

44th
**ANNUAL
REPORT
2015-2016**



Welcast Steels Limited



BOARD OF DIRECTORS

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

KEY MANAGERIAL PERSONNEL

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

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

**44TH ANNUAL GENERAL MEETING**

Date	12th August , 2016
Day	Friday
Time	4.00 PM
Place	HOTEL CROWN PLAZA AHMEDABAD CITY CENTRE, NEAR SHAPATH V, S.G. HIGH WAY, AHMEDABAD - 380015
Book Closure - (Dates)	06.08.2016 to 12.08.2016 (Both days inclusive)

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NOTICE

NOTICE is hereby given that the Forty-Fourth Annual General Meeting of the members of Welcast Steels Limited will be held on Friday, the 12th day of August, 2016 at 4.00 PM at Hotel "Crown Plaza Ahmedabad City Centre", Near Shapath V, S.G. High way, Ahmedabad - 380015, to transact the following business:

ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2016 and the Statement of Profit and Loss for the year ended on that date and Reports of the Board of Directors' and Auditors' thereon.
- (2) To appoint a Director in place of Mr. Bhadresh K. Shah (Holding DIN 00058177), who retires by rotation and being eligible, offers himself for re-appointment.
- (3) Ratification of appointment of Statutory Auditors:

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

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

RESOLVED FURTHER THAT Mr. Bhadresh K. Shah, Director and Mr. S. N. Jetheliya, Company Secretary of the Company be and are hereby severally authorized to sign and file the appropriate e-forms 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:

- (4) 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 2017".

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

- (5) 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 provisions of Section 188 of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the members be and is hereby accorded to the Material Related Party transactions entered into and carried out in Ordinary Course of Business and at Arm's Length Price with AIA Engineering Ltd, Ahmedabad (AIA), a holding company of Welcast Steels Limited and Related Party as per Accounting Standard (AS)18, for sale of goods during the financial year 2015-16 amounting to ₹.124.34 Crores, which exceeds the threshold limit of 10% of annual consolidated turnover of the Company for the financial year ended 31.03.2015 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 20th May 2015."

"RESOLVED FURTHER THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and Regulation 23 of SEBI Listing Regulations, (including any statutory modification(s) or re-enactment thereof for the time being in force), 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 Ordinary Course of Business and at Arm's Length Price with AIA Engineering Limited, Ahmedabad,



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a Holding Company of Welcast Steels Limited and Related Party as per Accounting Standard (AS) 18, for the sale of goods during the period from 1st April 2016 to 31st March 2017 for an aggregate amount, which may exceed the threshold limit of 10% of annual consolidated turnover of the Company for the financial year 2015-16."

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

Place : Bengaluru
Date : 20-05-2016

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 06.08.2016 to 12.08.2016 (both days inclusive) for annual closing.
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. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Registrar & Share Transfer Agent.
6. 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 2015-16 has been 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 2015-16 have been sent in the permitted mode.
7. 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 had sent 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 by quoting your name, Demat Account No. [DP ID No. and Client ID No.].

8. 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'



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Education and Protection Fund (IEPF) of the Central Government, pursuant to Section 205 of the Companies Act, 1956. Members are requested to note that after such dates, the members will lose their rights to claim such dividend.

Sr. No.	Financial Year	Due date of Transfer to IEPF
1	2008–09	27.08.2016
2	2009–10	24.08.2017
3	2010–11	01.09.2018
4	2011–12	18.08.2019
5	2012–13	16.09.2020
6	2013–14	16.09.2021
7	2014–15	27.10.2022

9. Voting through electronic means:

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

Tushar Vora & Associates, Practicing Company Secretaries (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.

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.

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

The voting rights of members shall be in proportion to their Shares in the paid up Equity Share capital of the Company as on cutoff date i.e. Friday, 5th August, 2016. A person, whose names is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail facility of remote e-voting and poll process at the venue of the meeting.

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

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

10. Re-appointment of Director:

Mr. Bhadresh K. Shah (Holding DIN 00058177), Non-Executive and Non-Independent Director of the Company retires by rotation at this 44th Annual General Meeting of the Members of the Company and being eligible, has offered himself for re-appointment.

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

REQUEST TO THE MEMBERS

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



NOTICE

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

ITEM NO. 4: The Board of Directors on the recommendations of the Audit Committee, appointed M/s. Kiran J. Mehta, & Co., (FRN 000025) Practicing Cost Accountants, Ahmedabad as the Cost Auditors to carry out the audit of Cost records of the Company for the Financial Year 2016-17 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 2016-17. None of the Directors, Key Managerial Personnel or their relatives can be considered to be interested in or concerned with the resolution. The Board recommends passing of the said resolution as an Ordinary Resolution for the approval of members of the Company.

ITEM NO. 5: AIA Engineering Limited (AIA), Ahmedabad is a holding Company of Welcast Steels Limited (WSL). AIA is holding 74.85% of the Shares in the Share Capital of WSL. AIA is a Related Party as per definition under Section 2 (76) of the Companies Act, 2013 and Regulation 23 of SEBI Listing Regulations. The provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time exempt any transactions entered into by the Company in its Ordinary Course of Business and done at Arm's Length price, from the requirement of prior approval of the Members by way of Ordinary Resolution.

However, pursuant to Regulation 23 of SEBI Listing Regulations, the transactions as described hereunder has exceeded 10% of the Consolidated Annual Turnover of the Company as per the Audited Annual Accounts of the Company for the Financial Year 2014-15. Thus, these transactions would require the approval of the Members by way of an Ordinary Resolution.

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

Sr. No.	Particulars	Information
1	Name of the Related Party	AIA Engineering Limited
2	Name of Director(s) or key Managerial Personnel who are related, if any	Mr. Bhadresh K. Shah Mr. Rajendra S. Shah Mr. Sanjay Shailesh Majmudar Mrs. Khushali S. Solanki, Directors Mr. S.N. Jethaliya, Company Secretary who is also Company Secretary of AIA Engineering Ltd.
3	Nature of Relationship	Holding Company of Welcast Steels Ltd.
4	Nature and Monetary value of Transactions	Sale of goods : ₹ 12,434.05 Lacs Purchase of goods/services: ₹. 448.02 Lacs
5	Whether the transactions have been approved by the Audit Committee	Yes, the Related Party Transactions are in accordance with the Related Party Transactions Policy of the Company and have been approved by the Audit Committee and recommended to the Board of Directors for their approval at their respective meetings
6	Any other information relevant or important for Members to make a decision on the proposed transactions.	WSL has obtained a Report for the Financial Year 2015-16 under Section 188 of the Companies Act, 2013 from BSR Associates, LLP which states that the transactions with AIA are at Arms' Length and in Ordinary Course of Business

The gross annual turnover of Welcast Steels Ltd. as per the Audited Financial Statements for the year ended 31st March, 2015 is ₹. 20,335.92 lacs. As such, the transactions with AIA during the Financial Year ended 31st March, 2016 are material pursuant to Regulation 23 of SEBI Listing Regulations, and require the approval of the members.

The transactions entered in the Current Financial Year of 2016-17 have exceeded the threshold limit of 10% of Annual Consolidated Turnover as per the last Audited Financial Results of 2015-16. The approval of the members for the transactions with AIA from time to time, in Ordinary Course of Business and at Arm's length price, during the Financial Year 2016-17, is being sought.

Further, Regulation 23 of SEBI Listing Regulations, requires that the entities falling under the definition of related party to abstain from voting irrespective of whether the entity is a party to the transaction or not. Accordingly, AIA Engineering Ltd being the promoter of Welcast Steels Ltd holding 74.85% of the Paid-up Capital, is required to abstain from the voting on this resolution of the notice.

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

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

Place : Bengaluru
Date : 20-05-2016

By order of the Board of Directors

S.N. Jethaliya
Company Secretary



NOTICE

ANNEXURE TO THE NOTICE:

Disclosure pursuant of SEBI Listing Regulations, with regard to the Directors seeking Appointment / Re – appointment at the forthcoming Coming Annual General Meeting (refer Item No.2) of the Notice and (refer item No.6) of the Board's Report:

Name	Mr.Bhadresh K Shah (DIN 00058177)
Date of Birth /Age	07.10.1951 – 65 Years
Appointment on / Re-appointment	10.09.2014
Qualifications	B Tech, IIT Kanpur
Expertise in specific functional areas	He is B. Tech (Metallurgy) from Indian Institute of Technology, Kanpur. He has a career spanning over 39 years in the manufacturing and design of various kinds of value added, impact, abrasion and corrosion resistant high chrome castings. These components include products like grinding media, liners, diaphragms, vertical mill parts etc. all manufactured in high chrome metallurgy. The main application of these products is in the grinding operation in the mills in the cement, thermal power and mining industries. He is very well versed in all aspects of production, cost and technical administration. His emphasis on manufacturing process improvements, new product development, quality and adhering to international manufacturing standards has ensured that Company's products are recognized domestically as well as internationally.
Directorships held in other Public Companies	AIA Engineering Ltd.
Membership/Chairmanships of Committees across other Public Companies	AIA Engineering Ltd. Audit Committee – Member Stakeholders Relationship Committee – Member
No. of Equity Shares held in the Company	NIL



NOTICE

INSTRUCTIONS FOR VOTING THROUGH E-VOTING:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 09.08.2016 at 9.00 AM and ends on 11.08.2016 at 5.00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 05.08.2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

PAN	For Members holding shares in Demat Form and Physical Form
	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
	<ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN "160705007-Welcast Steels Limited"
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.



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- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app "m-Voting" available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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.

