

47th

**ANNUAL
REPORT
2018-2019**



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
State Bank of India, 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
Phone: 8722803333, 8722802333
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

**47TH ANNUAL GENERAL MEETING**

Date	8th August, 2019
Day	Thursday
Time	10.30 A.M.
Place	A 203, "ELANZA CREST", Near Sigma Corporates, Off. S. G. Highway, Sindhu Bhavan Road, Bodakdev, Ahmedabad 380 054
Book Closure - (Dates)	02.08.2019 to 08.08.2019 (Both days inclusive)

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NOTICE

NOTICE is hereby given that the Forty-Seventh Annual General Meeting of the members of Welcast Steels Limited will be held on Thursday, the 8th day of August, 2019 at 10.30 A.M. at **A 203, "ELANZA CREST", Near Sigma Corporates, Off. S. G. Highway, Sindhu Bhavan Road, Bodakdev, Ahmedabad 380 054**, to transact the following business:

ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2019 and the Statement of Profit and Loss for the year ended on that date and Reports of the Board of Directors' and Auditors' thereon.
- (2) To declare dividend on Equity Shares for the financial year 2018-19.
- (3) To appoint a Director in place of Mr. Bhadresh K. Shah (DIN 00058177), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies [Audit and Auditors] Rules, 2014 [including any statutory modification (s) or re-enactment (s) thereof for the time being in force], the consent of the Members be and is hereby accorded to ratify the remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand) as decided by the Board of Directors on the recommendations of the Audit Committee, payable to M/s. Kiran J. Mehta & Co., Cost Accountant in Practice, Ahmedabad appointed by the Board to conduct the audit of cost records of the Company for the Financial Year ending on 31st March 2020".

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

- (5) To approve material related party transaction and in this regard to consider and, if thought fit, to pass 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, 2019 to 31st March, 2020 for an aggregate amount, which may exceed the threshold limit of 10 percent of annual turnover of the Company for the financial year 2018-19 on the terms and conditions as mentioned in the Contract Manufacturing Agreement entered into by the Company with AIA on 1st January, 2019.

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

- (6) To re-appoint Mr. Rajendra S. Shah as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulations 17(1A), 25 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR Regulations") (including any statutory modification (s) or re-enactment thereof, for the time being in force), Mr. Rajendra S. Shah (DIN: 00061922), who was appointed as an Independent Director for first term of five (5) consecutive years from 10.09.2014 to 09.09.2019 and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years from 10th September, 2019."

- (7) To re-appoint Mr. Sanjay S. Majmudar as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulations 25 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR Regulations") (including any statutory modification (s) or re-enactment thereof, for the time being in force), Mr. Sanjay S. Majmudar (DIN: 00091305), who was appointed as an Independent Director for first term of five (5) consecutive years from 10.09.2014 to 09.09.2019 and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years from 10th September, 2019."



NOTICE

- (8) To re-appoint Mr. Debi Prasad Dhanuka as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulations 17(1A), 25 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI LODR Regulations”) (including any statutory modification (s) or re-enactment thereof, for the time being in force), Mr. Debi Prasad Dhanuka (DIN: 00168198), who was appointed as an Independent Director for first term of five (5) consecutive years from 10.09.2014 to 09.09.2019 and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years from 10th September, 2019.”

- (9) To re-appoint Mr. Pradip R. Shah as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulations 25 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI LODR Regulations”) (including any statutory modification (s) or re-enactment thereof, for the time being in force), Mr. Pradip R. Shah (DIN: 00293396), who was appointed as an Independent Director for first term of five (5) consecutive years from 10.09.2014 to 09.09.2019 and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years from 10th September, 2019.”

- (10) To re-appoint Mr. Ashok A. Nichani as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulations 25 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI LODR Regulations”) (including any statutory modification (s) or re-enactment thereof, for the time being in force), Mr. Ashok A. Nichani (DIN: 02249844), who was appointed as an Independent Director for first term of five (5) consecutive years from 10.09.2014 to 09.09.2019 and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years from 10th September, 2019.”

By order of the Board of Directors

Place : Bengaluru
Date : 22.05.2019

S. N. Jetheliya
Company Secretary
ACS :5343

NOTES

1. The Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, which set out details relating to Special Businesses to be transacted at the meeting, are annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll only instead of himself / herself and a proxy need not be a member. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. The instrument of proxy in order to be effective must be received at the Registered Office of the Company duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy Form is annexed herewith. Proxy Form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable, authorizing their representative to attend and vote on their behalf at the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 02.08.2019 to 08.08.2019 (both days inclusive) for annual closing and determining the entitlement of member to the dividend for the financial year 2018-19.
4. Members are requested to bring the Attendance Slip duly filled in and hand over the same at the entrance of the Meeting Hall.
5. A Dividend of ₹ 2.50 per share (25%) has been recommended by the Board of Directors for the year ended 31st March, 2019, subject to the approval of the Members at the ensuing Annual General Meeting, the dividend is proposed to be paid on or before 5th September, 2019.



NOTICE

6. 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.
7. 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 2018-19 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copies of the Annual Report of 2018-19 are being sent in the permitted mode.
8. All documents referred to in the accompanying Notice and the Explanatory Statements shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 a.m. to 5.00 p.m.) on all working days except Sunday and other public holidays, up to and including the date of the Annual General Meeting of the Company.

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

9. 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 and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. Those members who have so far not encashed their dividend warrants for the under mentioned Financial Years, may claim or approach the Company for the payment thereof as the same will be transferred to the Investors’ Education and Protection Fund (IEPF) of the Central Government, pursuant to Section 125 of the Companies Act, 2013. Members are requested to note that after such dates, they will lose their rights to claim such dividend from the Company. The new IEPF Rules mandate the Companies to transfer the shares of shareholders whose dividends remain unpaid/unclaimed for a period of seven consecutive years to the IEPF Authority.

Sr. No.	Financial Year	Due date of Transfer to IEPF
1	2011-12	24.08.2019
2	2012 -13	15.09.2020
3	2013 -14	16.10.2021
4	2014 -15	27.10.2022
5	2015 -16	Dividend not declared
6	2016 -17	20.09.2024
7	2017-18	07.09.2015

10. In accordance with the aforesaid 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. The Company is required to transfer all unclaimed shares to the IEPF Authority in accordance with the IEPF Rules.

11. Voting through electronic means:

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

- (i) Mr. Tushar M. Vora, Practicing Company Secretary [Membership No. FCS 3459, (COP No. 1745)] has been appointed as the Scrutinizer to Scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (ii) Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- (iii) Members can opt for only one mode of voting i.e. either by e-voting or poll paper. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Poll Paper shall be treated as invalid.



NOTICE

- (iv) The voting rights of members shall be in proportion to their Shares in the paid up Equity Share capital of the Company as on cutoff date i.e. Thursday, 1st August 2019. A person, whose names is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail facility of remote e-voting and poll process at the venue of the meeting.
- (v) Any person, who acquires Shares of the Company and becomes a member of the Company after dispatch of the Notice and holding Shares as on cut-off date, may cast vote after following the instructions for e-voting as provided in the Notice convening the Meeting, which is available on the website of the Company and CDSL. However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and password for casting your vote.

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

12. Re-appointment of Director:

Mr. Bhadresh K. Shah (DIN 00058177), Non-Executive and Non-Independent Director of the Company retires by rotation at this 47th Annual General Meeting of the Members of the Company and being eligible, has offered himself for re-appointment.

Mr. Rajendra S. Shah, Director, Mr. Sanjay S. Majmudar, Director, Mr. Debi Prasad Dhanuka, Director, Mr. Pradip R. Shah, Director and Mr. Ashok Nichani, Director are being re-appointed as Independent Directors for second term for consecutive five years w.e.f. 10th September, 2019.

Pursuant to the requirements under SEBI LODR Regulations relating to Corporate Governance, a statement containing brief resume of the above Director together with the details of Shares held by him, if any, is annexed hereto.

REQUEST TO THE MEMBERS

1. 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.
2. Members are requested to bring their copy of the Annual Report to the Meeting.



NOTICE

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

ITEM NO. 4: The Board of Directors on the recommendations of the Audit Committee, appointed M/s. Kiran J. Mehta, & Co., (FRN 000025) Practicing Cost Accountants, Ahmedabad as the Cost Auditors to carry out the audit of Cost records of the Company for the Financial Year 2019-2020 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 shall be ratified by the members by passing a resolution. Accordingly, consent of the members is being sought for passing an Ordinary Resolution for ratification of remuneration payable to the Cost Auditors to carry out the audit of Cost records of the Company for the Financial Year 2019-20.

None of the Directors, Key Managerial Personnel or their relatives can be considered to be interested in or concerned with the resolution. The Board recommends passing of the said resolution as an Ordinary Resolution for the approval of members of the Company.

ITEM NO. 5: AIA Engineering Limited (AIA), Ahmedabad presently holding 74.85% of the shares in the 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 Regulation 23 of 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 transactions entered into by a Company with its related party in its Ordinary Course of Business which is at Arm's Length price, from the requirement of prior approval of the Members by way of Ordinary Resolution.

Transaction 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 4th February, 2019.

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. Jetheliya, Company Secretary who is also a Company Secretary of AIA are related to AIA.

The transactions of WSL with AIA for the financial year 2019-20 is likely to exceed 10% of consolidated annual turnover as per the Audited Annual Accounts of WSL for the financial year 2018-19. The gross annual turnover of WSL for the financial year 2018-19 as per the audited financial statements is ₹ 26,961.65 lakhs. For the financial year 2019-20 the transaction of WSL with AIA is likely to exceed this limit of 10 % of the gross annual turnover of WSL for the financial year 2018-19. The approval of the members for the transaction proposed to be entered into and carried out with AIA during the financial year 2019-20, 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 in favour of this resolution of the notice.

The Board recommends the Ordinary Resolution set out at item No.5 for the approval of the Members of the Company.

ITEM NO. 6: Mr. Rajendra S. Shah (DIN:00061922) was appointed as Non-Executive Independent Director by the members of the Company in their Forty Second Annual General Meeting of the Company held on 10th September, 2014 for a term of five consecutive years with effect from 10th September, 2014 to 9th September, 2019.

The Nomination and Remuneration Committee ("NRC") of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Rajendra S. Shah as an Independent Director for a second term of five (5) consecutive years on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that, given his background and rich experience and valuable contribution made by him during his tenure, the continued association of Mr. Rajendra S. Shah would be beneficial to the Company and it is desirable to continue to avail his service as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Rajendra S. Shah as an Independent Director of the Company, not liable to retire by rotation, for a second term of five (5) consecutive years on the Board of the Company.

Mr. Rajendra S. Shah is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ("Act") and has given his consent to act as a Director.

The Company has also received a declaration from Mr. Rajendra S. Shah that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and Regulation 16 of SEBI LODR Regulations. Mr. Rajendra S. Shah is independent of the management.

As per Regulation 17(1A) SEBI LODR Regulations, no listed Company shall appoint or continue the directorship of any person effective from 01.04.2019 as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect. During his second tenure as an Independent Director, Mr. Rajendra S. Shah will attain the age of seventy five years, it is required to obtain approval of shareholders by passing a special resolution.

On passing of this Special Resolution, the same shall also be treated as the Special Resolution passed under Regulation 17 (1A) of SEBI LODR Regulations.



NOTICE

Relevant details as stipulated under Regulation 26(4) and 36(3) of the SEBI LODR Regulations and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India, in respect of Mr. Rajendra S. Shah are annexed to the Notice.

Copy of the draft letter of appointment of Mr. Rajendra S. Shah setting out the terms and conditions of appointment is available for inspection without any fees by the members at the Registered Office of the Company during normal business hours on working days upto the date of AGM.

Mr. Rajendra S. Shah does not hold by himself or together with his relatives two percent or more of the total voting power of the Company.

Mr. Rajendra S. Shah is interested in the Resolution set out at Item No. 6 of the Notice with regard to his reappointment. Relatives of Mr. Rajendra S. Shah may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise in the resolution.

This explanatory statement may also be regarded as a disclosure under the Act and as per SEBI LODR Regulations. The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the Members.

ITEM NO. 7 Mr. Sanjay S. Majmudar (DIN:00091305) was appointed as Non-Executive Independent Director by the members of the Company in their Forty Second Annual General Meeting of the Company held on 10th September, 2014 for a term of five consecutive years with effect from 10th September, 2014 to 9th September, 2019.

The Nomination and Remuneration Committee ("NRC") of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Sanjay S. Majmudar as an Independent Director for a second term of five (5) consecutive years on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that, given his background and rich experience and valuable contribution made by him during his tenure, the continued association of Mr. Sanjay S. Majmudar would be beneficial to the Company and it is desirable to continue to avail his service as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Sanjay S. Majmudar as an Independent Director of the Company, not liable to retire by rotation, for a second term of five (5) consecutive years on the Board of the Company.

Mr. Sanjay S. Majmudar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ("Act") and has given his consent to act as a Director.

The Company has also received a declaration from Mr. Sanjay S. Majmudar that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and Regulations 16 of SEBI LODR Regulations.

In the opinion of the Board, Mr. Sanjay S. Majmudar possesses rich experience and expertise relevant to the Company and fulfills the conditions for re-appointment as an Independent Director as specified in the Act and the SEBI LODR Regulations. Mr. Sanjay S. Majmudar is independent of the management.

Relevant details as stipulated under Regulation 26(4) and 36(3) of the SEBI LODR Regulations and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India, in respect of Mr. Sanjay S. Majmudar are annexed to the Notice. Copy of the draft letter of appointment of Mr. Sanjay S. Majmudar setting out the terms and conditions of appointment is available for inspection without any fees by the members at the Registered Office of the Company during normal business hours on working days upto the date of AGM.

