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**ANNUAL
REPORT
2021-2022**

Welcast Steels Limited



WELCAST STEELS LIMITED

BOARD OF DIRECTORS

Mr. Vinod Narain – Chairman, Non – Executive & Non - Independent (upto 12 February, 2022)
Mr. D. P. Dhanuka - Chairman, Independent (w.e.f. 23 May, 2022)
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 (upto 10 April, 2022)
Mr. Viren K. Thakkar, CFO (w.e.f. 23 May, 2022)
Mr. S. N. Jetheliya, Company Secretary

AUDITORS

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

BANKER

Canara Bank, Bengaluru

REGISTERED OFFICE

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

WORKS

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

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Pvt. Ltd.,
Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai – 400093
Phone: 022 – 62638200, Fax: 022 - 62638299
E-mail: info@bigshareonline.com



WELCAST STEELS LIMITED

STUTATORY REPORTS:	Page No.
Board's Report	18
Report on Corporate Governance	32
Management Discussion and Analysis	52
FINANCIAL STATEMENTS	
Auditors' Report	55
Balance Sheet	64
Statement of Profit and Loss	65
Statement of Changes in Equity	66
Cash Flow Statement	67
Notes	68
INVESTOR'S INFORMATION	
BSE CODE	504988
AGM DATE	5 September, 2022
AGM TIME	10 .00 A.M.
AGM MODE	Video Conferencing or Other Audio Visual Means.



NOTICE

NOTICE is hereby given that the Fiftieth Annual General Meeting of the members of Welcast Steels Limited will be held on Monday, the 5 September, 2022 at 10.00 A.M. through Video Conferencing / Other Audio Visual Means, to transact the following business:

ORDINARY BUSINESS:

(1) **Adoption of Audited Financial Statements**

To receive, consider and adopt the Audited Financial statements of the Company for the Financial Year ended 31 March, 2022 together with the Reports of the Board of Directors and Auditors thereon.

(2) **Appointment of Mr. Bhadresh K. Shah (DIN 00058177) as Director, liable to retire by rotation**

To appoint a Director in place of Mr. Bhadresh K. Shah (DIN 00058177), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment.

(3) **Appointment of Statutory Auditors:**

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

“RESOLVED THAT pursuant to provision of Section 139, 149 and other applicable provisions, if any, of the Companies Act 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for time being in force), Dagliya & Co., Chartered Accountants, Bengaluru having ICAI Firm Registration No.000671S who have offered themselves for appointment as the Statutory Auditor of the company to hold the office for a period of five years from the conclusion of 50th Annual General Meeting till the conclusion of 55th Annual General Meeting, at a remuneration as may be decided between the Chairman of the Company and the Statutory Auditors.”

“RESOLVED FURTHER THAT Mr. Bhadresh K. Shah, Director and Mr. S. N. Jetheliya, Company Secretary of the Company be and are hereby severally authorized to sign and file the appropriate e-forms along with 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) **Prior Approval of the Company for Related Party Transactions:**

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

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI LODR Regulations”) the approval of the members be and is hereby accorded to the material related party transactions entered / to be entered into and carried out in the ordinary course of business and at arm's length price with AIA Engineering Limited (AIA), a Holding Company and Related Party as per Indian Accounting Standard (Ind AS) 24, for the Sale of Goods during the Financial Year commencing from 1 April, 2022 to 31 March, 2023 for an aggregate amount to the tune of ₹ 35,000 lakhs (Approx.), which may exceed the prescribed thresholds as per provisions of the SEBI LODR Regulations as applicable from time to time on the terms and conditions as mentioned in the Contract Manufacturing Agreement entered into by the Company with AIA on 1 January, 2014” as amended from time to time.

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



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(5) **Ratification of the Remuneration of Cost 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 148 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies [Audit and Auditors] Rules, 2014 [including any statutory modification(s) or re-enactment (s) thereof for the time being in force], the consent of the members be and is hereby accorded to ratify the remuneration of ₹ 75,000/-, (Rupees Seventy Five Thousand) p.a. as decided by the Board of Directors on the recommendations of the Audit Committee, payable to Kiran J. Mehta & Co., (Firm Registration Number 000025) Cost Accountants in Practice, Ahmedabad appointed by the Board to conduct the audit of cost records of the Company for the Financial Year 2022-23”.

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

Welcast Steels Limited
CIN : L27104GJ19729LC085827
115-116 G,V,M,M, Estate,
Odhav Road, Odhav,
Ahmedabad -382 415, Gujarat
Phone: 079-22901078

Place : Ahmedabad
Date : 23 May, 2022

By order of the Board of Directors

S. N. Jetheliya
Company Secretary
ACS : 5343

**NOTES**

1. The Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013 and Regulation 36 (5) of SEBI LODR Regulations which sets out details relating to Special Businesses to be transacted at the meeting, are annexed hereto.
2. In view of the COVID-19 Pandemic, the Ministry of Corporate Affairs vide its circulars dated 8 April, 2020, 13 April, 2020, 5 May, 2020, 13 January, 2021 and 5 May, 2022 ("MCA Circulars for General Meetings") and SEBI vide its circulars dated 12 May, 2020, 15 January, 2021 and 13 May, 2022 ("SEBI Circulars for General Meetings") permitted the holding of the General Meetings through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") without the physical presence of members at a common venue. In compliance with the provisions of the Act, SEBI LODR Regulations, MCA Circulars and SEBI Circulars for General Meetings, the Annual General Meeting ("AGM") of the Company is being held through VC/OAVM.

As this AGM is being held pursuant to the MCA Circulars for General Meetings through VC/OAVM, the facility to appoint proxy will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, a Body Corporate is entitled to appoint authorized representative to attend AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

As this AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

3. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.

SEBI vide its Circular dated April 20, 2018, directed all the listed companies to record the Income Tax PAN and Bank Account Details of all their shareholders holding shares in physical form. All those shareholders who are yet to update their details with the Company are requested to do so at the earliest. This helps the shareholders to receive the dividend directly in their respective bank accounts.

4. In compliance with the Circular of Ministry of Corporate Affairs for a "Green Initiative in the Corporate Governance" by allowing / permitting service of documents etc. in electronic form, electronic copy of the Annual Report of F.Y. 2021-22 will be sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes.
5. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection electronically during the period of AGM.

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

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

In case you wish to receive the above documents in physical form, you are requested to please inform us on the below mentioned E-mail ID. Please quote Name, your Demat Account No. [DP ID No. and Client ID No.].

Email ID for reply: invest_grievance@welcaststeels.com.

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

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



NOTICE

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Sr. No.	Financial Year	Type of Dividend	Due date of Transfer to IEPF
1	2014-2015	Final Dividend	28.10.2022
2	2015-2016	Dividend not declared	Dividend not declared
3	2016-2017	Final Dividend	20.09.2024
4	2017-2018	Final Dividend	15.09.2025
5	2018-2019	Final Dividend	14.09.2026
6	2019-2020	Dividend not declared	Dividend not declared
7	2020-2021	Dividend not declared	Dividend not declared

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

9. In accordance with the provisions of Section 72 of the Act and SEBI circulars, the facility for nomination is available for the members of the Company in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting the Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form No. ISR-3 or Form No. SH-14, as the case may be. The said forms are available on the Company's website at <http://www.welcaststeels.com/newsite/Shareholderservicekyc.html>

Members are requested to submit the said details to their respective DPs, in case the shares are held by them in dematerialised form and to the Company / RTA in case the shares are held by them in physical form.

10. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by 31 March, 2023 and linking PAN with Aadhaar vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3 November, 2021 and circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14 December, 2021. Members are requested to submit their PAN, KYC and nomination details to the Company's Registrar Bigshare Services Private Limited (RTA). The forms for updating the same are available at <http://www.welcaststeels.com/newsite/Shareholderservicekyc.html>

Members holding shares in electronic form are therefore, requested to submit their PAN to their depository participant(s).

In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, our RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on 31 December, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

11. Re-appointment / Appointment of Directors:

Mr. Bhadresh K. Shah (DIN 00058177), Non-Executive and Non-Independent Director of the Company retires by rotation at this 50th Annual General Meeting of the Members of the Company and being eligible, has offered himself for re-appointment.

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



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12. 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 to members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services [India] Limited (CDSL) to facilitate e-voting.

- (i) Mr. Tushar M. Vora, Practicing Company Secretary [Membership No. FCS 3459] has been appointed as the Scrutinizer to scrutinize the e-voting and remote e-voting process in a fair and transparent manner.
- (ii) Members who have cast their vote by remote e-voting prior to the meeting can also attend the meeting but shall not be entitled to cast their vote again.
- (iii) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date i.e. 29 August, 2022 only shall be entitled to avail the facility of remote e-voting.
- (iv) 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.

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

E-Voting System – For Remote e-voting and e-voting during AGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the General Meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an Agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020 the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.welcaststeels.com. The Notice can also be accessed from the website of the BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.



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7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05 May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2022, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2022 dated May 5, 2022.

THE INTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on 1 September, 2022 at 9.00 a.m. and ends on 4 September, 2022 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. 29 August, 2022 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.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-voting system in case of individual shareholders holding shares in demat mode:

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.



NOTICE

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	<ol style="list-style-type: none">2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINT IME, so that the user can visit the e-Voting service providers' website directly.3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com "home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin." The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none">1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp.3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.</p>



NOTICE

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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free No. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode:

- (v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding shares in Demat form and physical shareholders.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

For Shareholders other than individual shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
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.

- 7) After entering these details appropriately, click on "SUBMIT" tab.
- 8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 10) Click on the EVSN –220704009- **Welcast Steels Limited**.



NOTICE

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- 11) 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.
 - 12) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - 13) 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.
 - 14) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - 15) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
 - 16) 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.
 - 17) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (vi) Facility for Non – Individual Shareholders and Custodians –Remote Voting
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - 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 will be mapped automatically & can be delink in case of any wrong mapping.
 - It is mandatory that a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; info@welcaststeels.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS TO SHAREHOLDERS FOR ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at invest_grievance@welcaststeels.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at invest_grievance@welcaststeels.com. These queries will be replied to by the company suitably by email.



NOTICE

(Contd..)

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhaar Card) by providing Form ISR-1 and ISR-2 available on the website of the Company / RTA.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

REQUEST TO THE MEMBERS

Members desiring 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/Corporate Office, so as to enable the Company to keep the information ready.



NOTICE

(Contd..)

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

ITEM NO. 3: Ganpath Raj & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company at the 45th Annual General Meeting ('AGM') held on 14 August, 2017 for a period of 5 years, upto the conclusion of 50th AGM. The term of existing Statutory Auditors will expire on the conclusion of ensuing 50th AGM. Due to their pre-engagement, they expressed their unwillingness to continue to hold the office for the second term of five years. On the recommendation of Audit Committee, Board of Directors of the Company have recommended the appointment of Dagliya & Co, Chartered Accountants (FRN:00671S) as Statutory Auditors for term of 5 years from conclusion of 50th AGM till the conclusion of 55th AGM. Dagliya & Co., Chartered Accountants have given their consent for their appointment as Statutory Auditors of the Company and has issued a certificate confirming that their appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the Rules made thereunder. Dagliya & Co., Chartered Accountants have confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the Rules or Regulations made thereunder. The Auditors have confirmed their independence from the Company according to the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the ethical requirements relevant to audit. Based on the recommendations of the Audit Committee and the Board of Directors, it is hereby proposed to appoint Dagliya & Co, Chartered Accountants, having registration No. 00671S as the Statutory Auditors of the Company for the term of five consecutive years, who shall hold office from the conclusion of this 50th AGM till the conclusion of the 55th AGM of the Company. The Board of Directors has approved a remuneration of ₹ 3.00 Lakhs for conducting the audit for the Financial Year 2022-23, excluding applicable taxes and reimbursement of out-of-pocket expenses on actuals. The remuneration proposed to be paid to the Statutory Auditors during their first term would be in line with the remuneration being paid to existing Statutory Auditors and shall be commensurate with the services to be rendered by them during the said tenure. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors. Dagliya & Co., Chartered Accountants ('the firm') was constituted on 11th February 1968 as a partnership firm having Firm Registration No. as 00671S.

Dagliya & Co., Chartered Accountants has professional standing of more than 50 years in the areas of corporate audits, assurance, tax and advisory services to corporate bodies both in public and private sector. The firm has vast exposure to audit of large and medium sized manufacturing, engineering, pharmaceutical, infrastructure, mining, Aviation, Information Technology, trading and other sectors apart from audit of Banks. The firm also conducts due diligence studies, renders services in mergers and acquisitions, business structuring and advisory services. The firm has its main office at Bangalore and branch offices at Hyderabad and Chennai. The firm has seven partners and more than 75 personnel. The firm was subjected to peer review under ICAI guidelines for four terms and presently holds valid peer review certificate. The firm has two partners having specialised qualification/ exposure in the areas if information technology; two partners in forensic audit; INDAS certification; Concurrent audit of Banks.

The Board recommends the resolution set out at Item No. 3 of the Notice for approval by the Members by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution.



NOTICE

(Contd..)

ITEM NO. 4: The provisions of the SEBI LODR Regulations, as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective 1 April, 2022, mandates prior approval of shareholders of a listed entity by means of an ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of business of the concerned company and at an arm's length basis. Effective from 1 April, 2022, a transaction with a related party shall be considered as material if the transaction(s) to be entered into, either individually or taken together with previous transactions during a financial year, whether directly and/or through its subsidiary(ies), exceed(s) ₹1,000 Crore, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower.

Further, in accordance with the said regulation, a related party transaction that has been approved by the audit committee of the listed entity prior to 1 April, 2022 which continues beyond such date and becomes material as per the revised materiality threshold shall be placed before the shareholders in the first general meeting held after 1 April, 2022.

AIA Engineering Limited, (AIA), is a Holding Company of the Company. Transactions being entered into / carried out with AIA are of sale of goods. Omnibus approval of the Audit Committee for the transactions has been obtained at its meeting held on 25 January, 2022.

Mr. Bhadresh K. Shah, Mr. Rajendra S. Shah, Mr. Sanjay S. Majmudar and Mrs. Khushali S. Solanki all being Directors in AIA and Mr. S. N. Jetheliya, Company Secretary and Mr. Viren K. Thakkar, Chief Financial Officer who are also Company Secretary and Chief Financial Officer respectively of AIA are related to AIA.

Further, Regulation 23 of SEBI LODR Regulations requires that the entities / persons falling under the definition of Related Party shall not vote to approve the relevant transaction irrespective of whether the entity/person is a party to the transaction or not.

Accordingly, all the above persons being related shall not vote to approve this Resolution of the Notice.

Except abovementioned persons and their relatives, none of the other Directors and Key Managerial Personnel of the Company 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.

Information required under Regulation 23 of SEBI LODR Regulations read with SEBI Circular dated 22 November, 2021 is provided herein below:

Sr. No.	Particulars	Details of Related Party
i.	Name of the Related Party	AIA Engineering Limited
ii.	Type of transaction	Sale of Goods
iii.	Material terms and particulars of the proposed transaction	Material terms and conditions of the transactions are based on the contract entered by the Company with AIA on 1 January, 2014 as amended from time to time.
iv.	Nature of Relationship with the Company including nature of its concern or interest (financial or otherwise)	AIA is a Holding Company of the Company
v.	Tenure of the proposed transaction	During the Financial Year 2022-23.
vi.	Value of the proposed transaction (not to exceed)	₹35,000 Lakhs
vii.	Value of RPT as % of Company's audited consolidated annual turnover of ₹ 8,597.02 Lakhs for the financial year 2021-2022.	Apprx. 407 %
viii.	Justification as to why the RPT is in the interest of the Company.	The Company entered into a Contract Manufacturing Agreement with AIA to fully utilize its installed capacity.



NOTICE

(Contd..)

