increased significantly since initial recognition	Loans	14.45	-	-	14.45
	Deposits	437.57	-	-	437.57

Loss allowance measured at life time expected credit losses:

Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	NA	-	-	-	-
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- (i) Actual or expected significant adverse changes in business
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations

The Company categorizes financial assets based on the assumptions, inputs and factors specific to the class of financial asset into High-quality assets, negligible credit risk; Quality assets, low credit risk; Standard assets, moderate credit risk; Substandard assets, relatively high credit risk; Low quality assets, very high credit risk; Doubtful assets, credit impaired.

Financial assets are written off only when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company considers a loan or receivable for write off review when it pasts greater than one year from due date. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the statement of profit and loss.

Provision for expected credit loss :

Description of category	Category	Basis for recognition of expected credit loss provision	
		Loans and deposits	
Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	High-quality assets, negligible credit risk	12 month expected credit losses	Trade receivables Life time expected credit losses (Simplified approach)
Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past.	Quality assets, low credit risk	12 month expected credit losses	
Assets where the probability of default is moderate, counter-party where the capacity to meet the obligations is not strong.	Standard assets, moderate credit risk	12 month expected credit losses	
Assets where there has been a significant increase in credit risk since initial recognition where payments are more than 360 days past due	Substandard assets, relatively high credit risk	Life time expected credit losses	
Assets where there is a high probability of default. It includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 360 days past due.	Low quality assets, very high credit risk	Life time expected credit losses	
Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company.	Doubtful assets, credit impaired	Asset is written off	



Commodity Risk

Principal raw material for Company's products are metal scrap and ferro chrome. Company sources its raw material requirement from domestic and international markets. Domestic market price generally remains in line with international market prices. Volatility in metal prices, currency fluctuation of rupee viz a viz other prominent currencies coupled with demand-supply scenario in the world market affect the effective price of scrap and ferrous metal. Company effectively manages availability of material as well as price volatility through:

- (i) widening its sourcing base;
- (ii) appropriate contracts with vendors and customers and commitments;
- (iii) Well planned procurement and inventory strategy.

Risk committee of the Company has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

Consumption details of Metal scrap and Ferro chrome in MT:

Particulars	2019-20	2018-19
Metal scrap	17,820	35,579
Ferro chrome	6,551	10,478

Commodity price sensitivity:

increase / (decrease) in prices of metal scrap / ferro chrome by Re. 1 per kg would have following impact on profit before tax:

Particulars	2019-20	2018-19
Re. 1 increase in commodity price	24,371	46,057
Re. 1 decrease in commodity price	-24,371	-46,057

₹ In Lakhs

(B) Capital Management

A. The Company's objectives when managing capital are to:

- i) safeguard their ability to continue as a going concern so that they can continue to provide return for shareholders and benefits for other stakeholders.
- ii) maintain an optimal capital structure to reduce the cost of capital.
- iii) Company believes in conservative leverage policy. Company's capital expenditure plan over the medium term shall be largely funded through internal accruals and suppliers' credit and does not have any long term borrowing arrangements with any one.
- iv) The Company monitors capital on the basis of the following debt equity ratio:

Particulars	2019-20	2018-19
Debt * (₹ In Lakhs)	400.00	120.00
Total equity (₹ In Lakhs)	3,378.11	3,437.56
Debt to total equity	0.12	0.03

- v) Company believes in conservative leverage policy. Company's capital expenditure plan over the medium term shall be largely funded through internal accruals and suppliers' credit.
- B. Company follows the policy of dividend for every financial year as may be decided by the Board considering financial performance of the Company and other internal and external factors enumerated in the Company's dividend policy such as reinvestment of capital business.



Notes forming part of Balance Sheet as at 31st March 2020 (Contd..)

Note -41 : Fair value measurements

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

A. Financial assets :

₹ In Lakhs

Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL	FVTOCI	Amortised cost		
As at 31 March 2020						
Non-current investments #		-	-	-	-	-
Current investments		-	-	-	-	-
Trade receivables	7	-	-	936.58	936.58	-
Loans	7,14	-	-	448.90	448.90	-
Cash and cash equivalents	12	-	-	54.90	54.90	-
Bank balances other than above	13	-	-	28.04	28.04	-
Derivatives		-	-	-	-	-
Other financial assets	15	-	-	25.98	25.98	-
Total		-	-	1,494.40	1,494.40	-
As at 31 March 2019						
Non-current investments #		-	-	-	-	-
Current investments		-	-	-	-	-
Trade receivables	7	-	-	1,259.15	1,259.15	-
Loans	7,14	-	-	452.02	452.02	-
Cash and cash equivalents	12	-	-	34.67	34.67	-
Bank balances other than above	13	-	-	24.08	24.08	-
Derivatives		-	-	-	-	-
Other financial assets	15	-	-	28.05	28.05	-
Total		-	-	1,797.97	1,797.97	-

B. Financial liabilities :

Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL	FVTOCI	Amortised cost		
As at 31 March 2020						
Borrowings	20	-	-	400.00	400.00	-
Trade payables	21	-	-	591.36	591.36	-
Derivatives		-	-	-	-	-
Other financial liabilities	22	-	-	4.08	4.08	-
Total		-	-	995.44	995.44	-
As at 31 March 2019						
Borrowings	20	-	-	120.00	120.00	-
Trade payables	21	-	-	1,078.75	1,078.75	-
Derivatives		-	-	-	-	-
Other financial liabilities	22	-	-	4.58	4.58	-
Total		-	-	1,203.33	1,203.33	-

The above table provides the fair value measurement hierarchy of the group's financial assets and financial liabilities:

Note 42: Previous year's figures have been regrouped / reclassified wherever necessary to confirm to current year presentation.

As per our Report attached
For **GANAPATH RAJ & CO**
Chartered Accountants
(Firm registration No. 000846S)

GANAPATH RAJ .C.
Partner
Membership No 022955
UDIN 20022955 AAAAAW5336

Place :Bengaluru
Date : 15th June 2020

For and on behalf of the Board

VINOD NARAIN
Chairman
DIN : 00058280

S. N. JETHELIYA
Company Secretary
ACS : 5343

YASH RAJ
Chief Financial Officer

Place : Bengaluru
Date : 15th June 2020

D.P. DHANUKA
Director
DIN : 000168198

BHADRESH K. SHAH
Director
DIN : 00058177

V V R MOHANA RAO
Chief Executive Officer

Place : Bengaluru
Date : 15th June 2020



NOTICE

Dear Share holder/s,

Usage of Electronic Payment Modes for making payments to Investors.

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

In view of the above and to comply with the SEBI directions, in case, if you have not provided the relevant details, we request you to kindly fill the enclosed form and send the same to us on or before 07th September 2020 to update mandate details in the system for future payments to you.

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

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

Unit: Welcast Steels Limited.

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

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

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

Place:

Date :

Signature of the Holder(s):

Note:

1. Please fill in the information in CAPITAL LETTERS in ENGLISH ONLY.



Welcast Steels Limited