Mr. Sanjay S. Majmudar does not hold by himself or together with his relatives two percent or more of the total voting power of the Company.

Mr. Sanjay S. Majmudar is interested in the Resolution set out at Item No. 7 of the Notice with regard to his reappointment. Relatives of Mr. Sanjay S. Majmudar may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise in the resolution.

This explanatory statement may also be regarded as a disclosure under the Act and as per SEBI LODR Regulations. The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

ITEM NO. 8 Mr. Debi Prasad Dhanuka (DIN:00168198) was appointed as Non-Executive Independent Director by the members of the Company in their Forty Second Annual General Meeting of the Company held on 10th September, 2014 for a term of five consecutive years with effect from 10th September, 2014 to 9th September, 2019.

The Nomination and Remuneration Committee ("NRC") of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Debi Prasad Dhanuka as an Independent Director for a second term of five (5) consecutive years on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that, given his background and rich experience and valuable contribution made by him during his tenure, the continued association of Mr. Debi Prasad Dhanuka would be beneficial to the Company and it is desirable to continue to avail his service as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Debi Prasad Dhanuka as an Independent Director of the Company, not liable to retire by rotation, for a second term of five (5) consecutive years on the Board of the Company.



NOTICE

Mr. Debi Prasad Dhanuka is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ("Act") and has given his consent to act as a Director.

The Company has also received a declaration from Mr. Debi Prasad Dhanuka that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and Regulations 16 of SEBI LODR Regulations.

In the opinion of the Board, Mr. Debi Prasad Dhanuka possesses rich experience and expertise relevant to the Company and fulfills the conditions for re-appointment as an Independent Director as specified in the Act and the SEBI LODR Regulations. Mr. Debi Prasad Dhanuka is independent of the management.

As per Regulation 17(1A) of SEBI LODR Regulations, no listed Company shall appoint or continue the directorship of any person effective from 01.04.2019 as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect. Mr. Debi Prasad Dhanuka having attained the age of 85 years it is required to obtain approval of shareholders by passing a special resolution.

On passing of this Special Resolution, the same shall also be treated as the Special Resolution passed under Regulation 17(1A) of SEBI LODR Regulations.

Relevant details as stipulated under Regulation 26(4) and 36(3) of the SEBI LODR Regulations and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India, in respect of Mr. Debi Prasad Dhanuka are annexed to the Notice. Copy of the draft letter of appointment of Mr. Debi Prasad Dhanuka setting out the terms and conditions of appointment is available for inspection without any fees by the members at the Registered Office of the Company during normal business hours on working days upto the date of AGM.

Mr. Debi Prasad Dhanuka does not hold by himself or together with his relatives two percent or more of the total voting power of the Company.

Mr. Debi Prasad Dhanuka is interested in the Resolution set out at Item No. 8 of the Notice with regard to his reappointment. Relatives of Mr. Debi Prasad Dhanuka may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise in the resolution.

This explanatory statement may also be regarded as a disclosure under the Act and as per SEBI LODR Regulations. The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the Members.

ITEM NO. 9

Mr. Pradip R. Shah (DIN:00293396) was appointed as Non-Executive Independent Director by the members of the Company in their Forty Second Annual General Meeting of the Company held on 10th September, 2014 for a term of five consecutive years with effect from 10th September, 2014 to 9th September, 2019.

The Nomination and Remuneration Committee ("NRC") of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Pradip R. Shah as an Independent Director for a second term of five (5) consecutive years on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that, given his background and rich experience and valuable contribution made by him during his tenure, the continued association of Mr. Pradip R. Shah would be beneficial to the Company and it is desirable to continue to avail his service as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Pradip R. Shah as an Independent Director of the Company, not liable to retire by rotation, for a second term of five (5) consecutive years on the Board of the Company.

Mr. Pradip R. Shah is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ("Act") and has given his consent to act as a Director.

The Company has also received a declaration from Mr. Pradip R. Shah that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and Regulations 16 of SEBI LODR Regulations.

In the opinion of the Board, Mr. Pradip R. Shah possesses rich experience and expertise relevant to the Company and fulfills the conditions for re-appointment as an Independent Director as specified in the Act and the SEBI LODR Regulations. Mr. Pradip R. Shah is independent of the management.

Relevant details as stipulated under Regulation 26(4) and 36(3) of the SEBI LODR Regulations and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India, in respect of Mr. Pradip R. Shah are annexed to the Notice.

Copy of the draft letter of appointment of Mr. Pradip R. Shah setting out the terms and conditions of appointment is available for inspection without any fees by the members at the Registered Office of the Company during normal business hours on working days upto the date of AGM.

Mr. Pradip R. Shah does not hold by himself or together with his relatives two percent or more of the total voting power of the Company.

Mr. Pradip R. Shah is interested in the Resolution set out at Item No. 9 of the Notice with regard to his reappointment. Relatives of Mr. Pradip R. Shah may be deemed to be interested in the resolution to the extent



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of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise in the resolution.

This explanatory statement may also be regarded as a disclosure under the Act and as per SEBI LODR Regulations. The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the Members.

ITEM NO. 10 Mr. Ashok A. Nichani (DIN:02249844) was appointed as Non-Executive Independent Director by the members of the Company in their Forty Second Annual General Meeting of the Company held on 10th September, 2014 for a term of five consecutive years with effect from 10th September, 2014 to 9th September, 2019.

The Nomination and Remuneration Committee ("NRC") of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Ashok A. Nichani as an Independent Director for a second term of five (5) consecutive years on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that, given his background and rich experience and valuable contribution made by him during his tenure, the continued association of Mr. Ashok A. Nichani would be beneficial to the Company and it is desirable to continue to avail his service as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Ashok A. Nichani as an Independent Director of the Company, not liable to retire by rotation, for a second term of five (5) consecutive years on the Board of the Company.

Mr. Ashok A. Nichani is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ("Act") and has given his consent to act as a Director.

The Company has also received a declaration from Mr. Ashok A. Nichani that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and Regulations 16 of SEBI LODR Regulations. Mr. Ashok A. Nichani is independent of the management.

Relevant details as stipulated under Regulation 26(4) and 36(3) of the SEBI LODR Regulations and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India, in respect of Mr. Ashok A. Nichani are annexed to the Notice.

Copy of the draft letter of appointment of Mr. Ashok A. Nichani setting out the terms and conditions of appointment is available for inspection without any fees by the members at the Registered Office of the Company during normal business hours on working days upto the date of AGM.

Mr. Ashok A. Nichani does not hold by himself or together with his relatives two percent or more of the total voting power of the Company.

Mr. Ashok A. Nichani is interested in the Resolution set out at Item No. 10 of the Notice with regard to his reappointment. Relatives of Mr. Ashok A. Nichani may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise in the resolution.

This explanatory statement may also be regarded as a disclosure under the Act and as per SEBI LODR Regulations. The Board recommends the Special Resolution set out at Item No. 10 of the Notice for approval by the Members.

By order of the Board of Directors

Place : Bengaluru
Date : 22.05.2019

S.N. Jetheliya
Company Secretary
ACS: 5343



NOTICE

ANNEXURE TO THE NOTICE:

Disclosure pursuant Regulation 36 (3) of SEBI Listing Regulations with regard to the Directors seeking Appointment / Re – appointment at the forthcoming Annual General Meeting (refer Item No.3, 6,7,8,9 and 10) of the Notice and (refer item No.6) of the Board's Report::

Name	Mr.Bhadresh K Shah (DIN 00058177)
Date of Birth /Age	07.10.1951 – 68 Years
Date of first appointment on the Board of the Company	30th August, 2001
Qualifications	B Tech, IIT Kanpur
Experience (brief resume)	He is B. Tech (Metallurgy) from Indian Institute of Technology, Kanpur. He has a career spanning over 39 years in the manufacturing and design of various kinds of value added, impact, abrasion and corrosion resistant high chrome castings. These components include products like grinding media, liners, diaphragms, vertical mill parts etc. all manufactured in high chrome metallurgy. The main application of these products is in the grinding operation in the mills in the cement, thermal power and mining industries. He is very well versed in all aspects of production, cost and technical administration. His emphasis on manufacturing process improvements, new product development, quality and adhering to international manufacturing standards has ensured that Company's products are recognized domestically as well as internationally.
Disclosure of Relationship	Related to Mrs. Khushali S.Solanki, Director of the Company & not related to Key Managerial Personnel
No. of Shares in the Company	-
Terms and Conditions of Re-appointment	As per the Resolution at Item No. 3 of the Notice convening this Annual General Meeting, Mr. Bhadresh K. Shah is proposed to be re-appointed as a director.
Remuneration last drawn (including sitting fee if any)	₹ 0.70 Lakh (sitting fees)
Remuneration proposed to be paid	He 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 2018-19.
Directorships held in other Public Companies	
Membership/Chairmanships of Committees across other Public Companies	
Name of the Director	Mr. Rajendra S. Shah
Age	71 years
Date of first appointment on the Board of the Company	23rd May, 2007
Qualification	B.E. (Mech.)
Experience (brief resume)	He is an Industrialist and possesses entrepreneurial insight into running engineering business. He also possesses rich and varied experience in Administration and Finance. He is the Chairman and Managing Director of M/s.Harsha Engineering Ltd.
Disclosure of Relationship	Not related to any Director/Key Managerial Personnel.
No. of shares in the company	-
Terms and Conditions of Re-appointment	As per Resolution at Item No. 6 of the Notice convening this Annual General Meeting read with Explanatory Statement thereto, Mr. Rajendra S. Shah is proposed to be re-appointed as an Independent Director of the Company for a second term of five(5) consecutive years i.e. upto 9th September, 2024.



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Remuneration last drawn (including sitting fee if any)	₹ 0.10 Lakh (sitting fee)
Remuneration proposed to be paid	He 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 2018-19.
Directorship held in other public Companies	
Chairmanship/Membership of Committees of other Boards	
Name of the Director	Mr. Sanjay S. Majmudar
Age	56 years
Date of first appointment on the Board of the Company	23rd May, 2007
Qualification	B.Com, FCA&ACS
Experience (brief resume)	Mr. Sanjay S. Majmudar is a Practicing Chartered Accountants. He has got extensive experience and expertise in the field of Corporate Laws, Direct Tax Laws, Financial Advisory Services, Debt Syndications, Project Finance, International Structures and Taxation Planning, M & A etc. He has contributed Papers and participated as Speaker on Corporate Laws in Seminars and conferences hosted by ICAI and CA Association, Ahmedabad. He is also a regular Speaker in the MSOP Programme of the Institute of Company Secretaries of India, Ahmedabad Chapter.
Disclosure of Relationship	Not related to any Director/Key Managerial Personnel
No. of shares in the company	-
Terms and Conditions of Re-appointment	As per Resolution at Item No. 7 of the Notice convening this Annual General Meeting read with Explanatory Statement thereto, Mr. Sanjay S. Majmudar is proposed to be re-appointed as an Independent Director of the Company for a second term of five(5) consecutive years i.e. upto 9th September, 2024.
Remuneration last drawn(including sitting fee if any)	₹ 0.15 Lakh (sitting fee)
Remuneration proposed to be paid	He 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 2018-19.
Directorship held in other public Companies	
Chairmanship/Membership of Committees of other Boards	
Name of the Director	Mr. Debi Prasad Dhanuka
Age	85 years
Date of first appointment on the Board of the Company	28th February, 1972
Qualification	
Experience (brief resume)	He is one of the senior most directors of the company and has been associated with the company since commencement of its business and has been instrumental in promoting the growth decisions in the Board. He has a rich corporates management experience and been associated with other corporate as Director.
Disclosure of Relationship	Not related to any Director/Key Managerial Personnel
No. of shares in the company	-
Terms and Conditions of Re-appointment	As per Resolution at Item No. 8 of the Notice convening this Annual General Meeting read with Explanatory Statement thereto, Mr. Debi Prasad Dhanuka is proposed to be re-appointed as an Independent Director of the Company for a second term of five(5) consecutive years i.e. upto 9th September, 2024.



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Remuneration last drawn(including sitting fee if any)	₹ 0.70 Lakh (sitting fee)
Remuneration proposed to be paid	He 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 2018-19.
Directorship held in other public Companies	
Chairmanship/Membership of Committees of other Boards	
Name of the Director	Mr. Pradip R. Shah
Age	69 years
Date of first appointment on the Board of the Company	3rd May, 1995
Qualification	B.Com & FCA
Experience (brief resume)	Mr. Pradip R. Shah is a Practicing Chartered Accountant. He has extensive experience and expertise in the field of Corporate Laws, Direct Tax Laws, Financial Advisory Services, Debt Syndications, Project Finance, International Structures and Taxation Planning. He has contributed Papers and participated as Speaker on Corporate Laws in Seminars and conferences hosted by ICAI and CAAssociation, Ahmedabad.
Disclosure of Relationship	Not related to any Director/Key Managerial Personnel
No. of shares in the company	–
Terms and Conditions of Re-appointment	As per Resolution at Item No. 9 of the Notice convening this Annual General Meeting read with Explanatory Statement thereto, Mr. Pradip R. Shah is proposed to be re-appointed as an Independent Director of the Company for a second term of five(5) consecutive years i.e. upto 9th September, 2024.
Remuneration last drawn(including sitting fee if any)	₹ 0.70 Lakh (sitting fee)
Remuneration proposed to be paid	He 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 2018-19.
Directorship held in other public Companies	
Chairmanship/Membership of Committees of other Boards	
Name of the Director	Mr. Ashok A. Nichani
Age	69 years
Date of first appointment on the Board of the Company	2nd November, 2011
Qualification	B.Com
Experience (brief resume)	Experience in manufacturing wires and cables and wiring harness.
Disclosure of Relationship	Not related to any Director/Key Managerial Personnel
No. of shares in the company	–
Terms and Conditions of Re-appointment	As per Resolution at Item No. 10 of the Notice convening this Annual General Meeting read with Explanatory Statement thereto, Mr. Ashok A. Nichani is proposed to be re-appointed as an Independent Director of the Company for a second term of five(5) consecutive years i.e. upto 9th September, 2024.
Remuneration last drawn(including sitting fee if any)	₹ 0.55 Lakh (sitting fee)
Remuneration proposed to be paid	He 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 2018-19.
Directorship held in other public Companies	
Chairmanship/Membership of Committees of other Boards	



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INSTRUCTIONS FOR VOTING THROUGH E-VOTING:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Monday, 05.08.2019 at 9 A.M. and ends on Wednesday, 07.08.2019 at 5 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 01.08.2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <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 (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN "190706012 -Welcast Steels Limited".
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app "m-Voting" available for android based mobiles. The "m-Voting" app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.