ITEM NO. 5: The Board of Directors on the recommendations of the Audit Committee has re-appointed 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 2022-2023 and fixed remuneration of ₹ 75,000/- p.a. (Rupees Seventy Five Thousand) plus applicable tax and out of pocket expenses.

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

Accordingly, consent of the members is being sought for passing an Ordinary Resolution for ratification of remuneration payable to the cost auditors to carry out the audit of cost records of the company for the Financial Year 2022-2023.

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.

Regd. Office:
115-116, G.V.M.M. Estate,
Odhav Road, Odhav,
Ahmedabad -382 415

Place: Ahmedabad
Date : 23 May, 2022

By order of the Board of Directors

S. N. Jetheliya
Company Secretary
ACS: 5343

**NOTICE****(Contd..)****ANNEXURE TO THE NOTICE:****RELEVANT DETAILS AS STIPULATED UNDER REGULATION 26(4) and 36(3) OF THE SEBI LODR REGULATIONS AND SECRETARIAL STANDARD ON GENERAL MEETING (“SS-2”) ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA, WITH REGARD TO THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING (REFER ITEM NO.2)**

Name	Mr. Bhadresh K. Shah (DIN : 00058177)
Date of Birth /Age	07.10.1951 – 71 Years
Appointment on / Re-appointment	08.08.2019
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 51 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.
No. of Equity Shares held in the Company	NIL
Terms and Conditions of Re-appointment	As per the Resolution at item No.2 of the Notice convening this Annual General Meeting, Mr. Bhadresh K. Shah is proposed to be re-appointed as a director
Remuneration last drawn (including sitting fee if any)	₹1.00 Lakh (Sitting Fee only)
Remuneration proposed to be paid	He shall be paid remuneration by way of sitting fees.
Number of meetings of the Board attended during the Financial Year	Please refer Corporate Governance Report Section of the Annual Report 2021-2022.
Directorships held in other Public Companies	
Membership/Chairmanships of Committees across other Public Companies	

**NOTICE****(Contd..)****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., Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093 Tel: 022 – 62638200, Fax: 022 - 62638299 E-mail: info@bigshareonline.com
e-Voting Agency	Central Depository Services (India) Limited E-mail : helpdesk.evoting@cdslindia.com
Scrutinizer	Tushar Vora & Associates, Practicing Company Secretary, Ahmedabad E-mail : cstusharvora@gmail.com



BOARD'S REPORT

The Members,
Welcast Steels Limited
Ahmedabad

Your Directors take pleasure in submitting the 50th Annual Report and the Audited Annual Accounts of Company for the year ended 31 March, 2022.

1. FINANCIAL HIGHLIGHT:

₹ In Lakhs

Particulars	Year Ended 31 March, 2022	Year Ended 31 March, 2021
Sale of Products	8244.23	9755.23
Other Operating Revenue	352.79	40.18
Total Revenue from Operations	8597.02	9795.41
Other Income	72.19	45.90
Total Income	8669.21	9841.31
Profit before Finance Costs, Depreciation & Amortisation and Tax Expenses	72.07	31.10
Finance Costs	17.58	28.32
Depreciation & Amortisation	108.26	142.98
Profit / (Loss) Before Tax	(53.77)	(140.20)
Less : Tax Expense		
(i) Current Tax	-	-
(ii) Deferred Tax	(4.63)	41.83
Total Tax (i+ii)	(4.63)	41.83
Profit after Tax	(49.14)	(182.03)
Other Comprehensive Income (Net of Tax)	25.32	16.12
Total Comprehensive Income	(23.80)	(164.91)

2. DIVIDEND:

In view of the loss incurred by the Company during the year under report, your Directors have not recommended any dividend for the Financial Year 2021-2022.

3. SHARE CAPITAL:

The paid up share capital of the company as on 31 March, 2022 is ₹ 63.84 lakhs. During the year under review, the company has neither issued any shares (including shares with differential voting rights) nor granted stock option or sweat equity.

4. FINANCE:

The liquidity position of the Company remained satisfactory. Canara Bank extended their full co-operation to the Company. Cash and cash equivalents as at 31 March, 2022 were ₹ 289.60 lakhs. The company continues to focus on judicious management of its working capital, receivables, inventories, while other working capital parameters were kept under strict check through continues monitoring.

Capital Expenditure Outlay:

During the year under review the company has incurred Capex of ₹187.40 lakhs. The Capex is out of internal accruals.

**Deposits:**

During the year under review, the Company has neither accepted nor renewed any deposit within the meaning of Section 73 of the Companies Act, 2013.

Particulars of Loans, Guarantees or Investments:

During the year under review, Company has not provided any loan or made any investment covered under the provisions of Section 186 of the Companies Act, 2013.

Internal Financial Control and Audit:

The Company has designed and implemented a process driven framework for proper Internal Financial Control (IFC) within the meaning of the explanation to Section 134(5) (e) of the Act. For the year ended 31 March, 2022 the Board is of the opinion that the Company has sound IFC commensurate with the size, scale, and complexity of its business operations. The IFC operates effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved internal controls whenever the effect of such of gaps would have a material effect on the company's operations.

The Board of Directors on the recommendation of the Audit Committee appointed Talati & Talati LLP, Chartered Accountants, Ahmedabad as internal auditors of the Company for the Financial Year 2022-23.

Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system of the Company. Significant Audit Observations and Corrective Actions thereon are presented to the Audit Committee of the Board in its meetings.

Related Party Transactions:

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

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

The Policy on Related Party Transactions as approved by the Board of Directors is uploaded on the website of the Company viz <http://www.welcaststeels.com>.

5. HUMAN RESOURCES :

In general, the relationship with the employees remained cordial.

6. MATERIAL CHANGES, TRANSACTIONS AND COMMITMENTS :

In view of the low sales order position due to impact of Covid -19 the company was not able to utilize its installed capacity at optimum level.

There are no material changes and commitments affecting the financial position of the Company which have occurred between the close of Financial Year on 31 March, 2022 to which the financial statements relates and the date of this Report.

7. BUSINESS PROPECTS:**a. PRODUCTION:**

During the year under review, the Company produced 9,720 tons of Grinding Media as compared to 14,562 tons in the previous year. The production during the year under review suffered for want of sufficient orders. The COVID-19 impact resulted in all-round recession in the market.



BOARD'S REPORT

(Contd..)

b. SALES & PROSPECTS:

The Company sold 9,662 tons of Grinding Media during the year under review as against 15,389 tons in the previous year. The order position in the current year is also not satisfactory since the demand is yet to pick up due to continuing pandemic effect.

8. FUTURE EXPANSION:

In view of the various uncertainties emerging on account of Covid-19 pandemic the company has no immediate plans for any further expansion.

9. INSURANCE:

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

10. INDUSTRIAL RELATIONS:

As reported in the previous year, the cases related to disciplinary actions taken against some workmen who had indulged in misconduct during and after the illegal labour strike in November/December 2014, along with the issue of Charter of demands put up by one of the two Labour Unions in the Company, are still pending with the Honorable Labour Court / High Court. The charter of demand put up by another union is also pending and is under negotiation. However normal production activities are going smoothly.

11. CORPORATE GOVERNANCE:

In line with the Company's commitment to good Corporate Governance Practices, your Company has complied with all the mandatory provisions of Corporate Governance as prescribed in Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR Regulations").

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

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

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.

13. RISK MANAGEMENT:

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

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

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

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

14 POLICIES:

a. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Vigil Mechanism Policy of the Company which also incorporates a whistle blower policy in terms of the Regulations 22 of SEBI LODR Regulations may be accessed on the Company's website. The company has nominated the Chief Executive 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 Executive Officer.



BOARD'S REPORT

(Contd..)

b. 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.

c. CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS:

In Compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has revised Model Code of Conduct of Insider Trading Regulations from time to time. The Company adopted the Code of Conduct to regulate, monitor and report trading by Designated Person(s) in order to protect the Investor's Interest. The details of the said Code of Conduct forms part of the Corporate Governance Report.

15. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP):

a. Board of Directors and KMP:

The Board of Directors of the Company comprises of two Non-Executive and Non Independent Directors out of which one is a women director and five Independent Directors. All the Independent Directors of the company have furnished declarations that they meet the criteria of independence as prescribed under the Companies Act , 2013 and SEBI LODR regulations.

During the year under review Mr. Vinod Narain, (DIN 00058280) passed away on 12 February, 2022.

Therefore he ceased to be the Chairman cum Director of the Company. The Board in its meeting held on 23 May, 2022, appointed Mr. D.P. Dhanuka as Chairman of the Company.

Mr. Bhadresh K. Shah Non-Executive and Non-Independent Director of the Company (DIN No 0005817) retires by rotation at the ensuing annual general meeting of the Company and being eligible, offered himself for re appointment.

Mr. Yash Raj, Chief Financial Officer retired from the services of the company on 10 April, 2022 due to superannuation. The Board in its meeting held on 23 May, 2022, appointed Mr. Viren K. Thakkar as Chief Financial Officer of the company.

Considering the integrity, expertise and experience (including the proficiency) the Board of Directors recommends the reappointment of Mr. Bhadresh K Shah (DIN 00058177) Non Executive and Non - Independent Director of the Company retires by rotation at the ensuing annual general meeting of the Company and being eligible, offered himself for reappointment.

As required under SEBI LODR regulations amended from time to time, the information on the particulars of the Director proposed for re appointment has been given in the notice of the Annual General Meeting.

b. Meetings:

During the year under review, Four Board Meetings and Four Audit Committee meetings were convened and held.

The composition of Audit Committee is as under: -

Mr. D.P Dhanuka, Chairman

Mr. Bhadresh K. Shah, Member

Mr. Pradip R. Shah, Member

Mr. Ashok A. Nichani, Member

Mr. Rajendra S. Shah, Member

Mr. Sanjay S. Majmudar, Member

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

c. Committees of the Board Directors:

In compliance with the requirement of applicable laws and as part of the best governance practice, the Company has following committees of the Board as on 31 March, 2022.



- i) Audit Committee.
- ii) Stakeholders' Relationship Committee
- iii) Nomination and Remuneration Committee
- iv) Risk Management Committee.

The details with respect to the aforesaid committees are given in the Corporate Governance report.

d. Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR Regulations, the Board has carried out an evaluation of its own, the Directors individually as well as the evaluation of the workings of its committees. A structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

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

e. Familiarization 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. 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>.

f. Nomination and Remuneration Policy:

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

g. Directors' Responsibility Statement:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of clause (C) of Sub-Section (3) of Section 134 of the Companies Act, 2013 which states that:

- a. In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b. 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.
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared the Annual Accounts on a going concern basis.
- e. 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
- f. 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.

**16. AUDITORS:****Statutory Auditors:**

Ganapathraj & Co Chartered Accountants (Firm registration no 0008468), the Statutory Auditors of the Company, will hold the office till the conclusion of the 50th Annual General Meeting of the Company. Due to their pre engagement, they expressed their inability to continue to hold the office for the second term of five years. The Board of Directors, in their meeting held on 23 May, 2022, on the recommendation of Audit Committee has appointed Dagliya & Co., Chartered Accountants (Firm registration no 00671S) as Statutory Auditors of the Company for a period five years subject to the approval of members in 50th Annual General Meeting. If appointed in AGM, they will hold office for five consecutive years from the conclusion of ensuing Annual General Meeting till the conclusion of 55th Annual General Meeting.

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

As required under Regulation 17 of SEBI LODR 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.

Cost Auditors:

The Cost Auditors have filed the cost audit report for the Financial Year ended 31st March, 2021 within stipulated time frame.

The Board of Directors on the recommendation of the Audit Committee has appointed 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 2022-2023. 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 Kiran J. Mehta & Co., Cost Accountants, Ahmedabad is included in the Notice convening the 50th Annual General Meeting.

Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed Mr. Tushar M. Vora, Practising Company Secretary (ACS-3459, CP No.1745), Ahmedabad to conduct Secretarial Audit of the Company's Secretarial and related records for the year ended 31 March, 2022.

The Report on the Secretarial Audit for the year ended 31 March, 2022 is annexed herewith as Annexure 'C' to this Board's Report. There are no qualification/observations in the Report.

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

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

18. FINANCIAL STATEMENTS:

The Financial statements of the Company prepared in accordance with relevant Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs form part of this Annual Report.

19. AUDITORS' REPORT AND NOTES ON ACCOUNTS:

The Board has duly reviewed the Statutory Auditors' Report for the Financial Year ended 31 March, 2022. There are no qualifications/observations in the Report.

20. ANNUAL RETURN:

In accordance with the provisions of Section 92(3) of the Act, Annual Return of the Company as on 31 March, 2022 is hosted on website of the Company at <http://www.welcaststeels.com/newsite/Fiancial%20Reports/202122R.pdf>

**21. PARTICULARS OF EMPLOYEES:**

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

22. 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) Act, 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.

23. SECRETARIAL STANDARDS:

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

24. ACKNOWLEDGMENTS:

Your Directors would like to express their appreciation for the assistance and co-operation received from the Company's Customers, Vendors, Bankers, Auditors, Investors and Government bodies during the year under review. Your Directors place on record their appreciation of the contribution made by employees at all levels.

For and on behalf of the Board of Directors

Place: Bengaluru
Date : 23 May, 2022

D.P. Dhanuka
Chairman
(DIN 00168198)

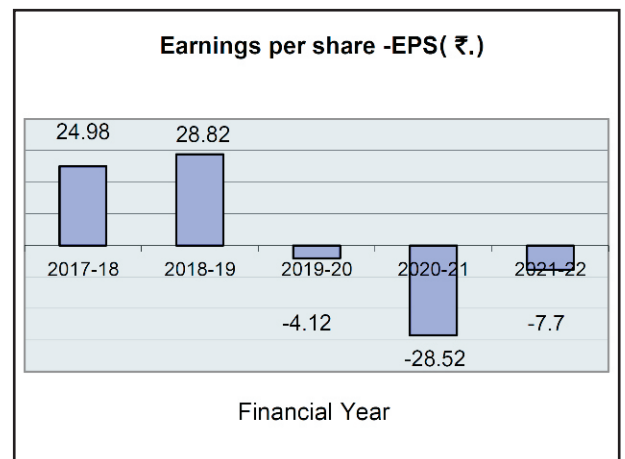
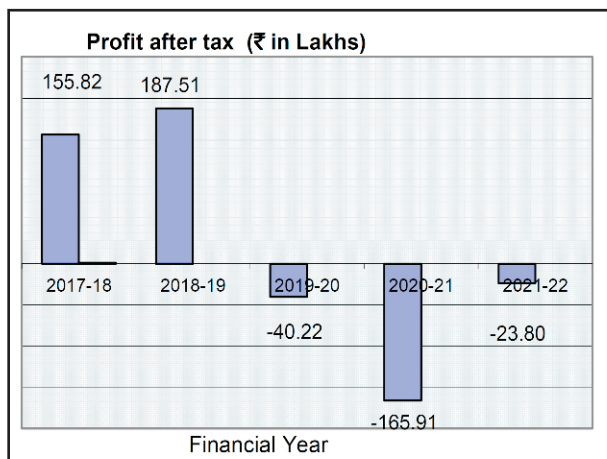
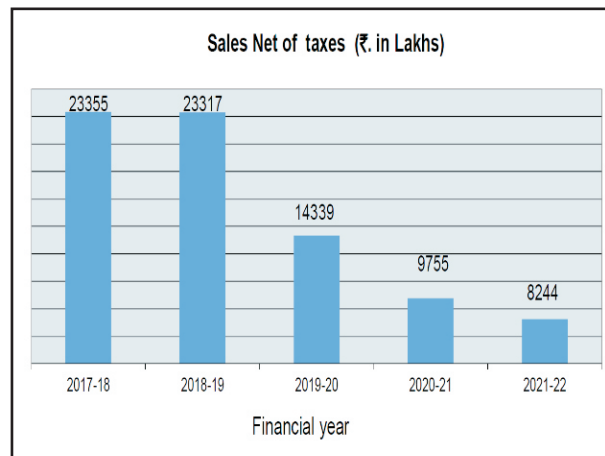
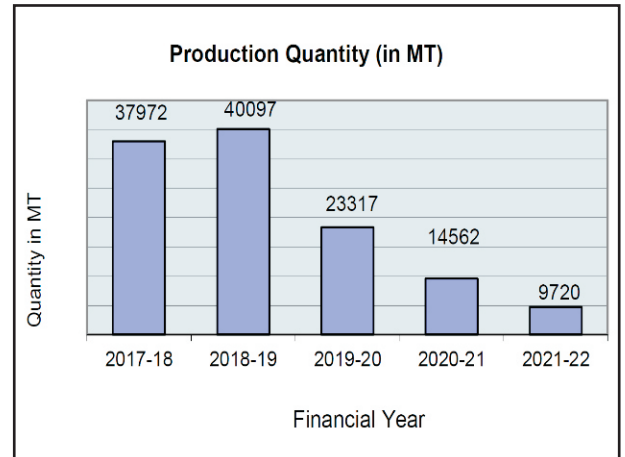
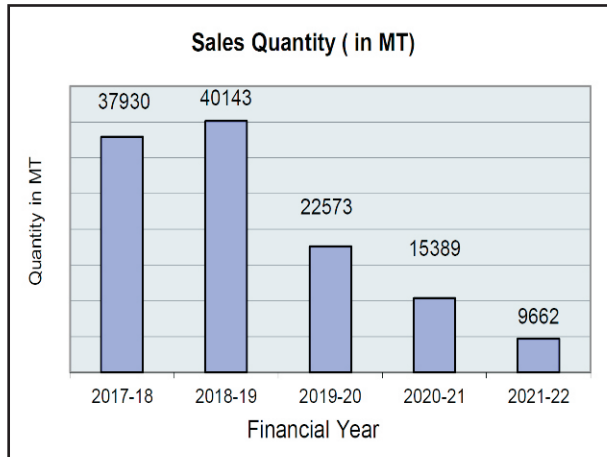