The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.welcaststeels.com and on the website of CDSL within two (2) working days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

Contact Details

Company	WELCAST STEELS LIMITED Regd. Office 115-116, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad – 382 415, Gujarat CIN: L27104GJ1972PLC085827
E-mail Id	info@welcaststeels.com snj@aiaengineering.com
Registrar and Share Transfer Agent	Bigshare Services Pvt Ltd E-2/3 Ansa Industrial Estate, Sakivihar Road, Saki Naka Andheri (E), Mumbai - 400 072 Phone – 022-28470652, 40430200, Fax – 022-28475207 E mail; info@bigshareonline.com .
e-Voting Agency	Central Depository Services (India) Limited E-mail : helpdesk.evoting@cdslindia.com
Scrutinizer	Tushar Vora & Associates, PCS, Ahmedabad E-mail : cstusharvora@gmail.com



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Forty-Fourth Annual Report together with Audited Financial Statements of the Company for the financial year ended 31st March 2016.

FINANCIAL RESULTS:

₹. In Lacs

PARTICULARS	2015-16	2014-15
Gross Income	12,978.48	22,150.14
Less: Excise duty	1,015.67	1,814.22
Net Income	11,962.81	20,335.92
Profit before Interest and Depreciation.	76.59	240.45
Less: Interest	27.97	53.67
Profit before Depreciation	48.62	186.78
Depreciation for the year. (Net of withdrawal from revaluation reserve)	88.49	177.35
Profit/(Loss) after Interest and Depreciation	(39.87)	9.43
Exceptional Items (Income)	(1.17)	18.73
Prior period adjustments (Expenses)	2.45	0
Prior Year's Tax and Deferred Tax (income)	(4.23)	--
Provision for tax:	--	30.66
Profit/(Loss) for the year	(36.92)	(2.50)

1. PRODUCTION

During the year under review the Company produced 20,906 tons of Grinding Media as compared to 32,411 tons in the previous year. The production had to be curtailed during the year as the demand of Grinding Media had come down in the International Market due to recession.

2. SALES & PROSPECTS:

The Company sold 20,967 tons of Grinding Media during the year under review as against 32,589 tons in the previous year. There was a general recession in the Mining Industry which resulted in lower demand. However, the demand has picked up in the current year and the sales are expected to be fairly good.

3. DIVIDEND & RESERVES:

In view of the loss incurred by the Company during the year under report, your directors have not recommended any dividend for Financial Year 2015-16.

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:

As reported in the last Annual General Meeting, the management and employee relations were strained due to illegal unrest created by the labour in the month of November 2014. The management is happy to report that with the conciliatory effort of the management and condescending attitude adopted by a section of employees considerable improvement in the relationship has been established. An agreement has also been signed with the new union settling the issue of increase in wages and other issues. The management is hopeful that rest of the employees will follow and avail benefits which have already been given to a section of workers.

The disciplinary action taken against the workmen who indulged in mis-conduct and who precipitated the issue is pending in the honourable labour court.

6. DIRECTORS:

Mr. Bhadresh K. Shah, Director of the Company retiring by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. A brief resume of Mr. Bhadresh K. Shah 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:

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



DIRECTORS' REPORT (Contd..)

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

10. COST AUDITORS:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Cost Audit records maintained by the Company are required to be audited by a Cost Accountant. On the recommendations of the Audit Committee, the Board of Directors of the Company have appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as the Cost Auditors of the Company to audit the Cost Accounting Records of the Company for the Financial Year 2015-16.

The Cost Auditor has filed the Cost Audit Report for the Financial Year ended 31st March, 2015 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 2016-17. 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 44th 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 2016- 17.

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.

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 to 27 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 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 have been followed along with proper explanation relating to material departures.



DIRECTORS' REPORT (Contd..)

- (ii) The Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year.
- (iii) The Directors have taken 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 2015 – 16.

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 note No.6 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).

During the year under review, the transactions of sale of material with the Holding Company i.e. AIA Engineering Limited has exceeded ten percent (10%) of the annual consolidated turnover of the company as per the audited financial statements for the year ended 31st March 2016. Pursuant to Regulation 23 of SEBI Listing Regulations, Company proposes to take the approval of members of the Company by way of an Ordinary Resolution to be passed at the ensuing Annual General Meeting.

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

20. RISK MANAGEMENT:

During the year, the Board of Directors has re-constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

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

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

The key elements of the framework include:

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

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

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

- Oversight of risk management performed by the executive management;
- Reviewing the Corporate Risk Management Policy and framework within the local legal requirements and Listing Regulations;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownerships as per a predefined cycle;

Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

21. SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder the Company has appointed M/s Tushar Vora & Associates, a firm of Company Secretaries in Practice (CP No 1745) to



DIRECTORS' REPORT (Contd..)

conduct the Secretarial Audit of the Company's secretarial and related records for the year ended 31st March 2016. 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 is stated in the Corporate Governance Report.

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

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

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

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. ACKNOWLEDGMENT:

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 : 20-05-2016

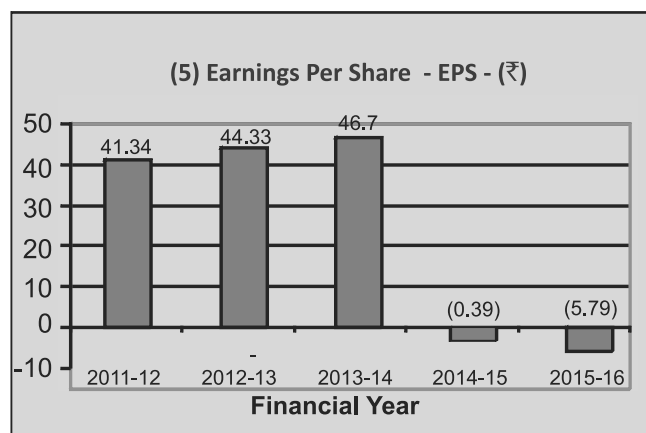
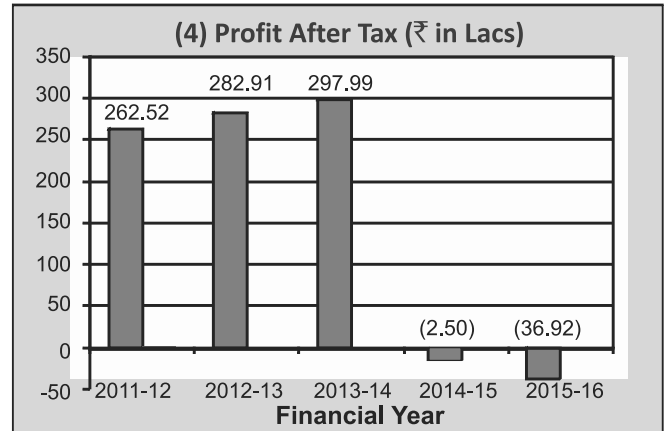
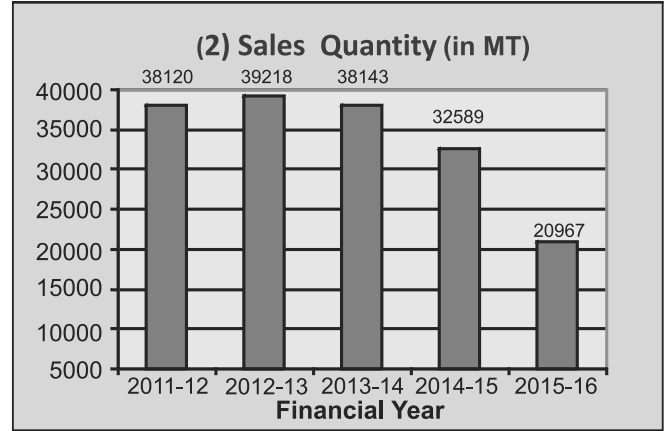
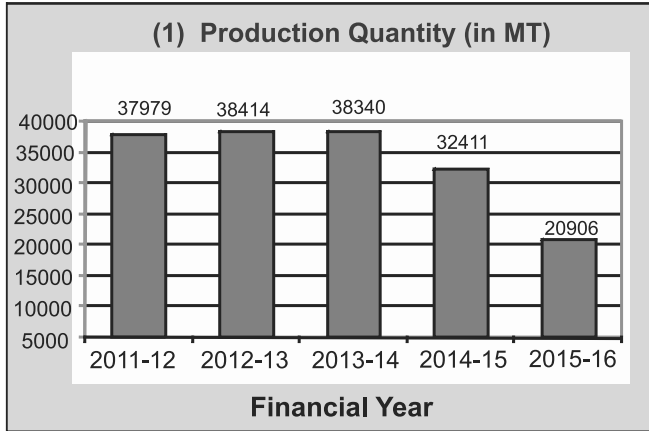
For and on behalf of the Board of Directors
VINOD NARAIN
Chairman
(DIN.00058280)



DIRECTORS' REPORT (Contd..)

PERFORMANCE HIGHLIGHTS

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





ANNEXURES TO DIRECTORS' REPORT

ANNEXURE :-A

TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars as per the Section 134 (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

	2015-16	2014-15
i) Units purchased	2,66,57,732	4,05,41,040
Total amount in ₹.	16,64,32,425	25,56,50,360
Rate / Unit (₹.)	6.24	6.31
ii) Units generated	36,492	31,252
Unit generated /Liter of Diesel/HFO	2.74	4.41

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

Electricity Units

2015-16	2014-15
1275	1253

The consumption per metric ton of production has gone up marginally during the year 2015-16 due to lower production.