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- (xix) 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 emailed 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.
- (xx) 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.
- (xxi) Tushar Vora & Associates, Practising Company Secretary [Address: 32, Arpan Society, Naranpura, Ahmedabad – 380 013] appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxii) The Scrutinizer shall within a period not exceeding three (3) working days from the closing of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xxiii) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.welcaststeels.com and on the website of CDSL within two (2) working days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

Contact Details

Company	WELCAST STEELS LIMITED Regd. Office 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



BOARDS' REPORT

Your Directors have pleasure in presenting the Forty-Seventh Annual Report together with Audited Financial Statements of the Company for the financial year ended 31st March 2019

FINANCIAL HIGHLIGHT :

₹ In Lakhs

PARTICULARS	Year ended 31st March 2019	Year ended 31st March 2018
Revenue from Operations	26961.65	23996.95
Other Income	50.42	52.20
Total Revenue	27012.07	24049.15
Profit before Finance Cost, Depreciation & Amortization and Tax Expenses.	397.92	352.10
Finance Cost	35.66	36.04
Depreciation & Amortization	84.12	89.74
Profit Before tax	278.14	226.32
(i) Provision for Taxation (Current)	63.00	74.70
(ii) Taxes for earlier years	(4.98)	(14.10)
(iii) Provision for Taxation (Deferred)	36.22	6.36
Total Tax (i+ii+iii)	94.24	66.96
Profit/(Loss) after Tax	183.90	159.36
Other Comprehensive Income	3.61	(3.54)
Total Comprehensive Income/(Expenses)	187.51	155.82

1. PRODUCTION:

During the year under review the Company produced 40,097 tons of Grinding Media as compared to 37,972 tons in the previous year

2. SALES & PROSPECTS:

The Company sold 40,143 tons of Grinding Media during the year under review as against 37,930 tons in the previous year. The prospects for sales in the current year also look to be fairly good.

3. DIVIDEND & RESERVES:

Your Directors are pleased to recommend a dividend of 25% (₹ 2.50 per share) for the Financial Year 2018-19.

4. FINANCE:

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

5. EMPLOYEES RELATIONS:

The relationship with the employees, in general, remained cordial. However, as reported in the previous year, a number of 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, are pending in the Honourable Labour Court / High Court.

6. DIRECTORS:

Mr. Bhadresh K. Shah, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. A brief resume of Mr. Bhadresh K. Shah is given as annexure to the notice.

In terms of the requirements of the Companies Act, 2013, the Independent Directors of the Company were appointed for a period of five years on 10th September, 2014. The said term of appointment of the Independent Directors shall come to an end on 9th September, 2019. In view of the same, the Board of Directors has, on the basis of the recommendation of the Nomination and Remuneration Committee, proposed to re-appoint Mr. Rajendra S. Shah, Mr. Sanjay S. Majmudar, Mr. Debi Prasad Dhanuka, Mr. Pradip R. Shah, Mr. Ashok A. Nichani as the Independent Directors of the Company for a second term of Five years.



BOARDS' REPORT (Contd..)

A resolution proposing re-appointment of Independent Directors of the Company for the second term pursuant to Section 149(6) of the Companies Act, 2013 forms part of the Notice of Annual General Meeting. The said resolution shall also be treated as a Special Resolution under Regulations 17(1A) of SEBI LODR Regulations, as Mr. Debi Prasad Dhanuka has already attained the age of 75 years and Mr. Rajendra S. Shah shall attain the age of 75 years during their proposed second term.

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

During the year under review, Four Board Meetings and 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.

8. 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.

9. AUDITORS' REPORT AND NOTES ON ACCOUNTS:

The Board has duly reviewed the Statutory Auditors' Report for the Financial Year ended 31st March, 2019. There were no qualifications/observations in the Report.

10. COST AUDITORS:

The Cost Auditors have filed the cost audit report for the financial year ended 31st March, 2018 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 2019-20. 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 member's ratification of the remuneration payable to M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad is included in the Notice convening the 47th Annual General Meeting.

11. INTERNAL CONTROL AND AUDIT:

Company has a proper and adequate system of Internal Control commensurate with its size and the nature of its operations to ensure that all assets are safeguarded and protected against loss from un-authorized use or disposition and all transactions are authorized, recorded and reported correctly. The Board of Directors at the recommendation of the Audit Committee appointed M/s. Talati & Talati, Chartered Accountants, Ahmedabad as Internal Auditors of the Company for financial year 2019- 20.

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

12. DEPOSITS:

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

13. INSURANCE:

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

14. CORPORATE GOVERNANCE:

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



BOARDS' REPORT (Contd..)

15. 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.

16. 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 to the Companies (Accounts) Rules, 2014 is provided as an Annexure - A to this report.

17. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit 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.

18. 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 2018 – 19.

19. TRANSACTIONS WITH RELATED PARTIES:

All transactions entered with the related parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Your directors draw attention of the members to para 6 of note No.27-significant accounting policies and notes to the financial statement which sets out material contracts / arrangements/ transactions with related parties on arms' length basis. There are no materially significant Related Party Transactions made by the Company with the Promoters, Directors and Key Managerial Personnel, which may have a potential conflict with the interest of the Company at large.

The Company has developed a Related Party Transactions framework through Standard Operating Procedures for the purpose of identification and monitoring of such transactions. All related party transactions including those which are repetitive in nature are reviewed by the Audit Committee on quarterly basis. The Board approved all the related party transactions that are recommended by the Audit Committee. The policy on Related Party Transactions as approved by the Board of Directors is available on the web site of the Company i.e. www.welcaststeels.com. During the financial year 2019-20, the transactions of sale of material with the Holding Company i.e. AIA Engineering Limited may exceed threshold limit of ten percent (10%) of the annual consolidated turnover of the company as per the audited financial statements for the year ended 31st March 2019. Pursuant to Regulation 23 of SEBI Listing Regulations, Company proposes to take the approval of members of the Company by way of an Ordinary Resolution to be passed at the ensuing Annual General Meeting.

The details of the material Related Party transactions entered by the Company during the year under review are disclosed in Form AOC – 2 as Annexure – B to this Report.

20. 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 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.

21. SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Company has appointed M/s Tushar Vora & Associates, Company Secretaries in Practice (CP No 1745) to conduct the Secretarial Audit of the Company's secretarial and related records for the year ended 31st March 2019. The Secretarial Audit Report of the Company is annexed herewith as Annexure – C and forms an integral part of this report.

22. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The vigil mechanism 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.

23. 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.

24. 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.

25. 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>.

26. 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.



BOARDS' REPORT (Contd..)

27. 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.

28. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment of Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company forms part of this report. In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

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

29. ENVIRONMENT, HEALTH AND SAFETY:

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

30. 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.

31. ACKNOWLEDGMENTS:

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

For and on behalf of the Board of Directors

Place : Bengaluru
Date : 22.05.2019

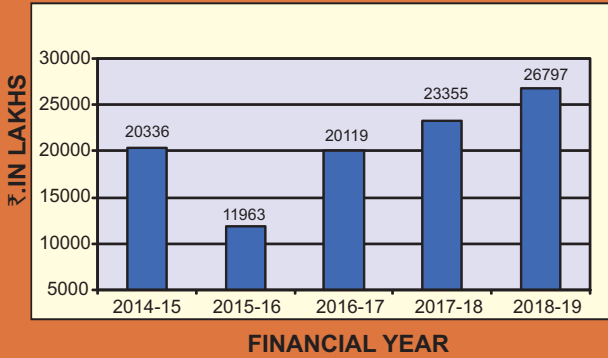
VINOD NARAIN
Chairman
(DIN.00058280)



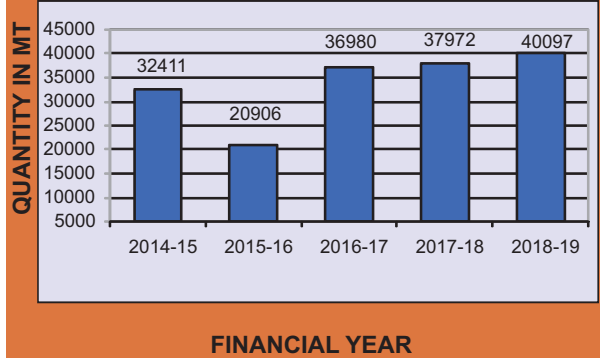
PERFORMANCE HIGHLIGHTS

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

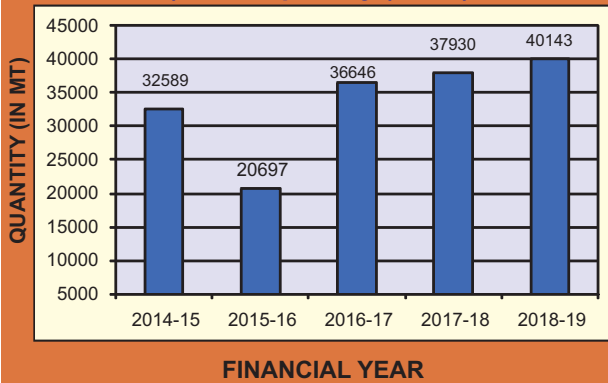
1) Sales Net of Excise Duty (₹ in Lakhs)



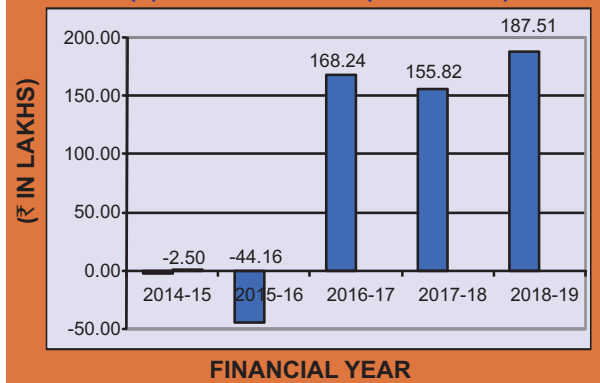
(2) Production Quantity (in MT)



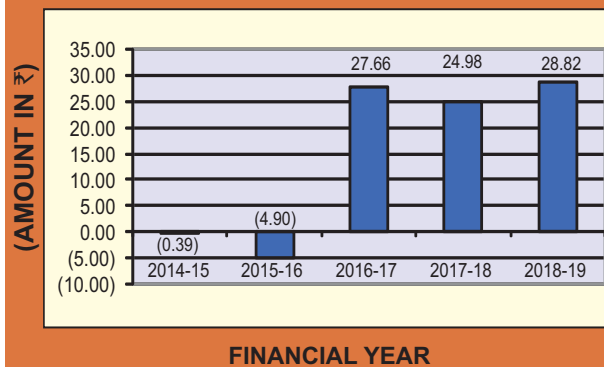
3) Sales quantity (in MT)



(4) Profit After Tax (₹ in Lakhs)



(5) Earnings Per Share - EPS - (₹)





ANNEXURES TO BOARDS' REPORT

ANNEXURE :-A

TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars as per the Section 134 (1) (m) of the Companies Act, 2013, and as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014 are as follows:

I. CONSERVATION OF ENERGY

Effective steps were taken to conserve energy.

1. POWER AND FUEL CONSUMPTION

Electricity

Particulars	2018-19	2017-18
i) Units purchased	5,08,20,805	4,73,29,000
Total amount in ₹	37,15,78,879	32,60,01,607
Rate / Unit (₹)	7.31	6.89
ii) Units generated	2,712	19,168
Unit generated /Liter of Diesel	1.90	2.55

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

Electricity Units	1270	1246
-------------------	------	------

The Consumption / Unit is marginally higher in the year 2018-19 due to installation of Dust Extraction Equipments for improvement in environment.

II. RESEARCH AND DEVELOPMENT

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

- Introduction of PNG in place of LDO / C-9 oil at Heat Treatment Furnace.
- Use of Water Cooled Transformer in place of air cooled transformer at Induction Melting Furnace for better productivity.
- Installation of Air Heaters for shakeout Dust Extraction Equipments to improve efficiency and durability.

2. BENEFITS DERIVED :

- Cost reduction and improvement in environment.
- Increase in productivity.
- Better environment, longer life of equipments.

3. FUTURE PLAN OF ACTION

- Introduction of Portable Conveyor System for Loading of loose balls in containers.
- Modification of Quenching System at Heat Treatment Furnace.

III. TECHNOLOGY ABSORPTION AND INNOVATION:

1. EFFORTS MADE:

- Modification of Heat Treatment Process for new Grade of Grinding Media.
- Development of special composition of Grinding Media for high corrosion resistance.

2. BENEFITS:

- Improvement in performance of Grinding Media.
- New market for supply of products.