BOARD'S REPORT

(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 BOARD'S REPORT

ANNEXURE:- A

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

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

I. CONSERVATION OF ENERGY

Effective steps were taken to conserve energy.

1. POWER AND FUEL CONSUMPTION :

Electricity

Particulars	2021-2022	2020-2021
i) Units purchased	1,18,23,000	1,84,08,470
Total amount ₹ in Lakhs	831.80	1,548.70
Rate per unit in ₹	7.04	8.41
ii) Units generated	1464	4,680
Units generated / Liter of Diesel	2.10	2.74

2. CONSUMPTION PER UNIT (Metric ton) OF PRODUCTION

PRODUCT: GRINDING MEDIA

Electricity Units	1216	1256
-------------------	------	------

II . RESEARCH AND DEVELOPMENT

- | | |
|---|---------|
| a. SPECIFIC AREAS IN WHICH R & D CARRIED OUT BY THE COMPANY | - NIL - |
| b. BENEFITS DERIVED | - NIL - |
| c. FUTURE PLAN OF ACTION | - NIL - |
| d. EXPENDITURE ON R & D | -NIL- |

III. TECHNOLOGY ABSORPTION AND INNOVATION:

- | | |
|---|-------|
| 1. EFFORTS MADE: | -NIL- |
| 2. BENEFITS | -NIL- |
| 3. PARTICULARS OF TECHNOLOGY IMPORTED DURING THE LAST 5 YEARS | -NIL- |

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO

₹ in Lakhs

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
EARNINGS	NIL	NIL
OUT GO (CIF/CIP Value of imports)	279.68	NIL



ANNEXURES TO BOARD'S REPORT

(Contd..)

ANNEXURE: - B

Form No. AOC-2

Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 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 AT ARM'S LENGTH BASIS"

I) Name(s) of the Related Party and nature of Relationship	AIA Engineering Ltd., a Holding Company of the Company.
ii) Nature of Contract / Arrangements / Transactions	Contract Manufacturing Agreement
iii) Duration of Contract / Arrangements / Transactions	5 Years from 1 January, 2019
iv) Salient Terms of Contract / Arrangements / Transactions including the value, if any	Company manufactures Grinding Media of different grades for AIA Engineering Ltd., (AIA) according to their Purchase orders received from time to time as per their Technical Specifications and using the Technical Know-how provided by AIA. The Company can also manufacture Grinding Media of different grades for other parties.
v) Justification for entering into such Contracts or Arrangements or Transactions	The Contract Manufacturing Agreement was entered to fully utilize the installed capacity of the Company.
vi) Date (s) of approval by the Board	22 May, 2019
vii) Amount paid as Advances, if any	NIL

For and on behalf of the Board of Directors

Place: Bengaluru
Date : 23 May, 2022

D.P. Dhanuka
Chairman
(DIN 00168198)

**ANNEXURE-C**

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2022
[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 A forming part of this report, the Company has, during the audit period covering the Financial Year ended on 31 March, 2022, 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 the Company for the Financial Year ended on 31 March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

We have also examined compliance with the applicable clauses of

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



ANNEXURES TO BOARD'S REPORT

(Contd..)

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

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

We further report that

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations And Guidelines.

We further report that during the audit period, the following major events took place having bearing on the Company's affairs:

1. Shareholders' approval by way of an Ordinary Resolution has been obtained for material related party transactions with holding Company to the provisions of the Companies Act, 2013 and Regulation 23 of SEBI Listing Regulations for the Financial Year 2021-22.

FOR TUSHAR VORA & ASSOCIATES
Company Secretaries

TUSHAR M VORA

Proprietor

FCS No. 3459

C P No.: 1745

UDIN: F003459D000368098

Place: Ahmedabad
Date : 23 May, 2022

**Annexure A****FORMING PART OF THE SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31 MARCH, 2022**

To
The Members
Welcast Steels Limited

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

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

Place: Ahmedabad
Date : 23 May, 2022

FOR TUSHAR VORA & ASSOCIATES
Company Secretaries

TUSHAR M VORA

Proprietor

FCS No. 3459

C P No.: 1745

UDIN: F003459D000368098



ANNEXURES TO BOARD'S REPORT

(Contd..)

ANNEXURE-'D'

Particulars of Remuneration as per Section 197 (12) of the Companies Act, 2013 read with Rule 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 upto 12.02.2022	0.08 : 1
Mr. D.P. Dhanuka	0.13 : 1
Mr. Bhadresh K. Shah	0.27 : 1
Mr. Sanjay S. Majmudar	0.27 : 1
Mr. Rajendra S. Shah	0.27 : 1
Mr. Pradip R. Shah	0.27 : 1
Mr. Ashok A. Nichani	0.27 : 1
Mrs. Khushali S. Solanki	0.16 : 1

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the Financial Year;

Name of the Director, CEO, CFO and Company Secretary	% increase in remuneration in the Financial Year
Mr. Vinod Narain Chairman upto 12.02.2022	-
Mr. D.P. Dhanuka	-
Mr. Bhadresh K. Shah	-
Mr. Sanjay S. Majmudar	-
Mr. Rajendra S. Shah	-
Mr. Pradip R. Shah	-
Mr. Ashok A. Nichani	-
Mrs. Khushali S. Solanki	-
Mr. Mohana Rao	7.15
Mr. Yash Raj	7.75
Mr. S.N. Jetheliya	-

3. The percentage increase in the median remuneration of employees in the Financial Year was 4.10 %
4. There were 127 permanent employees on the rolls of Company as on 31 March, 2022.
5. Average increase in the salaries of employees other than the Managerial Personnel in the last Financial Year was 4.69% whereas the average increase in the managerial remuneration was 7.45%.
6. The Company affirms that the remuneration is as per the remuneration policy of the company.



REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on corporate governance:

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:

- a. Fair and transparent business practices.
- b. Effective management control by Board.
- c. Adequate representation of Promoters and Independent Directors on the Board.
- d. Monitoring of executive performance by the Board.
- e. Compliance of Laws.
- f. 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 and Designated persons 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 in this regard.

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

I BOARD OF DIRECTORS:

A COMPOSITION OF THE BOARD:

The Composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors, meets the requirement of Provisions of Corporate Governance. The Board was headed by Mr. Vinod Narain, Non-Executive, Non-Independent Director upto 12 February, 2022. He ceased to be the chairman of the Company on account of his Demise. The Board in its meeting held on 23 May, 2022 elected Mr. D.P. Dhanuka, Non-Executive Director as the Chairman of the Company. The present strength of the Board of Directors is seven which include two Non-Executive and Non-Independent Directors, five Independent Directors in terms of SEBI LODR Regulations and Section 149 of the Companies Act, 2013. Board represents a balanced mix of professionalism, knowledge and expertise.

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

B. 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 along with 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 meetings of the Board and its various Committees along with Compliance Report in respect of various laws and regulations applicable to the company are tabled at every Board meeting.

The Board periodically reviews the items required to be placed before and in particular reviews and approves quarterly / half yearly Un-Audited Financial Statements and the Audited Annual Financial Statements, Business Plans, Annual Budgets and Capital Expenditure. The Agenda for the Board Meetings covers items set out as guidelines in SEBI (LODR) Regulations to the extent these are relevant and applicable. All agenda items are supported by the relevant information, documents and presentations to enable the Board to take informed decisions.

Company's Board met four times during the year on 22 May 2021, 10 August, 2021, 26 October, 2021, and 25 January, 2022. 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 / extended under SEBI (LODR) Regulations and Section 173(1) of the Companies Act 2013. Details of the Directors, their positions, attendance record at Board meetings and last Annual General Meeting (AGM), other Directorships (excluding Private Limited, Foreign Companies and Alternate Directorships) and the Memberships / Chairmanships of Board Committees (only Audit Committee and Stakeholders' Relationship Committee) other than your Company as on 31 March, 2022 are as follows:



REPORT ON CORPORATE GOVERNANCE

(Contd..)

Name of the Board Member	Category	Attendance at the Board of Directors Meeting held on				Attendance at AGM
		22.05.2021	10.08.2021	26.10.2021	25.01.2022	25.08.2021
Mr. Vinod Narain (Chairman upto 12 Feb, 2022)	Non- Executive Non- Independent	LA	✓	✓	LA	✓
Mr. D.P. Dhanuka	Independent	LA	✓	✓	LA	✓
Mr. Bhadresh K. Shah	Non- Executive Non- Independent	✓	✓	✓	✓	✓
Mr. Sanjay S. Majmudar	Independent	✓	✓	✓	✓	✓
Mr. Rajendra S. Shah	Independent	✓	✓	✓	✓	✓
Mr. Pradip R. Shah	Independent	✓	✓	✓	✓	✓
Mr. Ashok A. Nichani	Independent	✓	✓	✓	✓	LA
Mrs. Khushali S. Solanki	Non- Executive Non-Independent	✓	✓	✓	✓	✓

LA - Leave of Absence

As on 31 March, 2022, none of the Directors are related to each other except Mr. Bhadresh K. Shah and Mrs. Khushali S. Solanki. Mr. Bhadresh K. Shah is father of Mrs. Khushali S. Solanki.

Number of Directorships and Committee memberships / Chairmanships in other Public Companies (excluding private and Foreign Companies)

Name of the Board Member	Other Directorships		Committee Memberships	Committee Chairmanships
	Listed	Unlisted		
Mr. Vinod Narain (Chairman upto 12 Feb, 2022)	-	-	-	-
Mr. D.P. Dhanuka	-	-	-	-
Mr. Bhadresh K. Shah	2	-	4	-
Mr. Sanjay S. Majmudar	4	1	2	5
Mr. Rajendra S. Shah	3	1	3	1
Mr. Pradip R. Shah	-	-	-	-
Mr. Ashok A. Nichani	-	-	-	-
Mrs. Khushali S. Solanki	1	-	-	-

Committee positions only of the Audit Committee and Stakeholders' Relationship Committee in public limited companies have been considered.

Details of Directorships in other listed companies along with category:

Name of the Board Member	Name of Listed Company	Category of directorship
Mr. Vinod Narain (Chairman upto 12 Feb, 2022)	-	-
Mr. Bhadresh K. Shah	AIA Engineering Ltd	Promoter & Managing Director
	Zydus Lifesciences Ltd.	Independent Director
Mr. D.P. Dhanuka	-	-
Mr. Pradip R. Shah	-	-



REPORT ON CORPORATE GOVERNANCE

(Contd..)

Mr. Ashok A. Nichani	-	-
Mr. Rajendra S. Shah	Dishman Carbogen Amics Ltd	Independent Director
	AIA Engineering Ltd	Independent Director
	Transformers & Rectifiers (India) Limited	Independent Director
Mr. Sanjay S. Majmudar	Dishman Carbogen Amics Ltd	Independent Director
	AIA Engineering Ltd	Independent Director
	Aarvee Denims and Exports Ltd.	Independent Director
	Ashima Ltd	Independent Director
Mrs. Khushali S. Solanki	AIA Engineering Ltd	Non-Independent, Non-Executive Director

Chart Matrix setting out the Skills/Expertise/Competence of the Board of Directors :

The following is Chart/Matrix setting out the skills/expertise/competence identified by the Board of Directors of Welcast Steels Limited as required in the context of the Company's business and that the said skills are available with the Board members:

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

C. CONFIRMATION OF INDEPENDENT DIRECTORS:

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



REPORT ON CORPORATE GOVERNANCE

(Contd..)

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

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

D. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:

Non-Executive Directors including Independent Directors are paid sitting fees in accordance with the applicable laws.

Company is paying sitting fees of ₹15,000 for attending a Board Meeting and ₹ 10,000 for attending an Audit Committee Meeting.

E. CODE OF CONDUCT:

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

F. PROHIBITION OF INSIDER TRADING:

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has framed a Code of Conduct to avoid insider trading. The Code of Conduct is applicable to all the promoters, directors, designated persons and their immediate relatives, connected persons and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company.

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

G. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

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 : mohanarao@welcaststeels.com.

No person has been denied access to the Audit Committee.

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

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

**I. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

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

II COMMITTEES OF THE BOARD:

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following four mandatory committee viz: namely:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholders' Relationship Committee
- d. Risk Management 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.

A. 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 LODR Regulations.

The terms of reference of the Audit Committee cover the matters specified for Audit Committee in the SEBI LODR Regulations, Section 177 of the Companies Act, 2013 and other Regulations are as under:

Brief description of Terms of Reference:

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub-Section 3 of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgement by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any Related Party Transactions;
 - (g) Modified Opinion(s) in the draft audit report.
- (v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;



REPORT ON CORPORATE GOVERNANCE

(Contd..)

- (vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.) the statement of funds utilised for purposes other than those stated in the offer document / prospectus /notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (vii) Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- (viii) Approval or any subsequent modification of transactions of the Company with related parties;
- (ix) Scrutiny of inter-corporate loans and investments;
- (x) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (xi) Evaluation of internal financial controls and risk management systems;
- (xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xiv) Discussion with internal auditors of any significant findings and follow up there on;
- (xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- (xvii) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders(in case of non-payment of declared dividend) and creditors;
- (xviii) Reviewing the functioning of the Whistle Blower mechanism;
- (xix) Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) Reviewing the utilisation of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding Rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances / investments existing as on the date of coming into force of this provision;
- (xxi) Reviewing the Management Discussion and Analysis of financial condition and results of operations;
- (xxii) Reviewing the appointment, removal and terms of remunerations of the Chief Internal Auditor;
- (xxiii) Reviewing and discuss with the management the status and implications of major legal cases;
- (xxiv) Recommending the Board, the appointment of a Cost Accountant within the meaning of the Cost and Works Accountants Act, 1959 to conduct audit of cost records of the Company in compliance with the provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder;
- (xxv) Reviewing the statements of significant related party transactions, management letters etc.
- (xxvi) Reviewing the compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations 2015 as amended from time to time at least once in a Financial Year and shall verify that the system for internal control are adequate and are operating effectively.
- (xxvii) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- (xxviii) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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



REPORT ON CORPORATE GOVERNANCE

(Contd..)