II. RESEARCH AND DEVELOPMENT

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

- Modification of Mould Boxes
- Reduction in Consumption of Water.
- Productivity of Heat Treatment Furnaces.

2. BENEFITS DERIVED :

- Savings in Cost
- Water Conservation.
- Increase in production, cost reduction

3. FUTURE PLAN OF ACTION:

- Reduction of Rejection in Sand Moulds
- Increase in life of Induction Furnace Lining.

III. TECHNOLOGY ABSORPTION AND INNOVATION:

1. EFFORTS MADE:

- Standardisation of Cycle Time of Heat Treatment Furnaces
- Changes in raw material charge-mix for Induction Furnaces

2. BENEFITS:

- Improvement in Quality and Reduction in cost
- Savings in Input Cost

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 149.30



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 Ltd. shall manufacture Grinding Media of different grades for AIA Engineering Ltd according to their Purchase Orders received from time to time as per their technical specifications and using the technical knowhow provided by the AIA Engineering Ltd. Payment terms against invoice within 35 (Thirty Five) days. The Company shall also manufacture Grinding Media of different grades for other parties.
v)	Justification for entering into such contracts or arrangements or transactions	This Contract Arrangement was entered to fully utilize the installed capacity.
vi)	Date (s) of approval by the Board	25th January 2014
vii)	Amount paid as Advances, if any	NIL

For and on behalf of the Board,

Place: Bengaluru
Date : 20-05-2016

(Vinod Narain)
Chairman
DIN : 00058280



ANNEXURES TO DIRECTORS' REPORT

ANNEXURE- C

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Personnel) Rules, 2014]**

To,
The Members,
Welcast Steels Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by WELCAST STEELS LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing 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 attached herewith and forming part of this report, the company has, during the audit period covering the financial year ended on 31st March, 2016, generally 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 STEELS LIMITED ("the Company") for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) 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;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) As informed to us, there are below mentioned laws which are specifically applicable to the Company:
 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

We have also examined compliance with the applicable clauses of

1. Secretarial Standards issued by the Institute of Company Secretaries of India
2. The Listing Agreements entered into by the Company with The Bombay Stock Exchange.

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

We further report that

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



ANNEXURES TO DIRECTORS' REPORT

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

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

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

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

1. Shareholders' approval by way of Special Resolution has been obtained for related party transactions with holding Company pursuant to Section 188 of the Companies Act, 2013 and clause 49 of the Listing Agreement.
2. Shareholders' approval by way of Special resolution has been obtained for shifting of Registered Office of the Company from the State of Karnataka to the State of Gujarat. The approval of Regional Director via order dated 30.11.2015 has also been obtained for the purpose in due compliance with all applicable provisions of the Companies Act, 2013.
3. Shareholders' approval by way of Special resolution has been obtained pursuant to Section 180[1][c] of the Companies Act, 2013 authorizing the Board to borrow money in excess of the aggregate of the paid up share capital and free reserves in ordinary course of business which shall not be in excess of Rs.250 crores (Rs. Two hundred fifty crores only) over and above the aggregate of the paid up share capital and free reserves of the Company during any Financial Year.
4. Shareholders' approval by way of Special resolution has been obtained pursuant to Section 180[1][a] of the Companies Act, 2013 authorizing the Board to mortgage / hypothecate and / or create charge on assets of the Company to secure borrowings.

20-05-2016
Ahmedabad.

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

ANNEXURE TO SECRETARIAL AUDIT REPORT

To
The Members
Welcast Steels Limited

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

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

20-05-2016
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 31.03.2016**

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

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	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-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	--	--	--	--	--	--	--	--	--
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	477661	0	477661	74.85	477661	0	477661	74.85	0
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A)	477661	0	477661	74.85	477661	0	477661	74.85	0
B. Public Shareholding									
1. Institutions	--	--	--	--	--	--	--	--	--
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	0	75	75	0.01	0	75	75	0.01	0
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	0	75	75	0.01	0	75	75	0.01	0
2. Non-Institutions									
a) Bodies Corp.	6232	50	6282	0.98	4638	50	4688	0.73	(0.25)
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	92549	44908	137457	21.54	95426	43531	138957	21.77	0.23
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	15942	0	15942	2.50	15942	0	15942	2.50	--
c) Others (specify)									
Non Resident Indians	526	50	576	0.09	383	50	433	0.07	(0.02)
Overseas Corporate Bodies	--	--	--	--	--	--	--	--	--
Foreign Nationals	--	--	--	--	--	--	--	--	--



ANNEXURES TO DIRECTORS' REPORT

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Clearing Members	143	--	143	0.02	380	--	380	0.06	0.04
Trusts	25	--	25	0.01	25	--	25	0.01	--
Foreign Bodies - D R	--	--	--	--	--	--	--	--	--
Sub-total (B)(2):-	115417	45008	160425	25.14	115417	45008	160425	25.14	--
Total Public Shareholding (B)=(B)(1)+ (B)(2)	593078	45083	638161	100	594455	43706	638161	100	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	593078	45083	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):

SI No.	Name of the Shareholders	Shareholding at the beginning of the year		Change in Shareholding during the year		Shareholding at the end of the year as on 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Ashish Navnital Shah	15942	2.50	--	--	15942	2.50
2	Dipak Kanaiyalal Shah	8450	1.32	(450)	(0.07)	8000	1.25
3	Vikramkumar Rameshchandra Shah	6500	1.01	--	--	6500	1.01
4	Amit Bhutra	5472	0.85	1067	0.17	6539	1.02
5	Shah Yogesh Indravadan	3550	0.56	--	--	3550	0.56
6	Manish C. Jani	--	--	1731	0.27	1731	0.27
7	Shree Hariyansh Securities Pvt Ltd	1213	0.19	--	--	1213	0.19
8	Hasmukh Ravji Savla	1200	0.18	--	--	1200	0.18
9	Shah Ashish Navnital	1111	0.17	--	--	1111	0.17
10	Bhavin Ajitkumar Shah	--	--	1000	0.15	1000	0.15

E) Shareholding of Directors and Key Managerial Personnel:

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

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

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



ANNEXURES TO DIRECTORS' REPORT

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--	--	--
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	--	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) of the 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	--	--	--	--	--

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors					Total Amount ₹. In Lacs
		Pradip R shah	D.P. Dhanuka	Ashok A. Nichani	Rajendra S. Shah	Sanjay .S. Majamudar	
A	Independent Directors-Non-Executive						
1	Gross salary						
	(a) Salary as per provisions contained in section 17 (1) of the Income -tax Act, 1961	--	--	--	--	--	--
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	--	--	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	--	--	--	--	--	--
2	Stock Option	--	--	--	--	--	--
3	Sweat Equity	--	--	--	--	--	--
4	Commission - as % of profit - others, specify...	--	--	--	--	--	--
5	Others-Siting Fees	0.45	0.60	0.40	0.05	0.05	1.55
	Total (A)	0.45	0.60	0.40	0.05	0.05	1.55
B	Non-Executive-Non-Independent Directors	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) of the Income-tax Act, 1961	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-	-
5.	Others-Siting Fees	0.40	0.40	0.05	-	-	0.85
	- Profession Fees	--	0.90	--	-	-	0.90
	Total (B)	0.40	1.30	0.05	-	-	1.75



ANNEXURES TO DIRECTORS' REPORT

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

SN	Particulars of Remuneration	Key Managerial Personnel			₹. In Lacs
		CEO	CS	CFO	Total
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19.24	--	15.45	34.69
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	1.49	--	2.39	3.88
(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	20.73	--	17.84	38.57

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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



ANNEXURES TO DIRECTORS' REPORT

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 S. Solanki	Nil
Mr. Mohana Rao	9.62
Mr. Yash Raj	11.71
Mr. S.N. Jetheliya	Nil

- (3) The percentage increase in the median remuneration of employees in the financial year was 11.40%
- (4) There were 211 permanent employees on the rolls of Company as on 31st March 2016.
- (5) The Loss after Tax for the Financial Year ended 31st March 2016 increased by 1376.8 % whereas the average increase in remuneration of employee was 16.86%.
- (6) The loss after Tax for the Financial Year ended 31st March 2016 increased by 1376.8 % whereas the average increase in remuneration of Key Managerial Personnel (KMP) viz. [1] Chief Executive officer by 9.62% and [2] Chief Financial Officer by 11.71%.
- (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 (₹)	P/E ratio	Market Capitalization	₹. In Lacs % Change
31.03.2015	705	Loss 0.39	-	3720.48	
31.03.2016	423	Loss 5.79	-	2704.53	27.31%

- (8) Average increase in the salaries of employees other than the managerial personnel in the last financial year was 14.39% 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.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company has executed fresh Listing Agreement with Stock Exchange.

We take pleasure in reporting that your company has complied in all respects with the requirements stipulated under Clause 49 of the Listing Agreement and Regulation 17 to 27 read with Schedule V and clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations as applicable with regard to Corporate Governance.

BOARD OF DIRECTORS:

(A) COMPOSITION OF THE BOARD:

The Composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors, meets the requirement of 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.

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 2nd May 2015, 25th July, 2015, 31st October, 2015 and 3rd February 2016. 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, attendance record at Board meetings and last Annual General Meeting (AGM), other Directorships (excluding Private Limited, Foreign Companies and Alternate Directorships) and the Memberships / Chairmanships of Board Committees other than your Company as on 31st March, 2016 are as follows:

**REPORT ON CORPORATE GOVERNANCE**

(Contd..)