3. PARTICULARS OF TECHNOLOGY IMPORTED DURING THE LAST:

5 YEARS - NIL -

4. EXPENDITURE ON R & D :

- | | |
|--------------|------------|
| a. Capital: | ₹ in Lakhs |
| b. Revenue : | 169.61 |
| | Nil |

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. EARNINGS

Foreign exchange earned. Nil

2. OUTGO

CIF Value of Imports : 674.12



ANNEXURES TO BOARDS' REPORT

ANNEXURE:- B

Form No. AOC-2

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

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

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

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

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

i) Name(s) of the Related Party and nature of Relationship	AIA Engineering Ltd., a Holding Company of the Company.
ii) Nature of Contract / arrangements / transactions	Sale and Purchase of Goods.
iii) Duration of Contract / arrangements / transactions	5 Years from 01.01.2019
iv) Salient Terms of Contract / arrangements / transactions including the value, if any	Welcast Steels shall manufacture Grinding Media of different grades for AIA Engineering Ltd., according to their Purchase Orders received from time to time as per their technical specifications and using the technical knowhow provided by the AIA Engineering Ltd. Payment terms against invoice within 35 (Thirty Five) days. The Company shall also manufacture Grinding Media of different grades for other parties.
v) Justification for entering into such contracts or arrangements or transactions	This Contract Arrangement was entered to fully utilize the installed capacity.
vi) Date (s) of approval by the Board	22nd May 2019
vii) Amount paid as Advances, if any	NIL

For and on behalf of the Board,

Place: Bengaluru
Date : 22.05.2019

(Vinod Narain)
Chairman
(DIN.00058280)



ANNEXURES TO BOARDS' REPORT

ANNEXURE- C

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019
[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, 2019, 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, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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 Listing Agreement entered into by the Company with BSE Limited and 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.



ANNEXURES TO BOARDS' REPORT

- 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.

1. Shareholders' approval by way of Ordinary Resolution has been obtained for material related party transactions with holding Company pursuant to the provisions of the Companies Act, 2013 and Regulation 23 of SEBI Listing Regulations for the financial year 2017-18 .
2. Shareholders' approval by way of Special Resolution has been obtained pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (newly amended vide Notification No. SEBI/LAD-NRO/GN/2018/10. Dated 09.05.2018), for continuation of directorship of Mr. Vinod Narain (88 years of age).
3. Shareholders' approval by way of Special Resolution has been obtained pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (newly amended vide Notification No. SEBI/LAD-NRO/GN/2018/10. Dated 09.05.2018), for continuation of directorship of Mr. Debi Prasad Dhanuka (DIN: 00168198) (84 years of age).

Date : 22nd May, 2019
Place : Ahmedabad

FOR TUSHAR VORA & ASSOCIATES
Company Secretaries

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

ANNEXURE TO SECRETARIAL AUDIT REPORT

To
The Members
Welcast Steels Limited

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

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 is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to 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.

Date : 22nd May, 2019
Place : Ahmedabad

FOR TUSHAR VORA & ASSOCIATES
Company Secretaries

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



ANNEXURES TO BOARDS' REPORT

ANNEXURE - D

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2018**

**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- 382415. 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 BOARDS' REPORT

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

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% 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) FII's	-	-	-	-	-	-	-	-	-
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.	5232	25	5257	0.82	9782	25	9807	1.53	0.71
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	90177	29224	119401	18.71	92292	26249	118541	18.57	(0.14)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	15942	-	15942	2.50	15942	-	15942	2.50	-
c) Others (specify)									
Non Resident Indians	1509	50	1559	0.24	1568	25	1593	0.25	0.01
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	5566	-	5566	0.87	257	-	257	0.04	(0.83)
Trusts	25	-	25	0.01	25	-	25	0.01	-
IEPF	12700	-	12700	1.99	14285	-	14285	2.24	0.25
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	131151	29299	160450	25.14	134151	26299	160450	25.14	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	608812	29349	638161	100	611812	26349	638161	100	-
C. Shares held by Custodian for GDRs & ADRs									
	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	608812	29349	638161	100	611812	26349	638161	100	-



ANNEXURES TO BOARDS' REPORT

B) 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	-	-

C) 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 BOARDS' REPORT

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

Sr. No.	Particular	Shareholding at the beginning of the year 1st April, 2018		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year 2018-2019		Shareholding at the end of the year 31st March, 2019	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Ashish Navnital Shah	15,942	2.50	31-Mar-18	-	Transfer	15,942	2.50	15,942	2.50
2	VIKRAMKUMAR RAMESHCHANDRA SHAH	7,000	1.10	31-Mar-18	-	Transfer	7,000	1.10		
				6-Jul-18	(6000)	Transfer	1,000	0.16		
		1,000		30-Mar-19	-	Transfer	1,000	0.16	1,000	0.16
3	IL And FS Securities Services Limited	-		31-Mar-18		Transfer		-		-
				31-Aug-18	30	Transfer		-		
				28-Dec-18	(30)	Transfer	30	-		
				15-Feb-19	6000	Transfer	-	0.94		
		6,000		30-Mar-19	-	Transfer	6,000	0.94	6,000	0.94
4	AMIT BHUTRA	5,702	0.89	31-Mar-18	-	Transfer	5,702	0.89		
		5,702		30-Mar-19	-	Transfer	5,702	0.89	5,702	0.89
5	BP EQUITIES PVT. LTD.	4,747	0.74	31-Mar-18	-	Transfer	4,747	0.74		
				11-May-18	(200)	Transfer	4,547	0.71		
				18-May-18	(150)	Transfer	4,397	0.69		
				9-Aug-18	(2150)	Transfer	2,247	0.35		
				17-Aug-18	(808)	Transfer	1,439	0.23		
				24-Aug-18	(430)	Transfer	1,009	0.16		
				14-Sep-18	(500)	Transfer	509	0.08		
				21-Sep-18	(36)	Transfer	473	0.07		
				5-Oct-18	(49)	Transfer	424	0.07		
				12-Oct-18	(424)	Transfer	-	-		
				30-Mar-19	-	Transfer	-	-	-	-
6	SHAH YOGESH INDRAVADAN	4,263	0.67	31-Mar-18	-	Transfer	4,263	0.67		
				20-Apr-18	(20)	Transfer	4,243	0.66		
				1-Mar-19	3	Transfer	4,246	0.67		
				30-Mar-19	-	Transfer	4,246	0.67	4,246	0.67
7	GAUTAM M MEHTA (HUF)	-	-	31-Mar-18		Transfer	-	-		
				24-Aug-18	1000	Transfer	1,000	0.16		
				7-Sep-18	(976)	Transfer	24	-		
				14-Sep-18	(24)	Transfer	-	-		
				26-Oct-18	234	Transfer	234	0.04		
				11-Jan-19	(234)	Transfer	-	-		
				1-Feb-19	1961	Transfer	1,961	0.31		
				22-Mar-19	450	Transfer	2,411	0.38		
				30-Mar-19	-	Transfer	2,411	0.38	2,411	0.38



ANNEXURES TO BOARDS' REPORT

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

Sr. No.	Particular	Shareholding at the beginning of the year 1st April, 2018		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year 2018-2019		Shareholding at the end of the year 31st March, 2019	
		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
8	NANDITA RAJENDRA MEHTA	2,063	0.32	31-Mar-18	-	Transfer	2,063	0.32		
				6-Apr-18	11	Transfer	2,074	0.33		
				13-Apr-18	4	Transfer	2,078	0.33		
				20-Apr-18	5	Transfer	2,083	0.33		
				27-Apr-18	2	Transfer	2,085	0.33		
				4-May-18	1	Transfer	2,086	0.33		
				18-May-18	(1)	Transfer	2,085	0.33		
				1-Jun-18	42	Transfer	2,127	0.33		
				15-Jun-18	6	Transfer	2,133	0.33		
				22-Jun-18	(12)	Transfer	2,121	0.33		
				28-Sep-18	(79)	Transfer	2,042	0.32		
				12-Oct-18	1	Transfer	2,043	0.32		
				22-Feb-19	100	Transfer	2,143	0.34		
				30-Mar-19	-	Transfer	2,143	0.34	2143	0.34
9	HASMUKH RAVJI SAVLA	1,500	0.24	31-Mar-18	-	Transfer	1,500	0.24		
				11-May-18	20	Transfer	1,520	0.24		
				18-May-18	10	Transfer	1,530	0.24		
				1-Jun-18	26	Transfer	1,556	0.24		
				8-Jun-18	24	Transfer	1,580	0.25		
				22-Jun-18	11	Transfer	1,591	0.25		
				29-Jun-18	19	Transfer	1,610	0.25		
				6-Jul-18	20	Transfer	1,630	0.26		
				13-Jul-18	20	Transfer	1,650	0.26		
				20-Jul-18	20	Transfer	1,670	0.26		
				3-Aug-18	1	Transfer	1,671	0.26		
				28-Sep-18	29	Transfer	1,700	0.27		
				14-Dec-18	15	Transfer	1,715	0.27		
				15-Feb-19	18	Transfer	1,733	0.27		
				22-Feb-19	14	Transfer	1,747	0.27		
				30-Mar-19	-	Transfer	1,747	0.27	1747	0.27
10	MONIK DHARAMSHI	1,313	0.21	31-Mar-18	-	Transfer	1,313	0.21		
				13-Apr-18	25	Transfer	1,338	0.21		
				18-May-18	50	Transfer	1,388	0.22		
				25-May-18	25	Transfer	1,413	0.22		
				20-Jul-18	100	Transfer	1,513	0.24		
				27-Jul-18	55	Transfer	1,568	0.25		



ANNEXURES TO BOARDS' REPORT

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

Sr. No.	Particular	Shareholding at the beginning of the year 1st April, 2017		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year 2017-2018		Shareholding at the end of the year 31st March, 2018	
		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
				31-Aug-18	11	Transfer	1,579	0.25		
				16-Nov-18	2	Transfer	1,581	0.25		
				11-Jan-19	3	Transfer	1,584	0.25		
				1-Feb-19	2	Transfer	1,586	0.25		
				22-Feb-19	67	Transfer	1,653	0.26		
				30-Mar-19	-	Transfer	1,653	0.26		
11	MEENU GOEL	1,306	0.20	31-Mar-18	-	Transfer	1,306	0.20	1653	0.26
				11-May-18	(350)	Transfer	956	0.15		
				30-Mar-19	-	Transfer	956	0.15	956	0.15
12	MAKAM RAMAKRISHNAIAH RAJESH	551	0.09	31-Mar-18	-	Transfer	551	0.09		
				4-May-18	4	Transfer	555	0.09		
				11-May-18	153	Transfer	708	0.11		
				18-May-18	47	Transfer	755	0.12		
				8-Jun-18	95	Transfer	850	0.13		
				15-Jun-18	2	Transfer	852	0.13		
				13-Jul-18	100	Transfer	952	0.15		
				27-Jul-18	16	Transfer	968	0.15		
				2-Aug-18	42	Transfer	1,010	0.16		
				9-Aug-18	20	Transfer	1,030	0.16		
				14-Sep-18	35	Transfer	1,065	0.17		
				5-Oct-18	50	Transfer	1,115	0.17		
				16-Nov-18	100	Transfer	1,215	0.19		
				30-Mar-19	-	Transfer	1,215	0.19	1215	0.19
13	ARUNA ANIL SANGHAVI	-	-	31-Mar-18	-	Transfer	-	-		
				14-Sep-18	1000	Transfer	1,000	0.16		
				30-Mar-19	-	Transfer	1,000	0.16	1000	0.16
14	SAHAJ PRAVINBHAI DAVE	971	0.15	31-Mar-18	-	Transfer	971	0.15		
				30-Mar-19	-	Transfer	971	0.15	971	0.15



ANNEXURES TO BOARDS' REPORT

E) Shareholding of Directors and Key Managerial Personnel:

Particulars	Shareholding at the beginning of the year 1st April, 2018		Date	Increase/Decrease	Reason	Cumulative Shareholding during the year 2018-2019		Shareholding at the end of the year 31st March, 2019	
	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 shares in the Company									
Particulars	Shareholding at the beginning of the year 1st April, 2018		Date	Increase/Decrease	Reason	Cumulative Shareholding during the year 2018-2019		Shareholding at the end of the year 31st March, 2019	
	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. Jethliya - Company Secretary	-	-	-	-	-	-	-	-	-



ANNEXURES TO BOARDS' REPORT

Amount in ₹

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,00,00,000	-	-	5,00,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5,00,00,000	-	-	5,00,00,000
Change in Indebtedness during the financial year				
* Addition	3,55,00,000	-	-	3,55,00,000
* Reduction	7,35,00,000	-	-	7,35,00,000
Net Change	3,80,00,000	-	-	3,80,00,000
Indebtedness at the end of the financial year				
i) Principal Amount	1,20,00,000	-	-	1,20,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,20,00,000	-	-	1,20,00,000

VI. 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 BOARDS' REPORT

₹ In Lakhs

B. Remuneration to other directors

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	0.70	0.70	0.55	0.10	0.15	2.20
	Total (A)	0.70	0.70	0.55	0.10	0.15	2.20

B Other Non-Executive Directors

Sl.No.	Particulars of Remuneration	Name of Directors					Total Amount
		Bhadresh K Shah	Vinod Narain	Khusali 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	0.70	0.35	0.05	-	-	1.10
	- Profession Fees	-	1.20	-	-	-	1.20
	Total (B)	0.70	1.55	0.05	-	-	2.30

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	25.92	-	21.78	47.70
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	2.25	-	2.90	5.15
(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	28.17	-	24.68	52.85



ANNEXURES TO BOARDS' REPORT

₹ In Lakhs

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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	0.55:1
Mr. D.P. Dhanuka	0.92:1
Mr. Bhadresh K. Shah	0.92:1
Mr. Sanjay S. Majmudar	0.92:1
Mr. Rajendra S. Shah	0.92:1
Mr. Pradip R. Shah	0.92:1
Mr. Ashok A. Nichani	0.92:1
Mrs. Khushali S. Solanki	0.55:1

- (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	50
Mr. D.P. Dhanuka	66.67
Mr. Bhadresh K. Shah	66.67
Mr. Sanjay S. Majmudar	66.67
Mr. Rajendra S. Shah	150
Mr. Pradip R. Shah	66.67
Mr. Ashok A. Nichani	150
Mrs. Khushali S. Solanki	200
Mr. Mohana Rao	8.10
Mr. Yash Raj	8.44
Mr. S.N. Jetheliya	Nil

- (3) The percentage increase in the median remuneration of employees in the financial year was 1.94%
- (4) There were 191 permanent employees on the rolls of Company as on 31st March, 2019.
- (5) Average increase in the salaries of employees other than the managerial personnel in the last financial year was 4.35% 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 Employees 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) Prevention of Insider Trading Regulations in this regard.