Composition of Audit Committee and the attendance of the members for the meeting:

As on 31 March, 2022, the Audit Committee comprises of five Independent Directors and one Non Independent Director. During financial year 2021-22, four (4) Audit Committee Meetings were held on 22 May, 2021, 10 August, 2021, 26 October, 2021 and 25 January, 2022. Necessary quorum was present in all the meetings. The time gap between any two Audit Committee Meetings was not more than the period prescribed by SEBI LODR Regulations and Companies Act, 2013.

As on 31 March, 2022, 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 31 March, 2022 together with their attendance are given in the following table.

Name of the Members	Category of Directorship	Attendance at the Audit Committee Meetings held during the financial year 2021-22			
		22nd May	10th Aug	26th Oct	25th Jan
Mr. D.P. Dhanuka - Chairman	Independent	LA	✓	✓	LA
Mr. Bhadresh K. Shah	Non- Independent	✓	✓	✓	✓
Mr. Pradip R.Shah	Independent	✓	✓	✓	✓
Mr. Sanjay S. Majmudar	Independent	✓	✓	✓	✓
Mr. Rajendra S.Shah	Independent	✓	✓	✓	✓
Mr. Ashok A. Nichani	Independent	✓	✓	✓	✓

LA- Leave of absence.

Chairman of the Audit Committee attended the last Annual General Meeting (AGM) of Shareholders of the Company. All the members of the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls. Statutory Auditors, Internal Auditors and their representatives are permanent invitees to the Audit Committee Meetings. They have attended all the Meetings during the year under review. Chief Executive Officer, Chief Financial Officer and other Executives of the Company are also invited to attend the Audit Committee Meetings. Mr. S. N. Jetheliya, Company Secretary of the Company acts as the Secretary of the Committee.

B. NOMINATION AND REMUNERATION COMMITTEE:

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

- (i) shall identify persons who are qualified to become directors and who may be appointed in Senior Management;
- (ii) recommend to the board their appointment and removal;
- (iii) carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval;
- (iv) Devising a policy on Board diversity;
- (v) shall formulate the criteria for determining qualifications, positive attributes and independence of a Director.

For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a) use the services of an external agencies, if required;
- b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c) consider the time commitments of the candidates



- (vi) recommend to the Board a Policy relating to the remuneration for the directors, Key Managerial personnel and other employees;
- (vii) administer, monitor and formulate detailed terms and conditions of the Employees Stock Option Scheme including:
 - (a) The quantum of options to be granted under Employees Stock Option Scheme per employee and in aggregate;
 - (b) The conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
 - (c) The exercise period within which the employee shall exercise the option and that the option would lapse on failure to exercise the option within the exercise period;
 - (d) The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
 - (e) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - (f) The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as right issues, bonus issues, merger, sale of division and others;
 - (g) The granting, vesting and exercising of options in case of employees who are on long leave; and the procedure for cashless exercise of options.
- (viii) Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- (ix) Perform such other functions as may be necessary or appropriate for the performance of its duties.
- (x) Recommend to the board, all remuneration, in whatever form, payable to senior management.

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

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



REPORT ON CORPORATE GOVERNANCE

(Contd..)

The Composition of Nomination and Remuneration Committee and attendance of the members in the meeting held during the Financial Year 2021-2022 is as under :

Name of the Members	Category of Directorship	22 May, 2021	25 January, 2022
Mr. D. P. Dhanuka – Chairman	Independent	LA	LA
Mr. Bhadresh K. Shah	Non-Independent	✓	✓
Mr. Pradip R. Shah	Independent	✓	✓

As on 31 March, 2022 the nomination and remuneration Committee comprises of two Independent Directors and one Non- Independent Director.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

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

The Composition of the Stakeholders' Relationship Committee and attendance of the members in the meeting held during the Financial Year 2021-2022 is as under :

Name of the Board Member	Category	Attendance at the Stakeholders, Relationship Committee Meetings held during the financial year 2021-22			
		22.05.2021	10.08.2021	26.10.2021	25.01.2022
Mr. Vinod Narain (Chairman upto 12th Feb 2022)	Non- Executive Non- Independent	LA	✓	✓	LA
Mr. D.P. Dhanuka	Independent	LA	✓	✓	LA
Mr. Pradip R. Shah	Independent	✓	✓	✓	✓
Mr. Sanjay S. Majmudar	Independent	✓	✓	✓	✓
Mr. Bhadresh K. Shah	Non- Executive Non- Independent	✓	✓	✓	✓

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

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

During the period under review, Company has received one Complaint from Shareholders and resolved the same during the year. There is no outstanding complaint as on 31 March, 2022.

**D . RISK MANAGEMENT COMMITTEE:**

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

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

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

The key elements of the framework include

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

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

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

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

The composition of the Risk Management Committee is as under:

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

III. INDEPENDENT DIRECTORS' MEETING:

As per Secretarial Standard (SS) 1 issued by the Institute of Company Secretaries of India and relevant provisions of the Companies Act, 2013 and Rules made thereunder, the Independent Directors shall meet once in a calendar year. During the year under review, the Independent Directors met on 22.05.2021, 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.

IV. RELATED PARTY TRANSACTIONS:

All transactions entered into with Related Party as defined under the Section 188 of the Companies Act, 2013 and provisions of SEBI LODR Regulations during the Financial Year 2021-22 were in Ordinary Course of Business and at Arms' Length basis. Suitable disclosures as required under Indian Accounting Standards (Ind AS-24) have been made in the notes to the Financial Statements.

**V . 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 Goods with its holding Company, AIA Engineering Limited. The Company proposes to take approval of members of the Company by way of an Ordinary Resolution to be passed in the ensuing Annual General Meeting. The Register of Contracts containing transactions with related parties was placed before the Audit Committee / Board regularly for their approval. The details of Related Party Transactions are disclosed in Financial Section of this Annual Report. The Board has approved a Policy for Related Party Transactions which has been uploaded on the website of Company <http://www.welcaststeels.com/newsite/Investor%20services/PolicyRelatedPartyTransaction.pdf>

(B) DISCLOSURE OF ACCOUNTING TREATMENT:

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

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

(C) POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS, KMP 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-a-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. Nomination and Remuneration Committee ensures that the candidate identified for appointment / re- appointment as an Independent Director is not disqualified for appointment / re-appointment under Section 164 of the Companies Act, 2013.
- d. Nomination and Remuneration Committee considers the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:
 - i . Qualification, expertise and experience of the Directors in their respective fields;
 - ii . Personal, Professional or business standing;
 - iii . Diversity of the Board.
- e. Board of Directors takes into consideration the performance evaluation of the Directors and his engagement level.

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

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



REPORT ON CORPORATE GOVERNANCE

(Contd..)

iv . The details of sitting fees paid to the Directors for attending Board and Audit Committee Meetings during the Financial Year 2021-2022 are given 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
 - the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus, wherever applicable;
 - the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-a-vis the annual budget achievement, individual performance vis-a-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 LODR Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligation and governance.

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

The details of sitting fees paid to the Non- Executive Directors and Independent Directors for attending Board and committee meetings during the financial year 2021-22 is given below:

Name of the Directors	Category of Directorship	Sitting Fees Paid in ₹
1. Mr. Vinod Narain	Non-Executive Director	30,000
2. Mr. Bhadresh K Shah	Non-Executive Director	1,00,000
3. Mrs.Khushali Samip Solanki	Non-Executive Director	60,000
4. Mr. D.P. Dhanuka	Independent Director	50,000
5. Mr. Sanjay S. Majmudar	Independent Director	1,00,000
6. Mr. Rajendra S. Shah	Independent Director	1,00,000
7. Mr. Ashok A. Nichani	Independent Director	1,00,000
8. Mr. Pradip R. Shah	Independent Director	1,00,000

The Directors remuneration policy of your Company confirms to the provisions under Companies Act 2013. The Board determines the remuneration of the Non-Executive Directors.



REPORT ON CORPORATE GOVERNANCE

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(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 were taken place during the year under review.

(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 50th Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

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

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

(H) COMPLIANCE BY THE COMPANY:

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

VI. CEO / CFO CERTIFICATION:

The Chief Executive Officer and the Chief Finance Officer of the Company have certified to the Board that the Financial Results of the Company for the year ended 31 March, 2022 do not contain any false or misleading statements or figures and do not omit any material facts which may make the statements or figures contained therein misleading as required under Regulation 33 of SEBI LODR Regulations.

VII. FEES PAID TO AUDITORS:

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

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

VIII. 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..)

IX. GENERAL BODY MEETINGS: (LAST THREE YEARS DISCLOSURES)

ANNUAL GENERAL MEETINGS:

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

Sl. No	Financial Year	Venue/Mode	Time and Date	Whether any special Resolution Passed
1	2020-21	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	10.00 A.M. on 25 August, 2021	No
2	2019-20	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	10.00 A.M. on 14 September, 2020	No
3	2018-19	A 203, "ELANZA CREST" Near Sigma Corporates, Off S.G. Highway, Sindhu Bhavan Road, Bodakdev, Ahmedabad - 380 054	10.30 A.M. on 8 August, 2019	Yes

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

Annual General Meeting held on 25 August, 2021:

No Special Resolution has been passed.

Annual General Meeting held on 14 September, 2020:

No Special Resolution has been passed.

Annual General Meeting held on 8 August, 2019:

Re-appointment of Mr. Rajendra S. Shah as an Independent Director

Re-appointment of Mr. Sanjay S. Majmudar as an Independent Director

Re-appointment of Mr. D.P. Dhanuka as an Independent Director

Re-appointment of Mr. Pradip R. Shah as an Independent Director

Re-appointment of Mr. Ashok A. Nichani as an Independent Director

POSTAL BALLOT:

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

X. GENERAL SHAREHOLDERS' INFORMATION

A. General

Date and Time of 50th AGM	5 September, 2022 at 10.00 A.M.
Venue of AGM	Through Video Conferencing/Other Audio Visual Means
Financial Year ended	31 March, 2022
Book Closure date	Not applicable
Registered Office Address	115-116, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad -382415
Company Secretary	Mr. S. N. Jetheliya
Email for redressal of Investors' Complaints	invest_grievance@welcaststeels.com
Website	www.welcaststeels.com

B. Financial Calendar (subject to change) for the Financial Year 2022-23

First Quarter Results	On or before 14 August, 2022
Second Quarter & Half Yearly Results	On or before 14 November, 2022
Third Quarter Results	On or before 14 February, 2023
Audited Results for the Financial Year 2022-23	On or before 30 May, 2023



REPORT ON CORPORATE GOVERNANCE

(Contd..)

C. Listing on Stock Exchange:

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

The listing fees for the year 2022-23 has been paid to the Stock Exchange.

D. Market Price Data :

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

Sl. No	Month	BSE Sensex	High	Low
1.	April 2021	48782.36	461.90	326.10
2.	May 2021	51937.44	603.75	385.60
3.	June 2021	52482.71	468.10	378.25
4.	July 2021	52586.84	535.50	381.10
5.	August 2021	57552.39	501.00	360.50
6.	September 2021	59126.36	388.50	325.00
7.	October 2021	59306.93	388.60	304.00
8.	November 2021	57064.87	461.65	379.10
9.	December 2021	58253.82	449.70	350.20
10.	January 2022	58014.17	518.70	365.10
11.	February 2022	56247.28	574.00	451.10
12.	March 2022	58568.51	449.00	366.20

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

I. Share Transfers:

In terms of amended Regulation 40 of SEBI LODR Regulations w.e.f. 1 April, 2019, transfer of securities in physical form shall not be processed unless the securities are held in the demat mode with a Depository Participant. Further, with effect from 24 January, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/ splitting/consolidation of securities, transmission/ transposition of securities. Vide its Circular dated 25 January, 2022, SEBI has clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request.

II. Simplified Norms for processing Investor Service Request :

SEBI, vide its Circular dated 3 November, 2021, has made it mandatory for holders of physical securities to furnish PAN, KYC and Nomination/Opt-out of Nomination details to avail any investor service. Folios wherein any one of the above mentioned details are not registered by 1 April, 2023 shall be frozen. The concerned Members are therefore urged to furnish PAN, KYC and Nomination/ Opt out of Nomination by submitting the prescribed forms duly filled by email from their registered email id to info@bigshareonline.com or by sending a physical copy of the prescribed forms duly filled and signed by the registered holders to Bigshare Services Pvt. Ltd., Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093.

III. Physical Share holding and Permanent Account numbers (PAN) of Members:

The Company hereby informs the members that as per SEBI Circular, effective from 01-04-2019 physical shares will not be transferred unless and until they are dematerialized.



REPORT ON CORPORATE GOVERNANCE

(Contd..)

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:

(a) Payment of Dividend through National Electronic Clearing Services (NECS)/ National Automated Clearing House (NACH):

The Company provide facility for remittance of dividend to the Members through NECS / NACH. To facilitate dividend payment through NECS / NACH, members who hold shares in demat mode should inform their Depository participant and such of the members holding shares in physical form should inform the company of the core banking account number allotted to them by their bankers. In cases where the core banking account number is not intimated to the depository participant / Company, the Company will issue dividend warrants to the members.

(b) 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 during the year under review. The Company has transferred to the said Fund, the un-dividend for the year ended 31 March, 2014 which have remained unpaid for seven years.

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 the meetings of Stakeholders' Relationship Committee and the Board of Directors every quarter.

A. Registrar & Share Transfer Agent:

Big Share Services Pvt. Ltd., Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093 Tel: 022-62638200, Fax No. 022-62638299, E-mail : info@bigshareonline.com is the Registrar and Share Transfer Agent of the Company (R & T Agent). They deal with all matters pertaining to transfers, transmissions, sub divisions and consolidation of Company's securities and also correspondence for shares held in physical form. It may be noted that the request for demat of shares should be made by investors to their respective depository participants. There are no legal proceedings against the Company on any share transfer matters.

B. Distribution of Shareholding:

i. Distribution of Shareholding as on 31st March 2022

No. of Equity Shares	HOLDER(S)		HOLDER(S)	
	No. of Folios	% of total Folios	No. of Shares	% of holding
1 to 500	1811	98.47	84,782	13.28
501 to 1000	17	0.92	12,044	1.89
1001 to 2000	3	0.17	4,076	0.64
2001 to 3000	1	0.05	2,019	0.32
3001 to 4000	1	0.05	3,876	0.61
4001 to 5000	-	-	-	-
5001 to 10000	3	0.17	19,941	3.12
10001 & above	3	0.17	5,11,423	80.14
Grand Total	1839	100.00	6,38,161	100.00

**REPORT ON CORPORATE GOVERNANCE****(Contd..)****ii. Shareholding pattern as on 31 March, 2022.**

Category of Share holders	No of Shares held		Number of Share Holders	Percentage of Holding
	Electronic	Physical		
Promoter & Promoter Group	477661	-	1	74.85
Financial Institutions / Banks	-	50	2	0.01
Central & State Governments (IEPF)	17820	-	1	2.79
Bodies Corporate	10574	25	18	1.66
Individuals	104970	20912	1702	19.73
Hindu Undivided Family	4133	-	56	0.65
Trusts	25	-	1	-
NRI	1857	25	20	0.29
Clearing Member	109	-	3	0.02
GRAND TOTAL	617149	21012	1804	100.00

C. Dematerialization of Shares & Liquidity:

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

Category of shares held	No. of Folios	% of total Folios	No. of Shares	% of holding
In Physical Mode	479	26.05	21,012	3.29
In Electronic Mode	1,360	73.95	6,17,149	96.71

D. 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.

E. Shares in respect of which dividend has not been claimed / en-cashed for seven consecutive years transferred to IEPF account :

During the year 2021-22 the Company has transferred 955 Equity shares to IEPF authority.

