



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

**BANKERS**

Canara Bank, Bengaluru.  
State Bank of India, Bengaluru

**REGISTERED OFFICE**

115-116,G.V.M.M. Estate,  
Odhav Road, Odhav,  
Ahmedabad -382415  
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: 08722803333, 8722802333, 28394058 / 59  
E-mail: info@welcaststeels.com  
Web: www.welcaststeels.com

**SHARE TRANSFER AGENT**

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

**45TH ANNUAL GENERAL MEETING**

Date	14th August , 2017
Day	Monday
Time	11.30 am
Place	H.T. Parekh Convention Center, Ahmedabad Management Association, "ATIRA Campus", Dr. Viikram Sarabhai Marg, Ahmedabad -380 015.
Book Closure - (Dates)	08.08.2017 to 14.08.2017 (Both days inclusive)

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## NOTICE

NOTICE is hereby given that the Forty-Fifth Annual General Meeting of the members of Welcast Steels Limited will be held on Monday, the 14th day of August, 2017 at 11.30 am at "H.T. Parekh Convention Center, Ahmedabad Management Association, "ATIRA Campus", Dr. Viikram Sarabhai Marg, Ahmedabad -380 015, to transact the following business:

### ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2017 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 2016-17
- (3) To appoint a Director in place of Mrs. Khushali Samip Solanki (Holding DIN 07008918), who retires by rotation and being eligible, offers herself for re-appointment.
- (4) Appointment of Statutory Auditors:

To Consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

**"RESOLVED THAT** pursuant to provision of section 139, 149 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for time being in force), M/s Ganapathraj & Co., Chartered Accountants, Bengaluru having ICAI Firm Registration No.000846S, who have offered themselves for appointment as the statutory auditor of the company to hold the office for a period of five years from the conclusion of 45th Annual General Meeting till the conclusion of 50th Annual General Meeting, at a remuneration as may be decided between the Chairman of the Company and the Statutory Auditors."

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

### SPECIAL BUSINESS:

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

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies [Audit and Auditors] Rules, 2014 [including any statutory modification (s) or re-enactment (s) thereof for the time being in force], the consent of the Members be and is hereby accorded to ratify the remuneration of Rupees Sixty Thousand (₹. 60,000/-) as decided by the Board of Directors on the recommendations of the Audit Committee, payable to M/s. Kiran J. Mehta & Co., Cost Accountant in Practice, Ahmedabad appointed by the Board to conduct the audit of cost records of the Company for the Financial Year ending on 31st March 2018".

**"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."

- (6) Approval of Related party transaction:

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, 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, 2017 to 31st March, 2018 for an aggregate amount, which may exceed the threshold limit of 10 percent of annual turnover of the Company for the financial year 2016-17 on the terms and conditions as mentioned in the Contract Manufacturing Agreement entered into by the Company with AIA on 1st January, 2014 and its Amendment dated 24th May, 2015.

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

- (7) Alteration of Article of Association

To adopt Articles of Association of the Company 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 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification (s) or re-enactment(s) thereof, for the time being in force), Articles of Association, draft copy of which is placed before



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the meeting, be and is hereby approved and adopted in substitution, and to the entire exclusion, of the existing Articles of Association of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution."

Place : Bengaluru  
Date : 22-05-2017

By order of the Board of Directors

**S.N. Jetheliya**  
Company Secretary

### 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 08.08. 2017 to 14.08.2017 (both days inclusive) for annual closing and determining the entitlement of member to the dividend for financial year 2016-17.
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 Final Dividend of ₹.2 per share (20%) has been recommended by the Board of Directors for the year ended 31st March, 2017, subject to the approval of the Members at the ensuing Annual General Meeting, is proposed to be paid on or before 12th September, 2017.
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 either to the Company or to the 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 2016-17 will be sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copies of the Annual Report for 2016-17 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 propose 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](mailto: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, the members



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will lose their rights to claim such dividend. 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	2009 – 10	03-09-2017
2	2010 – 11	31-08-2018
3	2011 – 12	08-09-2019
4	2012 – 13	24-08-2020
5	2013 – 14	15-09-2021
6	2014 – 15	16-10-2022
7	2015-16	Dividend not declared

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:

- (i) In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies [Management and Administration] Rules, 2014, the Company is 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.

Tushar Vora & Associates, 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.
- (iv) The voting rights of members shall be in proportion to their Shares held in the paid up Equity Share capital of the Company as on cut-off date i.e. Monday, 7th August, 2017. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date 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:

Mrs. Khushali Samip Solanki (Holding DIN 07008918), Non-Executive and Non-Independent Director of the Company retires by rotation at this 45th Annual General Meeting of the Members of the Company and being eligible, has offered herself for re-appointment.

Pursuant to the requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") relating to Corporate Governance, a statement containing brief resume of the above said Director together with the details of Shares held by him /her, 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 to the Registered Office, so as to enable the Company to keep the information ready.
2. Members are requested to bring their copy of the Annual Report to the Meeting.



## NOTICE

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

**ITEM NO. 5:** 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 2017-18 and fixed remuneration of Rupees Sixty Thousand (₹60,000/-) plus service tax and out of pocket expenses. As per the provisions of Section 148 of the Companies Act, 2013 read with the Companies [Audit and Auditors] Rules, 2014, the remuneration fixed by the Board of Directors shall be ratified by the members by passing a resolution. Accordingly, consent of the members is being sought for passing an Ordinary Resolution for ratification of remuneration payable to the Cost Auditors to carry out the audit of Cost records of the Company for the Financial Year 2017-18. 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. 6:** 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 (Listing Obligations and Disclosure Requirements) Listing Regulations, 2015.

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 8th February, 2017.

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 2017-18 is likely to exceed 10% of consolidated annual turnover as per the Audited Annual Accounts of WSL for the Financial Year 2016-17. The gross annual turnover of WSL for the financial year 2016-17 as per the audited financial statements is ₹. 21,901.20 lacs. For the financial year 2017-18 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 2016-17. The approval of the members for the transaction proposed to be entered into and carried out with AIA during the financial year 2017-18, 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 requires that the entities/persons falling under the definition of related party to abstain from voting 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, is required to abstain from voting on this resolution of the notice.

Except Mr. Bhadresh K. Shah, Director, Mr. Rajendra S. Shah, Director, Mr. Sanjay S. Majmudar, Director, Mrs. Khushli S. Solanki, Director and Mr. S. N. Jetheliya, Company Secretary of the Company and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the said Resolution.

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

**ITEM NO.7** The Articles of Association of the Company, as presently in force, is in accordance with the provisions of the Companies Act, 1956. With the enactment of the Companies Act, 2013, most of the regulations contained in the Articles of Association of the Company have either become redundant or are not in line with the provisions of the said Act. Under the Companies Act, 2013, draft Articles of Association (in case of a Company limited by shares) are provided in Table F thereto.



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In view of the aforesaid, it is proposed to replace the existing set of Articles of Association of the Company with a new set of Articles of Association containing regulations in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder.

The draft Articles of Association is available for your inspection at the registered office of the Company, at any time during the working hours on any working day till the date of Annual General Meeting. The same is also placed on the website of the Company.

Pursuant to the provisions of Section 14 of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, any alteration to the Articles of Association of the Company requires prior approval of the shareholders by way of a Special Resolution.

Hence, the Board recommends the Resolution for your approval.

None of the Directors, Key Managerial Personnel and their relatives is interested or concerned in the said Resolution except to the extent of their shareholding in the Company.

Place : Bengaluru  
Date : 22-05-2017

By order of the Board of Directors

**S. N. Jetheliya**  
Company Secretary

### ANNEXURE TO THE NOTICE:

Disclosure pursuant Regulation 17 of SEBI Listing Regulations 2015 with regard to the Directors seeking Appointment / Re – appointment at the forthcoming Annual General Meeting (refer Item No.3) of the Notice and (refer item No.6) of the Board's Report:

<b>Name</b>	<b>Mrs.Khushali Samip Solanki (DIN 07008918)</b>
Date of Birth /Age	09.05.1977- 40 Years
Appointment on / Re-appointment	10.09.2014
Qualifications	Diploma in Hotel Management
Expertise in specific functional areas	She possesses rich and varied experience in Marketing, Administration and Accounts.
Directorships held in other Public Companies	AIA Engineering Ltd.
Membership/Chairmanships of Committees across other Public Companies	NIL
No. of Equity Shares held in the Company	NIL



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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 11.08.2017 and ends on 13.08.2017. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 07.08.2017, 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](http://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](http://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:

PAN	<p><b>For Members holding shares in Demat Form and Physical Form</b></p> <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"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
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"> <li>• 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).</li> </ul>

- (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 "170713003 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.





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- (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 use Mobile app - “m - Voting” for e voting . m - Voting app is available on Apple , Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).
- (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](http://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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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](http://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	<a href="mailto:info@welcaststeels.com">info@welcaststeels.com</a> <a href="mailto:snj@aiaengineering.com">snj@aiaengineering.com</a>
Registrar and Share Transfer Agent	Bigshare Services Pvt. Ltd 1st Floor, Bharat Tin Works Building, Opp: Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059 Tel: 022-62638200 Fax:022-62638299 E-mail: <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a>
e-Voting Agency	Central Depository Services (India) Limited E-mail : <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>
Scrutinizer	Tushar Vora & Associates, PCS, Ahmedabad E-mail : <a href="mailto:cstusharvora@gmail.com">cstusharvora@gmail.com</a>



## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Forty-Fifth Annual Report together with Audited Financial Statements of the Company for the financial year ended 31st March 2017.

### FINANCIAL HIGHLIGHT :

₹. In Lacs

PARTICULARS	Standalone	
	Year ended 31st March 2017	Year ended 31st March 2016
Revenue from Operations (Net of Excise)	20,118.51	11,932.48
Add: Other Operating Income	14.18	30.33
Total Income from Operations (Net)	20,132.69	11,962.81
Add: Other Income	60.79	41.35
Total Income	20,193.48	12,004.16
Profit before Finance Cost, Depreciation & Amortization and Tax Expenses.	325.54	90.65
Less: Finance Cost	2.83	27.97
Less: Depreciation & Amortization	82.01	95.16
Profit Before tax	240.70	(32.48)
(i) Provision for Taxation (Current)	62.90	--
(ii) Taxes for earlier years	--	(2.17)
(iii) Provision for Taxation ( Deferred)	1.29	0.96
Total Tax ( i+ii+iii)	64.19	(1.27)
Profit / (Loss) after Tax	176.51	(31.27)
Other Comprehensive Income	(8.27)	(12.89)
Total Comprehensive Income/(Expenses)	168.24	(44.16)

The Company has adopted Indian Accounting Standards (Ind AS) from 1st April, 2016. The figures for the Year ended 31st March, 2016 are Ind AS compliant.

#### 1. PRODUCTION:

During the year under review the Company produced 36,980 tons of Grinding Media as compared to 20,906 tons in the previous year. As reported earlier, the production in the previous year had to be curtailed due to adverse market conditions.

#### 2. SALES & PROSPECTS:

The Company sold 36,646 tons of Grinding Media during the year under review as against 20,967 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 20% (₹2.00 per share) for the Financial Year 2016-17.

#### 4. FINANCE:

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

#### 5. EMPLOYEES RELATIONS:

In general, the relationship with the employees remained cordial. The issue of disciplinary action taken against workmen who had indulged in misconduct is pending in the honourable Labour Court along with the issue of charter of demands put up by old union.



## **DIRECTORS' REPORT (Contd..)**

**6. DIRECTORS:**

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

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

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

**8. AUDITORS:**

M/s Dagliya & Co., Chartered Accountants, the Statutory Auditors of the Company retire at end of the ensuing 45th Annual General Meeting of the Company. As per Section 139 of the Companies Act, 2013 and rules made thereunder, they will not be eligible to be re-appointed as Statutory Auditors of the Company. The Board of Directors, in its meeting held on 22-05-2017, on the recommendation of Audit Committee has appointed M/s. Ganapathraj & Co., Chartered Accountants as Statutory Auditors of the Company for a period five years subject to the approval of members in 45th Annual General Meeting. If appointed in AGM, they will hold office for five years from the conclusion of ensuing Annual General Meeting till the conclusion of 50th Annual General Meeting.