We take pleasure in reporting that your Company has complied in all respects with the features of Corporate Governance specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") as amended from time to time.

BOARD OF DIRECTORS:

(A) COMPOSITION OF THE BOARD:

The Composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors, meets the requirement of Code of Corporate Governance. The Board is headed by the Non-Executive Director as Chairman, Mr. Vinod Narain. The present strength of the Board of Directors is 8 which include 3 Non-Executive – Promoter Directors and Non-Independent Directors, 5 Independent Directors in terms of Regulation 17 (1) (a) of SEBI LODR Regulations and Section 149 of the Companies Act, 2013. Board represents a balance mix of professionalism, knowledge and expertise.

Pursuant to the provisions of Section 149 (3) of the Companies Act, 2013 and 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 Regulation 17 (1) (a) of SEBI Listing 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 7th May 2018, 9th August, 2018, 30th October, 2018 and 4th February 2019. The Company held one Board Meeting in each quarter and the gap between any two Board Meetings was not more than one hundred twenty days as prescribed under the Regulation 17(2) of SEBI LODR Regulations and section 173(1) of the Companies Act 2013. Details of the Directors, their positions, attendance



REPORT ON CORPORATE GOVERNANCE (Contd..)

record at Board meetings and last Annual General Meeting (AGM), other Directorships (excluding Private Limited, Foreign Companies and Alternate Directorships) and the Memberships / Chairmanships of Board Committees other than your Company as on 31st March, 2019 are as follows:

Name of the Director	Category	Number of Board meetings attended during the year 2018-19	Attendance at the last AGM held on 9th August 2018	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	-	-	-	-	0.35
Mr. D.P. Dhanuka	Independent	4	Yes	-	-	-	-	0.70
Mr. Bhadresh K. Shah	Non- Executive Non- Independent	4	Yes	2	-	2	-	0.70
Mr. Sanjay S. Majmudar	Independent	1	Yes	4	1	4	3	0.15
Mr. Rajendra S. Shah	Independent	1	Yes	2	1	-	2	0.10
Mr. Pradip R. Shah	Independent	4	Yes	-	-	-	-	0.70
Mr. Ashok A. Nichani	Independent	4	Yes	-	-	-	-	0.55
Mrs. Khushali S. Solanki	Non- Executive Non- Independent	1	Yes	1	-	-	-	0.05

Committee positions only of the Audit Committee and Stakeholders Relationship Committee in Public Limited Companies have been considered.

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	Welcast Steels Limited	Non-Independent, Non-Executive Director
Mr. Bhadresh K. Shah	AIA Engineering Ltd Welcast Steels Ltd Cadila Healthcare Ltd	Promoter & Managing Director Non – Independent, Non-Executive Director Independent Director
Mr. Debi Prasad Dhanuka	Welcast Steels Ltd	Independent Director
Mr. Pradip R. Shah	Welcast Steels Ltd	Independent Director
Mr. Ashok A. Nichani	Welcast Steels Ltd	Independent Director
Mr. Rajendra S. Shah	Dishman Carbogen Amics Ltd AIA Engineering Ltd Welcast Steels Ltd	Independent Director Independent Director Independent Director
Mr. Sanjay S. Majmudar	Dishman Carbogen Amics Ltd AIA Engineering Ltd Welcast Steels Ltd Aarvee Denims and Exports Ltd. Ashima Ltd	Independent Director Independent Director Independent Director Independent Director Independent Director
Mrs. Khushali S. Solanki	AIA Engineering Ltd Welcast Steels Ltd	Non – Independent, Non-Executive Director Non – Independent, Non-Executive Director

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

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- i. Knowledge: Understand the Company's businesses, policies and culture (including the Mission, Vision and Values) major risks/ threats and potential opportunities and knowledge of the industry in which the Company operates.
- ii. Behavioral Skills: Attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- iii. Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.



- iv. Financial and Management skills.
- v. Technical/ Professional skills and specialised knowledge in relation to Company's business.

(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.

(C) INDEPENDENT DIRECTORS' COMPENSATION AND DISCLOSURES:

Independent Directors' are paid sitting fees in accordance with the applicable laws, and no commission is paid. The Board of Directors at their meeting held on 4th February 2019 had decided to pay ₹ 15,000 as sitting fees for attending board meeting and ₹ 10,000/- for Audit Committee Meeting. The details of the sitting fees paid is given in the table given under the heading board Meetings / Details of Board Meeting as mentioned above.

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.

(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 in 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, 2019, 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, 2019 together with their attendance are given in the following table.

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

During Financial Year 2018-19, four (4) Audit Committee meetings were held on 7th May 2018, 9th August, 2018, 30th October, 2018 and 4th February 2019. 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 statement is 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;



REPORT ON CORPORATE GOVERNANCE (Contd..)

- (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) To review the Management Discussion and analysis of financial condition and results of operations;
- (xxii) To review, the appointment, removal and terms of remunerations of the Chief internal Auditor;
- (xxiii) To review and discuss with the management the status and implications of major legal cases;
- (xxiiii) To recommend 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) To review the statements of significant related party transactions, management letters etc.
- (xxvi) To review 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 representative of the Cost Auditor is invited to attend the meeting of the Audit Committee when the Cost Audit Report is tabled for discussion. The Chief Executive Officer (CEO), Chief Financial Officer (CFO) and other 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, 2019 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	4

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 7th May 2018, 9th August, 2018, 30th October, 2018 and 4th February 2019.

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 received 3 Complaints from Shareholders and the same were resolved to their satisfaction. There is no outstanding complaint as on 31st March, 2019. 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) To 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.



REPORT ON CORPORATE GOVERNANCE (Contd..)

- (viii) to 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) to perform such other functions as may be necessary or appropriate for the performance of its duties.
- (x) to 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 the 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 04.02.2019, 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 03.08.2018, 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 2018-19 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 Committee Meetings during the Financial Year 2018-19 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.



REPORT ON CORPORATE GOVERNANCE (Contd..)

(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:

Mr. Bhadresh K. Shah, Director of the Company retires by rotation at the ensuing 47th Annual General Meeting of the Company and being eligible, offers himself for re appointment.

(ii) Mr. Rajendra S. Shah, Director, Mr. Sanjay S. Majmudar, Director, Mr. Debi Prasad Dhanuka, Director, Mr. Pradip R. Shah, Director and Mr. Ashok Nichani, Director are being re-appointed as an Independent Directors for second term for consecutive five years w.e.f. 10th September, 2019.

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

(iv) 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, 2019 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 of Welcast Steels Ltd:	2,50,000.00
Quarterly fees towards Limited Review:	50,000.00
Total:	3,00,000.00

V. 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.

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

ANNUAL GENERAL MEETINGS:

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

SL No	Financial Year	Venue	Time and Date	Whether any special Resolution passed
1	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
2	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
3	2015-16	HOTEL CROWN PLAZA AHMEDABAD CITY CENTRE, Near Shapath V, S.G. High Way, Ahmedabad - 380015	4.00 P.M. on 12th August 2016	No



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

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.

Annual General Meeting held on 12th August 2016:

No Special Resolution was passed.

POSTAL BALLOT:

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

VII. GENERAL SHAREHOLDERS' INFORMATION

1. General

Date and Time of 47th AGM	Thursday, 8th August, 2019 at 10.30 A.M.
Venue of AGM	A 203, "ELANZA CREST", Near Sigma Corporates, Off. S. G. Highway, Sindhu Bhavan Road, Bodakdev, Ahmedabad 380 054
Financial Year ended	31st March, 2019
Book Closure Date	Friday, 02.08.2019 to Thursday, 08.08.2019 (both days inclusive)
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 2019-20:

First Quarter Results	On or before 14th August, 2019
Second Quarter & Half Yearly Results	On or before 14th November, 2019
Third Quarter Results	On or before 14th February, 2020
Audited Results for the year 2019-20	On or before 30th May, 2020

3. Listing on Stock Exchanges:

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

The listing fees for the year 2019-20 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 2018	35160.36	1045.00	856.60
2.	May 2018	35322.38	911.50	725.00
3.	June 2018	35423.48	859.40	700.00
4.	July 2018	37606.58	770.00	608.20
5.	Aug 2018	38645.07	850.00	609.00
6.	Sep 2018	36227.14	898.00	660.00
7.	Oct 2018	34442.05	730.00	561.00
8.	Nov 2018	36194.30	725.00	631.00
9.	Dec 2018	36068.33	720.00	600.00
10.	Jan 2019	36256.69	717.00	650.00
11.	Feb 2019	35867.44	700.00	527.10
12.	Mar 2019	38672.91	650.00	541.10

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 August 2019 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.

7. Distribution of Shareholding:**i. Distribution of Shareholding as on 31st March 2019**

No. of Equity Shares	HOLDER(S)		HOLDER(S)	
	No. of folios	% of total folios	No. of Shares	% of holding
1 to 500	2019	98.25	87584	13.72
501 to 1000	25	1.22	18268	2.87
1001 to 2000	3	0.15	4615	0.72
2001 to 3000	2	0.09	4554	0.71
3001 to 4000	1	0.05	3550	0.56
4001 to 5000	-	-	-	-
5001 to 10000	2	0.09	11702	1.83
10001 & above	3	0.15	507888	79.59
Grand Total	2055	100.00	638161	100.00

ii Shareholding pattern as on 31st March, 2019.

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)	14285	-	1	2.24
- Bodies Corporate	9782	25	29	1.54
- Individuals	108234	26249	1954	21.07
- Trusts	25	-	1	-
- NRI	1568	25	22	0.25
- Clearing Member	257	-	8	0.04
GRAND TOTAL	611812	26349	2018	100%



REPORT ON CORPORATE GOVERNANCE (Contd..)

8. Dematerialization of Shares & Liquidity:

The Shares of the Company are compulsorily traded in DEMAT form in the Stock Exchange where they are listed. The Shares are available for dematerialization on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2019

Category of shares held	No of folios	% of total folios	No of Shares	% of holding
In Physical Mode	581	28.27	26349	4.13
In Electronic Mode	1474	71.73	611812	95.87

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 2019: 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 all the concerned Stock Exchanges along with the Annual Report.

NON-MANDATORY REQUIREMENTS:

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

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



REPORT ON CORPORATE GOVERNANCE (Contd..)

ANNEXTURE: -

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 for the year ended 31st March, 2019 as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. I also state that during the Financial Year 1st April 2018 to 31st March 2019, 3 complaint were received and resolved, hence no Investor Complaint is pending against the Company as on 31st March 2019 as per the records maintained by the Company and presented to the Stakeholders' Relationship Committee and to me. 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: 22-05-2019

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

The above Corporate Governance Report was adopted by the Board of Directors at their meeting held on 22.05.2019.

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, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Bhadresh Kantilal Shah	00058177	30/08/2001
2	Vinod Narain	00058280	28/02/1972
3	Rajendra Shantilal Shah	00061922	23/05/2007
4	Sanjay Shaileshbhai Majmudar	00091305	23/05/2007
5	Debi Prasad Dhanuka	00168198	28/02/1972
6	Pradip Rasiklal Shah	00293396	03/05/1995
7	Ashok Asharam Nichani	02249844	02/11/2011
8	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: 22.05.2019

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



REPORT ON CORPORATE GOVERNANCE (Contd..)

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 2018-19.

Place: Bengaluru
Date: 22-05-2019

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, 2019 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 : 22-05-2019

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 supplies its product, High Chrome Grinding Media, mainly to Cement, Mining and Mineral Processing Industries. These industries are the primary source of materials required for any infrastructure development.

The consumption of ferrous as well as non-ferrous metals and cement continues to rise in practically all the Countries. Since Grinding Media is an essential input for manufacturing these products, there shall continue to be a stable market for the company to meet the demand. Of course, as in case of all other industries, the competition will continue to be a challenge and the company has to beat the same by innovation, price, quality and service.

B. SEGMENT WISE PERFORMANCE:

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

C. OUTLOOK 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.

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.2018-19	F.Y.2017-18
High Chrome Grinding Media Balls	40,097	37,972

• Sales Turnover

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

(₹ in Lakhs)

Particulars	F.Y.2018-19	F.Y.2017-18
Sales (Net of Excise)	26,961.65	23,384.87
Other Income	50.42	52.20
Total	27,012.07	23,437.07



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
		2018-19	Revenue	2017-18	Revenue
1.	Revenue from Operations (Net)	26961.65	100	23384.87	100.00
2.	Cost of Materials Consumed (including Trading Purchase)	17832.39	66.14	15450.80	66.07
3.	Employee Benefits Expense	973.99	3.61	976.78	4.17
4.	Other Expenses	7807.77	28.96	6657.36	28.46
5.	EBIDTA	347.50	1.29	299.93	1.28
6.	Other Income	50.42	0.19	52.20	0.22
7.	Finance Costs	35.66	0.13	36.04	0.15
8.	Depreciation & Amortization Expenses	84.12	0.31	89.74	0.38
9.	Profit before Tax	278.14	1.03	226.32	0.96
10.	Tax Expenses	94.24	0.35	66.96	0.28
11.	Profit for the period after tax	183.90	0.68	159.36	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

During the year, there was no significant change in the financial ratios compared to the previous year. There is no major change in Return on Net Worth as compared to the immediately previous Financial 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, 2019, 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, 2019 and of profit, changes in equity and its cash flows for the year 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 arms'length transaction is dependent of various business decisions and judgments made by the management. Refer Note: D 6 to Note 27 of significant accounting policy and Notes to 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 varacity of management judgments in determining arms'length transaction.
2.	Evaluation of Contingent Liabilities. Refer Note: D 1 to Note 27 of significant accounting policy and Notes to 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 standalone 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 (Contd..)