Name of the Director	Category	Number of Board meetings attended during the year 2015-16	Attendance at the last AGM held on 21st September 2015	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	4	Yes	-	-	-	0.40
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	-	0.40
Mr. Sanjay S. Majmudar	Non Executive Independent	1	No	6	2	4	0.05
Mr. Rajendra S. Shah	Non Executive Independent	1	No	4	2	3	0.05
Mr. Pradip R. Shah	Non-Executive Independent	3	Yes	-	-	-	0.45
Mr. Ashok A. Nichani	Non Executive Independent	4	Yes	-	-	-	0.40
Mrs. Khushali S. Solanki	Non Executive Non Independent	1	No	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 ₹ 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.

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, 2015, the Company has formulated a Vigil Mechanism / Whistle Blower Policy (Mechanism) for its stakeholders, Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct policy.

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

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

(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/finances/pdf/FamilirazationProgramme.pdf>.

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, 2016, 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, 2016 together with their attendance are given in the following table.

Name of Director	Category	No. of Meetings	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	3
Mr.Ashok A.Nichani	Independent	4	4
Mr.Rajendra S. Shah*	Independent	4	-
Mr.Sanjay S.Majmudar*	Independent	4	-

* Appointed as member of the committee on 3rd February, 2016

During Financial Year 2015-16, four (4) Audit Committee meetings were held on 2nd May 2015, 25th July, 2015, 31st October, 2015 and 3rd February 2016. 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 18 of SEBI (LODR) Regulations, 2015. The Terms of Reference of the Audit Committee cover the matters specified for Audit Committee under Regulation 18 of SEBI Listing Regulations, 2015 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;



REPORT ON CORPORATE GOVERNANCE (Contd..)

- 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;
- 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.



REPORT ON CORPORATE GOVERNANCE (Contd..)

Names of the members and the Chairman of the Committee as on 31st March, 2016 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	4
Mr. D.P.Dhanuka	Independent	4	4
Mr. Pradip R. Shah	Independent	4	3
Mr.Sanjany S.Majmudar*	Independent	4	-
Mr.Bhadresh K.Shah*	Non Independent	4	-

* Appointed as member of the committee on 3rd February, 2016

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 2nd May 2015, 25th July, 2015, 31st October, 2015 and 3rd February 2016.

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 ten Complaints from Shareholders and the same were resolved to their satisfaction. There is no outstanding complaint as on 31st March, 2016.

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.

During the Financial Year 2015 -16, Four (4) Risk Management Committee Meetings were held on 22nd May 2015, 11th September 2015, 22nd December 2015 and 31st March 2016. The details of composition of Risk Management Committee as on 31st March 2016, number of Meetings held together with attendance are given below:

Name of the Member	Category	No of Meetings held	No of Meetings Attended
Mr.Bhadresh K.Shah*	Director	4	--
Mr.Pradip R.Shah*	Director	4	--
Mr.Sanjay S Majmudar*	Director	4	--
Mr.V.V.R.Mohana Rao	CEO	4	4
Mr. Yash Raj	CFO	4	4
Mr.Pravin Shah	Member	4	4
Mr.V.G.Hegde	Member	4	4
Mr.P.Madeswaran	Member	4	4

* Appointed as member of the committee on 3rd February, 2016



REPORT ON CORPORATE GOVERNANCE (Contd..)

4) Nomination and Remuneration Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations, 2015 as amended from time to time, the Board of Directors reconstituted the Nomination and Remuneration Committee during the year under review. Mr.D.P. Dhanuka, an Independent Director has been appointed as the Chairman of the Committee. The terms of reference of the Committee inter alia, include the following:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of Independent Directors and the board of directors;
- devising a policy on diversity of Board of Directors;
- 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 2015 -16, Two (2) Nomination and Remuneration Committee Meetings were held on 2nd April, 2015 and 2nd May, 2015. The details of composition of Nomination and Remuneration Committee as on 31st March 2016, number of Meetings held together with attendance are given below:

Name of Director	No. of Meetings held	No. of Meetings attended
Mr. D.P.Dhanuka – Chairman	2	2
Mr. Bhadresh K.Shah	2	2
Mr. Pradip R. Shah	2	1

5) INDEPENDENT DIRECTORS' MEETING:

During the year under review, the Independent Directors met on 3rd February 2016, 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.

All Independent Directors were present at the Meeting.

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 2015-16 were in Ordinary Course of Business and at Arms' Length basis. Suitable disclosures as required under Accounting Standards (AS-18) 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/finances/pdf/policy on related party transactions .pdf](http://www.welcaststeels.com/finances/pdf/policy%20on%20related%20party%20transactions.pdf)

(B) DISCLOSURE OF ACCOUNTING TREATMENT:

In the preparation of the Financial Statements, the Company has followed Accounting policies and Practices as prescribed in the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 as amended from time to time and the relevant provisions of the Companies Act, 2013 read with General Circular 8/2014 dated 4th April, 2014, issued by the Ministry of Corporate Affairs. The significant Accounting Policies which are consistently applied have been set out in the Notes to the Financial Statements.

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

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

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

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the Nomination and Remuneration Committee satisfies itself with regard to the independence nature of the Directors vis-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 2015-16 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.

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:**

Mr. Bhadresh K Shah, Director of the Company retires by rotation at the ensuing 44th Annual General Meeting of the Company and being eligible, offers himself 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 Financial Officer of the Company have certified to the Board that the Financial Results of the Company for the year ended 31st March, 2016 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, 2015.

V. MEANS OF COMMUNICATION:

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



REPORT ON CORPORATE GOVERNANCE (Contd..)

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.	2014-15	HOTEL RAMANASHREE, No.16, Raja Ram Mohan Roy Road, Bengaluru -560 025	3.00 PM on 21st Sept 2015	Yes
2.	2013-14	THE LALIT ASHOK, Kumara Krupa High Grounds Bengaluru 560 001	12 Noon on 10th Aug 2014	Yes
3.	2012-13	THE LALIT ASHOK, Kumara Krupa High Grounds Bengaluru 560 001	3.00 PM on 10th Aug 2013	Yes

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

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

Annual General Meeting held on 10th August 2013:

Approval of payment of professional fees to Non-Executive Directors

POSTAL BALLOT:

During the year under review and pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the following Special Resolutions were passed by the members of the Company through Postal Ballot/e-voting.

SPECIAL RESOLUTIONS:

1. Pursuant to Section 12 and 13 of Companies Act, 2013 for shifting of Registered Office of the Company from State of Karnataka to the State of Gujarat and Clause II of the Memorandum of Association of the Company be substituted by new clause.
2. Pursuant to Section 180(1)(c) of the Companies Act, 2013 authorising the Board of Directors to borrow from time to time any sum or sums of money [including non-fund based banking facilities] provided that the total amount that may be borrowed by the Board together with the amount already borrowed and outstanding at any point of time, shall not exceed the sum of ₹ 250 crores over and above the aggregate of the paid-up capital and its free reserves at any time during any financial year.
3. Pursuant to Section 180 (1) (a) of the Companies Act, 2013 authorizing the Board of Directors to Mortgage/ Hypothecate / Create Security and / or create any charge on immovable and / or movable Properties of the Company to secure the Borrowings (including temporary loans & Working Capital Facilities obtained by the Company from any of its Scheduled Banks in the Ordinary Course of Business.)

The scrutinizer Mr. Tushar Vora, Practicing Company Secretaries, Ahmedabad after due verification of all the Postal Ballot Forms received upto the closing of working hours on 4th August, 2015 (being the last date fixed for return of the postal ballot forms duly filled in by the members including e-voting), submitted his report dated 7th August, 2015. The results of the Postal Ballot were announced by the Company on 7th August, 2015. The resolutions were approved by the members of the Company by casting more than 99% votes in favour of the Resolutions.



REPORT ON CORPORATE GOVERNANCE (Contd..)

VII. GENERAL SHAREHOLDERS' INFORMATION

1. General

Date and Time of 44th AGM	12th August, 2016 at 4.00 PM
Venue of AGM	Hotel Crown Plaza Ahmedabad City Centre, Near Shapath V, S. G. High way, Ahmedabad - 380015
Financial Year ended	31st March, 2016
Book Closure Date	6th August, 2016 to 12th August, 2016 (both days inclusive)
Registered Office Address	115-116, G.V.M.M.Estate, Odhav Road, Odhav, Ahmedabad -382415
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 2016-17:

First Quarter Results	On or before 14th August, 2016
Second Quarter & Half Yearly Results	On or before 14th November, 2016
Third Quarter Results	On or before 14th February, 2017
Audited Results for the year 2016-17 :	On or before 30th May, 2017

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 2016-17 has been paid to the Stock Exchange.

4. Market Price Data:

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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 2015	27954.86	670.00	475.50
2.	May 2015	27204.63	550.00	445.00
3.	June 2015	27770.79	547.00	418.00
4.	July 2015	27823.65	520.00	430.00
5.	Aug 2015	28089.09	525.00	435.00
6.	Sep 2015	26127.04	495.00	425.00
7.	Oct 2015	26344.19	476.00	409.00
8.	Nov 2015	26641.69	489.00	367.50
9.	Dec 2015	26201.27	412.60	366.40
10.	Jan 2016	26101.50	487.00	390.50
11.	Feb 2016	24982.22	455.90	396.30
12.	Mar 2016	23153.32	423.80	345.60

5. Registrar & Share Transfer Agent:

M/s Big Share Services Pvt Ltd., E-2/3, Ansa Industrial Estate, Sakivhar Road, Saki Naka, Andheri (E) MUMBAI-400 072 Phone No. 022-28470652, 404030200, Fax No. 022-28475207 email-info@bigshareonline.com are the Registrar and Share transfer agents of the Company (R & T Agent). They deal with all matters pertaining to transfers, transmissions, 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.