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

As required under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

**9. AUDITORS' REPORT AND NOTES ON ACCOUNTS:**

The Board has duly reviewed the Statutory Auditors' Report for the Financial Year ended 31st March, 2017. There were no qualifications/observations in the Report.

**10. COST AUDITORS:**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Cost Audit records maintained by the Company are required to be audited by a Cost Accountant. On the recommendations of the Audit Committee, the Board of Directors of the Company have appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as the Cost Auditors of the Company to audit the Cost Accounting Records of the Company for the Financial Year 2016-17. The Cost Auditor has filed the Cost Audit Report for the Financial Year ended 31st March, 2016 with MCA within the stipulated time.

The Board of Directors of the Company have appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as the Cost Auditors of the Company to audit the Cost Accounting Records of the Company for the Financial Year 2017-18. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the members of the Company for their ratification at the ensuing Annual General Meeting. Accordingly a Resolution seeking members' ratification of the remuneration payable to M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad, is included in the Notice convening the 45th Annual General Meeting.

**11. INTERNAL CONTROL AND AUDIT:**

Company has a proper and adequate system of Internal Control commensurate with its size and the nature of its operations to ensure that all assets are safeguarded and protected against loss from un-authorized use or disposition and all transactions are authorized, recorded and reported correctly. The Board of Directors at the recommendation of the Audit Committee appointed M/s. Rajesh Dudhara & Co, Chartered Accountants, Ahmedabad as Internal Auditors of the Company for financial year 2017- 18.

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

**12. DEPOSITS:**

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

**13. INSURANCE:**

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



## **DIRECTORS' REPORT (Contd..)**

### **14. CORPORATE GOVERNANCE:**

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

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

### **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 are provided as an Annexure - A to this report.

### **17. DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- (i) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the 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 2016 – 17.

### **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.28- 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. (Web link-[www.welcaststeels.com](http://www.welcaststeels.com)).

During the year 2017-18, 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 2017. Pursuant to Regulation 23 of SEBI Listing Regulations, Company proposes to take the approval of members of the Company by way of 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.



## DIRECTORS' REPORT (Contd..)

### 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 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.

### 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, a firm of Company Secretaries in Practice (CP No 1745) to conduct the Secretarial Audit of the Company's secretarial and related records for the year ended 31st March 2017. 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 of Directors has framed a policy which lays down, a frame work in relation to remuneration of directors, Key Managerial Personnel and Senior Management of the Company. The Policy also lays down criteria for selection and appointment of Board members. The details of this policy may be accessed on the Company's web site [www.welcaststeels.com](http://www.welcaststeels.com).

### 24. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI Listing 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 completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

### 25. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTOR:

The Independent Directors have been updated with their roles 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



## **DIRECTORS' REPORT (Contd..)**

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.

27. **EXTRACT OF ANNUAL RETURNS:**

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 will be provided on request. 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. **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, and State Bank of India and various other Government authorities.

Place: Bengaluru  
Date : 22-05-2017

For and on behalf of the Board of Directors  
**Bhadresh K. Shah**                      **Debi Prasad Dhanuka**  
Director                                      Director  
(DIN.00058177)                              (DIN.000168198)

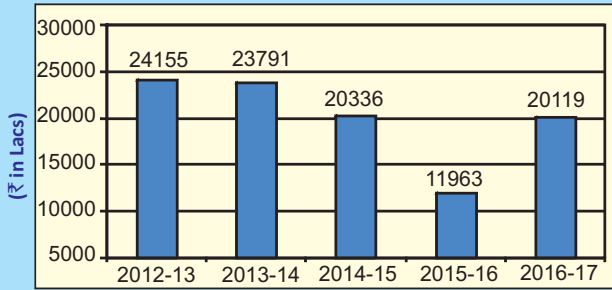


## DIRECTORS' REPORT (Contd..)

### PERFORMANCE HIGHLIGHTS

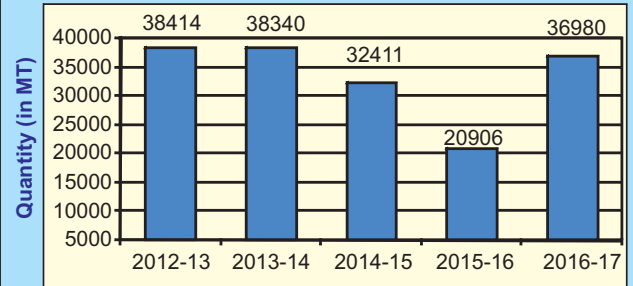
The performance highlights for Production, Sales, Profit and Earnings per Share (EPS) as compared to previous years, are given hereunder.

#### 1) Sales Net of Excise Duty (Rs.in Lakhs)



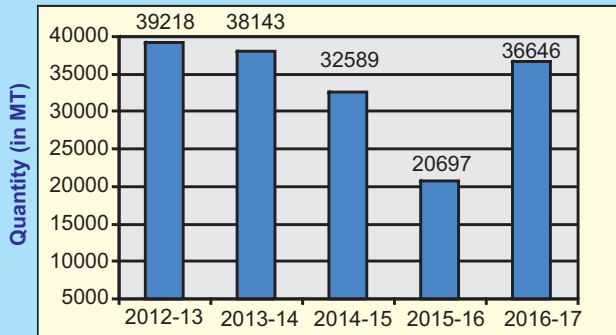
Financial Year

#### (2) Production Quantity (in MT)



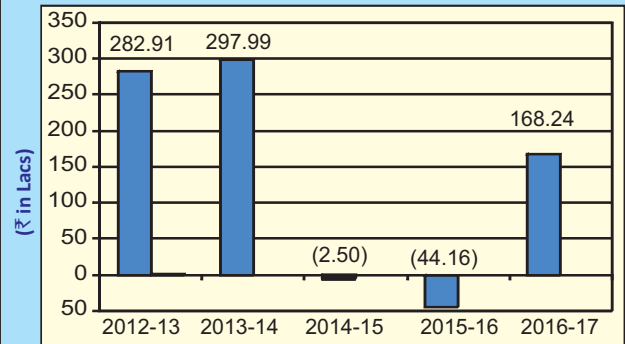
Financial Year

#### 3) Sales quantity (MT)



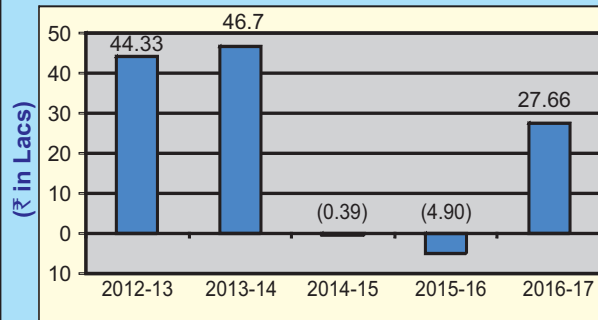
Financial Year

#### (4) Profit After Tax (₹ in Lacs)



Financial Year

#### (5) Earnings Per Share - EPS - (₹)



Financial Year



## ANNEXURES TO DIRECTORS' 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

	2016-17	2015-16
i) Units purchased	4,59,41,501	2,66,57,732
Total amount in ₹.	27,55,12,932	16,64,32,425
Rate / Unit (₹.)	6.00	6.24
ii) Units generated	7,588	36,492
Unit generated /Liter of Diesel/HFO	1.64	2.74

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

Electricity Units	1243	1275
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The consumption per metric ton of production has decreased marginally during the year 2016-17 due to the steps taken for conservation of energy.

#### II. RESEARCH AND DEVELOPMENT

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

- Modification of Mould Handling System
- Development of Special Shape Balls.
- Improvement of Induction Furnace Lining Life.

##### 2. BENEFITS DERIVED :

- Increase in Productivity.
- Improvement in performance of balls.
- Cost Savings, Higher Productivity.

##### 3. FUTURE PLAN OF ACTION:

- Development of Special Grades of Grinding Media.
- Improvement in Pollution Control System.

#### III. TECHNOLOGY ABSORPTION AND INNOVATION:

##### 1. EFFORTS MADE:

- New System for Prevention of Parting Oil Wastage
- Match Plates Modifications for Higher Yield.

##### 2. BENEFITS:

- Reduction in Cost
- Improvement in Productivity, Cost Savings.

##### 3. PARTICULARS OF TECHNOLOGY IMPORTED DURING THE LAST:

5 YEARS - NIL-

##### 4 EXPENDITURE ON R & D :

During the year under review, the Company has not incurred any capital expenditure on Research and Development.

The Company has no specific Cost Centre for Research and Development expenses. All the expenses incurred are of revenue nature and accounted and grouped under the various respective revenue expenditure heads.

#### IV FOREIGN EXCHANGE EARNINGS AND OUTGO: ₹.in Lacs

##### 1. EARNINGS

Foreign exchange earned -

##### 2. OUTGO

CIF Value of Imports 734.02





## ANNEXURES TO DIRECTORS' REPORT

### ANNEXURE:- B

#### Form No. AOC-2

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

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

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

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

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

i)	Name(s) of the Related Party and nature of Relationship	AIA Engineering Ltd., a Holding of the Company.
ii)	Nature of Contract / arrangements / transactions	Sale and Purchase of Goods.
iii)	Duration of Contract / arrangements / transactions	5 Years from 01.01.2014
iv)	Salient Terms of Contract / arrangements / transactions including the value, if any	Welcast Steels shall manufacture Grinding Media of different grades for AIA Engineering Ltd according to their Purchase Orders received from time to time as per there 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	25th January 2014
vii)	Amount paid as Advances, if any	NIL

Place: Bengaluru  
Date : 22-05-2017

For and on behalf of the Board of Directors  
**Bhadresh K. Shah**                      **Debi Prasad Dhanuka**  
 Director                                      Director  
 (DIN.00058177)                              (DIN.000168198)



## ANNEXURES TO DIRECTORS' REPORT

### ANNEXURE- C

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017  
[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, 2017, 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 WELCAST STEEL LIMITED ("the Company") for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (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

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India
- (b) The Listing Agreement entered into by the Company with The Bombay Stock Exchange 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 Acts, 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 pollution) Act 1974 (2) The Air (Prevention & control 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 DIRECTORS' 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 an Ordinary Resolution has been obtained for related party transactions with holding Company pursuant to Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI Listing Regulations.

22-05-2017  
Ahmedabad.

FOR TUSHAR VORA & ASSOCIATES  
Company Secretaries  
**TUSHAR M VORA**  
Proprietor  
FCS No. 3459  
C P No.: 1745

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## 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.

22-05-2017  
Ahmedabad.