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



AUDITORS' REPORT (Contd..)

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 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 2019 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-

SI 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.
2	Foreign Trade Regulation Act (DEEC Scheme)	Customs Duty, Interest	879.62* @	March 2005 To December 2008 And interest till 31st March, 2019	High Court of Karnataka.

*Excluding Penalty.

@ ₹ 35 Lakhs have been deposited against the above.



AUDITORS' REPORT (Contd..)

- (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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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"; And
- (vii) 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 clause C (1) of Note 27 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

PLACE : BANGALORE
DATE : 22.05.2019



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, 2019 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial 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, and 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, 2019, 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: 22.05.2019

for **GANAPATH RAJ & CO**
Chartered Accountants
(FRN 000846S)
(C. GANAPATH RAJ)
Partner
Membership No 022955



Balance Sheet As At 31st March 2019

₹ In Lakhs

Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
ASSETS			
(I) Non-current assets			
(a) Property, plant and equipment	1	664.96	427.29
(b) Capital work in progress	1	5.51	161.09
(c) Other intangible assets	1	0.93	1.73
(d) Financial assets		-	-
(e) Deferred tax assets (Net)	2	90.43	126.65
(f) Other non-current assets	3	622.09	621.04
Total Non current assets		1,383.92	1,337.80
(II) Current Assets			
(a) Inventories	4	2,196.09	2,041.60
(b) Financial assets			
(i) Trade receivables	5	1,259.15	1,312.49
(ii) Cash and cash equivalents	6	34.67	19.89
(iii) Bank balances other than (ii)above	7	24.08	41.44
(iv) Others financial assets	8	18.33	14.26
(c) Other current assets	9	593.08	753.73
Total current assets		4,125.40	4,183.41
TOTAL ASSETS		5,509.32	5,521.21
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	63.84	63.84
(b) Other equity	11	3,437.56	3,265.41
Total - equity		3,501.40	3,329.25
Liabilities			
(I) Non Current liabilities			
(a) Provisions	12	184.71	173.95
Total - Non current liabilities		184.71	173.95
(II) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	120.00	500.00
(ii) Trade payables	14	1,222.59	1,306.19
(iii) Other financial liabilities (other than those specified in item (c))	15	4.59	4.85
(b) Other current liabilities			
(c) Provisions	17	102.26	95.82
(d) Current tax liabilities (Net)	18	-	-
Sub-total current liabilities		1,823.21	2,018.01
TOTAL EQUITY AND LIABILITIES		5,509.32	5,521.21

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

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For and on behalf of the Board

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

GANAPATH RAJ .C.
Partner
Membership No 022955

S. N. JETHELIYA
Company Secretary
ACS : 5343

VINOD NARAIN
Chairman
DIN : 00058280

D.P. DHANUKA
DIN : 000168198

BHADRESH K. SHAH
Directors
DIN : 00058177

Place : Bengaluru
Date : 22.05.2019

V V R MOHANA RAO
Chief Executive Officer

YASHRAJ
Chief Financial Officer

**Statement of Profit & Loss for the year ended 31st March 2019**

₹ In Lakhs

Particulars	Note No	Year ended 31st March 2019	Year ended 31st March 2018
1 Revenue from operations	19	26,961.65	23,996.95
2 Other income	20	50.42	52.20
3 Total Income (1+2)		27,012.07	24,049.15
4 Expenses:			
(a) Cost of materials consumed	21	17,867.04	15,524.22
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(34.65)	(73.42)
(c) Excise duty on sales		-	612.08
(d) Employee benefits expense	23	973.99	976.78
(e) Finance costs	24	35.66	36.04
(f) Depreciation and amortization expense	1	84.12	89.74
(g) Other expenses	25	7,807.77	6,657.39
Total expenses (4)		26,733.93	23,822.83
5 Profit before exceptional items and tax (3-4)		278.14	226.32
6 Exceptional items		-	-
7 Profit before tax (5-6)		278.14	226.32
8 Tax expense:			
(a) Current tax		63.00	74.70
(b) Taxes of earlier years		(4.98)	(14.10)
(c) Deferred tax		36.22	6.36
9 Profit for the year (7-8)		183.90	159.36
10 Other comprehensive income			
(a) Items that will not be reclassified to profit or loss	26	3.61	(3.54)
(b) Items that will be reclassified to profit or loss			
11 Total comprehensive income for the year (9-10) (Comprising profit and other comprehensive income for the year)		187.51	155.82
12 Earnings per equity share			
i) Basic		28.82	24.97
ii) Diluted		28.82	24.97
Significant accounting policies and notes to financial statements form an integral part of the statement of profit and loss	27		

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

GANAPATH RAJ .C.
Partner
Membership No 022955

S. N. JETHELIYA
Company Secretary
ACS : 5343

Place : Bengaluru
Date : 22.05.2019

V V R MOHANA RAO
Chief Executive Officer

For and on behalf of the Board

VINOD NARAIN
Chairman
DIN : 00058280

D.P. DHANUKA
DIN : 000168198

BHADRESH K. SHAH
Directors
DIN : 00058177

YASHRAJ
Chief Financial Officer



Notes forming part of Balance Sheet as at 31st March 2019 (Contd..)

**Note No 1
Property, Plant & Equipments** ₹ In Lakhs

PARTICULARS	Gross Block			Depreciation			Net Block		
	As at 01.04.2018 ₹	Additions during the Year ₹	Deletions during the Year ₹	As at 31.03.2019 ₹	As at 01.04.2018 ₹	For the Year ₹	Withdrawal/ Deductions ₹	As at 31.03.2019 ₹	As at 31.03.2018 ₹
TANGIBLE ASSETS :									
Freehold land	3.25	-	-	3.25	-	-	-	3.25	3.25
Buildings	642.46	-	-	642.46	482.34	15.13	-	144.99	160.12
Plant & machinery	3,535.68	311.32	15.11	3,831.89	3,306.65	56.35	14.35	483.24	229.03
Furniture & fixtures	50.27	3.75	-	54.02	44.48	1.61	-	7.93	5.79
Computers	65.27	0.81	-	66.08	56.28	4.59	-	5.21	8.99
Office equipments	98.11	5.59	-	103.70	91.77	1.88	-	10.05	6.34
Laboratory equipments	51.21	-	-	51.21	43.09	1.80	-	6.32	8.12
Vehicles	27.60	0.06	-	27.66	21.95	1.74	-	3.97	5.65
Total- A	4,473.85	321.53	15.11	4,780.27	4,046.56	83.10	14.35	664.96	427.29
Previous year - tangible	4,415.05	58.80	-	4,474.77	3,957.86	88.70	-	427.29	-
INTANGIBLE ASSETS : B									
Software	7.87	0.22	-	8.09	6.14	1.02	-	0.93	1.73
Total- B	7.87	0.22	-	8.09	6.14	1.02	-	0.93	1.73
Previous year - intangible	6.95	0.92	-	7.87	5.10	1.04	-	1.73	-
Asset Under Construction	161.09	155.74	311.32	5.51	-	-	-	5.51	161.09
Previous year	15.73	178.33	32.97	161.09	-	-	-	161.09	-
Grand total	4,642.81	477.49	326.43	4,793.87	4,052.70	84.12	14.35	671.40	590.11
Previous year	4,437.73	238.05	32.97	4,642.81	3,962.96	89.74	-	590.11	-

**Notes forming part of Balance Sheet as at 31st March 2019 (Contd..)**

₹ In Lakhs

2. Deferred Tax Assets

Particulars	As at 31st March 2019	As at 31st March 2018
Arising on account of timing difference		
a On account of Depreciation	25.31	54.46
b On account of Gratuity, Leave salary & Bonus	65.12	72.19
Total	90.43	126.65

3. Other Non-Current Assets

Particulars	As at 31st March 2019	As at 31st March 2018
a Capital Advances (Unsecured & considered good)	188.40	188.40
b Security Deposits (Unsecured & Considered good)		
i) Earnest Money Deposit	1.05	2.27
ii) Other Deposits	432.64	430.37
Total	622.09	621.04

4. Inventories

Particulars	As at 31st March 2019	As at 31st March 2018
(At lower of cost and Net realisable value)		
a Raw material	841.25	775.44
b Stores & spares	730.77	655.40
c Runner raiser/Foundry return	99.94	121.28
d Work in process	524.13	489.48
Total	2,196.09	2,041.60

5. Trade Receivables

Particulars	As at 31st March 2019	As at 31st March 2018
a Unsecured & considered good	1,259.15	1,312.49
Total	1,259.15	1,312.49

6. Cash & Cash Equivalents

Particulars	As at 31st March 2019	As at 31st March 2018
A Balance with banks:		
i) In Current accounts	2.93	5.44
ii) In cash credit account debit balance	30.97	13.29
Sub Total (A)	33.90	18.73
B Cash on hand (B)	0.77	1.16
Total [A + B]	34.67	19.89

7. Other Bank Balances

Particulars	As at 31st March 2019	As at 31st March 2018
a Earmarked balances with bank (Unpaid Dividends)	4.58	5.34
b In fixed deposits (as margin money, more than 12 months maturity)	18.50	34.79
c Interest accrued on FD	1.00	1.31
Total	24.08	41.44

**Notes forming part of Balance Sheet as at 31st March 2019 (Contd..)**

₹ In Lakhs

8. Others Financial Assets (At amortised cost)

Particulars	As at 31st March 2019	As at 31st March 2018
a Rent deposits	3.26	3.08
b Other deposits	0.62	0.62
c Loans and advances to staff	14.45	10.56
Total	18.33	14.26

9. Other Current Assets

Particulars	As at 31st March 2019	As at 31st March 2018
A Un Secured, considered good advances other than capital advances		
i) Advances recoverable in cash or in kind or for value to be received	467.87	436.05
ii) Balance with central excise /GST	4.90	4.35
iii) Balance with VAT	30.74	225.85
iv) Interest receivable	28.05	38.89
	531.56	705.14
B Current Tax (Assets) Income tax refund due	61.52	48.59
	61.52	48.59
Total (A+B)	593.08	753.73

**Notes forming part of Balance Sheet as at 31st March 2019 (Contd..)**

₹ In Lakhs

10. Share Capital

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number	Amount	Number	Amount
A AUTHORISED				
Equity Shares of ₹ 10/- each with voting rights	2,000,000	200.00	2,000,000	200.00
B ISSUED , SUBSCRIBED & FULLY PAID UP				
Equity shares of ₹ 10/- par value	638,161	63.82	638,161	63.82
Fully allotted for cash				
Forfeited Shares				
Equity shares of ₹ 10/- each (originally paid up @ ₹ 5/- per share)	425	0.02	425	0.02
Total	638,586	63.84	638,586	63.84

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

Equity Shares	As at 31st Mar 2019		As at 31st Mar 2018	
	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

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

Name of the shareholder	As at 31st March 2019		As at 31st March 2018	
	Number of shares	% of holding	Number of shares	% of holding
AIA Engineering Ltd - Holding Company	477,661	74.85	477,661	74.85

E TERMS/RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of equity shares having par value of ₹ 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 share holder.

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



Notes forming part of Balance Sheet as at 31st March 2019 (Contd..)