REPORT ON CORPORATE GOVERNANCE (Contd..)

6. SHARE TRANSFER SYSTEM / DIVIDEND AND OTHER RELATED MATTERS:

i. Share Transfers:

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

ii. Nomination facility for shareholding:

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

iii. Permanent Account Number (PAN):

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

IV. Dividend:

Unclaimed Dividends:

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. The Company will, in August 2016 transfer to the said Fund, the dividend for the year ended 31st March 2009 which have remained unpaid.

V. Reconciliation of Share Capital Audit:

As required by the Securities and Exchange Board of India (SEBI), a Quarterly Reconciliation of Share Capital is being carried out by an independent Practicing Company Secretary with a view to reconcile the total share capital admitted with National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] and held in physical form, with the issued and listed Capital of the Company. The Practicing Company Secretary's Certificate in regard to this is submitted to BSE Limited and 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 2016.

No. of Equity Shares	HOLDER(S)		HOLDER(S)	
	No. of folios	% of total folios	No. of Shares	% of holding
1 to 500	2373	98.79	101043	15.83
501 to 1000	19	0.79	13671	2.14
1001 to 2000	4	0.17	5255	0.82
2001 to 3000	0	0.00	0.00	0.00
3001 to 4000	1	0.04	3550	0.56
4001 to 5000	0	0	0	0
5001 to 10000	3	0.13	21039	3.30
10001 & above	2	0.08	493603	77.35
Grand Total	2402	100.00	638161	100.00



REPORT ON CORPORATE GOVERNANCE (Contd..)

ii Shareholding pattern as on 31st March, 2016.

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	4638	50	29	0.73
-Individuals	111368	43,531	2323	24.27
-Trusts	25	--	1	0.01
-NRI	383	50	10	0.07
-Clearing Member	380	-	4	0.06
GRAND TOTAL	594455	43706	2371	100%

8. Dematerialization of Shares & Liquidity:

The Shares of the Company are compulsorily traded in DEMAT form in the Stock Exchanges where they are listed. The Shares are available for dematerialization on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2016,

Category of shares held	No of folios	% of total folios	No of Shares	% of holding
In Physical Mode	1111	46.25	43706	6.85
In Electronic Mode	1291	53.75	594455	93.15

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 2016: 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 Mr. Manjunatha Reddy M, Practicing Company Secretary on Corporate Governance and is attached with this Report which will be sent to all the Shareholders of the Company. This certificate shall also be sent to all the concerned Stock Exchanges along with the Annual Report.

NON-MANDATORY REQUIREMENTS:

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

b) Shareholder Rights:

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



REPORT ON CORPORATE GOVERNANCE (Contd..)

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, 2016 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. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the requirements of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I also state that during the Financial Year 1st April 2015 to 31st March 2016, ten complaint were received and resolved, hence no Investor Complaint is pending against the Company as on 31st March 2016 as per the records maintained by the Company and presented to the Investors/ Shareholders Grievance Committee and to me.

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

Manjunatha Reddy M
Company Secretary in Practice

Place : Bengaluru
Date : 20-05-2016

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

The above Corporate Governance Report was adopted by the Board of Directors at their meeting held on 20th May 2016.

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 2015-16.

Place: Bengaluru
Date: 20-05-2016

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 Financial 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, 2016 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 : 20-05-2016

MOHANA RAO VVR
Chief Executive Office

YASH RAJ
Chief Financial Officer

**MANAGEMENT DISCUSSION AND ANALYSIS****A. INDUSTRY OVERVIEW:**

Welcast Steels Ltd. (WSL) manufactures and markets a wide range of High Chromium Grinding Media balls which are used in the process of Crushing/Grinding in the Cement and Mining industries, Thermal Power Plants. These are core industries from an economic stand-point and are the basic drivers of infrastructural development. Therefore, our market prospects are closely linked to the requirement of Grinding Media in these industries.

The Company employs alloy-casting process for manufacture of the products which entails choosing the High-Chrome alloy composition in relation to the end application. The casting process is followed by precision heat treatment process to impart the required end properties. Therefore, the Company can generally be classified as a foundry.

Since the world economy has slowed down during the last financial year, commodity prices have softened to all-time lows, resulting in closure of many mines, being uneconomic to run. In addition, the global cement industry has been undergoing structural issues since last few years and has not witnessed new capacity addition except for a few select countries. However, in India, since the present Government has decided to pay special attention to infrastructural push, this would indirectly lead to better business prospects for WSL.

B. SEGMENT WISE PERFORMANCE:

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

C. OUTLOOK AND PROSPECTS

The replacement market of Grinding Media for Cement Industry is likely to remain stagnant. However, the Mining Industry is showing signs of improvement in the current year and the demand for grinding media is likely to pick up. It is expected that with higher demand for Grinding Media, the Company shall be able to improve its capacity utilization.

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.2015-16	F.Y.2014-15
High Chrome Grinding Media Balls	20,906	32,411

• Sales Turnover

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

(₹.in Lacs)		
Particulars	F.Y.2015-16	F.Y.2014-15
Sales (Net of Excise)	11,962.81	20,335.92
Other Income	41.35	77.46
Total	12,004.16	20,413.38



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 2015-16	% of Revenue	FY 2014-15	% of Revenue
1	Revenue from Operations (Net)	11,962.81	100.00	20,335.92	100.00
2	Cost of Materials Consumed (including Trading Purchase)	7420.64	62.03	13,515.99	66.46
3	Employee Benefits Expense	919.39	7.68	910.88	4.47
4	Other Expenses	3589.99	30.01	5746.06	28.25
5	EBIDTA	32.79	0.27	162.99	0.80
6	Other Income	42.52	0.35	96.19	0.47
7	Finance Costs	27.97	0.23	53.67	0.26
8	Depreciation & Amortization Expenses	88.49	0.74	177.35	0.87
9	Profit / (Loss) before Tax	(41.15)	(0.34)	28.16	0.13
10	Tax Expenses / (Income)	(4.23)	(0.03)	30.66	0.15
11	Profit / (Loss) for the period after tax	(36.92)	(0.31)	(2.50)	(0.01)

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 employee relations which had received a set back in the previous year due to a strike by the workmen, have improved considerably and now the relations are cordial.

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.



INDEPENDENT AUDITORS' REPORT

To,

**The Members of
WELCAST STEELS LIMITED Ahmedabad**

Report on the Financial Statements

We have audited the accompanying financial statements of WELCAST STEELS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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, of the state of affairs of the company as at 31st March 2016, and its LOSS and its cash flows 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:
 - (i) (a) In our opinion 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.



AUDITORS' REPORT (Contd..)

- (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) As explained to us, 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) As explained to us, the company has not granted any loans, nor given guarantees/ security to any party attracting the provisions of sec 185 and 186 of the Act, hence the question of compliance to the said provisions as per clause (iv) of the Order does not arise. However investments held by the company in government securities are in compliance with the provisions of sec 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public; hence the question of compliance with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the 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 Companies Act 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii)(a) According to the records of the Company, the company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues to the extent applicable to it.
- (b) According to the information and explanations given to us and based on the records verified by us, we state that no undisputed amounts payable in respect of Income Tax, Service Tax, Sales Tax, Value Added Tax, Duty of Customs, Duty of Excise or Cess which have remained outstanding as at 31st March 2016 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	747.04*@	March, 2005 To December, 2008	High Court of Karnataka

*Excluding penalty.

@ ₹ 35 Lakhs has been deposited against the above.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The company has neither borrowed any loans from Financial Institutions, Government nor issued any debentures and consequently the question of default in repayment does not arise.
- (ix) According to the information and explanations given to us no money was raised by way of initial public offer or further public offer and the company has not taken any term loans from banks or financial institutions during the year. Hence the question of application of moneys raised by way of initial public offer, further public offer and term loans for the purpose for which they were raised does not arise.
- (x) To the best of our knowledge and according to the information and explanations given to us, no 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 with in the meaning of Sec 197 read with Schedule V to the Act. Hence the provisions of clause XI of the Order are not applicable.



AUDITORS' REPORT (Contd..)

- (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 and according to information and explanations given to us, 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) As explained to us, 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) In our opinion, 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 and cash flow statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- v) On the basis of written representations received from the directors, as on 31st March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st, March 2016 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 B (1) of Note 26 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.