F. Plant Location: Plot No 15, Phase 1, Peenya Industrial Area, Bengaluru - 560 058.**G. Address for Correspondence:****a) For transfer / dematerialization of Shares, change of address of members and other queries:**

Welcast Steels Limited
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
115-116, G.V.M.M. Estate, Odhav Road, Odhav,
Ahmedabad – 382415, Gujarat.
Phone No. 079-22901078
Email : invest_grievance@welcaststeels.com.



REPORT ON CORPORATE GOVERNANCE

(Contd..)

DETAILS OF NON-COMPLIANCE:

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

NON-MANDATORY REQUIREMENTS:

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

B) Shareholder Rights:

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

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Welcast Steels Limited
Ahmedabad

I have examined the compliance of conditions of Corporate Governance by Welcast Steels Limited, CIN-L27104GJ1972PLC085827 for the year ended 31st March 2022, as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

Further I also state that during the Financial Year 2021-22 the Company has received one complaint from investor and the same has been resolved, hence no investor complaint is pending against the Company as on 31 March, 2022.

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

Place: Bengaluru
Date : 23 May, 2022

Syed Shahbudin
Company Secretary in Practice
C.P. No. 11932
UDIN : A004121D000367431



REPORT ON CORPORATE GOVERNANCE

(Contd..)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To:

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Welcast Steels Limited having CIN: L27104GJ1972PLC085827 and having registered office at 115-116, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad – 382415 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

Sl. No	Name of Director	DIN	Date of appointment in Company
1.	Mr. Bhadresh Kantilal Shah	00058177	30 August, 2001
2.	Mr. Rajendra Shantilal Shah	00061922	23 May, 2007
3.	Mr. Sanjay Shaileshbhai Majmudar	00091305	23 May, 2007
4.	Mr. D.P Dhanuka	00168198	28 February, 1972
5.	Mr. Pradip Rasiklal Shah	00293396	03 May, 1995
6.	Mr. Ashok Asharam Nichani	02249844	02 November, 2011
7.	Mrs. Khushali Samip Solanki	07008918	15 April, 2015

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

Place : Bengaluru
Date : 23 May, 2022

Syed Shahbudin
Company Secretary in Practice
C.P. No. 11932
UDIN : A004121D000367297

**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 2021-2022.

Place: Bengaluru
Date: 23 May, 2022

V.V.R. Mohana Rao
Chief Executive Officer

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFICATION

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

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

- A . We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31 March, 2022 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 accept responsibility 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.

Date :23 May, 2022

V.V.R.MOHANA RAO
Chief Executive Officer
Place: Bengaluru

VIREN K.THAKKAR
Chief Financial Officer
Place: Ahmedabad



REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

A. INDUSTRY OVERVIEW:

Welcast Steels Limited manufactures High Chromium Grinding media balls of various sizes that are used as consumable wear parts in the process of crushing / grinding in the mining and cement industries, thermal power plants. These industries are the basic drivers of infrastructure development and our market prospects are closely linked to the requirement of Grinding Media in these industries. In the long run we can always expect a good demand for our products since infrastructure development will continue to get priority for the progress of all other industries in the country.

However, at present the industry is yet to recover fully from its major set back due to COVID-19 effect. There is slow down in the market and the demand has gone down. The present state of the industry is shadowed with uncertainty and it may take a few more months for the situation to stabilise.

Further to above the export market is also effected due to volatile market conditions created on account on ongoing war between Ukraine and Russia.

B. SEGMENT WISE PERFORMANCE:

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

C. OUTLOOK AND PROSPECTS:

As mentioned above, though the company's products have good demand in normal course of business, the present position is not so encouraging due to COVID-19 effect.

D. CAPEX PLAN:

There are no immediate capex plan.

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 with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded & reported properly to ascertain operating business risks, which are mitigated by regular monitoring and corrective actions.

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

G. FINANCIAL PERFORMANCE REVIEW:

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

• Production

The production achieved is as under.

(Qty.in M.T)

Product	F.Y. 2021 - 2022	F.Y. 2020 - 2021
High Chrome Grinding Media Balls	9,720	14,562

In view of the prevailing condition for low demand for its products, the company took several steps to reduce the fixed overhead expenses.

• Sales Turnover

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

(₹in lakhs)

Particulars	F.Y. 2021 - 2022	F.Y. 2020 - 2021
Sales (Net of GST)	8,597.02	9,795.41
Other Income	72.19	45.90
Total	8,669.21	9,841.31

**REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS****(Contd..)****Key Performance Indicators**

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

₹ In Lakhs

Particulars	FY 2021-2022	% of Revenue	2020-2021	% of Revenue
Revenue from Operations (Net)	8,597.02	100.00	9,795.41	100.00
Cost of Materials Consumed (including Trading Purchase)	5,736.33	66.72	5,764.90	58.85
Employee Benefits Expense	694.75	8.08	876.40	8.95
Other Expenses	2166.06	25.20	3,168.91	32.35
EBIDTA	72.07	0.84	31.10	0.32
Finance Costs	17.58	0.20	28.32	0.29
Depreciation & Amortization Expenses	108.26	1.26	142.98	1.46
Profit/(Loss) before Tax	(53.77)	(0.62)	(140.20)	(1.43)
Tax Expenses	(4.63)	(0.05)	41.83	0.43
Profit/(Loss) for the period after tax	(49.14)	(0.57)	(182.03)	(1.86)

H. INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT:

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

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

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

Sl.No.	Particulars	2021-22	2020-21	Change	Change in %	Explanations
1	Debtors Turnover (Days)	53	44	9	20.45	No significant change
2	Inventory Turnover (Days)	59	59	-	-	
3	Interest coverage Ratio	(2.06)	(3.95)	1.89	(47.85)	Reduced use of bank facility and low rate of interest
4	Current Ratio	3.75	3.36	0.39	11.53	No significant change
5	Debt Equity Ratio	0.09	0.11	(0.02)	(17.63)	No significant change
6	Operating Profit Margin (%)	(0.42)	(1.14)	0.72	(63.14)	Loss for the year
7	Net Profit Margin (%)	(0.60)	(1.87)	1.27	(68.06)	Substantial rise in the input cost are off set with increase in price realisation and reduction in cost of production by efficient management, reduction in power demand, reduction in number of employees due to retirement/ leaving the services have resulted in decrease in the percentage of net loss for the year over the previous year.
8	Return on Net Worth (%)	(1.51)	(5.56)	4.05	(72.81)	Same as above

**J. CAUTIONARY STATEMENT:**

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

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



INDEPENDENT AUDITOR'S REPORT

To,
The Members of
WELCAST STEELS LIMITED
Ahmedabad.

Report on the audit of financial statements

Opinion

We have audited the accompanying financial statements of WELCAST STEELS LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March, 2022, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2022, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Key audit matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1.	Evaluation of Contingent Liabilities. Refer Notes: 37 of the Financial Statements	We have gone through i. the expert opinion obtained by the company, ii. representations made by the company to the concerned authorities, iii. pronouncements made by appellate authorities/ judiciary, iv. other related correspondence on the issues raised by the concerned authorities and v. management judgments and assessed the probability of the contingency.



AUDITOR'S REPORT

Information other than the financial statements and auditors report thereon

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

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

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

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

Management's responsibilities for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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



uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of sub-section (11) of section 143 of the Act and in terms of the information and explanations sought by us and given by the company, we give in Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - i) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - iii) The Balance Sheet, Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - iv) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
 - v) On the basis of the written representations received from the directors, as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 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 B".
 - vii) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, company has not paid any managerial remuneration other than directors' sitting fees, for attending board and committee meetings during the year the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act, and
 - viii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No. 37 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 into any derivative contracts. In view of the above the question of making provision does not arise.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d.
 - (1) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;.
 - (2) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (3) Based on such audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- e. The company has not declared or paid dividend during the year hence the question of compliance with Section 123 of the Act does not arise.

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

MANOJ KUMAR.G
PARTNER
MEMBERSHIP NO.217827
UDIN:-22217827AJSHQV4875

Place : Bengaluru
Date : 23 May, 2022



ANNEXURE -“A” TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIALS STATEMENTS OF WELCAST STEELS LIMITED FOR THE YEAR ENDED 31 MARCH, 2022 (Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

With reference to the “Annexure A” referred to in the Independent Auditors Report to the members of the Company on the Financial Statements for the year ended 31 March, 2022, we report the following:

- (i) As per the books and records produced before us and as per the information and explanations given to us and based on such audit check that we considered necessary and appropriate, we confirm that:
 - (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, plant and equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a regular program of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified every year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties are held in the name of the company.
 - (d) The company has not revalued its Property, Plant and Equipment's or intangible assets hence the reporting if the revaluation is based on the valuation of registered valuer and specifying of changes of more than 10% or more in the aggregate value of each class of PPE as per clause (i)(d) of the Order does not arise.
 - (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Hence the reporting on disclosure of such transactions in the financial statements as per clause (i)(e) of the Order does not arise.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The coverage and procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business and volume of operations. The discrepancies noticed on verification between the physical stocks and the book records were not 10% or more in the aggregate for each class of inventory and have been properly dealt with in the books of account.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks or financial statements are in agreement with the books of account of the Company.
- (iii) During the year the Company has not made investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, except Interest free unsecured loans/advances in the nature of loans to employees, hence the reporting of aggregate amount during the year and balance outstanding of such loan/ advances/ guarantee/ security and the question of investments made, guarantees provided, security given and grant of such loans being prejudicial to company's interest, schedule of repayment of interest and principal, recovery of principal and interest on regular basis and steps for recovery of overdue amount for more than 90 days, loan or advance being renewed or extended or fresh loans granted to settle overdues of existing parties; loan or advance granted either repayable on demand or without specifying any terms or period of repayment as per clause (iii) of the Order does not arise.
- (iv) In our opinion and according to the information and explanations given to us, the company has not given any loans, made in investments, nor given guarantees, and security to any party attracting the provisions of section 185 and 186 of the Companies Act 2013, hence the question of compliance with the said provisions as per clause (iv) of the order does not arise.
- (v) The company has not accepted any deposits from the public, hence the question of compliance with the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and other relevant provisions of the Companies Act, 2013 and the rules framed there under as per clause (v) of the Order does not arise.



AUDITOR'S REPORT

(Contd..)

- (vi) We have broadly reviewed the books of accounts relating to materials, Labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the records of the Company, the company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods & Services Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues to the extent applicable to it.
- (b) According to the information and explanation given to us and based on the records verified by us, we state that no undisputed amount payable in respect of Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Goods & Services Tax, Value Added Tax, Duty of Customs, Duty of Excise or Cess and other statutory dues which have remained outstanding as at 31 March, 2022 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us there are no dues of Income Tax, Sales Tax, Value Added Tax, Service Tax, Goods & Services Tax, Duty of Customs, Duty of Excise or Cess and other statutory dues, which have not been deposited on account of dispute except as stated below-

Sl No	Statute	Nature of Liabilities	Amount in dispute including interest (Rs in Lakhs)	Period to which amount relates	Forum where Dispute pending
1	Finance Act, 1994	Service Tax	197.61	September 2004 to August 2006	Customs, Excise & Service Tax Appellate Tribunal, Bangalore.
2	Customs Act, 1962	Customs Duty	1012.33	February 2005 to September 2005	Supreme Court of India

- (viii) According to the information and explanations given to us and on an overall examination of the financial statements, there are no transactions not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence the reporting whether the previously unrecorded income has been properly recorded in books of account during the year as per clause 3(viii) of the Order does not arise
- (xi) (a) According to the information and explanation given to us the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loan during the year for the purposes for which it was obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us, and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates. The Company do not have any subsidiaries or joint ventures or associate companies.
- (f) According to the information and explanations given to us, and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. The Company do not have any subsidiaries or joint ventures or associate companies.
- (x) The company has not raised any money by way of initial public offer or further public offer (including debt instruments), hence the question of application of moneys raised by way of initial public offer, further public offer for the purpose for which they were raised does not arise. Therefore the provisions of clause (x) (a) & (b) of the Order are not applicable.



AUDITOR'S REPORT

(Contd..)

- (xi) (a) 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 has been noticed or reported during the year.
- (b) To the best of our knowledge and according to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT -4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) (a) to (c) of the Order are not applicable to the Company.
- (xiii) In our opinion, the company has complied with the provisions of Sections 177 and 188 of the Act and disclosed such transactions in the Financial Statements etc., as required by applicable Indian Accounting Standards in respect of transactions entered into with related parties.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- (xv) In our opinion the Company has not entered into any non-cash transactions with directors or persons connected with them; hence the requirement of compliance to provisions of Section 192 of the Act as per clause (xv) of the Order does not arise.
- (xvi) (a) The company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934, hence the requirements of clause (xvi) of the Order does not arise.
- (b) The Company has not conducted any non-banking financial or housing finance activities without a valid certificate of Registration (CoR) from the Reserve Bank of India as per Reserve Bank of India Act, 1934.
- (c) The Company is not a core investment company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) The Company has no CIC hence the requirements of Clause (xvi) (d) of the Order does not arise
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the Company statutory auditors during the year hence, Clause 3(xviii) of the order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing as at the date of the balance sheet and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither given any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of sec 135 (Corporate Social Responsibility) of the Act are not applicable to the company for the year and hence the reporting requirements under Clause 3 (xx) of the order is not applicable.
- (xxi) The accounts reported being standalone financials, hence the provision of Clause 3(xxi) of the Order is not applicable.

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

Place :Bengaluru
Date : 23 May, 2022

MANOJ KUMAR.G
PARTNER
MEMBERSHIP NO.217827
UDIN: 22217827AJSHQV4875



AUDITOR'S REPORT

(Contd..)

ANNEXURE - "B" TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIALS STATEMENTS OF WELCAST STEELS LIMITED FOR THE YEAR ENDED 31 MARCH, 2022

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

Report on the Internal Financial Controls with reference to the aforesaid Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting of Welcast Steels limited ("the Company") as of 31 March, 2022 in conjunction with our audit of the financial statements of the company for the year ended on that date.