TUSHAR VORA & ASSOCIATES  
Company Secretaries  
**TUSHAR M VORA**  
Proprietor  
FCS No. 3459  
C P No.: 1745



## ANNEXURES TO DIRECTORS' REPORT

### ANNEXURE - D

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.03.2017**

**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 Company.
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 – 400 059 Tel: 022-62638200 Fax:022-62638299 E-mail: info@bigshareonline.com

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

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

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

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



## ANNEXURES TO DIRECTORS' REPORT

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

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(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>B. Public Shareholding</b>									
1. Institutions	--	--	--	--	--	--	--	--	--
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	75	75	0.01	--	75	75	0.01	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(1):-</b>	--	75	75	0.01	--	75	75	0.01	
2. Non-Institutions									
a) Bodies Corp.	4638	50	4688	0.73	4033	50	4083	0.64	(0.09)
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	95426	43531	138957	21.77	97448	42549	139997	21.93	0.16
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	383	50	433	0.07	282	50	332	0.05	(0.02)
Overseas Corporate Bodies	--	--	--	--	--	--	--	--	--
Foreign Nationals	--	--	--	--	--	--	--	--	--
Clearing Members	380	--	380	0.06	46	--	46	0.01	(0.05)



## ANNEXURES TO DIRECTORS' REPORT

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Trusts	25	--	25	0.01	25	--	25	0.01	--
Foreign Bodies - D R	--	--	--	--	--	--	--	--	--
Sub-total (B)(2):-	116794	43631	160425	25.14	117776	42649	160425	25.14	--
Total Public Shareholding (B)=(B)(1)+ (B)(2)	594455	43706	638161	100	595437	42724	638161	100	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	594455	43706	638161	100	594455	43706	638161	100	--

### B) Shareholding of Promoter

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

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	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 DIRECTORS' 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, 2016		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year 2016-2017		Shareholding at the end of the year 31st March, 2017	
		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	15942	2.50	-	-	-	15942	2.5	15942	2.50
2	Dipak Kanayalal Shah	8000	1.25	0	-	-	8000	1.25	8000	1.25
3	Vikramkumar Rameshchandra Shah	6500	1.01	30 Sep 2016	500	Transfer	7000	1.09	7000	1.09
4	Amit Bhutra	6539	1.02	0	0	-	6539	1.02	6539	1.02
5	Shah Yogesh Indravadan	3550	0.56	0	0	-	3550	0.56	3550	0.56
6	Paramjit Kumar Verma	0	0	23 Sep 2016	10	Transfer	10	0.00	1648	0.26
				30 Sep 2016	90	Transfer	100	0.02		
				07 Oct 2016	166	Transfer	266	0.04		
				14 Oct 2016	247	Transfer	513	0.08		
				21 Oct 2016	96	Transfer	609	0.10		
				28 Oct 2016	18	Transfer	627	0.10		
				04 Nov 2016	85	Transfer	712	0.11		
				18 Nov 2016	327	Transfer	1039	0.16		
				25 Nov 2016	45	Transfer	1084	0.17		
				16 Dec 2016	67	Transfer	1151	0.18		
				23 Dec 2016	56	Transfer	1207	0.19		
				06 Jan 2017	117	Transfer	1324	0.21		
				20 Jan 2017	78	Transfer	1402	0.22		
				27 Jan 2017	107	Transfer	1509	0.24		
				10 Feb 2017	121	Transfer	1630	0.26		
				17 Feb 2017	4	Transfer	1634	0.26		
				03 Mar 2017	5	Transfer	1639	0.26		
				10 Mar 2017	3	Transfer	1642	0.26		
				24 Mar 2017	6	Transfer	1648	0.26		



## ANNEXURES TO DIRECTORS' 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, 2016		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year 2016-2017		Shareholding at the end of the year 31st March, 2017	
		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	7	Nandifa Rajendra Mehta	0	0.0000	02 Dec 2016	100	Transfer	100	0.02	16380.26
				09 Dec 2016	164	Transfer	264	0.04		
				23 Dec 2016	36	Transfer	300	0.05		
				27 Jan 2017	185	Transfer	485	0.08		
				03 Feb 2017	236	Transfer	721	0.11		
				10 Feb 2017	177	Transfer	898	0.14		
				17 Feb 2017	415	Transfer	1313	0.21		
				24 Feb 2017	(32)	Transfer	1281	0.20		
				10 Mar 2017	196	Transfer	1477	0.23		
				17 Mar 2017	35	Transfer	1512	0.24		
				24 Mar 2017	43	Transfer	1555	0.24		
				31 Mar 2017	83	Transfer	1638	0.26		
8	Hasmukh Ravji Savla	1200	0.18	06 May 2016	20	Transfer	1220	0.19	1500	0.24
				27 May 2016	30	Transfer	1250	0.20		
				03 Jun 2016	35	Transfer	1285	0.20		
				10 Jun 2016	193	Transfer	1478	0.23		
				17 Jun 2016	22	Transfer	1500	0.24		
9	Manish C. Jain	1731	0.27	19 Aug 2016	(325)	Transfer	1406	0.22	1406	0.22
10	Shree Harivansh Securities Pvt Ltd	1213	0.19	0	0	-	1213	0.19	1213	0.19





## ANNEXURES TO DIRECTORS' REPORT

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

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

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

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

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

₹. In Lacs

#### 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 DIRECTORS' REPORT

### B. Remuneration to other directors

₹. In Lacs

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	0.60	0.60	0.30	0.10	0.15	1.75
	<b>Total (A)</b>	<b>0.60</b>	<b>0.60</b>	<b>0.30</b>	<b>0.10</b>	<b>0.15</b>	<b>1.75</b>

#### 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	0.60	0.30	0.05	--	--	0.95
	- Profession Fees	--	1.50	--	--	--	1.50
	<b>Total (B)</b>	<b>0.60</b>	<b>1.80</b>	<b>0.05</b>	<b>--</b>	<b>--</b>	<b>2.45</b>

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

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20.16	--	16.67	36.83
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	1.88	--	2.56	4.44
(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	--	--	--	--
	<b>Total</b>	<b>22.04</b>	<b>--</b>	<b>19.23</b>	<b>41.27</b>



## ANNEXURES TO DIRECTORS' REPORT

₹. In Lacs

### 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)
<b>A. COMPANY</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>B. DIRECTORS</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>C. OTHER OFFICERS IN DEFAULT</b>					
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	Nil
Mr. D.P. Dhanuka	Nil
Mr. Bhadresh K. Shah - Promoter Director	Nil
Mr. Sanjay S. Majmudar	Nil
Mr. Rajendra S. Shah	Nil
Mr. Pradip R. Shah	Nil
Mr. Ashok A. Nichani	Nil
Mrs. Khushali Samip Solanki	Nil

- (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	Nil
Mr. D.P. Dhanuka	Nil
Mr. Bhadresh K. Shah - Promoter Director	Nil
Mr. Sanjay S. Majmudar	Nil
Mr. Rajendra S. Shah	Nil
Mr. Pradip R. Shah	Nil
Mr. Ashok A. Nichani	Nil
Mrs. Khushali Samip Solanki	Nil
Mr. Mohana Rao	6.32
Mr. Yash Raj	7.79
Mr. S.N. Jetheliya	Nil



## ANNEXURES TO DIRECTORS' REPORT

- (3) The percentage increase in the median remuneration of employees in the financial year was 1.92%
- (4) There were 196 permanent employees on the rolls of Company as on 31st March 2017.
- (5) The Profit after Tax for the Financial Year ended 31st March 2017 increased by 664.47 % whereas the average increase in remuneration of employee was 5.60%.
- (6) The profit after Tax for the Financial Year ended 31st March 2017 increased by 664.47% whereas the average increase in remuneration of Key Managerial Personnel (KMP) viz. [1] Chief Executive officer by 6.32 % and [2] Chief Financial Officer by 7.79%.
- (7) The Company came out with initial public offer in June 1973 at a price of ₹.10 per share and also rights issue in June 1997 at a price ₹. 25 / per share. The other details are as follows:

Date	Market Price	EPS (₹) ₹. In Lacs	P/E ratio	Market Capitalization ₹. In Lacs	% Change
31.03.2016	423	(4.90)	-	2704.53	27.31%
31.03.2017	587	27.66	-	3748.50	38.60%

- (8) Average increase in the salaries of employees other than the managerial personnel in the last financial year was 4.53% whereas the average increase in the managerial remuneration was Nil, since the Company has no Managerial Personnel.
- (9) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year is NIL.
- (10) 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 for prevention of Insider Trading. The said Code of Conduct for prevention of the Insider Trading has also been amended from time to time in line with the amended Securities and Exchange Board of India (SEBI) Prevention of Insider Trading Regulations in this regard.

We take pleasure in reporting that your Company has complied in all respects with the features of Corporate Governance specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing 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 Non - Executive Independent Directors in terms of Regulation 17 (1) (a) of SEBI Listing 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 Listing Regulations as amended from time to time, Mrs. Khushali Samip 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 20th May 2016, 12th August, 2016, 12th November, 2016 and 8th February 2017. 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 Listing Regulations and Section 173(1) of the Companies Act 2013. Details of the Directors, their positions,



## REPORT ON CORPORATE GOVERNANCE (Contd..)

attendance record at Board meetings and last Annual General Meeting (AGM), other Directorships (excluding Private Limited, Foreign Companies and Alternate Directorships) and the Memberships / Chairmanships of Board Committees (only Audit Committee and Stakeholders' Relationship Committee) other than your Company as on 31st March, 2017 are as follows:

Name of the Director	Category	Number of Board meetings attended during the year 2016-17	Attendance at the last AGM held on 12th August 2016	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 Lacs
					Member	Chairman	
Mr. Vinod Narain Chairman	Non Executive Non Independent	3	No	-	-	-	0.30
Mr. D.P. Dhanuka	Non Executive Independent	4	Yes	--	-	-	0.60
Mr. Bhadresh K. Shah - Promoter Director	Non Executive Non Independent	4	Yes	1	2	-	0.60
Mr. Sanjay S. Majmudar	Non Executive Independent	1	Yes	5	3	3	0.15
Mr. Rajendra S. Shah	Non Executive Independent	1	Yes	4	3	1	0.10
Mr. Pradip R. Shah	Non-Executive Independent	4	Yes	-	-	-	0.60
Mr. Ashok A. Nichan	Non Executive Independent	3	No	-	-	-	0.30
Mrs. Khushali Samip Solanki	Non Executive Non Independent	1	Yes	1	-	-	0.05

**(B) INDEPENDENT DIRECTORS' COMPENSATION AND DISCLOSURES:**

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

**(C) 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.

**(D) CODE OF CONDUCT:**

Company's Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct is available on the website of the Company [www.welcaststeels.com](http://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.

**(E) PROHIBITION OF INSIDER TRADING:**

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

**(F) VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

In compliance with Section 177 of the Companies Act, 2013 and 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](http://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](mailto:yashraj@welcaststeels.com).

**(G) 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.

**(H) 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 visits to various plant locations are 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, 2017, 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, 2017 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	3
Mr. Rajendra S. Shah	Independent	4	1
Mr. Sanjay S. Majmudar	Independent	4	1

During Financial Year 2016-17, four (4) Audit Committee meetings were held on 20th May 2016, 12th August, 2016 12th November, 2016 and 8th February 2017. Necessary quorum was present in all the meetings. The time gap between any two Audit committee meetings was not more than one hundred and twenty days. Mr. D.P. Dhanuka Chairman of the Audit Committee attended the last Annual General Meeting (AGM) of Shareholders of the Company. The Chief Executive officer, Chief Financial officer, Company Secretary, Sr. Manger Finance, Statutory Auditors and Internal Auditors are invited to attend the meetings of the Audit Committee. Company Secretary acts as the Secretary to the Committee as required by Regulation 17 of SEBI Listing Regulations. 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 Terms of Reference of the Audit Committee cover the matters specified for Audit Committee in the SEBI Listing Regulations and Section 177 of the Companies Act, 2013 are as under:

Brief description of Terms of Reference:

- 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;
- Recommendation for Appointment, Remuneration and terms of appointment of Auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- 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 judgment 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; and
- g. Modified opinion(s) in the draft Audit Report.
  - Reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval;
  - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights 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;
  - Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modification of transactions of the Company with related parties;
  - Scrutiny of inter-corporate loans and investments;
  - Valuation of undertakings or assets of the Company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
  - 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;
  - Discussion with Internal Auditors of any significant findings and follow up there on;
  - 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;
  - 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;
  - To look into the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of non-payment of declared dividends) and Creditors;
  - To review the functioning of the Whistle Blower mechanism;
  - Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
  - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**Other Duties:**

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal Audit Reports relating to internal control weaknesses; and
- The Appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an Arm's Length pricing basis and to review and approve such transactions subject to the approval of the Board.
- Statement of deviations.

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. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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:

- Redressal of Shareholders and Investors complaints like transfer of Shares, non-receipt of Annual Reports, non-receipt of declared Dividends etc.
- Transfer / transmission of Shares of the securities of the Company from time to time;





## REPORT ON CORPORATE GOVERNANCE (Contd..)

- Issue of share certificate on dematerialization of Shares from time to time;
- Issue of new share certificates against sub-division of Shares, renewal, split or consolidation of Share certificates
- Approval and monitoring of dematerialization of Shares and all matters incidental thereto;
- Monitoring of redressal of Investors / Stakeholders grievances; and
- Oversee the performance of the Registrar and Transfer Agents and recommend measures for overall improvement in the quality of Investor services. Names of the members and the Chairman of the Committee as on 31st March, 2017 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 Listing Regulations 2015.