Place : Bengaluru
Date : 20-05-2016

For DAGLIYA & CO.
Chartered Accountants
(FRN 000671S)
(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, 2016 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, 2016, 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 : 20-05-2016

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

(P. MANOHARA GUPTA)
Partner
Membership No: 16444



Balance Sheet As At 31st March 2016

₹. In Lacs

Particulars	Note No.	As At 31st March 2016	As At 31st March 2015
A. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	63.84	63.84
(b) Reserves and Surplus	2	2,974.40	3,011.32
(2) Share Application money pending allotment			
(3) Non-Current Liabilities			
(a) Long term borrowings		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions	3	182.90	161.88
(4) Current Liabilities			
(a) Short-Term Borrowings	4	-	905.28
(b) Trade Payables	5	345.09	639.40
(c) Other Current Liabilities	6	86.29	82.11
(d) Short-Term Provisions	7	84.77	85.66
Total		3,737.29	4,949.49
B. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	8		
(i) Tangible Assets		448.62	522.53
(ii) Intangible Assets		1.13	1.93
(iii) Capital Work in Progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	9	0.01	0.01
(c) Deferred tax assets (net)	10	137.33	135.27
(d) Long term loans and advances	11	621.39	621.39
(e) Other non-current assets	12	0.09	0.09
(2) Current Assets			
(a) Current investments		-	-
(b) Inventories	13	1,284.65	2,037.37
(c) Trade receivables	14	617.52	794.09
(d) Cash and Bank balance	15	66.56	19.63
(e) Short-term loans and advances	16	508.75	774.25
(f) Other current assets	17	51.24	42.93
Total		3,737.29	4,949.49

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

For and on behalf of the Board
D.P. DHANUKA
Director
DIN:000168198

VINOD NARAIN
Chairman
DIN : 00058280

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 : 20-05-2016



Statement of Profit & Loss For The Year Ended 31st March 2016

₹. In Lacs

Particulars	Note No	Year ended 31st March 2016	Year ended 31st March 2015
1 Revenue from operations (Gross)	18	12,978.48	22,150.14
Less: Excise duty		1,015.67	1,814.22
Revenue from operations (Net)		11,962.81	20,335.92
2 Other Income	19	41.35	77.46
3. Total Revenue (1+2)		12,004.16	20,413.38
4 Expenses:			
(a) Cost of materials consumed	20	7,346.57	13,401.39
(b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	74.07	114.61
(c) Employee Benefits Expense	22	919.39	910.87
(d) Finance Costs	23	27.97	53.67
(e) Depreciation and Amortization Expense	8	88.49	177.35
(f) Other Expenses	24	3,587.54	5,746.06
Total Expenses 4		12,044.03	20,403.95
5 Profit before exceptional, extraordinary, prior period items, and tax (3-4)		(39.87)	9.43
6 Prior Period items	25	2.45	0.00
7 Exceptional Items- Profit on sale of Fixed Assets		1.17	18.73
8 Profit before extraordinary items and tax (5 - 6 + 7)		(41.15)	28.16
9 Extraordinary Items		0.00	0.00
10 Profit before tax (8 - 9)		(41.15)	28.16
11 Tax expense:			
(a) Current tax		0.00	15.50
(b) Taxes of earlier years		(2.17)	(2.85)
(c) Deferred tax		(2.06)	18.01
12 Profit(Loss) for the period from continuing operations (10-11)		(36.92)	(2.50)
13 Earning per equity share:			
Basic & Diluted		(5.79)	(0.39)
Significant Accounting Policies and Notes to Financial Statements form an integral part of the Statement of Profit and Loss	26		

For and on behalf of the Board

D.P. DHANUKA

Director

DIN:000168198

VINOD NARAIN

Chairman

DIN : 00058280

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 : 20-05-2016



Notes forming part of the Financial Statements

₹. In Lacs

1. Share Capital

Particulars	As at 31st March 2016		As at 31st March 2015	
	Number	Amount	Number	Amount
A AUTHORISED				
Equity Shares of Rs.10/- each with voting rights	2,000,000	200.00	2,000,000	200.00
B ISSUED , SUBSCRIBED & FULLY PAID UP				
Equity Shares of Rs.10/- par value - Fully allotted for cash	638,161	63.82	638,161	63.82
Forfeited Shares Equity Shares of Rs10/- each (originally paid up @ Rs 5/- per share)	425	0.02	425	0.02
Total	638,586	63.84	638,586	63.84

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

Equity Shares	As at 31st March 2016		As at 31st March 2015	
	No of shares	Amount	No of shares	Amount
Shares outstanding at the beginning of the year	638,161	63.82	638,161	63.82
Add/ (Less): Shares allotted/ (bought back) during the year	-	-	-	-
Shares outstanding at the end of the year	638,161	63.82	638,161	63.82

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

Name of the shareholder	As at 31st March 2016		As at 31st March 2015	
	No. of shares	% of holding	No. of shares	% of holding
AIA Engineering Ltd - Holding Company	477,661	74.85	477,661	74.85

E TERMS/RIGHTS ATTACHED TO EQUITY SHARES

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

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

2. Reserves & Surplus

₹. In Lacs

Particulars	As at 31st March 2016		As at 31st March 2015	
a Securities Premium (There are no additions/deduction since the last Balance sheet)		47.79		47.79
b Revaluation Reserve				
Opening balance	9.12		10.54	
Less: Withdrawn during the year	1.13		1.42	
Closing balance		7.99		9.12
c General Reserve				
Opening balance	371.86		384.13	
Less: Zero Life asset as on 31.03.2014 net of deferred tax	-		12.27	
Closing balance		371.86		371.86
d Surplus				
Opening balance	2,582.55		2,598.99	
Add: Net Profit for the year	(36.92)		(2.50)	
Add: Transferred from revaluation reserve	1.13		1.42	
Less: Proposed Dividend	-		12.76	
Less :Tax on Proposed Dividend	-		2.60	
Less: Transfer to General Reserve	-		-	
Closing balance		2,546.76		2,582.55
Total		2,974.40		3,011.32



Notes forming part of the Financial Statements

₹. In Lacs

3. Long Term Provisions

Particulars	As at 31st March 2016	As at 31st March 2015
Provision for Employee Benefits		
a Gratuity	144.45	132.15
b Compensated Absences	38.45	29.73
Total	182.90	161.88

4. Short Term Borrowings

₹. In Lacs

Particulars	As at 31st March 2016	As at 31st March 2015
Secured		
Working Capital Loan from Bank - Canara Bank	-	5.28
Packing Credit	-	900.00
1) Secured by hypothecation, by way of first charge on stocks of raw materials, semi finished, finished goods, packing materials, book debts, receivables and other current assets and fixed assets including Plant, Machinery, tools, accessories and other assets stored/installed in the factory or at any other place and mortgage of Land and Buildings.		
2) No default in repayment of above loan/in payment of interest		
Total	-	905.28

5. Trade Payables

₹. In Lacs

Particulars	As at 31st March 2016	As at 31st March 2015
Trade Payables		
Dues to Micro and Small Enterprises	1.73	10.98
Dues to Others	343.36	628.42
Total	345.09	639.40

6. Other Current Liabilities

₹. In Lacs

Particulars	As at 31st March 2016	As at 31st March 2015
a Unpaid Dividends	5.01	5.04
b Advances from Customers	19.19	4.96
c Accrued Salaries & Benefits	45.17	50.96
d Contribution to PF/ESI payable	6.91	7.88
e Other liabilities payable	1.83	1.94
f Interest Payable on Bank Borrowings	-	6.49
g Other Payables -Duties & Taxes	8.18	4.84
Total	86.29	82.11

7. Short Term Provisions

₹. In Lacs

Particulars	As at 31st March 2016	As at 31st March 2015
a Provision for employee benefits		
i) Gratuity	19.94	17.95
ii) Compensated Absences	19.91	16.48
iii) Bonus and Ex-Gratia	44.92	35.87
b Others		
i) Proposed Dividend	-	12.76
ii) Provision for Tax on Dividend	-	2.60
Total	84.77	85.66



Notes forming part of the Financial Statements

₹. in lacs

8. FIXED ASSETS

PARTICULARS	Gross Block			Depreciation				Net Block		
	As at 01.04.2015 ₹.	Additions during the Year ₹.	Deletions during the Year ₹.	As at 31.03.2016 ₹.	For the Year ₹.	Withdrawal/ Deductions ₹.	Charged to Retained Earnings** ₹.	Total Upto 31.03.2016 ₹.	As at 31.03.2016 ₹.	As at 31.03.2015 ₹.
TANGIBLE ASSETS :										
Land	8.89	-	-	8.89	-	-	-	-	8.89	8.89
Buildings	640.87	0.00		640.87	21.86	-	-	447.76	193.11	214.97
Plant & Machinery	3,422.93	1.69		3,424.62	49.57	-	-	3,212.62	212.00	259.88
Furniture & Fixtures	45.41	1.58		46.99	2.27	-	-	40.92	6.07	6.76
Computers	48.37	5.49		53.86	3.42	-	-	47.81	6.05	3.98
Office Equipment's	71.20	0.65		71.85	4.58	-	-	65.28	6.57	10.50
Laboratory equipments	42.56	4.26		46.82	2.29	-	-	38.57	8.25	6.28
Vehicles	30.27	0.00	3.25	27.02	3.49	3.15	-	19.34	7.68	11.27
Total	4,310.50	13.67	3.25	4,320.92	87.48	3.15	-	3,872.30	448.62	522.53
Previous year - Tangible	4,268.11	107.67	65.28	4,310.50	175.68	58.64	17.75	3,787.97	522.53	
INTANGIBLE ASSETS :										
Software	4.75	0.21	-	4.96	1.01	-	-	3.83	1.13	1.93
Total	4.75	0.21	-	4.96	1.01	-	-	3.83	1.13	1.93
Previous year - Intangible	3.03	1.72	-	4.75	1.67	-	-	2.82	1.93	-
Grand total	4,315.25	13.88	3.25	4,325.88	88.49	3.15	-	3,876.13	449.75	524.46
Previous year	4,271.14	109.39	65.28	4,315.25	177.35	58.64	17.75	3,790.79	524.46	

** ₹ 17.75 lacs represents carrying amount as on 1st April, 2014 (after retaining residual value of 5% of original cost) in respect of assets where remaining useful life was nil. Pursuant to para 7 of Sch II of the Companies Act, 2013, out of the above, ₹ 12.27 lacs was transferred (net of tax effect amounting to ₹ 5.48 lacs) to retained earnings during the previous financial year.