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 31 March, 2022, 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 Control Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

Management's Responsibility for Internal Financial Controls

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

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by Institute of Chartered Accountants of India ('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 with reference to financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;



- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial reporting

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

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

Place :Bengaluru
Date: 23 May, 2022

MANOJ KUMAR.G
PARTNER
MEMBERSHIP NO.217827
UDIN:-22217827AJSHQV4875



Balance Sheet As at 31 March, 2022

₹ In Lakhs

Particulars	Note No.	As at 31 March, 2022	As at 31 March, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	733.10	652.58
(b) Capital work-in-progress	5	-	-
(c) Intangible assets	6	1.23	1.72
(d) Financial assets			
(i) Loans	7	0.64	0.30
(ii) Other financial assets	8	213.97	447.44
(e) Deferred tax assets (net)	35b	25.99	21.36
(f) Other tax assets (net)	9	40.21	69.09
(g) Other non-current assets	10	28.68	188.40
Total non-current assets		1,043.82	1,380.89
Current assets			
(a) Inventories	11	1,677.89	1,005.45
(b) Financial assets			
(i) Trade receivables	12	1,099.05	1,398.53
(ii) Cash and cash equivalents	13	289.60	222.94
(iii) Bank balances other than (ii) above	14	13.48	11.75
(iv) Loans	15	5.41	5.21
(v) Other financial assets	16	66.97	31.51
(c) Other current assets	17	94.52	94.47
Total current assets		3,246.92	2,769.86
Total assets		4,290.74	4,150.75
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	63.84	63.84
(b) Other equity	19	3,188.39	3,212.19
Total equity		3,252.23	3,276.03
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
- Borrowings	20	127.00	-
(b) Provisions	21	46.17	51.43
Total non-current liabilities		173.17	51.43
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	157.00	347.30
(ii) Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		7.93	0.79
Total outstanding dues of creditors other than micro enterprises and small enterprises		526.56	203.76
(iii) Other financial liabilities	24	82.00	84.80
(b) Other current liabilities	25	69.44	166.75
(c) Provisions	26	22.41	19.89
Total current liabilities		865.34	823.29
Total liabilities		1,038.51	874.72
Total equity and liabilities		4,290.74	4,150.75

The accompanying notes are integral part of these financial statements

2-53

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

MANOJ KUMAR G
Partner
Membership No 217827
UDIN:-22217827AJSHQV4875

Place : Bengaluru
Date : 23 May, 2022

For and on behalf of the Board of Directors
Welcast Steels Limited
CIN: L27104GJ1972PLC085827

D.P.DHANUKA
Chairman
DIN: 00168198

MOHANA RAO V.V.R.
Chief Executive Officer

Place : Bengaluru
Date : 23 May, 2022

BHADRESH K.SHAH
Director
DIN 00058177

S N JETHELIYA
Company Secretary
ACS:5343

VIREN K. THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 23 May, 2022



Statement of Profit & Loss for the year ended 31 March, 2022

₹ In Lakhs

Particulars	Note	For the year ended 31 March, 2022	For the year ended 31 March, 2021
INCOME			
Revenue from operations	27	8,597.02	9,795.41
Other income	28	72.19	45.90
Total income		8,669.21	9,841.31
EXPENSES			
Cost of materials consumed	29	5,946.92	5,231.05
Changes in inventories of finished goods and work-in-progress	30	(210.59)	533.85
Employee benefits expense	31	694.75	876.39
Finance costs	32	17.58	28.32
Depreciation and amortization expense	33	108.26	142.98
Other expenses	34	2,166.06	3,168.92
Total expenses		8,722.98	9,981.51
Profit/ (Loss) before tax		(53.77)	(140.20)
Tax expense	35		
Current tax		-	-
Deferred tax		(4.63)	41.83
		(4.63)	41.83
Profit / (Loss) for the year		(49.14)	(182.03)
Other Comprehensive Income			
(i) Items that will not be reclassified to statement of profit and loss		25.34	21.54
(ii) Income tax relating to items that will not be reclassified to statement of profit and loss		-	(5.42)
Other comprehensive income/(loss) for the year (net of tax)		25.34	16.12
Total comprehensive income for the year (comprising profit / (loss) and other comprehensive income for the year)		(23.80)	(165.91)
Earnings per equity share - Equity share of par value ₹ 10/- Basic and diluted		(7.70)	(28.52)

The accompanying notes are integral part of these financial statements

2-53

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

MANOJ KUMAR G
Partner
Membership No 217827
UDIN:-22217827AJSHQV4875

Place : Bengaluru
Date : 23 May, 2022

For and on behalf of the Board of Directors
Welcast Steels Limited
CIN: L27104GJ1972PLC085827

D.P.DHANUKA
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S N JETHELIYA
Company Secretary
ACS:5343

VIREN K. THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 23 May, 2022



Statement of changes in Equity for the year ended 31 March, 2022

₹ In Lakhs

A. Equity share capital		
Particulars	As at 31 March, 2022	As at 31 March, 2021
Balance at the beginning of the reporting year	63.84	63.84
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	63.84	63.84

B. Other equity					₹ In Lakhs
Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Securities premium reserve	General reserve	Retained earnings	Remeasurement of defined benefit plan	
Balance as at 1 April, 2020	47.79	371.86	2,958.45	-	3,378.10
Profit / (Loss) for the year	-	-	(182.03)	-	(182.03)
Recognized during the year	-	-	-	16.12	16.12
Transferred to retained earnings	-	-	16.12	(16.12)	-
Balance as at 31 March, 2021	47.79	371.86	2,792.54	-	3,212.19
Profit / (Loss) for the year	-	-	(49.14)	-	(49.14)
Recognized during the year	-	-	-	25.34	25.34
Transferred to retained earnings	-	-	25.34	(25.34)	-
Balance as at 31 March, 2022	47.79	371.86	2,768.75	-	3,188.39

Nature and purpose of reserves:

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

The accompanying notes are integral part of these financial statements 2-53

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

MANOJ KUMAR G
Partner
Membership No 217827
UDIN:-22217827AJSHQV4875

Place : Bengaluru
Date : 23 May, 2022

For and on behalf of the Board of Directors
Welcast Steels Limited
CIN: L27104GJ1972PLC085827

D.P.DHANUKA
Chairman
DIN: 00168198

MOHANA RAO V.V.R.
Chief Executive Officer

Place : Bengaluru
Date : 23 May, 2022

BHADRESH K.SHAH
Director
DIN 00058177

S N JETHELIYA
Company Secretary
ACS:5343

VIREN K. THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 23 May, 2022



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

₹ In Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
A. Cash flows from operating activities		
Profit / (Loss) before tax	(53.77)	(140.20)
Add / (Less) : adjustments		
Interest Income	(61.05)	(42.19)
Loss / (Profit) on disposal of property, plant and equipment	0.05	-
Bad debts	1.80	-
Depreciation and amortization	108.26	142.98
Finance cost	17.58	28.32
Cash generated from operations before working capital changes:	12.87	(11.09)
Changes in working capital		
(Increase) / Decrease in trade receivable	297.68	(461.95)
(Increase) / Decrease in loans	(0.20)	5.84
(Increase) / Decrease in inventories	(672.44)	1,035.44
(Increase) / Decrease in other financial assets	(0.34)	0.39
(Increase) / Decrease in other current assets	(34.95)	280.14
(Increase) / Decrease in other non-current assets	393.19	5.56
Increase / (Decrease) in provisions	22.60	(151.96)
Increase / (Decrease) in trade payables	329.94	(414.35)
Increase / (Decrease) in other current liabilities	(98.91)	(79.65)
Cash generated from operations	249.44	208.37
(Income taxes paid) / Income tax refund received	28.88	11.62
Net cash generated by operating activities (A)	278.32	219.99
B. Cash flows from investing activities		
Acquisition of property, plant and equipment, CWIP & other intangibles	(188.34)	(6.98)
Proceeds from sale of property, plant & equipment	-	-
(Investment in) / redemption of fixed deposits with Bank (net)	(2.93)	(4.31)
Interest income	60.49	40.36
Net cash (used in) / generated from investing activities (B)	(130.78)	29.07
C. Cash flows from financing activities		
Proceeds from / (Repayment) of current borrowings	(347.30)	(52.70)
Proceeds from / (Repayment) of current borrowings	157.00	-
Increase / (Decrease) in non-current borrowings	127.00	-
Finance cost	(17.58)	(28.32)
Dividend paid	-	-
Net cash (used in) / generated from financing activities (C)	(80.88)	(81.02)
Net increase / (Decrease) in cash and cash equivalents (A+B+C)	66.66	168.04
Add: Cash and cash equivalents at the beginning of the year	222.94	54.90
Cash and cash equivalents at the end of the year	289.60	222.94
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents at the end of the year (Note 13)		
(a) Cash on Hand	0.56	0.86
(b) Balance with bank - In Current Accounts	15.97	31.24
(c) Balances with bank in fixed deposit accounts -maturity less than 3 months from the date of reporting	273.07	190.84
Total	289.60	222.94

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

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

MANOJ KUMAR G
Partner
Membership No 217827
UDIN:-22217827AJSHQV4875

Place : Bengaluru
Date : 23 May, 2022

For and on behalf of the Board of Directors
Welcast Steels Limited
CIN: L27104GJ1972PLC085827

D.P.DHANUKA
Chairman
DIN: 00168198

MOHANA RAO V.V.R.
Chief Executive Officer

Place : Bengaluru
Date : 23 May, 2022

BHADRESH K.SHAH
Director
DIN 00058177

S N JTHELIYA
Company Secretary
ACS:5343

VIREN K. THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 23 May, 2022



Notes to the Financial Statements as at 31 March, 2022

Significant accounting policy and Notes to the Financial Statements for the financial year ended 31 March, 2022

1. Background

Welcast Steels Limited (the 'Company') is a Company domiciled in India, with its registered office situated at 115, G.V.M.M Estate, Odhav Road, Odhav, Ahmedabad-382415, Gujarat, India. The Company has been incorporated under the provisions of Companies Act applicable in India and its equity shares are listed on the Bombay Stock Exchange Ltd (BSE) in India. The Company is primarily involved in manufacturing of High Chrome Grinding Media Balls used in mill Internals of cement and mining industry.

2. Basis of preparation

2.1 Statement of compliance

The Ind AS financial statements of the Company comprises, the balance sheet as at 31 March 2022, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein referred to as "financial statements"). These financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements are approved for issue by the Audit Committee and Board of Directors at their meetings held on 23 May, 2022

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

2.2 Basis of measurement

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

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

2.3 Use of estimates and judgments

In preparing these financial statements, the management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses based on historical experiences and other factors including expectations of future events that may have impact on the company and that are reasonable under the circumstances. As more fully explained in Note 47, the ongoing pandemic relating to COVID-19 may have an impact on the use of assumptions and judgments. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgments

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

Note 43 – determining the amount of expected credit loss on financial assets (including trade receivables)

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March, 2022 is included in the following notes:

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

Note 35(b) – recognition of deferred tax liabilities;

Note 39 – measurement of defined benefit obligations: key actuarial assumptions;

Notes 21, 26, and 37 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources:

2.4 Measurement of fair values

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

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

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

**2.5 Functional and presentation currency**

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

3. SIGNIFICANT ACCOUNTING POLICIES**(a). Foreign currency transactions**

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

(b). Financial instruments**Recognition and initial measurement**

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

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

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

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

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

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

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

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

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

(c) De-recognition**Financial assets**

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

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

Financial liabilities

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

Offsetting

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

(d). Property, plant & equipment :**Recognition and measurement**

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

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

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

Subsequent measurement :

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

**Depreciation**

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

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

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

De recognition

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

(e). Intangible asset

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

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

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

(f). Inventories

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

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

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

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

(g). Revenue recognition:

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

**Sale of goods**

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

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

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

Other operating revenue – export incentives

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

(h). Other income

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

(i). Employee benefits**Defined contribution plans:**

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

Defined benefit plans:

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

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

Compensated absence:

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

Short term employee benefit

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

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

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

**Onerous contracts**

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

Contingent liability

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

Contingent assets

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

(k). TAXATION**Current tax**

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

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

Deferred tax

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

Deferred tax assets are recognized to the extent that it is probable that the future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that the future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized.

Deferred tax assets unrecognized or recognized, are reviewed at each reporting date and are recognized / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realized.

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

(l). Impairment of assets

At each Balance Sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and



carrying account, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. Impairment losses recognized in prior years, if any, are reversed when there is an indication that recognized impairment losses for the asset, no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

(m). Cash and cash equivalents

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

(n). Earnings per share

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

(o). Borrowing cost

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

(p). Events after reporting date

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

(q). Segment reporting

The company manufactures and deals with a single product, Alloy steel Cast Grinding Media. Also Company's operations are solely situated in India. Hence there are no reportable segments as required by Ind AS - 108 "Operating Segments" under the Companies (Indian Accounting Standards) Rules, 2015. For the disclosure on reportable segments see Note 42.

(r). Operating cycle:

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



Notes to the Financial Statements as at 31 March, 2022

(Contd..)

Note 4: Property, Plant and Equipment

₹ In Lakhs

Particulars	Freehold Land	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Others*	Total
Gross block:									
As at 1 April, 2020	3.25	-	648.87	3,633.62	54.83	27.66	107.31	119.91	4,595.45
Additions	-	-	-	2.44	-	-	1.24	3.30	6.98
Disposals / adjustments during the year	-	-	-	-	-	4.53	-	1.04	5.57
As at 31 March, 2021	3.25	-	648.87	3,636.06	54.83	23.13	108.55	122.17	4,596.86
Additions	-	185.00	-	-	-	-	0.41	1.99	187.40
Disposals / adjustments during the year	-	-	-	-	-	-	0.06	0.59	0.65
As at 31 March, 2022	3.25	185.00	648.87	3,636.06	54.83	23.13	108.90	123.57	4,783.61
Accumulated depreciation:									
As at 1 April, 2020	-	-	511.31	3,017.55	47.95	24.88	97.43	109.58	3,808.70
Charge for the year	-	-	13.05	118.38	1.42	0.73	2.54	4.54	140.66
Disposals / adjustments during the year	-	-	-	-	-	4.46	-	0.62	5.08
As at 31 March, 2021	-	-	524.36	3,135.93	49.37	21.15	99.97	113.50	3,944.28
Charge for the year	-	-	11.75	88.96	1.03	0.48	1.78	2.83	106.83
Disposals / adjustments during the year	-	-	-	-	-	-	0.04	0.56	0.60
As at 31 March, 2022	-	-	536.11	3,224.89	50.40	21.63	101.71	115.77	4,050.51
Net Block									
As at 31 March, 2021	3.25	-	124.51	500.13	5.46	1.98	8.58	8.67	652.58
As at 31 March, 2022	3.25	185.00	112.76	411.17	4.43	1.50	7.19	7.80	733.10

* Others include laboratory equipment and computer hardware.

Notes:

- Out of total assets, identified assets comprising factory land, buildings and plant and machineries of the Company are mortgaged / hypothecated to Canara Bank for availing various working capital facilities to the tune of ₹ 1,500 lakhs.
- Refer Note 37 B for contractual commitments with respect to property, plant and equipment.
- The title deeds of all the immovable properties (other than the properties where the company is the lessee under the lessee agreements are duly executed in favour of the lessee) are held in the name of the Company individually/solely.
- Lease hold land is registered in the name of the company under Lease cum sale basis by Karnataka Industrial Area Development Board.
- During the year under review the company had not made any re-valuation of its property, plant and equipment.
- The Company does not holds any Benami property and there are no proceedings against the company under the benami transaction (prohibition) Act 1988 (as amended from time to time.)