Meetings and attendance during the year:

The Committee meets on need basis. During the year under review Committee met four times on 20th May, 2016, 12th August, 2016, 12th November, 2016 and 8th February 2017.

Number of Shareholders' complaints received during the Financial Year:

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

During the period under review, Company received five Complaints from Shareholders and the same were resolved to their satisfaction. There is no outstanding complaint as on 31st March, 2017. 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 Listing 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 Risk Management Committee is as under:

Name of the Member	Category
Mr. Bhadresh K. Shah	Director
Mr. Pradip R. Shah	Director
Mr. Sanjay S. Majmudar	Director

### 4) NOMINATION AND REMUNERATION COMMITTEE:

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

- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of Board of Directors;



## REPORT ON CORPORATE GOVERNANCE (Contd..)

- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

During the Financial Year 2016 -17, one (1) Nomination and Remuneration Committee Meetings was held on 20.05.2016. The details of composition of Nomination and Remuneration Committee as on 31st March 2017, number of Meetings held together with attendance are given below:

Name of Director	No. of Meetings held	No. of Meetings attended
Mr. D. P. Dhanuka – Chairman	1	1
Mr. Bhadresh K. Shah	1	1
Mr. Pradip R. Shah	1	1

### 5. INDEPENDENT DIRECTORS' MEETING:

As per Secretarial Standard (SS) 1 issued by the Institute of Company Secretaries of India and relevant provisions of Companies Act, 2013 and Rules made thereunder, the Independent Directors meet once in a calendar year 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 Listing Regulations during the Financial Year 2016-17 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 and 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/services/policyrelatedpartytransactions.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 Financial statements up to and for the year ended 31st March 2016 were prepared to comply in the material aspects with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act.

The previous year figures have been regrouped/reclassified or restated as per Ind AS, so as to make the figures comparable with the figures of current year.

As these are the first Financial Statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101 'First Time Adoption of Indian Accounting Standards' has been applied. An explanation of how the transition to Ind As has affected previously reported financial position, financial performance and cash flows of the Company is provided in note 6.

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

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

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

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

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

- i. The Company does not pay any remuneration to its Directors except sitting fees for attended Board and Committee Meetings.
- ii. The Directors shall be entitled to receive remuneration by way of sitting fees, for each of the meeting of Board or Committee of the Board attended by 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 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 2016-17 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 critically of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.
- II. The Chief Executive Officer and Chief Financial Officer carry out the individual performance review based on the standard appraisal matrix and take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the Nomination and Remuneration Committee for its review and approval.

**(3) Performance Evaluation:**

In Compliance with the provisions of the Companies Act, 2013 and of SEBI Listing 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.



## REPORT ON CORPORATE GOVERNANCE (Contd..)

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

**(D) BOARD DISCLOSURE – RISK MANAGEMENT:**

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

**(E) PUBLIC ISSUE:**

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

**(F) MANAGEMENT:**

**(i) Management Discussion and Analysis Report:**

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

**(ii) Disclosure of material Financial and Commercial Transactions:**

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

**(G) SHAREHOLDERS:**

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

Mrs. Khushali Samip Solanki, Director of the Company retires by rotation at the ensuing 45th Annual general Meeting of the Company and being eligible, offers herself for re appointment.

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

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

**(H) COMPLIANCE BY THE COMPANY:**

The Company has complied with all the mandatory requirements of the Listing Agreements with the Stock Exchange as well as regulations and guidelines of SEBI. Further, during the last three years, no penalties were imposed or strictures were passed on the Company by the Stock 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, 2017 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 Listing Regulations.

**V. MEANS OF COMMUNICATION:**

**(1) 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	2015-16	HOTEL CROWN PLAZA AHMEDABAD CITY CENTRE, Near Shapath V, S.G.High Way, Ahmedabad - 380015	16hrs on 12th August 2016	No
2	2014-15	HOTEL RAMANASHREE, No.16, Raja Ram Mohan Roy Road, Bengaluru -560 025	15hrs on 21st Sept 2015	Yes
3	2013-14	THE LALIT ASHOK, Kumara Krupa High Grounds Bengaluru 560 001	15hrs on 10th Aug 2014	Yes



## REPORT ON CORPORATE GOVERNANCE (Contd..)

The following Special Resolutions were passed by the members during the past 3 Annual General Meetings:  
Annual General Meeting held on 12th August 2016:

No Special Resolution was passed.

Annual General Meeting held on 21st September 2015:

Approval of Related Party Transactions under Section 188 of the Companies Act, 2013

Annual General Meeting held on 10th September 2014:

1. Appointment of Mr.D.P.Dhanuka as an Independent Director
2. Appointment of Mr.Rajendra S.Shah as an Independent Director
3. Appointment of Mr.Sanjay S.Majmudar as an Independent Director
4. Appointment of Mr.Pradip R.Shah as an Independent Director

### VII. GENERAL SHAREHOLDERS' INFORMATION

#### 1. General

Date and Time of 45th AGM	14th August, 2017 at 11.30 am
Venue of AGM	H.T. Parekh Convention Center, Ahmedabad Management Association, "ATIRA Campus", Dr. Viikram Sarabhai Marg, Ahmedabad -380 015.
Financial Year ended	31st March, 2017
Book Closure Date : (both days inclusive)	8th August, 2017 to 14th August, 2017
Registered Office Address	115-116, G.V.M.M.Estate, Odhav Road, Odhav, Ahmedabad -382415
Dividend payment date	On or before 12th September 2017
Company Secretary	Mr. S.N Jethaliya
Email for redressal of Investors' Complaints	invest_grievance@welcaststeels.com
Website	www.welcaststeels.com

#### 2. Financial Calendar (subject to change) for the Financial Year 2017-18:

First Quarter Results	On or before 14th August, 2017
Second Quarter & Half Yearly Results	On or before 14th November, 2017
Third Quarter Results	On or before 14th February, 2018
Audited Results for the year 2017-18 :	On or before 30th May, 2018

#### 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 2017-18 have 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 2016	25605.62	403.20	351.00
2.	May 2016	25667.96	421.80	350.00
3.	June 2016	26999.72	379.10	322.55
4.	July 2016	28051.86	379.95	340.20
5.	Aug 2016	24852.17	336.10	285.00
6.	Sep 2016	27865.96	358.75	295.50
7.	Oct 2016	27930.21	409.75	320.00
8.	Nov 2016	26652.81	464.00	353.45
9.	Dec 2016	26626.46	446.45	365.60
10.	Jan 2017	27655.96	477.10	345.05
11.	Feb 2017	28743.32	587.20	466.00
12.	Mar 2017	29620.50	587.20	537.00



**5. Registrar & Share Transfer Agent:**

M/s BigShare Services Pvt Ltd., 1st Floor, Bharat Tin Works Building, Opp: Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059 Tel: 022-62638200 Fax:022-62638299 E-mail: info@bigshareonline.com are the Registrar and Share transfer agents of the Company (R & T Agent). They deal with all matters pertaining to transfers, transmissions, 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 shareholders:**

Pursuant to the provisions of Section 72 of the Companies Act, 2013 and rules made thereunder, facility for making nomination is available for members in respect of shares held by them. Members holding shares in physical form may fill the Nomination Form.

**III. Permanent Account Number (PAN):**

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

**IV. Dividend:**

**Unclaimed Dividends:**

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. The Company will, in September 2017 transfer to the said Fund, the dividend for the year ended 31st March 2010 which have remained unpaid.

**V. Reconciliation of Share Capital :**

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 2017.

No. of Equity Shares	HOLDER(S)		HOLDER(S)	
	No. of folios	% of total folios	No. of Shares	% of holding
1 to 500	2309	98.68	97721	15.31
501 to 1000	19	0.81	13232	2.07
1001 to 2000	6	0.26	8516	1.33
2001 to 3000	--	--	--	--
3001 to 4000	1	0.04	3550	0.56
4001 to 5000	--	--	--	--
5001 to 10000	3	0.13	21539	3.38
10001 & above	2	0.08	493603	77.35
<b>Grand Total</b>	<b>2340</b>	<b>100.00</b>	<b>638161</b>	<b>100.00</b>



## REPORT ON CORPORATE GOVERNANCE (Contd..)

ii. Shareholding pattern as on 31st March, 2017.

Category of Share holders	No of Shares held		Number of Share Holders	Percentage of holding
	Electronic	Physical		
Promoter & Promoter Group	4,77,661	-	1	74.85
Public shareholding	-	-	-	--
Institutions	-	-	-	--
Financial Institutions / Banks	-	75	3	0.01
-Bodies Corporate	4033	50	33	0.64
-Individuals	113390	42549	2291	24.43
-Trusts <sup>25</sup>	--	1	0.01	
- NRI <sup>282</sup>	50	9	0.05	
-Clearing Member	46	-	2	0.01
<b>GRAND TOTAL</b>	<b>595437</b>	<b>42724</b>	<b>2340</b>	<b>100%</b>

### 8. Dematerialization of Shares & Liquidity:

The Shares of the Company are compulsorily traded in DEMAT form in the Stock Exchanges where they are listed. The Shares are available for dematerialization on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2017,

Category of shares held	No of folios	% of total folios	No of Shares	% of holding
In Physical Mode	1094	46.75	42724	6.69
In Electronic Mode	1246	53.25	595437	93.31

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 2017: 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 Tushar Vora & Associates, 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.



**ANNEXTURE: -**

**PRACTICING COMPANY SECRETARIES 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, 2017 as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Company with the Stock Exchanges in India.

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

In my opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above listing agreement. I also state that during the Financial Year 1st April 2016 to 31st March 2017, five complaint were received and resolved, hence no Investor Complaint is pending against the Company as on 31st March 2017 as per the records maintained by the Company and presented to the Investors/ Shareholders Grievance Committee and to us. 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

**Manjunatha Reddy M**  
Company Secretary in Practice  
Membership No.19957  
C.O.P.No.:7259

Place : Bengaluru  
Date : 22-05-2017

The above Corporate Governance Report was adopted by the Board of Directors at their meeting held on 22nd May 2017.

**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 2016-17.

Place: Bengaluru  
Date: 22-05-2017

**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, 2017 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 : 22-05-2017

**MOHANA RAO VVR**  
Chief Executive Office

**YASH RAJ**  
Chief Financial Officer





**MANAGEMENT DISCUSSION AND ANALYSIS**

**A. INDUSTRY OVERVIEW:**

The Company manufactures High Chromium Grinding Media Balls which are used in the process of Crushing/Grinding in the Cement and Mining industries as well as in Thermal Power Plants. These industries are the basic drivers for any infrastructure development, which is necessary for the economy to grow. In this respect, the demand for Company's products can be expected to be fairly good. However, the Company has to meet the challenge of competition and has to keep the costs under control by constant vigilance and develop better quality products to remain ahead in the business.

**B. SEGMENT WISE PERFORMANCE:**

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

**C. OUT LOOK AND PROSPECTS**

Since Grinding Media is a consumable item in the manufacture of Cement, Ore/Coal crushing, there is always a requirement of this item for replenishment / replacement. To that extent, the prospects remain good. However for further growth, the new industries have to come up but at present there are not enough forecasts for major additions in these sectors.

**D. CAPEX PLAN:**

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

**E. RISKS AND CONCERNS:**

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

**F. INTERNAL CONTROL SYSTEMS AND ADEQUACY:**

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

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

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

**G. FINANCIAL PERFORMANCE REVIEW:**

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

- Production

The production achieved is as under		(Qty.in M.T)
Product	F.Y.2016-17	-F.Y.2015-16
High Chrome Grinding Media Balls	36,980	20,906

- Sales Turnover

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

(₹.in Lacs)		
Particulars	F.Y.2016-17	F.Y.2015-16
Sales (Net of Excise)	20132.69	11962.81
Other Income	60.79	41.35
Total	20193.48	12004.16



## REPORT ON CORPORATE GOVERNANCE (Contd..)

### Key Performance Indicators

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

Sr. No	Particulars	FY 2016-17	% of Revenue	FY 2015-16	% of Revenue
1	Revenue from Operations (Net)	20132.69	100.00	11962.81	100.00
2	Cost of Materials Consumed (including Trading Purchase)	12999.71	64.57	7420.64	62.03
3	Employee Benefits Expense	946.79	4.70	906.50	7.58
4	Other Expenses	5921.82	29.41	3587.54	29.99
5	EBIDTA	264.37	1.31	48.13	0.40
6	Other Income	61.17	0.30	42.52	0.35
7	Finance Costs	2.83	0.01	27.97	0.23
8	Depreciation & Amortization Expenses	82.01	0.41	95.16	0.80
9	Profit before Tax	240.70	1.20	(32.48)	(0.27)
10	Tax Expenses	64.19	0.32	(1.21)	(0.01)
11	Profit for the period after tax	176.51	0.88	(31.27)	(0.26)

### 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 workshop. The relations with employees remain cordial even though a section of workmen (old union) are pursuing their charter of demands in the Labour Court.