Notes forming part of the Financial Statements

₹. In Lacs

9. Non Current Investments

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

10. Deferred Tax Assets

₹. In Lacs

Particulars	As at 31st March 2016	As at 31st March 2015
Arising on account of timing difference		
On account of Depreciation	68.50	74.61
On account of Gratuity, Compensated Absences & Bonus	68.83	60.66
Total	137.33	135.27

11. Long Term Loans and Advances

Particulars	As at 31st March 2016	As at 31st March 2015
i) Capital Advances (Unsecured & considered good)	188.40	188.40
(Advance paid towards purchase of Land)		
ii) Security Deposits (Unsecured & Considered good)		
Earnest Money Deposit	2.72	2.72
Other Deposits	430.27	430.27
Total	621.39	621.39

12. Other Non Current Assets

₹. In Lacs

Particulars	As at 31st March 2016	As at 31st March 2015
Deposits-In Post office Savings bank Account	0.09	0.09
(Pass Book lodged with Central Excise Dept.)		
Total	0.09	0.09

13. Inventory

₹. In Lacs

Particulars	As at 31st March 2016	As at 31st March 2015
a Raw Material	398.50	995.80
b Stores & Spares	580.70	662.05
c Work in Process	305.45	379.52
Total	1,284.65	2,037.37

14. Trade Receivables

₹. In Lacs

Particulars	As at 31st March 2016	As at 31st March 2015
Unsecured & Considered good		
Amount due for more than 6 months from the		
date they have fallen due	28.83	47.32
Others Debts	588.69	746.77
Total	617.52	794.09



Notes forming part of the Financial Statements

15. Cash & Bank Balance

₹. In Lacs

Particulars	As at 31st March 2016	As at 31st March 2015
Cash & Bank Balances :		
a Cash and Cash equivalents		
i) In Current Accounts	3.26	2.61
ii) In Cash Credit Account Debit Balance	41.99	-
iii) Fixed Deposits	14.57	11.54
iv) Interest Accrued on FD	0.58	-
v) Cash -in-hand	1.15	0.44
Total (A)	61.55	14.59
Earmarked Bank Balances		
b Unpaid Dividend accounts	5.01	5.04
Total [A + B]	66.56	19.63

16. Short Term Loans and Advances

₹. In Lacs

Particulars	As at 31st March 2016	As at 31st March 2015
Short Term Loans & Advances: (Un Secured, Considered Good)		
a Advances Recoverable in cash or in kind or for value to be received	151.84	79.33
b Balance with Central Excise Dept.	99.33	143.91
c Balance with Sales Tax Dept.	96.13	433.54
d Income Tax Refund Due	111.83	10.05
e Loans and Advances to Staff	15.90	7.83
f Advance Income Tax	33.72	115.09
Less: Provision for Income Tax	0.00	(15.50)
Total	508.75	774.25

17. Other Current assets

₹. In Lacs

Particulars	As at 31st March 2016	As at 31st March 2015
Import Entitlement Receivables	7.60	7.60
Interest Receivable on deposits	43.64	35.33
Total	51.24	42.93

18. Revenue from Operations

₹. In Lacs

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Sale of Products : Grinding Media ball	12,948.15	22,136.03
Other Operating Revenues	30.33	14.11
	12,978.48	22,150.14
Less : Excise Duty	(1,015.67)	(1,814.22)
Total	11,962.81	20,335.92

19. Other Income

₹. In Lacs

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
a Interest on Bank Deposits	39.31	70.97
b Miscellaneous Receipts	2.04	6.49
Total	41.35	77.46



Notes forming part of the Financial Statements

₹. In Lacs

20. Cost of Material Consumed

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
RAW MATERIALS CONSUMED:		
Current Yr 98.62% indigeneous, 1.38% imported (Pr Yr 100 % indigeneous)		
MS SCRAP*	3,824.32	7,197.64
* Includes Rs 7.30 lacs cost of sales (previous year 12.86 lacs)		
FERRO CHROME **	3,517.07	6,187.54
** Including Rs 12.38 lacs cost of sales (previous year Nil)		
ALLOY STEEL AS CASTINGS	5.18	16.21
Total	7,346.57	13,401.39

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

₹. In Lacs

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Work in Process		
Opening Stock:	379.52	494.13
Less :		
Closing Stock	305.45	379.52
Total -A	74.07	114.61
Finished Goods:		
Opening Stock:	-	-
Less :		
Closing Stock:	-	-
Total - B	-	-
Total - A+B (Total Change in Inventory)	74.07	114.61

22 Employee Benefits Expense

₹. In Lacs

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
1 Salaries, Wages and Bonus	734.77	744.38
2 Contribution to Provident Fund / ESIC / Gratuity Fund	99.68	91.09
3 Staff Welfare Expenses	84.94	75.40
Total	919.39	910.87

23 Finance Costs

₹. In Lacs

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Interest Expense		
- For Cash Credit and Working Capital	27.96	53.48
- For Others	0.01	0.19
Total	27.97	53.67

8. Depreciation & Amortisation Expense

₹. In Lacs

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Depreciation	88.49	177.35
Total	88.49	177.35



Notes forming part of the Financial Statements

₹. In Lacs

24. Other Expenses

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Consumption of Stores & Spare Parts	1,097.89	2,008.91
Power and Fuel	1,670.62	2,557.88
Labour Charges	308.78	473.32
Factory Maintenance	48.57	71.24
Repairs and Maintenance		
- To Buildings	10.11	31.70
- To Plant and Equipments	50.01	115.53
- To Other Assets	2.54	10.41
Insurance	15.42	15.16
Rates and Taxes	12.47	12.20
Rent	3.74	5.11
Directors' Sitting Fees	2.40	2.30
Travelling Expenses		
- For Directors	0.40	0.69
- For Others	10.40	10.81
Statutory Auditor's Fees		
- For Audit Fees	2.50	2.00
- For Income Tax Audit Fees	0.50	0.50
- For KVAT Audit Fees	0.50	0.50
- For Income Tax matters	1.50	0.75
- For Certification/Limited Reviews	0.70	0.50
Legal and Professional Consultancy Fees	43.31	28.93
Bank Commission Charges	2.51	8.68
Printing and Stationery Expenses	6.51	8.04
Postage, Telephones, Courier, Internet & E-mail	5.68	5.93
Sales Promotion	2.38	3.59
Vehicle Repairs and Maintenance	6.35	6.35
Conveyance Expenses	1.32	1.33
Advertisement Expenses	1.91	1.42
Packing Materials Consumed*	232.66	337.33
Donations	0.30	-
Freight Outward	6.50	3.62
Bad Debts	14.49	2.89
Miscellaneous Expenses	24.57	18.44
Total	3,587.54	5,746.06

*Including ₹ 0.70 lacs (previous year Nil) cost of sales

25. Prior Period Expenses

₹. In Lacs

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
1 Repair & Maintenance	1.81	-
2 Power and fuel	0.60	-
3 Labour charges	0.04	-
Total	2.45	-



Notes forming part of the Financial Statements

26. Significant Accounting Policies and Notes on Accounts for the year ended 31st March 2016.

A. Significant Accounting Policies

I. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

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

II. FIXED ASSETS

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

III. DEPRECIATION AND AMORTISATION

The depreciable amount for assets is the cost of an asset or revalued amount substituted for cost less its estimated residual value

- a) In respect of tangible fixed assets:

Acquired up to 31/03/1996, depreciation has been provided on straight-line method as per useful life and in the manner stipulated under schedule II to the Companies Act, 2013.

- b) Acquired after 31/03/1996, depreciation has been provided on written down value method as per useful life and in the manner stipulated under schedule II to the Companies Act, 2013.

Computer Software being Intangible asset amortised over a period of 3 years in SLM basis.

IV. INVESTMENTS

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

V. INVENTORIES

- a) Finished Goods and Work in process are valued at cost or net realizable value whichever is lower. Cost represents material cost, labour cost, and other appropriate overheads. Finished Goods are valued inclusive of excise duty.
- b) Raw Materials, Stores & Spares and other inputs are valued at cost or net realizable value whichever is lower, cost being determined on 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.

VI. REVENUE RECOGNITION

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

Sales are inclusive of Excise Duty and exclusive of VAT/ CST.

VII. EMPLOYEE BENEFITS

- a) Defined Contribution plans:

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

- b) Defined benefit plans:

- i. Gratuity: The Company makes contributions to the employees' group gratuity-cum-life assurance scheme of the Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits 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. Actuarial gains and losses for the current year are recognized in full in the statement of profit and loss for the period in which they occur.

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

- iii. Short term employee benefit: All employee benefits which are wholly due within twelve months of rendering the services are recognized in the period in which the employee renders the related services.