₹ In Lakhs

11. Other Equity

Particulars	As at 31st March 2019	As at 31st March 2018
Security Premium Reserves		
Balance outstanding at the beginning the year	47.79	47.79
Additions during the year	-	-
Balance outstanding at the end of the year	47.79	47.79
General reserves		
Balance outstanding at the beginning of the year	371.86	371.86
Additions during the year	-	-
Balance outstanding at the end of the year	371.86	371.86
Retained earnings		
Opening balance	2,845.78	2,705.30
Add: profit for the year	183.90	159.36
Add/(Less) other comprehensive income	3.61	(3.54)
Amount available for appropriation	3,033.29	2,861.12
Appropriations:		
Final dividend	12.76	12.76
Tax on final dividend	2.62	2.60
Closing balance	3,017.91	2,845.76
Total	3,437.56	3,265.41

12. Non-Current Provisions

Particulars	As at 31st March 2019	As at 31st March 2018
Provision for Employee Benefits		
a Provision for gratuity	126.75	127.77
b Provision for leave encashment	57.96	46.18
Total	184.71	173.95

13. Short Term Borrowings

Particulars	As at 31st March 2019	As at 31st March 2018
Secured (At amortised cost)		
Loan repayable on demand from bank - canara bank		
Packing credit	120.00	500.00
(Secured By hypothecation of plant and equipment funded by canara bank and hypothecation of equipment's, accessories , book debts and inventories and mortgage of land & buildings acquired out of company's own funds on pari pasu basis with SBI.)		
No default in repayment of above loan / in payment of interest		
Total	120.00	500.00

**Notes forming part of Balance Sheet as at 31st March 2019 (Contd..)**

₹ In Lakhs

14. Trade Payables (At amortised cost)

Particulars	As at 31st March 2019	As at 31st March 2018
a Trade payables		
i) Dues to micro and small enterprises	34.45	41.44
ii) Others	1,188.14	1,264.75
Total	1,222.59	1,306.19

15. Other Financial Liabilities

Particulars	As at 31st March 2019	As at 31st March 2018
Unpaid dividends (at amortised cost)	4.59	4.85
Total	4.59	4.85

16. Other Current Liabilities

Particulars	As at 31st March 2019	As at 31st March 2018
a. Advances from customers	89.52	14.53
b. Accrued salaries & benefits	60.42	55.18
c. Contribution to PF/ESI payable	7.87	8.23
d. Other payables -duties & taxes	215.96	33.21
Total	373.77	111.15

17. Current Provisions

Particulars	As at 31st March 2019	As at 31st March 2018
Provision for employee benefits		
i) Gratuity	21.24	20.42
ii) Leave encashment	28.12	23.97
iii) Bonus and ex-gratia	52.90	51.43
Total	102.26	95.82

18. Current Tax Liability (Net)

Particulars	As at 31st March 2019	As at 31st March 2018
Provision for Income tax		
i) Provision of tax	63.00	74.70
ii) Advance income tax	(63.00)	(74.70)
Total	-	-

**Notes forming part of Balance Sheet as at 31st March 2019 (Contd..)**

₹ In Lakhs

19. Revenue from Operations

Sr. No	Particulars	Figures till March 2019	Figures till March 2018
a.	Sale of products	26,796.91	23,354.80
b.	Other operating revenue	164.74	30.07
c.	Excise duty	-	612.08
	Total	26,961.65	23,996.95

20. Other Income

Sr. No	Particulars	Figures till March 2019	Figures till March 2018
a.	Interest on bank deposits/other deposits	37.50	35.12
b.	Miscellaneous receipts	12.92	17.08
	Total	50.42	52.20

21. Cost of Material Consumed

Sr. No	Particulars	Figures till March 2019	Figures till March 2018
a.	MS scrap*	9,002.95	7,380.27
b.	Fero Chrome	8,783.26	8,194.29
c.	As casting purchase	59.49	-
d.	Foundry Return	21.34	(50.34)
	Total	17,867.04	15,524.22

* Including ₹ 67.50 Lakhs (P.Y. Nil) cost of sales.

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

Sr. No	Particulars	Figures till March 2019	Figures till March 2018
a	Work in process		
	Opening stock:	489.48	416.06
	Less :		
	Closing stock	524.13	489.48
	Total	(34.65)	(73.42)

23. Employee Benefits Expense

Sr. No	Particulars	Figures till March 2019	Figures till March 2018
a	Salaries, wages and bonus	804.73	782.01
b	Contribution to provident fund / esi / gratuity fund	80.54	102.54
c	Staff welfare expenses	88.72	92.23
	Total	973.99	976.78

24. Finance Costs

Sr. No	Particulars	Figures till March 2019	Figures till March 2018
a	Interest expense		
	- For cash credit and working capital	35.66	36.03
b	- For others	-	0.01
	Total	35.66	36.04



Notes forming part of Balance Sheet as at 31st March 2019 (Contd..)

₹ In Lakhs

25. Other Expenses

Sr. No	Particulars	Figures till March 2019	Figures till March 2018
a	Consumption of stores & spare parts	2,379.75	1,934.90
b	Power and fuel	3,715.79	3,260.02
c	Labour charges	822.34	686.28
d	Factory maintenance	44.79	53.23
e	Repairs and maintenance		
	- To buildings	30.93	48.02
	- To plant and equipment's	101.78	75.49
	- To other assets	5.05	4.59
f	Insurance	24.16	18.31
g	Rates and taxes	11.98	25.01
h	Rent	3.64	3.66
i	Directors' sitting fees	2.15	2.55
j	Travelling expenses		
	- For directors	0.53	0.87
	- For others	4.37	3.18
k	Statutory auditor's fees		
	- For audit fees	2.50	2.50
	- For certification/limited reviews	0.50	0.38
l	Legal and professional consultancy fees	67.72	54.35
m	Bank commission charges	12.92	9.59
n	Printing and stationery expenses	8.53	8.96
o	Postage, telephones, courier, internet & e-mail	9.67	8.86
p	Sales promotion	2.52	6.05
q	Vehicle repairs and maintenance	6.32	5.68
r	Conveyance expenses	1.53	1.70
s	Donation expenses	0.00	0.03
t	Advertisement expenses	0.90	0.84
u	Packing materials consumed*	471.28	380.57
v	Freight outward	50.31	40.11
w	Bad debts	-	0.77
x	Miscellaneous expenses	25.81	20.89
	Total	7,807.77	6,657.39

* Including ₹ 2.85 lakhs (previous year ₹ 1.84/- Lakhs) cost of sales

26. Other Comprehensive Income

Sr. No	Particulars	Figures till March 2019	Figures till March 2018
	Items that will not get re-classified to profit/loss		
a	Re-measurement of the net defined benefit liability (Gratuity)	(5.00)	5.29
b	Deferred tax impact	1.39	(1.75)
	Total	(3.61)	3.54



Note 27

Significant Accounting Policy and Notes to the Financial Statements for the financial year ended 31st March, 2019

A Reporting Entity

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 which mill Internals of cement and Mining industry.

B Basis of preparation

(a) Statement of compliance with Ind AS "These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. The financial statements were authorized for issue by the Company's Board of Directors on 22/05/2019.

(b) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the functional currency. All the amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

(c) Basis of Measurement

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

Items	Measurement basis
Employee Defined Benefit Plans	Plan Assets measured at fair value less present value of defined benefit obligation
Certain Financial Assets & Liabilities	Fair value / Amortized cost

(d) Use of Estimates and Judgements

In preparing these financial statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Revisions to the accounting estimates are recognized prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the respective note.

Assumptions and Estimation Uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the respective note.

Further information about the assumptions made in measuring fair values is included in the respective note.



C. Significant Accounting Policies

PROPERTY, PLANT & EQUIPMENT (PPE)

Property, Plant & Equipment are stated at the cost of acquisition or construction less accumulated depreciation and accumulated impairment loss, if any. All direct costs and cost of financing relating to the specific borrowing attributable to the eligible PPE till they are commissioned are capitalized and CENVAT credit / VAT credit availed/GST available on the capital goods are deducted from the cost of the corresponding assets. Capital work-in-progress includes cost of assets at sites and construction expenditure.

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
Plant & Machinery	7.5-15 Years
Factory Building	30 Years
Furniture & Fixtures	10 Years
Office Equipment's	5 Years
Motor Cars	8 Years
End user devices, such as desktops, laptops etc	3 Years
Servers & Networks	6 Years
RCC Road	10 Years

- c) Profit / Loss on disposal of fixed assets are credited / charged, as the case may be, to Statement Profit and Loss.
- d) Intangible Assets are recognized at cost less any accumulated amortization and impairment losses if any. Acquired intangible assets are capitalised at acquisition price.
- e) Computer Software being Intangible asset amortised over a period of 3 years on WDV basis.

III. INVENTORIES

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

IV. REVENUE RECOGNITION

Revenue from sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer which generally coincide when the goods are dispatched from the factory as per the terms of contract of sale. Sales value are inclusive of Excise Duty, for the previous year (as at 31/03/2018) and exclusive of Value Added Tax, Central Sales Tax and Goods and service Tax

V. EMPLOYEE BENEFITS

- a) Defined Contribution plans:

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

- b) Defined benefit plans:

- i. Gratuity: The Company makes contributions to the employees' group gratuity-cum-life assurance scheme of the Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits 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 recognised 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.

- ii. Compensated absence: The Company has a scheme to compensate absence for employees. The liability of which is determined on the basis of an actuarial valuation carried out by an independent actuary at the end of the year. The actuarial gains or losses are recognized in full in the statement of profit and loss for the period in which they occur.
- iii. Short term employee benefit: All employee benefits which are wholly due within twelve months of rendering the services are recognized in the period in which the employee renders the related services.

VI. FOREIGN CURRENCY TRANSACTIONS

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

VII. TAXATION

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

VIII. 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.

IX. PROVISIONS AND CONTINGENT LIABILITIES

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

X. CASHFLOW STATEMENT

The Cash Flow Statement is prepared in accordance with Ind AS 7 "Statement of Cash Flows" and presents the cash flows by operating, investing and financing activities of the Company.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand, Balances with Schedule Bank and fixed deposits which are readily convertible into cash.

XI. EARNINGS PER SHARE

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

**Notes forming part of Balance Sheet as at 31st March 2019 (Contd..)**

₹ In Lakhs

D. NOTES ON ACCOUNTS:

1 Contingent liability to the extent not provided for

Amount ₹ In Lakhs

Particulars	31.3.2019	31.3.2018
a. In respect of claims against the company not acknowledged as debt	7.60	7.60
b. In respect of disputed Service Tax	116.64	116.64
c. In respect of disputed Custom duty	879.62	835.43
d. Illegal strike wages under dispute - Workmen and Casual labour	134.56	110.20
e. Charter of demands raised by one of the two labour unions are pending before 1. The Honourable High Court of Karnataka for the F.Y. 2015-2017, 2. Industrial tribunal (Labour Court) for the F.Y. 2018-2020, against which no reliable estimate can be made.		

2 Balance Confirmations

Request for confirmation of balance were sent to Trade receivables and Trade creditors. Responses from some of the parties are yet to be received. In certain cases confirmed balances differ from the company's book balances which are under reconciliations. Management is confident that there will not be any impact on the financials on completion of the reconciliations.

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

- On capital account ₹ 0.00 Lakhs (previous year: ₹ 16.11 Lakhs)
- On revenue account (Material contracts for purchase of Raw Materials, stores & service contracts) ₹ 948 Lakhs (Previous Year: ₹ 24.50 Lakhs)

4 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 ₹ 23,908 Lakhs (P.Y. ₹ 22,617.15 Lakhs) excluding GST/CST.

5 The company has not entered into any non cancellable lease arrangement.

6 Related party disclosures:

Parties where control exists:

Related Party	Relationship
AIA Engineering Ltd.	Holding Company (Controlled By Mr Bhadresh K. Shah - Director)
Vee Connect Travels Pvt Ltd	Associate
Pradip R Shah & Co	Associate
Key Managerial Personnel:	Mr. Bhadresh K. Shah
	Mr Vinod Narain
	Mr D.P.Dhanuka
	Mr Pradip R Shah
	Mr Rajendra S Shah
	Mr Sanjay S Majmudar
	Mr Ashok A Nichani
	Mrs Khushali S Solanki



Notes forming part of Balance Sheet as at 31st March 2019 (Contd..)

₹ In Lakhs

Transactions with related parties	Current Year 2018-19			Previous Year 2017-18		
	Holding Company	KMP Directors	Associate	Holding Company	KMP Directors	Associate
Purchases of Goods/Services AIA Engineering Ltd.	279.08			579.12		
Vee Connect Travels Pvt Ltd			0.23			1.84
Consultancy Fees- Pradip Shah & Co			2.12			2.11
Sales of Goods	28,211.63			25,528.93		
Sales -Others stores items	171.99			20.53		
Sitting Fees		1.05			0.75	
Consultancy Fees		1.20			1.20	
Dues Receivable as at last date of the financial year	981.88			754.55		
Dues payable as at last date of the financial year - Vee Connect	-		-	-		-
Dues payable as at last date of the financial year	-	0.27	0.48	-	0.27	0.48

7. Earnings Per Share:

Particulars	2018-19	2017-18
Net Profit for the Year (₹ In lakhs):	183.90	159.36
Number of Shares	638,161	638,161
Nominal Value of each Share (in ₹)	10	10
Earnings per Share (Basic and Diluted)(in ₹):	28.82	24.97

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

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

Particulars	2018-19	2017-18
i) Principal amount remaining unpaid at the end of the year	34.45	41.44
ii) Interest accrued at the end of the year	NIL	NIL
iii) Interest remaining unpaid, out of above, as at the end of the year	NIL	NIL
iv) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Act.	NIL	NIL

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

9. Figures for the previous reporting period have been recast in line with current year's presentation.

10. As per Ind AS 19 "Employee Benefits", the disclosures of Employee Benefits as defined in the Accounting Standard are given below and this disclosure

Employee benefits:

I. Defined Contribution Plan	For the year ended 31-03-2019	For the year ended 31-03-2018
Contribution to Defined Contribution Plan, recognized as expense for the year are as under:		
Particulars		
Employer's Contribution to Provident Fund	35.36	35.93



Notes forming part of Balance Sheet as at 31st March 2019 (Contd..)