### I. CAUTIONARY STATEMENT:

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

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



## INDEPENDENT AUDITORS' REPORT

To,

**The Members of  
WELCAST STEELS LIMITED  
Ahmedabad**

### **Report on the IND AS Financial Statements**

We have audited the accompanying IND AS financial statements of WELCAST STEELS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as financial statements).

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the state of affairs (financial position), Profit or Loss (financial performance including Other Comprehensive Income), Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including INDAS, of the state of affairs (financial position) of the Company as at 31 March, 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

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

- i. 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 and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:



## AUDITORS' REPORT (Contd..)

- (i) (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 u/s 189 of 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, nor made investments nor given guarantees/ security to any party attracting the provisions of sec 185 and 186 of the Act, 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 public; hence the question of compliance with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder 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, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues to the extent applicable to it.
- (b) According to the information and explanations given to us and based on the records verified by us, we state that no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Value Added Tax, Duty of Customs, Duty of Excise or Cess which have remained outstanding as at 31st March 2017 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of Income tax, Sales tax, Value Added Tax, Service Tax, Duty of Customs, Duty of Excise or Cess, which have not been deposited on account of any dispute except as stated below:

Name of the Statute	Nature of Dues	Disputed Amount (₹. In Lakhs)	Period to which amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	116.64	September 2004 To August 2006	Customs, Excise & Service Tax Appellate Tribunal, Bangalore.
Foreign Trade Regulation Act (DEEC Scheme)	Customs Duty, Interest	791.24* @	March 2005 To December, 2008 And interest till 31st March, 2017	High Court of Karnataka.

\*Excluding penalty.

@ ₹ 35 Lakhs has been deposited against the above.

- (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, 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.



## AUDITORS' REPORT (Contd..)

- (x) To the best of our knowledge and according to the information and explanations given to us, no 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 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 or private placement of shares or fully or partly convertible debentures during the year, hence the requirement of compliance with provisions of Section 42 of the Act and utilisation 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 Section 45-IA of the Reserve Bank of India Act, 1934, hence the requirements of clause (xvi) of the Order does not arise.

### II. 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 & 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 written representations received from the directors, as on 31st March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st, March 2017 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 28 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 Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management - Refer Clause C (13) of Note 28 to the Financial Statements.

Place : Bengaluru  
Date : 22-05-2017

**For DAGLIYA & CO.**  
Chartered Accountants  
(FRN 0671S)

**(P. MANOHARA GUPTA)**  
Partner  
Membership No: 16444



## **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, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 : 22-05-2017

**For DAGLIYA & CO.**  
Chartered Accountants  
(FRN 0671S)

**(P. MANOHARA GUPTA)**  
Partner  
Membership No: 16444



## Balance Sheet As At 31st March 2017

₹. In Lacs

Particulars	Note No.	As At 31st March 2017	As At 31st March 2016	As at 1st April 2015
<b>ASSETS</b>				
<b>(I) Non-current assets</b>				
(a) Property, plant and equipment	1	457.19	450.11	530.70
(b) Capital Work in progress	1	15.73	-	-
(c) Other Intangible Assets	1	1.85	1.13	1.93
(d) Financial assets				
- Investments	2	-	0.01	0.01
(e) Deferred tax assets (Net)	3	133.01	134.30	135.26
(f) Other non-current assets	4	613.94	650.85	716.72
<b>(II) Current Assets</b>				
(a) Inventories	5	1,721.84	1,267.36	2,020.10
(b) Financial assets				
(i) Trade Receivables	6	679.81	617.52	794.08
(ii) Cash and Cash equivalents	7	13.21	61.55	14.60
(iii) Bank Balances other than (ii)above	8	4.69	5.01	5.04
(iv) Others	9	18.55	20.26	12.18
(c) Other current assets	10	1,105.68	510.37	709.75
<b>TOTAL ASSETS</b>		<b>4,765.50</b>	<b>3,718.47</b>	<b>4,940.37</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	11	63.84	63.84	63.84
(b) Other equity	12	3,124.95	2,955.59	3,015.11
<b>LIABILITIES</b>				
<b>I. Non-current liabilities</b>				
(a) Provisions	13	162.92	182.90	161.89
<b>II. Current liabilities</b>				
<b>a. Financial liabilities</b>				
i. Borrowings	14	-	-	905.28
ii. Trade payables	15	1,230.39	345.08	639.40
iii. Other Financial Liabilities (other than those specified in item (c))	16	4.69	5.01	5.04
b. Other current liabilities	17	84.26	81.29	79.51
c. Provisions	18	91.52	84.76	70.30
d. Current Tax Liabilities (Net)	19	2.93		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,765.50</b>	<b>3,718.47</b>	<b>4,940.37</b>

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

**D.P. DHANUKA**

DIN:000168198

**BHADRESH K. SHAH**

DIN:00058177

Director

**YASH RAJ**  
Chief Financial Officer

**S. N. JETHELIYA**  
Company Secretary  
ACS : 5343

As per our Report attached

For **DAGLIYA & CO.**

Chartered Accountants

(FRN 000671S)

**(P. MANOHARA GUPTA)**

Partner

Membership No 16444

Place : Bengaluru  
Date : 22-05-2017

**Statement of Profit & Loss For The Year Ended 31st March 2017**

₹. In Lacs

Particulars	Note No	Year ended 31st March 2017	Year ended 31st March 2016
1 Revenue from operations	20	21,901.20	12,978.48
2 Other Income	21	60.79	41.35
3 Total Revenue (1+2)		21,961.99	13,019.83
4 Expenses:			
(a) Cost of materials consumed	22	13,181.26	7,346.57
(b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(181.55)	74.07
(c) Excise duty on sales		1,768.51	1,015.67
(d) Employee Benefits Expense	24	946.79	906.50
(e) Finance Costs	25	2.83	27.97
(f) Depreciation and Amortization Expense	1	82.01	95.16
(g) Other Expenses	26	5,921.82	3,587.54
Total Expenses 4		21,721.67	13,053.48
5 Profit before exceptional items, and tax (3-4)		240.32	(33.65)
6 Exceptional Items- Profit on sale of Fixed Assets		0.38	1.17
7 Profit before extraordinary items and tax (5 + 6 )		240.70	(32.48)
8 Tax expense:			
(a) Current tax		62.90	-
(b) Taxes of earlier years		-	(2.17)
(c) Deferred tax		1.29	0.96
9 Profit(Loss) for the year (7-8)		176.51	(31.27)
10 Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss	27	(8.27)	(12.89)
(ii) Items that will be reclassified to profit or loss		-	
11 Total comprehensive income for the year (9-10) (Comprising Profit/(Loss) and other Comprehensive income for the year)		168.24	(44.16)
12 Earning per equity share			
i) Basic		27.66	(4.90)
ii) Diluted		27.66	(4.90)

Significant Accounting Policies and Notes to Financial Statements form an integral part of the Statement of Profit and Loss

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For and on behalf of the Board

**D.P. DHANUKA**

DIN:000168198

**BHADRESH K. SHAH**

DIN:00058177

Director

**YASH RAJ**  
Chief Financial Officer

**S. N. JETHELIYA**  
Company Secretary  
ACS : 5343

As per our Report attached  
For **DAGLIYA & CO.**

Chartered Accountants  
(FRN 000671S)

**(P. MANOHARA GUPTA)**  
Partner  
Membership No 16444

Place : Bengaluru  
Date : 22-05-2017





## Notes forming part of the Financial Statements

(Contd..)

**Note No 1**  
**Property, Plant & Equipments**

₹. in lacs

PARTICULARS	Gross Block		Depreciation				Net Block				
	As at 01.04.2015 ₹.	Additions during the Year ₹.	Deletions during the Year ₹.	As at 31.03.2017 ₹.	As at 01.04.2016 ₹.	For the Year ₹.	Withdrawal/ Deductions ₹.	Charged to Retained Earnings ₹.	Total Upto 31.03.2017 ₹.	As at 31.03.2017 ₹.	As at 31.03.2016 ₹.
<b>TANGIBLE ASSETS :</b>											
Land	3.25	-	-	3.25	-		-	-	-	3.25	3.25
Buildings	637.39	4.86	-	642.25	446.63	18.14	(0.69)	-	465.46	176.79	190.76
Plant & Machinery	3,441.92	48.47	-	3,490.39	3,220.41	44.43	-	-	3,264.84	225.55	221.51
Furniture & Fixtures	46.98	1.52	-	48.50	40.91	1.82	-	-	42.73	5.77	6.07
Computers	53.87	4.66	-	58.53	47.81	2.92	-	-	50.73	7.80	6.06
Office Equipments	71.86	25.86	-	97.72	65.29	8.79	-	-	74.08	23.64	6.57
Laboratory Equipments	46.81	-	-	46.81	38.58	2.00	-	-	40.58	6.23	8.23
Vehicles	27.00	3.23	2.63	27.60	19.34	2.65	2.55	-	19.44	8.16	7.66
<b>Total- A</b>	<b>4,329.08</b>	<b>88.60</b>	<b>2.63</b>	<b>4,415.05</b>	<b>3,878.97</b>	<b>80.75</b>	<b>1.86</b>	<b>-</b>	<b>3,957.86</b>	<b>457.19</b>	<b>450.11</b>
Previous year - Tangible	4,318.67	13.68	3.27	4,329.08	3,787.97	94.15	3.15	-	3,878.97	450.11	
Balance as on 1.04.2015	4,268.11	124.96	74.40	4,318.67	3,653.18	175.68	58.64	17.75	3,787.97	530.70	
<b>INTANGIBLE ASSETS :</b>											
Software	4.96	1.99	-	6.95	3.83	1.27	-	-	5.10	1.85	1.13
<b>Total- B</b>	<b>4.96</b>	<b>1.99</b>	<b>-</b>	<b>6.95</b>	<b>3.83</b>	<b>1.27</b>	<b>-</b>	<b>-</b>	<b>5.10</b>	<b>1.85</b>	<b>1.13</b>
Previous year - Intangible	4.75	0.21	-	4.96	2.82	1.01	-	-	3.83	1.13	
Balance as on 1.04.2015	3.03	1.72	-	4.75	1.15	1.67	-	-	2.82	1.93	
Capital work in progress	-	-	-	-	-	-	-	-	-	-	-
Asset Under Construction	-	<b>15.73</b>	-	<b>15.73</b>	-	-	-	-	-	<b>15.73</b>	-
Previous year	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>4,334.04</b>	<b>106.32</b>	<b>2.63</b>	<b>4,437.73</b>	<b>3,882.80</b>	<b>82.02</b>	<b>1.86</b>	<b>-</b>	<b>3,962.96</b>	<b>474.77</b>	<b>451.24</b>
Previous year -2015-16	4,323.42	13.89	3.27	4,334.04	3,790.79	95.16	3.15	-	3,882.80	451.24	
Asset as on 1/04/2015	4,271.14	126.68	74.40	4,323.42	3,654.33	177.35	58.64	17.75	3,790.79	532.63	

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

₹. In Lacs

**2. Non Current Investments**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
a) Trade Investments	-	-	
b) Other Investments In Government Securities- (Unquoted, At Amortised cost) (National Saving Certificates/IVP)	-	0.01	0.01
<b>Total</b>	<b>-</b>	<b>0.01</b>	<b>0.01</b>