Note 5: Capital work-in-progress

₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balance at the beginning of the year	-	-
Additions during the year	-	-
Capitalisation during the year	-	-
Balance at the end of the year	-	-


Notes to the Financial Statements as at 31 March, 2022
(Contd..)
Note 6: Other intangible assets
₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2022
	Software	Total
Gross block:		
As at 1 April, 2020	12.06	12.06
Additions during the year	0.46	0.46
Disposals / adjustments during the year	-	-
As at 31 March, 2021	12.52	12.52
Additions during the year	0.93	0.93
Disposals / adjustments during the year	-	-
As at 31 March, 2022	13.45	13.45
Amortisation:		
As at 1 April, 2020	8.47	8.47
Charge for the year	2.32	2.32
Disposal / Adjustments	-	-
As at 31 March, 2021	10.79	10.79
Charge for the year	1.43	1.43
Disposal / Adjustments	-	-
As at 31 March, 2022	12.22	12.22
Net Block		
As at 31 March, 2021	1.73	1.73
As at 31 March, 2022	1.23	1.23

Note 7: Loans
₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non-current loans	-	-
Loans to staff -(Unsecured, considered good)	0.64	0.30
Total	0.64	0.30
Loans / Advance in the nature of loan - repayable on demand to promoters, Directors, KMP and related parties	-	-
Loans / Advance in the nature of loan - without specifying any terms or period of repayment	-	-
Loans due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.	-	-

Note 8 : Other financial assets
₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Security deposits (unsecured, considered good)	201.75	433.47
Fixed deposits against margin money on bank guarantees more than 12 months from the date of reporting	12.22	13.97
Total	213.97	447.44

Note 9 : Other tax assets (net)
₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance income tax / tax deducted at source (net of provision for tax)	40.21	69.09
Total	40.21	69.09


Notes to the Financial Statements as at 31 March, 2022
(Contd..)
Note 10 : Other non-current assets
₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Capital advances	28.68	188.40
Total	28.68	188.40

Note 11: Inventories
₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Raw materials	500.09	115.22
Raw material in transit	63.19	-
Work-in-progress	234.05	116.86
Finished goods	390.23	296.83
Stores & spares	490.33	476.54
Total	1,677.89	1,005.45

*Inventories are hypothecated to secure working capital facilities from bank (Ref. Note 20 & 22)

Note 12: Trade receivables
₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
*Current trade receivables (unsecured)		
# Considered good	1,099.05	1,398.53
Trade receivables which have significant increase in credit risk	-	-
Trade Receivables – Credit impaired	-	-
Less: Provision for doubtful receivables	-	-
Total	1,099.05	1,398.53
# Includes trade receivable from related parties (refer Note 40)	164.97	703.84
Debts due by directors or other officers of the company on any of them either severally or jointly with any other persons or debts due by firms or private companies respectively in which any director is a partner or a director or a member	-	-

* Trade receivables are hypothecated to secure working capital facilities from Bank (refer Note 20 & 22)

(i) Disputed trade receivable - considered good
₹ In Lakhs

Outstanding for following periods from due date of payment		
Un-billed	-	-
Not due	1,021.46	780.01
Less than 6 months	77.26	645.88
6 months - 1 year		0.84
1 to 2 years	0.33	-
2 to 3 years	-	-
more than 3 years		1.80
Total	1,099.05	1,398.53

(ii) Undisputed trade receivables - which have significant increase in credit risk
₹ In Lakhs

Outstanding for following periods from due date of payment		
Un-billed	-	-
Not due	-	-
Less than 6 months	-	-
6 months - 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
more than 3 years	-	-
Total	-	-



(iii) Un disputed trade receivables - credit impaired

₹ In Lakhs

Outstanding for following periods from due date of payment		
Un-billed	-	-
Not due	-	-
Less than 6 months	-	-
6 months - 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
more than 3 years	-	-
Total	-	-

(iv) Disputed trade receivable considered good

Outstanding for following periods from due date of payment		
Un-billed	-	-
Not due	-	-
Less than 6 months	-	-
6 months - 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
more than 3 years	-	-
Total	-	-

(v) Disputed trade receivable - which have significant increase in credit risk

Outstanding for following periods from due date of payment		
Un-billed	-	-
Not due	-	-
Less than 6 months	-	-
6 months - 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
more than 3 years	-	-
Total	-	-

(vi) Disputed trade receivable - credit impaired

Outstanding for following periods from due date of payment		
Un-billed	-	-
Not due	-	-
Less than 6 months	-	-
6 months - 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
more than 3 years	-	-
Total	-	-

**Notes to the Financial Statements as at 31 March, 2022****(Contd..)****Note 13: Cash and cash equivalents**

₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Cash and cash equivalents		
Balances with banks - In current accounts	15.97	31.24
Balances with bank in FD accounts -maturing: Less than 3 months from the date of reporting	273.07	190.84
Cash on hand	0.56	0.86
Total	289.60	222.94

Note 14: Other bank balances

₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balances with bank in fixed deposit accounts -maturing: after 3 months and within 12 months	11.67	8.74
Earmarked balances with bank (unpaid dividend)*	1.81	3.01
Total	13.48	11.75

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

Note 15 : Loans

₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current loans		
Loans to related parties	-	-
Other loans	-	-
Loans to Staff un secured, considered good	5.41	5.21
Loans Receivables considered good- secured		
Loans Receivables considered good- unsecured	-	-
Loans Receivables which have significant increase in credit risk	-	-
Loans Receivables-credit impaired	-	-
Total	5.41	5.21
Less: Provision for bad and doubt full loans	-	-
Total	5.41	5.21
Loans / Advance in the nature of loan - repayable on demand to promoters, Directors, KMP and related parties	-	-
Loans / Advance in the nature of loan - without specifying any terms or period of repayment	-	-
Loans due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.	-	-

**Notes to the Financial Statements as at 31 March, 2022****(Contd..)****Note 16: Other financial assets (current)**

₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Security deposits (unsecured, considered good)	38.60	3.70
Interest accrued on fixed deposits	28.37	27.81
Total	66.97	31.51

Note 17: Other current assets

₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advances other than capital advances		
Other advances		
Advances to suppliers	35.89	57.64
Others		
Balances with government authorities	1.57	13.07
Advance against gratuity	34.13	14.92
Prepaid expenses	22.93	8.84
Total	94.52	94.47

Note 18: Equity share capital

₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Authorised Share Capital 2,000,000 (previous year: 2,000,000) equity shares of face value ₹ 10/- each	200.00	200.00
Issued, subscribed and fully paid up share capital 6,38,161 Equity Shares (Previous Year 6,38,161) of face value of ₹10/- each fully paid up	63.82	63.82
Forfeited Shares Equity shares of ₹10/- each (originally paid up @ ₹ 5/- per share on 425 numbers)	0.02	0.02
Total	63.84	63.84



Notes to the Financial Statements as at 31 March, 2022

(Contd..)

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

₹ In Lakhs

Equity Shares	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding as at the beginning of the year	638,161	63.82	638,161	63.82
Add/ (Less): Shares allotted/ (bought back) during the year	-	-	-	-
Shares outstanding as at the end of the year	638,161	63.82	638,161	63.82

(b) Terms/Rights attached to equity shares

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

The company has neither allotted any shares by way of bonus shares nor pursuant to contract without payment being received in cash nor bought back any shares during the immediately preceding five financial years pursuant to contract without payment being received in cash.

(c) Details of each shareholder holding more than 5% shares and Shares held by the holding company / Promoters

₹ In Lakhs

Name of the shareholder	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares	% of holding	Number of shares	% of holding
Shares held by holding co / promoters at the end of the year AIA Engineering Ltd - Holding Company	477,661	74.85	477,661	74.85

Note 19: Other equity

₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Reserves and surplus		
(a) Securities premium reserve		
Balance at the beginning and at the end of the year	47.79	47.79
(b) General reserve		
Balance at the beginning and at the end of the year	371.86	371.86
(c) Retained earnings		
Balance at the beginning of the year	2,792.54	2,958.45
Add: Profit/ (Loss) for the year	(49.14)	(182.03)
Less: Re-measurement of defined benefit obligations transferred from OCI	25.34	16.12
Less: Dividends paid #	-	-
Less: Income tax on dividends paid #	-	-
Balance at the end of the year	2,768.74	2,792.54
Total reserves and surplus (A)	3,188.39	3,212.19
Other comprehensive income (OCI)		
Balance at the beginning of the year	-	-
Recognised during the year	25.34	16.12
Less: Transferred to retained earnings	(25.34)	(16.12)
Balance at the end of the year	-	-
Total other comprehensive income (B)	-	-
Total other equity (A+B)	3,188.39	3,212.19

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

Dividend on equity shares paid during the year:

Final dividend paid for the financial year 2020-21 Rs Nil (for financial year 2019-20: Rs Nil) per equity share of Rs.10 each.

Note:

Board of Directors have proposed final dividend of NIL per equity share for the financial year 2021-22. No interim dividend was declared and paid during the financial year 2021-22.

**Notes to the Financial Statements as at 31 March, 2022****(Contd..)****Note 20: Long term borrowings**

₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Other Loan	-	-
From Bank under ECLGS	127.00	-
Total	127.00	-

There is no default in repayment of borrowings and interest as on the balance sheet date.

- Borrowing is from Canara Bank carrying interest rate of 7.50% per annum (Pre Year nil) and secured by second charge with the existing credit facilities with the same bank by way of hypothecation of both present and future stocks, book debts and plant and machinery stored / installed at Plot no 15, Phase 1, Peenya Industrial Area, Bangalore 560058.
- Terms of repayment : 36 Equated monthly instalments + 1 month after the moratorium period of two years from the date of disbursement. Repayment commences from 12-12-2023
- Quarterly returns /statements of current assets filed by the company with the bank are in agreement with the books of accounts
- Creation or satisfaction of charges are not pending for registration with Registrar of companies beyond the statutory period.
- Borrowing is sanctioned by Canara Bank for the purpose of working capital requirement and it is utilised for the same purpose of working capital only
- The Company has not been declared as a wilful defaulter (as per RBI circular) by any bank or financial institution or any other lender at any time during the financial year or after the end of the reporting period but before the date when financial statements are approved.

Note 21: Provisions

₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non-current provisions		
Provision for employee benefits		
- Gratuity	-	-
- Leave encashment	46.17	51.43
Total	46.17	51.43

Note 22: Borrowings

₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current borrowings		
Loans repayable on demand against bills discounting	157.00	-
Secured loans from banks (packing credit)	-	347.30
Total	157.00	347.30

- Bill discounting facility from bank against letter of credit backed by supply bills. Interest rate is 5.00 % per annum. Terms of repayment: 150 days from the date of funding. Previous year: Packing credit facility from Canara Bank carrying interest rate around 8.10% (PY 8.30%). After the company being classified as MSME and benefits derived from it and Interest subvention the interest rate is around 3%.
- These borrowings are secured by hypothecation of Plant and Equipment, accessories, book debts and inventories and further secured by mortgage of land and buildings.
- Borrowing is sanctioned by Canara Bank for the purpose of working capital requirement and it is utilised for the same purpose of working capital only
- Quarterly returns /statements of current assets filed by the company with the bank are in agreement with the books of accounts
- The Company has not been declared as a wilful defaulter (as per RBI circular) by any bank or financial institution or any other lender at any time during the financial year or after the end of the reporting period but before the date when financial statements are approved.
- Creation or satisfaction of charges are not pending for registration with Registrar of companies beyond the statutory period.


Notes to the Financial Statements as at 31 March, 2022
(Contd..)
Note 23 : Trade payables
₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Total outstanding - Creditors		
Total outstanding dues of creditors-micro enterprises and small enterprises	7.93	0.79
Due to related parties	-	0.58
Due to others	526.56	203.18
Total	534.49	204.55
Outstanding for a period from due date of payment-Un billed		
(i) MSME	-	-
(ii) Others	-	-
(iii) Disputed dues - MSME	-	-
(iv) Disputed dues - Others	-	-
Outstanding and due date of payment-Not due		
(i) MSME	7.93	0.79
(ii) Others	374.26	60.35
(iii) Disputed dues - MSME	-	-
(iv) Disputed dues - Others	-	-
Outstanding for a period of less than 1 year from due date of payment		
(i) MSME	-	-
(ii) Others	152.23	142.48
(iii) Disputed dues - MSME	-	-
(iv) Disputed dues - Others	-	-
Outstanding for a period of 1-2 years from due date of payment		
(i) MSME	-	-
(ii) Others	0.07	0.93
(iii) Disputed dues - MSME	-	-
(iv) Disputed dues - Others	-	-
Outstanding for a period of 2-3 years from due date of payment		
(i) MSME	-	-
(ii) Others	-	-
(iii) Disputed dues - MSME	-	-
(iv) Disputed dues - Others	-	-
Outstanding for more than 3 years from due date of payment		
(i) MSME	-	-
(ii) Others	-	-
(iii) Disputed dues - MSME	-	-
(iv) Disputed dues - Others	-	-


Notes to the Financial Statements as at 31 March, 2022
(Contd..)

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31 March 2021 (31 March 2020) is provided as under, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.	-	-
Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act):	-	-
Principal amount due to micro and medium and small enterprises Interest due on above	-	-
Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the principal amount of the payment made to the supplier beyond the appointed day during the period.	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

Note :

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

Note 24: Other financial liabilities
₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unpaid dividends *	1.81	3.01
Salary, wages and bonus payable	80.19	81.79
Total	82.00	84.80

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

Note 25: Other current liabilities
₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance from customers	0.50	1.37
Statutory dues and other payables	68.94	165.38
Total	69.44	166.75

Note 26: Provisions
₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current provisions		
Provision for employee benefits Leave encashment	- 22.41	- 19.89
Total	22.41	19.89

Note 27: Revenue and operations
₹ In Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Sale of products	8,244.23	9,755.23
Other operating revenue	352.79	40.18
Total	8,597.02	9,795.41


Notes to the Financial Statements for the year ended 31 March, 2022
(Contd..)
Disclosures pursuant to Indian Accounting Standard (Ind AS) 115
Revenue from Contract with Customers
₹ In Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Reconciliation of revenue from operations with the contracted price:		
Contracted price	8,244.23	9,755.23
Adjustments :		
- Discounts	-	-
- Sales return	-	-
Sale of products	8,244.23	9,755.23
Other operating revenue (Sale of Raw materials)	352.79	40.18
Revenue from operations	8,597.02	9,795.41
Revenue disaggregation by geography:		
within India	8,597.02	9,795.41
Outside India:	-	-

Contract balances:

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

₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade receivables	1,099.05	1,398.53
Contract assets	-	-
Contract liabilities	-	-
Advance from customers	0.50	92.91

Note 28: Other income
₹ In Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest income	61.05	42.19
Interest income on refund of income tax	3.58	-
Insurance claim	0.10	-
Miscellaneous receipts	7.46	3.71
Total	72.19	45.90

Note 29: Cost of materials consumed
₹ In Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening stock at the beginning of the year	115.22	501.04
Add: Purchases during the year	6,331.79	4,845.23
Less: Closing stock at the end of the year	500.09	115.22
Total	5,946.92	5,231.05

**Notes to the Financial Statements for the year ended 31 March, 2022****(Contd..)****Note 30: Changes in inventories of finished goods and work-in-progress and stock in trade**

₹ In Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening stock		
Work-in-progress	116.86	197.33
Finished goods	296.83	750.21
Sub Total (a)	413.69	947.54
Closing stock		
Work-in-progress	234.05	116.86
Finished goods	390.23	296.83
Sub Total (b)	624.28	413.69
Total (a-b)	(210.59)	533.85

Note 31: Employee benefits expense

₹ In Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Salaries, wages and bonus	621.77	768.51
Contribution to provident and other funds	34.30	43.29
Expenses related to post employment defined benefit plans (Ref Note 39 (B))	16.49	30.41
Staff welfare expenses	22.19	34.18
Total	694.75	876.39

Note 32: Finance costs

₹ In Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest on:		
Bank borrowings	17.53	27.94
Others	0.05	0.38
Total	17.58	28.32

Note 33: Depreciation and amortisation

₹ In Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Depreciation of property, plant and equipment (refer Note 4)	106.83	140.66
Amortisation of intangible assets (refer Note 6)	1.43	2.32
Total	108.26	142.98


Notes to the Financial Statements for the year ended 31 March, 2022
(Contd..)
Note 34: Other expenses
₹ In Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Manufacturing Expenses		
Consumption of stores	369.26	527.00
Power and Fuel	1,172.88	1,728.95
Contract labour charges	191.15	309.37
Repairs and maintenance		
- Buildings	5.11	5.57
- Plant and machineries	22.49	40.72
- Others	28.52	23.50
Administrative Expenses		
Rent	3.40	4.19
Rates and taxes	14.50	10.65
Insurance	28.47	44.12
Security expenses	29.56	35.78
Communication expenses	4.11	4.74
Printing & Stationery	3.70	3.76
Travelling and conveyance expenses	2.09	1.55
Advertisement	1.87	0.90
Directors' sitting fees	6.40	7.75
Payments to auditors statutory audit fees	3.00	3.00
Legal and professional consultancy fees	64.80	50.63
Bank commission charges	5.28	9.28
Vehicle maintenance	1.81	2.87
Donation	-	-
Other miscellaneous expenses	18.36	22.26
Selling Expenses		
Bad Debts	1.80	-
Packing materials	34.78	118.95
Freight outward	148.32	211.09
Inspection & test charges and sales promotion	4.40	2.29
Total	2,166.06	3,168.92