VIII. 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.

IX. TAXATION

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

X. 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."

XI. 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.

XII. EARNINGS PER SHARE

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

B. NOTES ON ACCOUNTS:

1 Contingent liability to the extent not provided for

₹. in Lacs

Particulars	31.03.2016	31.03.2015
In respect of claims against the company not acknowledged as debt	7.60	7.60
In respect of disputed Service Tax	116.64	116.64
In respect of disputed Custom duty	747.04	711.03
Illegal strike wages under dispute - Workmen and Casual labour	61.49	-
Others	2.25	-

2 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) - ₹. 206.83 lacs (Previous Year: ₹. 17.46 Lacs)

3 Amount remitted in foreign currency on account of Dividend:

₹. in Lacs

Particulars	31.03.2016	31.03.2015
Number of non resident share holders	11	11
Number of shares held by them	576	576
Amount of dividend (₹. In lakhs)	0.01	0.03
Year for which dividend was remitted	2014-2015	2013-2014

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

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 AS - 17 "Segment Reporting" prescribed under the Companies (Accounting Standards) Rules, 2006



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

5. The company has not entered into any non cancelable 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
Key Managerial Personnel:	Mr. Bhadresh K. Shah

₹.in Lacs

Transactions with related parties	Current Year 2015-16			Previous Year 2014-15		
	Holding Company	KMP Directors	Associate	Holding Company	KMP Directors	Associate
Purchases of Goods/Services	448.92		3.32	496.20		4.35
Sales of Goods	12,410.13			21,951.25		
Sales -Others stores items	23.92			10.50		
Transfer of Capital Work in progress (Crane)/Fixed assets	-			27.35		
Sitting Fees		0.40			0.40	
Dues Receivable as at last date of the financial year	496.08			746.77		
Dues payable as at last date of the financial year	-	-	0.47	10.19	-	0.73

7. Earnings Per Share:

Particulars	2015-16	2014-15
Net Profit for the Year (₹. In lakhs):	(36.92)	(2.50)
Number of Shares	638,161	6,38,161
Nominal Value of each Share (in ₹.)	10/-	10/-
Earnings per Share (Basic and Diluted)(in ₹.):	(5.79)	(0.39)

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	2015-16	2014-15
i) Principal amount remaining unpaid at the end of the year	1.73	10.98
ii) Interest accrued at the end of the year	NIL	NIL
iii) Interest remaining unpaid, out of above, as at the end of the year	NIL	NIL
iv) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, For the purpose of disallowance as a deductible expenditure under Section 23 of the Act.	NIL	NIL

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



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

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

Employee benefits:

₹. in Lacs

I. Defined Contribution Plan	For the year ended 31-03-2016		For the year ended 31-03-2015	
Contribution to Defined Contribution Plan, recognized as expense for the year are as under:				
Particulars				
Employer's Contribution to Provident Fund	37.17		32.72	
ii. Defined Benefit plans:	Gratuity - Funded unfunded		Leave Encashment -	
1. Actuarial assumptions	Current Year	Previous Year	Current Year	Previous Year
Discount Rate (Per annum)	7.90%	7.80%	7.90%	7.80%
Expected return on plan assets	7.90%	9.15%	0.00%	0.00%
Salary escalation rate	7.00%	6.00%	7.00%	6.00%
Mortality Rate Indian Assured Lives Morality (2006-08) Table				
2. Reconciliation of present value of obligation				
Present value of obligation at the beginning of the year	244.56	227.80	46.21	38.93
Interest cost	17.44	16.12	2.96	3.10
Current service cost	17.29	15.88	8.17	7.16
Actuarial (gain) /Loss	19.84	20.07	3.34	8.13
Benefits Paid	(21.96)	(35.32)	(2.34)	(11.11)
Present value of obligation at the end of the year	277.18	244.56	58.34	46.21
3. Reconciliation of Fair value of plan assets				
Fair value of plan assets at the beginning of the year	94.46	66.62	-	-
Adjustment to the Opening Fund	(7.36)	-	-	-
Expected return on plan assets	7.55	5.10	-	-
Actuarial gain / (Loss)	1.19	1.95	-	-
Contributions	18.61	20.79	-	-
Benefits paid	-	-	-	-
Expenses deducted from the fund	(1.67)	-	-	-
Fair value of plan assets at the end of the year	112.78	94.46	-	-
4. Net (Assets) / Liability recognized in the balance sheet as at year end				
Present value of obligation at the end of the year	277.18	244.56	58.34	46.21
Fair value of plan assets at the end of the year	112.78	(94.46)	-	-
Net present value of unfunded obligation recognised as (assets) / Liability in the Balance Sheet.	164.40	150.10	58.34	46.21
5. Expenses recognised in the statement of profit and loss				
Current Service cost	17.29	15.88	8.17	7.16
Interest cost	17.44	16.12	2.96	3.10
Expected return on plan assets	(7.55)	(5.10)	-	-
Actuarial (Gain) / Loss recognised in the period	18.65	18.12	3.34	8.13
Settlement Cost	-	-	-	-
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	54.87	45.03	14.47	18.39
Actual return on plan assets	(7.55)	5.10	-	-



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

₹. in Lacs

6. Amounts for the current and previous four periods are as follows:

Oblications at year end	2015 - 2016	2014 - 2015	2013 - 2014	2012 - 2013	2011 - 2012
Defined Benefit obligations	(277.18)	(244.56)	(227.80)	(193.53)	(147.03)
Plan Assets at year end, at fair value	112.78	94.46	66.62	50.18	48.12
Surplus/(deficit)	(164.40)	(150.10)	(161.18)	(143.35)	(98.91)
Experience adjustments on plan Liabilities	4.46	17.08	41.93	33.24	0.89
Experience adjustments on plan Assets	(1.19)	(1.95)	(0.07)	-	-

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

	Current Year	Previous Year
11. Consumption of Raw materials	2015-16	2014-15
Indigenous - Value	7,240.44	13,385.17
Percentage	98.62%	100.00%
Imported	100.95	-
Percentage	1.38%	0.00%

12. Consumption of Stores and Spares ₹. In lacs

Indigenous - Value	1,097.89	2,008.91
Percentage	100.00%	100.00%
Imported	-	-
Percentage	0.00%	0.00%

13. CIF Value of Imports: ₹. In lacs

Raw materials	149.30	-
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For and on behalf of the Board
D.P. DHANUKA
 Director
 DIN:000168198

VINOD NARAIN
 Chairman
 DIN : 00058280

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

YASH RAJ
 Chief Financial Officer

(P. MANOHARA GUPTA)
 Partner
 Membership No 16444

S. N. JETHELIYA
 Company Secretary
 ACS : 5343

Place : Bengaluru
 Date : 20-05-2016



CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2016

₹. in Lacs

	2015-2016	2014-2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AS PER STATEMENT OF PROFIT & LOSS	(39.87)	9.41
Adjusted for Extraordinary items :		
Net Profit before tax & extraordinary items	(39.87)	9.41
Adjustments for :		
Profit on sale of Fixed assets	1.17	18.74
Prior Year's expenditure	(2.45)	0.00
Depreciation (net)	88.49	177.35
Interest	27.97	53.67
Operating Profit before working capital changes	75.31	259.17
Adjustments for :		
(Increase)/Decrease Trade & Other Receivable	367.86	418.39
(Increase)/Decrease Inventories	752.76	(307.35)
Increase/(Decrease) Trade Payable	(254.66)	(740.26)
Cash generated from operations	941.27	(370.05)
Direct Taxes paid	68.04	(108.89)
Cash flow before extraordinary items	1,009.31	(478.94)
Net Cash flow from Operating Activities	1,009.31	(478.94)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(13.88)	(109.39)
Sale of Fixed Assets	0.10	6.64
Net Cash Flow from Investing Activities	(13.78)	(102.75)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment)/ Proceeds of long term borrowings	(905.28)	660.25
Net increase/(Decrease) in working capital borrowings	(27.97)	(53.68)
Interest Paid	(12.76)	(31.91)
Dividend Paid	(2.60)	(5.42)
Net Cash Flow from Financing Activities	(948.61)	569.24
Net (Decrease) / Increase in cash & cash equivalents (A+B+C)	46.92	(12.45)
Cash & Cash equivalent at the beginning of the year	19.73	32.18
Cash & Cash equivalent at the closure of the year	66.65	19.73

Notes:

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

For and on behalf of the Board

D.P. DHANUKA
Director
DIN:000168198

VINOD NARAIN
Chairman
DIN : 00058280

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

YASH RAJ
Chief Financial Officer

(P. MANOHARA GUPTA)
Partner
Membership No 16444

S. N. JETHELIYA
Company Secretary
ACS : 5343

Place : Bengaluru
Date : 20-05-2016

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

44th ANNUAL GENERAL MEETING

I /We hereby record my / our presence at the 44th Annual General Meeting of the Company to be held on Friday, the 12th day of August, 2016 at 4.00 PM at Hotel Crown Plaza Ahmedabad City Centre, Near Shapath V, S.G. High way, Ahmedabad- 380015.

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 2015-16 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 2015-16 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



44th Annual General Meeting
Date: 12th August, 2016
Time: 4.00 PM

Venue: Hotel Crown Plaza Ahmedabad City Centre,
Near Shapath V, S.G.High Way, Ahmedabad -380015

Attendance Slip & Proxy Form

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 -Fourth Annual General Meeting of the Members of the Company to be held on Friday, the 12th day of August, 2016 at 4.00 pm at Hotel Crown Plaza Ahmedabad City Centre, Near Shapath V, S.G. High way, Ahmedabad- 380015 and at any adjournment thereof in respect of Resolutions as are indicated below:.

Resolution No.	Particulars of Resolution	Optional	
		For	Against
	ORDINARY BUSINESS		
1.	Adoption of Financial Statements for the year ended 31st March 2016		
2.	Re appointment of Mr. Bhadresh K. Shah, Director, liable to retire by rotation		
3.	Ratification of Appointment of Statutory Auditors.		
	SPECIAL BUSINESS		
4.	Ratification of Remuneration to Cost Auditors.		
5.	Approval of Related Party Transaction		

Signed this _____ day of _____ 2016
 Signature of Shareholder _____
 Signature of Proxy holder (s) _____

Affix
 ₹. 1
 revenue
 stamp

- Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
 2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 44th 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 2016 to update mandate details in the system for future payments to you.

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

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

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

Unit: Welcast Steels Limited.

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

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

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

Place:

Date :

Signature of the Holder(s):

Note:

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



Welcast Steels Limited