**3. Deferred Tax Assets**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Arising on account of timing difference			
On account of Depreciation	62.07	65.47	74.60
On account of Gratuity, Leave salary & Bonus	70.94	68.83	60.66
<b>Total</b>	<b>133.01</b>	<b>134.30</b>	<b>135.26</b>

**4. Other Non-Current Assets**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>I) Capital Advances (Unsecured &amp; considered good)</b>	<b>188.40</b>	188.40	188.40
<b>II) Advances other than capital advances</b>			
i) Advance income tax	-	33.72	115.09
Provision of Tax	-	-	-15.50
ii) Security Deposits (Unsecured & Considered good)			
Earnest Money Deposit	2.27	2.72	2.72
Other Deposits	423.18	425.92	425.92
Deposits-In Post office Savings bank Account (Pass Book lodged with Central Excise Dept)	0.09	0.09	0.09
<b>Total</b>	<b>613.94</b>	<b>650.85</b>	<b>716.72</b>

**5. Inventories**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(At lower of cost and Net Realisable Value)			
a Raw Material	684.36	398.50	995.80
b Stores & Spares	550.48	563.41	644.79
c Work in Process	487.00	305.45	379.51
<b>Total</b>	<b>1,721.84</b>	<b>1,267.36</b>	<b>2,020.10</b>

**6. Trade Receivables**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unsecured & Considered good	679.81	617.52	794.08
<b>Total</b>	<b>679.81</b>	<b>617.52</b>	<b>794.08</b>



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

₹. In Lacs

### 7. Cash & Cash Equivalents

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Cash &amp; Bank Balances:</b>			
a Balance with Banks:			
i) In Current Accounts	1.53	3.26	2.62
ii) In cash credit Account Debit Balance	8.82	41.99	-
iii) In Fixed Deposits (as Margin Money, more than 12 months maturity)	2.45	14.57	11.54
vi) Interest Accrued on FD		0.58	-
Sub Total (A)	12.80	60.40	14.16
b Cash-in-Hand (B)	0.41	1.15	0.44
<b>Total [ A + B ]</b>	<b>13.21</b>	<b>61.55</b>	<b>14.60</b>

### 8. Other Bank Balances

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Earmarked balances with Bank (Unpaid Dividends)	4.69	5.01	5.04
<b>Total</b>	<b>4.69</b>	<b>5.01</b>	<b>5.04</b>

### 9. Financial Assets (At amortised cost)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
a Rent Depoist	3.08	3.83	3.83
b Other Deposits	0.62	0.52	0.52
c Loans and Advnace to Staff	14.85	15.91	7.83
<b>Total</b>	<b>18.55</b>	<b>20.26</b>	<b>12.18</b>

### 10. Other Current Assets

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Other Current Assets			
Advances other than capital advances (Un Secured, Considered Good)			
a Advances Recoverable in cash or in kind or for value to be received	542.44	151.84	79.33
b Balance with Central Excise Dept	194.56	99.33	143.90
c Balance with Sales Tax Dept	270.63	96.13	433.54
e Interest receivable	35.28	43.64	35.33
f DEPB Receivable	-	7.60	7.60
<b>Total A</b>	<b>1,042.91</b>	<b>398.54</b>	<b>699.70</b>
Current Tax (Assets)			
Income Tax Refund Due	62.77	111.83	10.05
<b>Total B</b>	<b>62.77</b>	<b>111.83</b>	<b>10.05</b>
<b>Total (A+B)</b>	<b>1,105.68</b>	<b>510.37</b>	<b>709.75</b>



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

### 11. Equity share capital

₹. In Lacs

	Balance at the beginning of the reporting period		Changes in equity share capital during the year		Balance at the end of the reporting period		Balance as on
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	
Equity shares of ₹.10/- Each with voting rights on 2,000,000 number	200.00	200.00	0	0	200.00	200.00	01.04.2015
ISSUED, SUBSCRIBED & FULL PAID UP							
Equity shares of ₹.10/- per value fully allotted for cash 638161 numbers	63.82	63.82	0	0	63.82	63.82	63.82
Forfeited shares							
Equity shares of ₹.10/- each (originally paid up @ ₹.5/- per share on 425 numbers	0.02	0.02			0.02	0.02	0.02
<b>Total</b>	<b>63.84</b>	<b>63.84</b>			<b>63.84</b>	<b>63.84</b>	<b>63.84</b>

#### 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 March 2017		As at 31st March 2016	
	No of shares	Amount	No 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

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 2017		As at 31st March 2016	
	No. of shares	% of holding	No. of shares	% of holding
AIA Engineering Ltd - Holding Company	477,661	74.85	477,661	74.85

#### TERMS/RIGHTS ATTACHED TO EQUITY SHARES

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

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 preceeding five financial years.



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

### 12. Other Equity

₹. In Lacs

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Security Premium Reserves</b>			
Balance outstanding at the beginning and end of the year	47.79	47.79	47.79
Add: Transferred from Statement of Profit and Loss	-	-	-
	<b>47.79</b>	47.79	47.79
<b>General Reserves</b>			
Balance outstanding at the beginning and end of the year	371.86	371.86	371.86
Add: Transferred from Statement of Profit and Loss	-	-	-
	<b>371.86</b>	371.86	371.86
<b>Retained Earnings</b>			
Opening balance	2,535.94	2,595.46	2,595.46
Add: Total comprehensive income for the year	168.23	(44.16)	-
Amount available for appropriation	2,704.17	2,551.30	2,595.46
Appropriations:			
Adjustment on A/c of Ind AS for depreciation on revaluation amount for 2015-16	(1.13)	-	-
Final dividend	-	12.76	-
Tax on Final Dividend	-	2.60	-
Closing balance	2,705.30	2,535.94	2,595.46
<b>Total</b>	<b>3,124.95</b>	2,955.59	3,015.11

### 13. Provisions

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Provision for Employee Benefits</b>			
a Provision for Gratuity	120.75	144.45	132.15
b Provision for Leave Encashment	42.17	38.45	29.74
<b>Total</b>	<b>162.92</b>	182.90	161.89

### 14. Short Term Borrowings

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Secured (At amortised cost)			
a) Loan repayable on Demand from Bank - Canara Bank			
(i) Cash Credit	-	-	5.28
(ii) Packing Credit	-	-	900.00
(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			
<b>Total</b>	<b>-</b>	-	905.28



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

**15. Trade Payables (At amortised cost)**

₹. In Lacs

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
a Trade Payables			
Dues to Micro and Small Enterprises	71.24	1.73	10.98
b Others	1,159.15	343.35	628.42
<b>Total</b>	<b>1,230.39</b>	<b>345.08</b>	<b>639.40</b>

**16. Other Financial Liabilities**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unpaid Dividends (At amortised cost)	4.69	5.01	5.04
<b>Total</b>	<b>4.69</b>	<b>5.01</b>	<b>5.04</b>

**17. Other Current Liabilities**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
a Advances from Customers	-	19.20	4.96
b Accrued Salaries & Benefits	57.13	45.17	50.96
c Contribution to PF/ESI payable	7.85	6.91	7.88
d Other liabilities payable	-	1.84	4.39
e Other Payables -Duties & Taxes	19.28	8.17	11.32
<b>Total</b>	<b>84.26</b>	<b>81.29</b>	<b>79.51</b>

**18. Provisions**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Provision for employee benefits</b>			
i) Gratuity	20.68	19.95	17.95
ii) Leave Encashment	20.26	19.90	16.48
iii) Bonus and Ex-Gratia	50.58	44.91	35.87
<b>Total</b>	<b>91.52</b>	<b>84.76</b>	<b>70.30</b>

**19. Current Tax Liability (Net)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for Income tax			
Provision of Tax	62.90	-	-
Advance income tax	(59.97)	-	-
<b>Total</b>	<b>2.93</b>	<b>-</b>	<b>-</b>



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

### 20. Revenue from Operations

₹. In Lacs

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Sale of Products	20,118.51	11,932.48
Other Operating Revenue	14.18	30.33
Excise Duty	1,768.51	1,015.67
<b>Total</b>	<b>21,901.20</b>	<b>12,978.48</b>

### 21. Other Income

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
a Interest on Bank Deposits/Other deposit	47.58	39.31
b Miscellaneous Receipts	13.21	2.04
<b>Total</b>	<b>60.79</b>	<b>41.35</b>

### 22. Cost of Material Consumed

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
<b>RAW MATERIALS CONSUMED:</b>		
MS SCRAP (* includes Rs Nil cost of sales (previous year Rs. 7.30 lakhs)	5,678.06	3,824.32
FERRO CHROME (** Including Rs Nil Cost of sales previous Yr Rs.12.38 lakhs)	7,503.20	3,517.07
ALLOY STEEL AS CAST G.M.	-	5.18
<b>Total</b>	<b>13,181.26</b>	<b>7,346.57</b>

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

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Work in Process Opening Stock:	305.45	379.52
Less : Closing Stock	487.00	305.45
<b>Total</b>	<b>(181.55)</b>	<b>74.07</b>

### 24. Employee Benefits Expense

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
a Salaries, Wages and Bonus	757.75	734.77
b Contribution to Provident Fund / ESIC / Gratuity Fund	87.64	86.79
c Staff Welfare Expenses	101.40	84.94
<b>Total</b>	<b>946.79</b>	<b>906.50</b>

### 25 Finance Costs

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
A Interest Expense		
- For Cash Credit and Working Capital	2.83	27.96
- For Others	-	0.01
<b>Total</b>	<b>2.83</b>	<b>27.97</b>



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

### 26. Other Expenses

₹. In Lacs

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
a Consumption of Stores & Spare Parts	1,804.89	1,097.89
b Power and Fuel	2,759.91	1,670.62
c Labour Charges	626.37	308.78
d Factory Maintenance	40.93	48.57
e Repairs and Maintenance	-	-
- To Buildings	15.23	10.11
- To Plant and Equipment's	70.75	50.01
- To Other Assets	0.98	2.54
f Insurance	16.99	15.42
g Rates and Taxes	24.76	12.47
h Rent	3.94	3.74
i Directors' Sitting Fees	2.70	2.40
j Travelling Expenses	-	-
- For Directors	0.70	0.40
- For Others	3.58	10.40
k Statutory Auditor's Fees	-	-
- For Audit Fees	2.50	2.50
- For Income Tax Audit Fees	1.00	0.50
- For KVAT Audit Fees	0.50	0.50
- For Income Tax matters	-	1.50
- For Certification/Limited Reviews	0.50	0.70
l Legal and Professional Consultancy Fees	53.79	43.31
m Bank Commission Charges	10.38	2.51
n Printing and Stationery Expenses	9.60	6.51
o Postage, Telephones, Courier, Internet & E-mail	6.47	5.68
p Sales Promotion	4.53	2.38
q Vehicle Repairs and Maintenance	5.13	6.36
r Conveyance Expenses	1.44	1.32
s Donation Expenses	0.10	0.30
t Advertisement Expenses	1.28	1.91
u Packing Materials Consumed*	385.60	232.66
v Freight outward	24.59	6.50
w Bad Debts	28.83	14.49
x Miscellaneous Expenses	13.85	24.56
<b>Total</b>	<b>5,921.82</b>	<b>3,587.54</b>

\* Including Rs. 1.76 lacs (previous year Rs.0.71 lacs) cost of sales

### 27. Other Comprehensive Income

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Items that will not get re-classified to profit/loss		
Remeasurement of the net defined benefit liability (Gratuity)	12.35	18.65
Deferred tax impact	(4.08)	(5.76)
<b>Total</b>	<b>8.27</b>	<b>12.89</b>





Note 28 Significant Accounting Policies and Notes on Accounts for the year ended 31st March 2017.

**A Company Overview:**

Welcast Steels Limited ('Welcast') is a subsidiary company of AIA Engineering Limited. The company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at 115-116, G. V. M. M Estate, Odhav Road, Odhav, Ahmedabad - 382415. The Company is engaged in the manufacture of High Chromium Grinding Media balls for the Cement and Mining Industry.

The financial statements were approved for issue by the company's Board of Directors at their meeting held on 22nd May, 2017.