₹ In Lakhs

ii. Defined Benefit plans:

1. Funded Status of Plan

Gratuity

Particulars	31.03.2019	31.03.2018
Present value of unfunded obligations	-	-
Present value of funded obligations	339.01	312.46
Fair value of plan assets	191.03	164.28
Net Liability (Asset)	147.98	148.18
2. Expenses recognised in the statement profit and loss		
Particulars	31.03.2019	31.03.2018
Current Service cost	20.42	20.68
Interest cost	10.07	9.18
Past service cost and loss/(gain) on curtailments and settlement	-	18.97
Adjustment to the Opening Fund	-	-
Total Expenses recognised in the statement profit and loss for the year	30.49	48.82
Other comprehensive Income		
Actuarial gain or loss due to financial assumptions	2.93	(5.38)
Actuarial gain or loss due to Demographic compositions	-	-
Actuarial gain or loss due to experience adjustments	(5.12)	13.12
Return on plan assets	(2.81)	(2.45)
Amounts recognised in other Comprehensive income	(5.00)	5.29
3. Reconciliation of net defined liability		
Particulars	31.03.2019	31.03.2018
Opening DBO	312.45	279.62
Current service cost	20.42	20.68
Interest cost	18.91	16.96
Actuarial gain or loss due to financial assumptions	2.93	(5.38)
Past service cost	-	18.97
Actuarial gain or loss due to experience adjustments	(5.11)	13.12
Benefits paid	(10.59)	(31.50)
Closing defined benefit obligations	339.01	312.45
4. Reconciliation of plan assets		
Particulars	31.03.2019	31.03.2018
Fair value of plan assets at the beginning of the year	164.28	138.19
Adjustment to the Opening Fund	-	-
Interest Income	8.84	7.78
Return on planned assets	2.81	2.45
Contributions	15.10	15.86
Benefits paid	-	-
Expenses deducted from the fund	-	-
Fair value of plan assets at the end of the year	191.03	164.28
5. Reconciliation of net defined benefit liability		
Particulars	31.03.2019	31.03.2018
Net opening provision in books of accounts	148.18	141.43
Employee benefit expenses amount recognised in OCI	30.49	48.82
Total	173.67	195.54
Benefit paid	(10.59)	(31.50)
Contributions to plan assets	(15.10)	(15.86)
Closing provision in books of accounts	147.98	148.18



Notes forming part of Balance Sheet as at 31st March 2019 (Contd..)

₹ In Lakhs

6. Composition of the plan assets		Gratuity	
Particulars	31.03.2019	31.03.2018	
Policy of insurance	100%	100%	
7. Principle Actuarial assumptions		Gratuity - Funded	
Particulars	31.03.2019	31.03.2018	
Discount Rate (Per annum)	7.15%	7.30%	
Salary Growth rate	7.00%	7.00%	
Withdrawal rates	10% at younger ages reducing to 1% at older ages		
8. Sensitivity to key assumptions		31.03.2019	
Particulars		Gratuity	
		DBO	Change in DBO (%)
Discount rate varied by .5%	+0.50%	329.47	-2.82%
	-0.50%	349.24	3.02%
Salary growth rate varied by 0.50 %	+0.50%	348.99	2.94%
	-0.50%	329.41	-2.83%
Withdrawal rate (W.R) varied by 10%			
W.R X 110%		339.09	0.02%
W.R X 90%		338.39	-0.18%
9. Expected benefits payments		Gratuity	
Year ended 31st March		Cashflows	%
2020		124.52	21.25%
2021		37.60	6.42%
2022		13.80	2.35%
2023		16.34	2.79%
2024		9.61	1.64%
2025-2029		120.15	20.50%

10. The above disclosures are based on information certified by the independent actuary.
 11. The financial statements are presented in INR and all values are rounded to nearest lakhs, except when otherwise indicated.
 12. Board of Directors have recommended dividend @ ₹ 2.50 per Equity Share.
 13. Reconciliation of tax expense and the accounting profit multiplied by Indian's domestic tax rate:

	31.03.2019	31.03.2018
Accounting Profit before Income tax	278.14	226.32
Less: Depreciation/Amortisation adjustment	(71.20)	(11.49)
Add/(Less): Adjustment for employee benefits allowed on payment basis under income tax	19.34	10.94
Profit as per Income tax	226.28	225.77
At India's statutory income tax rate of 25% +7%+SC 4% (PY 30% +7% SC +3% Ed Cess)	63.00	74.70

For and on behalf of the Board

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

GANAPATH RAJ .C.
 Partner
 Membership No 022955

S. N. JETHELIYA
 Company Secretary
 ACS : 5343

VINOD NARAIN
 Chairman
 DIN : 00058280

D.P. DHANUKA
 DIN : 000168198

BHADRESH K. SHAH
 Directors
 DIN : 00058177

Place : Bengaluru
 Date : 22.05.2019

V V R MOHANA RAO
 Chief Executive Officer

YASHRAJ
 Chief Financial Officer



CASH FLOW STATEMENT

₹ In Lakhs

FOR THE YEAR ENDED 31ST MARCH 2019

	2018-2019	2017-2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	278.14	226.35
Adjustments for :		
Profit on sale of property, plant & equipments	(2.53)	-
Depreciation and amortisation	84.12	89.75
Provision for employee benefit	10.76	11.02
Interest	35.66	36.04
Operating profit before working capital changes	406.15	363.16
Adjustments for :		
(Increase)/decrease trade & other receivable	227.31	(313.21)
(Increase)/decrease inventories	(154.47)	(319.76)
Increase/(decrease) trade payable	188.79	103.62
Cash generated from operations	667.78	(166.19)
Direct taxes (paid)/ refund	(58.02)	(63.53)
Net cash flow from operating activities	609.76	(229.72)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipments	(166.16)	(205.09)
Sale of property, plant & equipments	3.28	-
Net cash flow from investing activities	(162.88)	(205.09)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment)/proceeds from long term borrowings	(380.00)	500.00
Security deposits	(1.05)	(7.11)
Interest paid	(35.66)	(36.04)
Dividend and dividend distribution tax paid	(15.39)	(15.36)
Net cash flow from financing activities	(432.10)	441.49
Net (decrease) / increase in cash & cash equivalents (A+B+C)	14.78	6.68
Cash & cash equivalent at the beginning of the year	19.89	13.21
Cash & cash equivalent at the end of the year	34.67	19.89

For and on behalf of the Board

D.P. DHANUKA

DIN : 000168198

BHADRESH K. SHAH

DIN : 00058177

DIRECTORS

S. N . JETHELIYA

Company Secretary

ACS : 5343

YASHRAJ

Chief Financial Officer

VINOD NARAIN

Chairman

DIN : 00058280

V V R MOHAN RAO

Chief Executive Officer

Place : Bengaluru

Date : 22.05.2019

Notes: 1. Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 notified under Companies (Indian Accounting Standards) Rules, 2015.

2. Purchase of property, plant & equipments includes movements of capital work in progress between the beginning and the end of the year.

3. Previous year figure regrouped/recasted whenever necessary.

Place : Bengaluru

Date : 22.05.2019

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

GANAPATH RAJ .C.

Partner

Membership No 022955

ATTENDANCE SLIP

WELCAST STEELS LIMITED

[CIN:L27104GJ1972PLC085827]

Regd. Office: 115-116, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad -382415 Gujarat

Email: info@welcaststeels.com website: www.welcaststeels.com

Phone: 079-22901078

47th ANNUAL GENERAL MEETING

I /We hereby record my / our presence at the Forty-Seventh Annual General Meeting of the members of Welcast Steels Limited will be held on Thursday, the 8th day of August, 2019 at 10.30 A.M. at A 203, "ELANZA CREST", Near Sigma Corporates, Off. S. G.Highway, Sindhu Bhavan Road, Bodakdev, Ahmedabad 380 054, to transact the following business:

Member's Folio / DP ID Client ID No

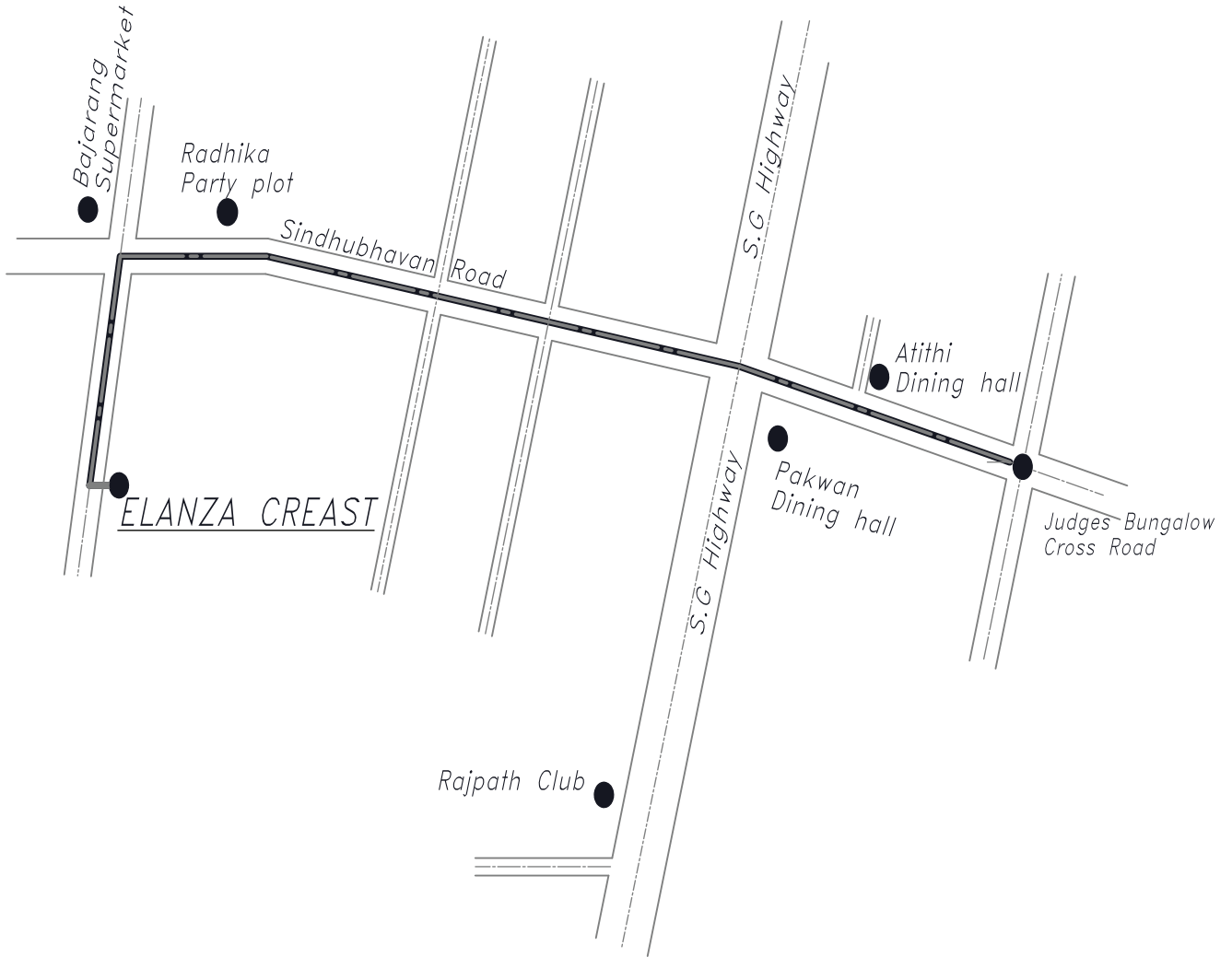
Member's / Proxy name in Block

Member's / Proxy's Signature

Note:

1. Please complete the Folio / DP ID-Client ID No. and Name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Electronic copy of the Annual Report for 2018-19 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form are being sent to all the members whose email address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2018-19 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode (s) to all members whose email address is not registered or have requested for a hard copy.

**ROUTE MAP TO THE AGM VENUE
WELCAST STEELS LIMITED
CIN: L27104GJ1972PLC085827**



47th Annual General Meeting
Date: 8th August,2019
Time:10.30 A.M.

Venue :A 203, "ELANZA CREST",
Near Sigma Corporates,
Off. S. G.Highway,
Sindhu Bhavan Road, Bodakdev,
Ahmedabad 380 054

PROXY FORM

WELCAST STEELS LIMITED

[CIN:L27104GJ1972PLC085827]

Regd. Office: 115-116,G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad -382415 Gujarat

Email: info@welcaststeels.com website: www.welcaststeels.com

Phone: 079-22901078

Name of the Member (s):

Registered Address:

E-mail Id:

Folio / DP ID Client ID No.

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

- (1) Name: _____ Address: _____
 Email ID: _____ Signature: _____ or failing him / her:
- (2) Name: _____ Address: _____
 Email ID: _____ Signature: _____ or failing him / her:
- (3) Name: _____ Address: _____
 Email ID: _____ Signature: _____

as my /our proxy to attend and vote for my / our behalf at the Forty -Seventh Annual General Meeting of the Members of the Company to be held on Thursday, the 8th day of August, 2019 at 10.30 A.M. at A 203, "ELANZA CREST", Near Sigma Corporates, Off. S. G.Highway, Sindhu Bhavan Road, Bodakdev, Ahmedabad 380 054 and at any adjournment thereof in respect of Resolutions as are indicated below:.

Resolution No.	Particulars of Resolution	Optional	
		For	Against
	ORDINARY BUSINESS		
1.	Adoption of Financial Statements for the year ended 31st March 2019		
2.	To declare dividend on Equity Shares for the financial year 2018-19		
3.	Re appointment of Mr. Bhadresh K. Shah, Director, liable to retire by rotation		
	SPECIAL BUSINESS		
4.	Ratification of Remuneration to Cost Auditors.		
5.	Approval of Related Party Transaction		
6.	Re-appointment of Mr. Rajendra S. Shah as an Independent Director		
7.	Re-appointment of Mr. Sanjay S. Majmudar as an Independent Director		
8.	Re-appointment of Mr. D.P.Dhanuka as an Independent Director		
9.	Re-appointment of Mr. Pradip R. Shah as an Independent Director		
10.	Re-appointment of Mr. Ashok A. Nichani as an Independent Director		

Signed this _____ day of _____, 2019

Signature of Shareholder _____

Signature of Proxy holder (s) _____

Affix ₹ 1 revenue stamp

- Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 47th Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member (s) in the above box before submission.



NOTICE

Dear Share holder/s,

Usage of Electronic Payment Modes for making payments to Investors.

We would like to inform you that SEBI vide its circular No CIR/MRD/DP/10/2013 dated 21st March, 2013 directed that in view of the advancements in the field of electronic payment system viz. NEFT, RTGS etc. for making cash payments to the investors, Companies whose securities are listed 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 31st July, 2019 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