**B Significant Accounting Policies**

**I. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015.

For all periods upto and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2017 are the first financial statements the company has prepared in accordance with Ind AS. Also refer to Note C(12).

The financial statements have been prepared under the historical cost convention on the accrual basis of accounting except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- a) Financial assets and liabilities are measured at Fair value/amortised costs
- b) Defined employee post retirements Benefit and other Long term Employee Benefits.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

**II. PROPERTY, PLANT & EQUIPMENT (PPE)**

- a) 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/ 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.
- b) 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. Finished Goods are valued inclusive of excise duty.
- 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 and exclusive of Value Added Tax and Central Sales 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



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

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.

### C. NOTES ON ACCOUNTS:

1 Contingent liability to the extent not provided for :

₹. In Lacs

Particulars	31.3.2017	31.3.2016
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	791.24	747.04
d. Illegal strike wages under dispute - Workmen and Casual labour	73.67	61.49
e. Others	2.25	2.25
f. Charter of demands made by one of Labour Unions, pending for disposal at Industrial Tribunal (Labour Court), Bangalore, against which no reliable estimate can be made.		

2 Balance Confirmations

Request for confirmation of balance were sent to Banks, 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-

a. On capital account - ₹. Nil (previous year: ₹. Nil)

b. On revenue account (Material contracts for purchase of Raw Materials, stores & service contracts) - ₹. Nil lacs (Previous Year: ₹ 206.83Lacs)

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 ₹. 20835.75 Lacs (PY ₹. 12410.13 Lacs).

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 the Financial Statements (Contd..)

₹. In Lacs

Transactions with related parties	Current Year 2016-17			Previous Year 2015-16		
	Holding Company	KMP Directors	Associate	Holding Company	KMP Directors	Associate
Purchases of Goods/Services AIA Engineering Ltd.	53.74			448.92		
Vee Connect Travels Pvt Ltd			2.35			3.76
Consultancy Fees- Pradip Shah & Co			2.06			2.05
Sales of Goods	20,835.75			12,410.13		
Sales -Others stores items	2.12			23.92		
Sitting Fees		0.70			0.40	
Consultancy Fees		1.20			0.90	
Dues Receivable as at last date of the financial year	613.31			496.08		
Dues payable as at last date of the financial year - Vee Connect			0.40			-
Dues payable as at last date of the financial year	-	0.27	0.47	-	-	0.47

7. Earnings Per Share:

Particulars	2016-17	2015-16
Net Profit for the Year (Rs. In lakhs):	<b>176.51</b>	(31.27)
Number of Shares	<b>638,161</b>	638,161
Nominal Value of each Share (in Rs.)	<b>10</b>	10
Earnings per Share (Basic and Diluted)(in Rs.):	<b>27.66</b>	(4.90)

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	2016-17	2015-16
i) Principal amount remaining unpaid at the end of the year	<b>71.24</b>	1.73
ii) Interest accrued at the end of the year	<b>NIL</b>	NIL
iii) Interest remaining unpaid, out of above, as at the end of the year	<b>NIL</b>	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 31-03-2017	For the year ended 31-03-2016
Contribution to Defined Contribution Plan, recognized as expense for the year are as under:		
<b>Particulars</b>		
Employer's Contribution to Provident Fund	36.38	37.17



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

ii. Defined Benefit plans:

₹. in Lacs

**1. Funded Status of Plan**

Gratuity

Particulars	31.03.2017	31.03.2016
1. Present value of unfunded obligations	-	-
Present value of funded obligations	279.62	277.18
Fair value of plan assets	138.19	112.78
Net Liability (Asset)	141.43	164.40
2. Expenses recognised in the statement profit and loss	Gratuity	31.03.2016
Particulars	31.03.2017	31.03.2016
Current Service cost	19.95	17.29
Interest cost	12.20	9.89
Expenses deducted from the fund	-	1.67
Adjustment to the Opening Fund	-	7.36
Total Expenses recognised in the statement profit and loss for the year	32.15	36.21
Other comprehensive Income		
Actuarial gain or loss due to financial assumptions	14.87	13.06
Actuarial gain or loss due to Demographic compositions	-	2.33
Actuarial gain or loss due to experience adjustments	(1.06)	4.46
Return on plan assets	(1.46)	(1.19)
Amounts recognised in other Comprehensive income	12.35	18.66
3. Reconciliation of net defined liability	Gratuity	31.03.2016
Particulars	31.03.2017	31.03.2016
Opening DBO	277.18	244.56
Current service cost	19.95	17.29
Interest cost	18.90	17.44
Actuarial gain or loss due to financial assumptions	14.87	13.06
Actuarial gain or loss due to Demographic compositions	-	2.33
Actuarial gain or loss due to experience adjustments	(1.06)	4.46
Benefits paid	(50.22)	(21.96)
Closing defined benefit obligations	279.62	277.18
4. Reconciliation of plan assets	Gratuity	31.03.2016
Particulars	31.03.2017	31.03.2016
Fair value of plan assets at the beginning of the year	112.78	94.46
Adjustment to the Opening Fund	-	(7.36)
Interest Income	6.70	7.55
Return on planned assets	1.46	1.19
Contributions	17.25	18.61
Benefits paid	-	-
Expenses deducted from the fund	-	(1.67)
Fair value of plan assets at the end of the year	138.19	112.78
5. Reconciliation of net defined benefit liability	Gratuity	31.03.2016
Particulars	31.03.2017	31.03.2016
Net opening provision in books of accounts	164.40	150.10
Employee benefit expenses	32.15	36.22
amount recognised in OCI	12.35	18.65
	208.90	204.97
Benefit paid	(50.22)	(21.96)
Contributions to plan assets	(17.25)	(18.61)
Closing provision in books of accounts	141.43	164.40



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

₹. in Lacs

6. Composition of the plan assets		Gratuity	
Particulars		31.03.2017	31.03.2016
Policy of insurance		100%	100%

7. Principle Actuarial assumptions		Gratuity - Funded	
Particulars		31.03.2017	31.03.2016
Discount Rate (Per annum)		7.00%	7.90%
Salary Growth rate		7.00%	7.00%
Withdrawal rates		10% at younger ages reducing to 1% at older ages	

8. Sensitivity to key assumptions		31.03.2017	
Particulars		Gratuity	
		DBO	Change in DBO (%)
Discount rate varied by .5%	+0.50%	271.14	-3.0%
	-0.50%	288.69	3.2%
Salary growth rate varied by 0.50 %	+0.50%	288.35	3.1%
	-0.50%	271.05	-3.1%
Withdrawal rate (W.R) varied by 10%	W.R X 110%	279.30	-0.11%
	W.R X 90%	319.75	14.35%

9. Expected benefits payments		Gratuity	
Year ended 31st March		Cashflows	%
	2018	74.77	15.3%
	2019	26.66	5.5%
	2020	35.79	7.3%
	2021	20.24	4.2%
	2022	12.18	2.5%
	2023-2027	104.24	21.4%

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 lacs, except when otherwise indicated.



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

12. Board of Directors have recommended dividend @ ₹. 2/- per Equity Share.
13. Disclosure for dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016

Note: Following is the disclosure in terms of notification issued by the Ministry of Corporate Affairs dated 30th March 2017: ₹. In Lacs

Particulars	Specified Bank Notes (Rs. 500 and ₹. 1000)	Other denomination notesTotal		
		Amount	Denomination	Amount
Closing cash in hand as on 08.11.2016	1.12	0.0029		
	0.13			
	1.25	0.0029		1.25

Transactions between 9th November 2016 and 30th December 2016

Add:Withdrawal from bank accounts		4.64	4.64
Add: Receipts for permitted transactions		0.10	0.10
Add :Receipts for non-permitted		-	-
Less : Paid for permitted transactions		3.98	3.98
Less: Deposited in bank accounts	1.25	0.0020	
Total Deposited	1.25	0	1.25
Closing cash in hand as on 30.12.2016	-	0.77	0.77

- 14 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :

	31st March 2017	31stMarch 2016
Accounting Profit Before Income Tax	240.69	(32.47)
Less: Depreciation/Amortisation Adjustment	(23.47)	(46.21)
Add/(Less): Adjustment for employee benefits allowed on payment basis under Income Tax	(27.14)	10.68
Profit as per Income Tax	190.08	(68)
At India's statutory income tax rate of 30% + 7% SC+ 3% Ed Cess	62.90	0.00

- 15 First Time Adoption of Ind AS

These financial statements for the period ended 31.03.2017, have been prepared in accordance with Ind AS. For the period up to and including the year ended 31.03.2016, the Company prepared the financial statements in accordance with accounting standards notified under section 133 of the companies Act, 2013 read together with paragraph 7 of the companies (accounts) Rules, 2014 (Indian GAAP).

This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at 01.04.2015 and the financial statements as at the year ended 31.03.2016



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

### Statement of Changes in Equity for the year ended March 31st, 2016

#### A Equity Share Capital

	Opening Balance 01st April 2015	Changes in equity share capital during the year	Closing balance as at 31 Mar 2016
Equity shares of Rs.10/- per value fully allotted for cash 638161 numbers	63.82	-	63.82
Equity shares of Rs10/- each (originally paid up @ Rs5/- per share on 425 numbers)	0.02		0.02
<b>Total</b>	63.84	-	63.84

#### B Other Equity -2015-2016

	Opening Balance 01st April 2015	Changes in accounting policy/prior period errors	Restated balance at the beginning of the reporting period	Total Compre- hensive Income for the year	Dividend Paid	Transfer to retained earnings	Any Other Adjust- ments	Balance at the end of 31st March 2016
Security Premium Reserves	47.79							47.79
General Reserve	371.86							371.86
Retained Earnings	2,595.46			(44.16)	15.36	-		2,535.94
<b>Total</b>	3,015.11	-		(44.16)	15.36	-		2,955.59

### Statement of Changes in Equity for the year ended March 31st, 2017

#### A Equity Share Capital

	Opening Balance 01st April 2016	Changes in equity share capital during the year	Closing balance as at 31 Mar 2017
Equity shares of Rs.10/- per value fully allotted for cash 638161 numbers	63.82	-	63.82
Equity shares of Rs10/- each (originally paid up @ Rs5/- per share on 425 numbers)	0.02		0.02
<b>Total</b>	63.84	-	63.84

#### B Other Equity

	Opening Balance 01st April 2015	Changes in accounting policy/prior period errors	Restated balance at the beginning of the reporting period	Total Compre- hensive Income for the year	Dividend Paid	Transfer to retained earnings	Any Other Adjust- ments for Depreci- ation on Revalued Assets	Balance at the end of 31st March 2017
Security Premium Reserves	47.79	-	-	-	-	-	-	47.79
General Reserve	371.86	-	-	-	-	-	-	371.86
Retained Earnings	2,535.94	-	-	168.23	-	-	1.13	2,705.30
<b>Total</b>	2,955.59	-		168.23	-	-	1.13	3,124.95





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

### Reconciliation of equity as at 1 April 2015 and 31st March 2016

	Notes	01st April 2015			31st March 2016		
		Indian GAAP	Adjustments	Ind AS	Indian GAAP	Adjustments	Ind AS
Equity and liabilities							
Equity							
Equity share capital		63.84	-	63.84	63.84	-	63.84
Other equity		-	-	-	-	-	-
share premium		47.79	-	47.79	47.79	-	47.79
General Reserves		371.86	-	371.86	371.86	-	371.86
Retained earnings	1, 2, 3, 4	2,582.54	12.92	2,595.46	2,546.76	(10.82)	2,535.94
Revaluation Reserve	4	9.12	(9.12)	-	7.99	(7.99)	-
<b>Total equity</b>		<b>3,075.15</b>	<b>3.80</b>	<b>3,078.95</b>	<b>3,038.24</b>	<b>(18.81)</b>	<b>3,019.43</b>
Non-current liabilities							
Financial Liabilities							
Long term provisions		161.89	-	161.89	182.90	-	182.90
		<b>161.89</b>	<b>-</b>	<b>161.89</b>	<b>182.90</b>	<b>-</b>	<b>182.90</b>
Current liabilities							
Financial Liabilities							
Interest-bearing loans and borrowings		905.28	-	905.28	-	-	-
Trade and other payables		639.40	-	639.40	345.08	-	345.08
Other current financial liabilities		5.04	-	5.04	5.00	-	5.00
Other Current Liabilities	2	77.06	2.45	79.51	81.29	-	81.29
Provision	1	85.66	(15.36)	70.30	84.77	-	84.77
Current Tax Liabilities							
		<b>1,712.44</b>	<b>(12.91)</b>	<b>1,699.53</b>	<b>516.14</b>	<b>-</b>	<b>516.14</b>
Liabilities directly associated with the assets classified as held for distribution							
<b>Total liabilities</b>		<b>1,874.33</b>	<b>(12.91)</b>	<b>1,861.42</b>	<b>699.04</b>	<b>-</b>	<b>699.04</b>
<b>Total equity &amp; liabilities</b>		<b>4,949.48</b>	<b>(9.11)</b>	<b>4,940.37</b>	<b>3,737.28</b>	<b>(18.81)</b>	<b>3,718.47</b>
Assets							
Non-current assets							
Property, plant and equipment	3, 4	522.53	8.17	530.70	448.61	1.50	450.11
Intangible assets		1.93	-	1.93	1.13	-	1.13
Investment others		0.01	-	0.01	0.01	-	0.01
Deferred tax assets	5	135.26	-	135.26	137.32	(3.02)	134.30
Other non-current assets	7	621.48	95.24	716.72	621.48	29.37	650.85
		<b>1,281.21</b>	<b>103.41</b>	<b>1,384.62</b>	<b>1,208.55</b>	<b>27.85</b>	<b>1,236.40</b>
Current assets							
Inventories	3	2,037.39	(17.29)	2,020.10	1,284.65	(17.29)	1,267.36
Financial assets		-	-	-	-	-	-
Trade and other receivables	7	794.08	-	794.08	617.52	-	617.52
Cash and Cash Equivalents	7	19.64	(5.04)	14.60	66.56	(5.01)	61.55
Other Bank Balances		-	5.04	5.04	-	5.01	5.01
Other current financial assets		12.18	-	12.18	20.26	-	20.26
Other Current Assets	7	804.98	(95.24)	709.74	539.74	(29.37)	510.37
		<b>3,668.27</b>	<b>(112.53)</b>	<b>3,555.75</b>	<b>2,528.73</b>	<b>(46.66)</b>	<b>2,482.07</b>
Assets classified as held for distribution							
		3,668.27	(112.53)	3,555.76	2,528.73	(46.66)	2,482.07
<b>Total assets</b>		<b>4,949.48</b>	<b>(9.11)</b>	<b>4,940.37</b>	<b>3,737.27</b>	<b>(18.81)</b>	<b>3,718.47</b>



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

**Reconciliation of profit or loss for the year ended 31st March 2016**

		Indian GAAP	Adjustments	Ind AS
	Footnotes	INR Lacs	INR Lacs	INR Lacs
Continuing operations				
Sale of goods	8	11,932.48	1,015.67	12,948.15
Other Operating Revenue		30.33	-	30.33
Revenue from operations		11,962.81	1,015.67	12,978.48
Other income		41.35	-	41.35
<b>Total Revenue</b>		<b>12,004.16</b>	<b>1,015.67</b>	<b>13,019.83</b>
Cost of materials consumed		7,346.57	-	7,346.57
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		74.07	-	74.07
Excise duty on sales	8	-	1,015.67	1,015.67
Employee benefits expense	6	919.39	(12.89)	906.50
Finance Costs		27.97	-	27.97
Depreciation and amortization expense	3	88.49	6.66	95.16
Other expenses		3,587.54	(0.00)	3,587.54
<b>Total Expenses</b>		<b>12,044.03</b>	<b>1,009.45</b>	<b>13,053.48</b>
Profit before exceptional items, and tax		(39.87)	6.23	(33.65)
Prior Period Items	2	2.45	(2.45)	-
Exceptional Items- Profit on sale of Fixed Assets		1.17		1.17
Profit before tax		(41.15)	8.67	(32.48)
(1) Current tax		-	-	-
(2) Taxes of earlier years		(2.17)	-	(2.17)
(3) Deferred tax	5	(2.06)	3.02	0.96
Profit for the year from continuing operations		(36.92)	5.65	(31.27)
Profit/(loss) for the year		(36.92)	5.65	(31.27)
Other comprehensive income (Other comprehensive income Items that will not be reclassified to profit or loss)				
Actuarial gains and losses on defined benefit plans	6		(18.65)	(18.65)
Income tax effect	6		5.76	5.76
			(12.89)	(12.89)
Other comprehensive income for the year, net of tax			(12.89)	(12.89)
<b>Total comprehensive income for the year, net of tax</b>		<b>(36.92)</b>	<b>(7.24)</b>	<b>(44.16)</b>



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

Footnotes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and profit or loss for the year ended 31st March 2016

### 1) Proposed Dividend

As per Indian GAAP, Proposed dividends shall be recognised as a liability in the books of accounts based in the period to which such dividends are related. However as per Ind AS, Dividend provision/ recognition shall be made the period in which it is declared. Proposed Dividend Rs 12.76 Lacs and Dividend Distribution Tax Rs 2.59 Lacs as on 01.04.2015 is derecognised.

### 2) De-recognition of Prior Period Expense:

As per Ind AS prior period expenses are to be accounted in the financial year to which they relate to. Accordingly the prior period expenses Rs 2.44 Lacs during the year 2015-16 are de-recognised and adjusted in Retained Earnings.

### 3) Capitalisation of Stores as per Ind AS 16.

As per Ind AS, stores which meet the definition of Property, Plant and Equipment are to be capitalised. Accordingly Stores amounting to Rs 17.29 Lacs. Correspondingly depreciation charge for the FY 2015-16 is increased by Rs 7.79 Lacs.

### 4) Withdrawal of Revaluation Reserve:

As per Ind AS the company has to choose to adopt either the cost model or revaluation model for Property, Plant & Equipment. The company has adopted the cost model and accordingly Revaluation reserve as on 01.04.2015 Rs 9.11 Lacs. Depreciation charge on revaluation component Rs 1.13 Lacs has been reversed during the year 2015-16.

### 5) Changes in Deferred Tax on Account of Change in PPE:

As change made in Property Plant & Equipment, deferred tax as on 31.03.2016 has undergone change, net impact Rs 3.02 Lacs.

### 6) Remeasurements of Actuarial Valuation on Gratuity

In terms of Ind AS the re-measurement adjustments are to be accounted through Other Comprehensive Income, hence corresponding adjustments done in employee benefit expenses, Rs 18.65 Lacs (Deferred Tax Rs 5.76 Lacs).

### 7) Re-classification between Cash and Cash equivalents and Other Bank Balances , Current Assets and Non-Current

Assets In terms of Ind AS few items has been re-classified between Cash and Cash Equivalents Rs 5.04 Lacs and Current and Non-Current Assets Rs 95.24 Lacs.

### 8) Excise Duty Collected

In terms of excise duty collected on Sales during the FY 2015-16 Rs 1015.67 Lacs has been reduced from Total Revenue and shown separately as expenses.

For and on behalf of the Board

**D.P. DHANUKA**

DIN:000168198

**BHADRESH K. SHAH**

DIN:00058177

Director

As per our Report attached  
For **DAGLIYA & CO.**

Chartered Accountants

(FRN 000671S)

**YASH RAJ**  
Chief Financial Officer

**S. N. JETHALIYA**  
Company Secretary  
ACS : 5343

**(P. MANOHARA GUPTA)**  
Partner  
Membership No 16444

Place : Bengaluru  
Date : 22-05-2017



## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

₹. in Lacs

	2016-2017	2015-2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	240.70	(32.48)
Adjustments for :	-	-
Profit on Sale of FA	(0.38)	(1.17)
Depreciation (net)	82.01	95.16
Interest	2.83	27.97
Operating Profit before working capital changes	325.16	89.48
Adjustments for :]		
(Increase)/Decrease Trade & Other Receivable	(618.67)	367.90
(Increase)/Decrease Inventories	(454.48)	752.74
Increase/(Decrease) Trade Payable	866.46	(270.00)
Cash generated from operations	118.47	940.12
Direct Taxes paid	(59.97)	68.04
Net Cash flow from Operating Activities	58.50	1008.16
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(106.31)	(13.88)
Sale of Fixed Assets	0.47	1.28
Adjustmen on Accumulated Depreciation on withdrawal of Revaluation	1.82	0.00
Sale of Investments	0.01	0.00
Net Cash Flow from Investing Activities	(104.01)	(12.60)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Repayment)/ Proceeds of long term borrowings	0.00	(905.28)
Interest Paid	(2.83)	(27.97)
Dividend Paid	0.00	(12.76)
Dividend Distribution tax Paid	0.00	(2.60)
Net Cash Flow from Financing Activities	(2.83)	(948.61)
Net (Decrease) / Increase in cash & cash equivalents (A+B+C)	(48.34)	46.95
Cash & Cash equivalent at the beginning of the year	61.55	14.60
Cash & Cash equivalent at the closure of the year	13.21	61.55

For and on behalf of the Board  
D.P. DHANUKA  
DIN:000168198  
BHADRESH K. SHAH  
DIN:00058177  
Director

S. N. JETHELIYA  
Company Secretary  
ACS : 5343

YASH RAJ  
Chief Financial Officer

Place : Bengaluru  
Date : 22-05-2017

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 fixed assets includes movements of capital work-in-progress between the beginning and the end of the year.
3. Previous year figure regrouped/recasted wherever necessary.

Place : Bengaluru  
Date : 22-05-2017

**For DAGLIYA & CO.**  
Chartered Accountants  
(FRN 0671S)

**(P. MANOHARA GUPTA)**  
Partner  
Membership No: 16444

**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

**45th ANNUAL GENERAL MEETING**

I/We hereby record my / our presence at the 45th Annual General Meeting of the Company to be held on Monday, the 14th day of August, 2017 at 11.30 am at "H.T. Parekh Convention Center, Ahmedabad Management Association, "ATIRA Campus", Dr. Viikram Sarabhai Marg, Ahmedabad -380 015

\_\_\_\_\_  
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 2016-17 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 2016-17 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**



45th Annual General Meeting  
Date: 14th August, 2017  
Time: 11.30 AM

Venue : H.T Parekh Convention Center  
Ahmedabad Management Association,  
"ATIRA Campus"  
Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

**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 -Five Annual General Meeting of the Members of the Company to be held on Monday, the 14th day of August, 2017 at 11.30 am at "H.T. Parekh Convention Center, Ahmedabad Management Association, "ATIRA Campus", Dr. Viikram Sarabhai Marg, Ahmedabad -380 015 and at any adjournment thereof in respect of Resolutions as are indicated below.:

Resolution No.	Particulars of Resolution	Optional	
		For	Against
	<b>ORDINARY BUSINESS</b>		
1.	Adoption of Financial Statements for the year ended 31st March 2017		
2.	To declare dividend on Equity Shares for the financial year 2016-17		
3.	Re appointment of Mrs. Khushali Samip Solanki, Director, liable to retire by rotation		
4.	Appointment of Statutory Auditors.		
	<b>SPECIAL BUSINESS</b>		
5.	Ratification of Remuneration to Cost Auditors.		
6.	Approval of Related Party Transaction		
7.	Alteration of Article of Association		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017  
 Signature of Shareholder \_\_\_\_\_  
 Signature of Proxy holder (s) \_\_\_\_\_

Affix ₹. 1 revenue stamp
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- 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 45th Annual General Meeting.  
 3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.  
 4. Please complete all details including details of member (s) in the above box before submission.



## NOTICE

Dear Share holder/s,

### Usage of Electronic Payment Modes for making payments to Investors.

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

In view of the above and to comply with the SEBI directions, in case, if you have not provided the relevant details, we request you to kindly fill the enclosed form and send the same to Company on or before 31st July 2017 to update mandate details in the system for future payments to you.

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

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

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

Unit: Welcast Steels Limited.

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

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

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

Place:

Date :

Signature of the Holder(s):

Note:

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