Note 35: Tax expenses
₹ In Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(a) Income tax expense		
Current tax		
Provision for current tax		
Excess provision for current tax of earlier years written back		
Net deferred tax [refer Note 35C]	(4.63)	41.83
Income tax expense for the year	(4.63)	41.83


Notes to the Financial Statements for the year ended 31 March, 2022
(Contd..)
(b) Deferred tax
₹ In Lakhs

Deferred tax assets	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Difference between written down value of property, plant and equipment and other intangible assets as per books of account and Income-tax, Act 1961	8.73	7.16
Others	17.26	14.20
Total	25.99	21.36
Deferred tax assets (net) [refer Note 35C]	25.99	21.36

(c) Movement in deferred tax
₹ In Lakhs

Particulars	Opening Balance As at 1st April	Statement of Profit and Loss	Other Compre- hensive Income	Closing balance As at 31st March
2021-22				
Deferred tax assets				
Difference between written down value of property, plant and equipment and other intangible assets as per books of account and Income-tax, Act 1961	7.17	1.56		8.73
Total	7.17	1.56	-	8.73

Deferred tax assets				
Leave encashment	17.95	(0.69)	-	17.26
Gratuity	(3.76)	3.76	-	-
Total	21.36	4.63	-	25.99

Deferred tax assets (net) 2020-21				
Deferred tax assets				
Difference between written down value of Property, Plant and Equipment and other intangible assets as per books of account and Income-tax, Act 1961	6.99	0.18	-	7.17
Total	6.99	0.18	-	7.17
Leave encashment	21.56	(3.61)	-	17.95
Gratuity	40.06	(38.40)	(5.42)	(3.76)
Total	61.62	(42.01)	(5.42)	14.19
Deferred tax assets (net)	68.61	(41.83)	(5.42)	21.36

*OCI = OTHER COMPREHENSIVE INCOME

(d) Effective tax reconciliation

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

₹ In Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Profit/(Loss) before tax for the year	(53.77)	(140.20)
Tax at statutory income tax rate of 25.168%	-	-
Deductible expenses for tax purposes	-	-
DTA expensed on account of decrease in income tax rate	-	-
Reduction in Deferred tax assets value	(4.63)	41.83
Taxes of earlier years written back	-	0.00
Income tax expenses reported in statement of profit and loss	(4.63)	41.83

**Notes to the Financial Statements as at 31 March, 2022****(Contd..)****Note 36: Earnings per share**

₹ In Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Net profit/(Loss) attributable to the equity shareholders (₹ in lakhs)	(49.14)	(182.03)
Weighted average number of equity shares outstanding during the period (nos.)	6,38,161	6,38,161
Nominal value of equity share (₹)	10	10
Basic and diluted earnings per share (₹)	(7.70)	(28.52)

Note 37: Contingent liabilities and capital commitments

₹ In Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
A. Contingent Liabilities		
a) In respect of claims against the company not acknowledged as debt	7.60	7.60
b) In respect of disputed service tax	197.61	188.78
c) In respect of disputed custom duty -(The Single bench of High Court of Karnataka set aside the demand of the DGFT/Customs which is later confirmed by Larger Bench of the same court. Further the DGFT has filed an appeal in the Supreme Court against this Judgement.)	1,012.33	-
d) Guarantees: Outstanding bank guarantees	79.99	106.61
e) Other money for which the company is contingently liable Matters relating to employees:		
i) Illegal strike wages under dispute - workmen and casual labour	207.64	183.28
ii) Charter of demands made by one of the labour union, pending for disposal at Industrial Tribunal (labour court), Bangalore.	no reliable estimate can be made	

Notes:

The issue of litigation pertaining to service tax are based on interpretation of the respective law & rules thereunder. Management has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgments of respective judicial authorities which supports its contention. As such no material impact on the financials of the Company is envisaged.

B. Capital Commitments	As at 31 March, 2022	As at 31 March, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	-	-



Note 38 : Ratios

Particulars	Numerator	Denominator	Current Period	Previous Period	% of variance	Explanation for change in the ratio by more than 25%
Liquidity Ratio						
Current Ratio (times)	Current Assets	Current Liabilities	3.75	3.36	11.53%	
Solvency Ratio						
Debt-Equity Ratio (times)	Total Debt	Shareholder's Equity	0.09	0.11	-17.63%	
Debt Service Coverage Ratio (times)	Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Interest + Lease Payments Principal Repayments	No serviceable debts	No serviceable debts		The company did not incur any debt which are serviceable during the current financial year. Borrowings made during the year under ECLGS have not fallen due for repayment as they are under moratorium.
Profitability ratio						
Net Profit Ratio (%)	Profit After Tax	Total Sales	-0.60%	-1.87%	-68.06%	Substantial rise in the input cost are off set with increase in price realisation and reduction in cost of production by efficient management, reduction in power demand, reduction in number of employees due to retirement/ leaving the services have resulted in decrease in the percentage of net loss for the year over the previous year.
Return on Equity Ratio (%)	Profit After Tax-Preference Div. (if any)	Average Shareholder's Equity	-1.51%	-5.56%	-72.91%	Same as above
Return on Capital employed (%)	Earning before interest and tax	Tangible Net Worth + Total Debt + Deferred Tax Liability	-1.02%	-3.09%	-66.86%	Same as above
Return on Investment (%) \$	Time Weighted Rate of Return					Not applicable
\$ As the Company does not have any investments at any time during the year under review and also in the corresponding previous year this ratio on investment is not applicable						
Utilization Ratio						
Trade Receivables turnover ratio (times)	Net Credit Sales	Average Trade Receivables	6.94	5.69	21.89%	Domestic sales during the current year is more than the sales for export of the previous year. Credit period for domestic sales is longer than the export sales.
Inventory turnover ratio (times)	Cost of goods sold or Sales	Average Inventory	6.17	6.14	0.45%	
Trade payables turnover ratio (times)	Net Credit Purchases	Average Trade Payables	22.64	18.82	20.28%	Procurement of materials in q4 of previous financial year 2020-21 was drastically reduced in comparison to q4 of 2021-22 on account of lower sales order position due to Covid-19 impact. This has resulted in payable amount to creditor lower than that of the q4 of the current financial year 2021-22.
Net credit purchases includes purchase of raw materials, stores and other services procured that are covered note 34 under the heading other expenses.						
Net capital turnover ratio (times)	Net Sales	Working Capital	3.46	5.01	-30.93%	Net working capital has increased in the current year under review from ₹ 1946.57 to ₹ 2381.58 for the corresponding previous year due to increase in holding inventories because of improvement in sales order position in the last quarter of the current year in comparison to that of the last quarter of the previous year. Therefore the turnover ratio has increased.



Note 39: Employee benefits

The Company has the following post-employment benefit plans:

A. Defined contribution plan

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

₹ In Lakhs

Particulars	For the Year ended 31 March, 2022	For the year ended 31 March, 2021
Employer's contribution to provident fund	27.46	32.57

B. Defined benefit plans

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

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

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

(i) Risks associated to the defined benefit plans:

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

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

₹ in Lakhs

Particulars	2021-22	2020-21
Gratuity (funded)		
Defined benefit obligation at the beginning of the year	304.09	380.54
Recognised in statement of profit and loss:		
Current service cost	18.05	20.91
Interest cost	17.27	19.79
Actuarial (gain) / loss recognised in other comprehensive income:		
Due to change in financial assumptions	(7.15)	(1.10)
Due to change in demographic assumptions	-	-
Due to experience adjustments	(15.63)	(13.67)
Benefits paid	(10.06)	(102.38)
Defined benefit obligation at the end of the year	306.57	304.09



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

₹ In Lakhs

Particulars	2021-22	2020-21
Gratuity (funded)		
Fair value of plan assets at the beginning of the year	319.01	221.36
Transfer in \ (out) plan assets	-	(123.35)
Interest income	18.83	10.29
Return on plan assets excluding amounts included in interest income	2.56	6.78
Contributions by the employer	0.30	306.31
Benefits paid	-	(102.38)
Fair value of plan assets at the end of the year	340.70	319.01
Actual return on plan assets	21.39	17.07

(iv) Expense recognised during the year:

₹ In Lakhs

Particulars	2021-22	2020-21
Gratuity (funded)		
Current service cost	18.05	20.91
Net interest cost	(1.56)	9.50
Net value of re-measurement on the obligation and plan assets	-	-
Net cost recognised in statement of profit and loss	16.49	30.41
Components of actuarial gains / (losses):		
Due to change in financial assumptions	(7.15)	(1.10)
Due to change in demographic assumptions	-	-
Due to experience adjustments	(15.63)	(13.67)
Return on plan assets excluding amounts included in interest income	(2.56)	(6.77)
Net cost recognised in other comprehensive income	(25.34)	(21.54)

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

₹ In Lakhs

Particulars	2021-22	2020-21
Gratuity (funded)		
Present value of obligation	306.57	304.09
Fair value of plan assets	340.70	319.01
Net defined benefit liability at end of the year	(34.13)	(14.92)

(vi) Composition of plan assets:

Particulars	2021-22	2020-21
Gratuity (funded)		
Investment funds	-	-
Insurance policies	100%	100%
Total	100%	100%

(vii) Key actuarial assumptions:

Particulars	2021-22	2020-21
Gratuity (funded)		
Financial assumptions		
Discount rate	6.85%	6.50%
Expected rate of return on plan assets	6.85%	6.50%
Salary growth rate	7.00%	7.00%



Demographic assumptions

Withdrawal rate	10% at younger ages reducing to 1% at older ages	
Mortality table	Indian assured lives mortality (2012-14)	Indian assured lives mortality (2012-14)
The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.		
The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.		

(viii) Sensitivity analysis:

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

Impact on defined benefit obligations - Gratuity:

Particulars	Increase in assumption		Decrease in assumption	
	2021-22	2020-21	2021-22	2020-21
Discount rate				
Change in assumption by 0.50%	-3.15%	-3.44%	3.36%	3.68%
Salary growth rate				
Change in assumption by 0.50%	3.28%	3.56%	-3.16%	-3.44%
Withdrawal rate				
Change in assumption by 0.10%	0.00%	-0.07%	0.00%	0.07%

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

(ix) Maturity profile of the defined benefit obligation:

₹ InLakhs

Particulars	Gratuity (funded)	
	2021-22	2020-21
Age wise distribution of defined benefit obligation		
Age in years		
Less than 25	0.32	0.21
25 to 35	2.49	6.30
35 to 45	90.07	96.85
45 to 55	124.69	128.34
above 55	89.00	72.39
Accrued gratuity for left employees	-	-
	306.57	304.09

Past service wise distribution of defined benefit obligation	2021-22	2020-21
Service period in years		
0 to 4	1.17	1.26
4 to 10	9.52	14.98
10 to 15	38.58	60.11
15 and above	257.30	227.74
Accrued gratuity for left employees	-	-
	306.57	304.09



C. Other long-term employee benefits

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

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

Salary for encashment	Basic salary
Salary for availment	Cost to company
Benefit event	Death or resignation or retirement or availment
Maximum accumulation	No restrictions
Benefit formula	$(\text{Leave days}) \times (\text{Basic salary} + \text{VDA} + \text{PP}) / (\text{Leave denominator})$
Leave denominator	30
Leave credited annually	18
Retirement age	58 Years

(vii) Key actuarial assumptions:

₹ In Lakhs

Particulars	2021-22	2020-21
Discount rate	6.50%	6.45%
Expected rate of return on plan assets	6.50%	6.45%
Salary growth rate	7.00%	7.00%

Demographic assumptions

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

Leave encashment recognised during the year in the statement of profit and loss amounts to Rs. 3.98 lakhs (previous year Rs. 5.65 lakhs)

D. Company's estimate of contributions expected to be paid during financial year 2021-22 is as under:

₹ In Lakhs

(i) Defined contribution plan:	
(a) Employer's contribution to provident fund	12% of basic salary
(ii) Defined benefit plan:	
(a) Gratuity	-
(iii) Other long-term employee benefits	
(a) Leave encashment	22.41

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

Note : 40 - Related party disclosures :

A. List of Related Parties :				
(i) Holding Company:				
	Name of entity	Country of Incorporation	% of holding as at 31 March, 2022	% of holding as at 31 March, 2021
1.	Direct Holdings AIA Engineering Limited	India	74.85%	74.85%
(ii) Key managerial personnel ('KMP'):				
Sr.No.	Name	Designation		
1	Mr. Vinod Narain	Chairman (Upto 12 Feb, 2022)		
2	Mr. Mohana Rao VVR	Chief Executive Officer		
3	Mr. Yash Raj	Chief Financial Officer (Upto 10 April, 2022)		
4	Mr. Viren K. Thakkar	Chief Financial Officer (w.e.f. 23 May, 2022)		
5	Mr. S.N. Jethaliya	Company Secretary		

**Notes to the Financial Statements for the year ended 31 March, 2022 (Contd..)**

iii. Non-Executive & Non-Independent Directors:	
Sl. No.	Name
1	Mr. Bhadresh K Shah
2	Mrs. Khushali Samip Solanki

iv. Independent directors:	
Sl. No.	Name
1	Mr. D.P. Dhanuka
2	Mr. Sanjay S. Majmudar
3	Mr. Pradip R. Shah
4	Mr. Rajendra S. Shah
5	Mr. Ashok Nichani

v. Others:		
1	AB Trade link Limited	Enterprises over which key managerial personnel or close member of their family exercise control - Ref: Ind AS 24, para 9(b)(vi)]
2	Vee Connect Travels Private Limited	
3	Discus IT Private Limited	
4	Mrs.Tayaramma	Relatives of key managerial personnel



B. Transactions with related parties
Details of related party transactions during the year:

₹ In Lakhs

Sr No	Nature of transactions	Holding Companies		Key Managerial Personnel		Non-Executive & Non-Independent Directors		Independent Directors		Enterprises over which KMP or close member of their family exercise control.		Relatives of key managerial personnel	
		Year Ended	31.03.2021	Year Ended	31.03.2021	Year Ended	31.03.2021	Year Ended	31.03.2021	Year Ended	31.03.2021	Year Ended	31.03.2021
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
1	Sale of Products *	2,372.19	3,948.35	-	-	-	-	-	-	-	-	-	-
2	Purchase of Goods *	75.06	59.51	-	-	-	-	-	-	-	-	-	-
3	Consultancy Services*	-	-	0.90	1.20	-	-	-	-	-	-	-	-
4	Travelling Expenses	-	-	-	-	-	-	-	-	0.17	-	-	-
5	Sitting Fees	-	-	0.30	0.75	1.60	1.90	4.50	5.10	-	-	-	-
6	Commission expenses on Purchases	-	-	-	-	-	-	-	-	-	-	1.61	1.55
7	Rent	-	-	-	-	-	-	-	-	-	4.55	-	-
8	SAP ERP functional and technical support	-	-	-	-	-	-	-	-	-	-	-	-
9	Salary, Bonus & Perquisites	-	-	60.76	56.56	-	-	-	-	-	-	-	-
10	Contribution to Gratuity funds	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	2,447.25	4,007.86	61.96	58.51	1.60	1.90	4.50	5.10	0.17	4.55	1.61	1.55
	Outstanding balance receivable at year end	164.97	703.84	-	-	-	-	-	-	-	-	-	-
	Outstanding balance payable at year end	-	0.58	2.71	2.47	-	-	-	-	-	-	-	0.13


Notes to the Financial Statements for the year ended 31 March, 2022
(Contd..)

₹ In Lakhs

Sr. No.	Nature of transaction	Name of related party	For the year ended 31 March, 2022	For the year ended 31 March, 2021
1	Sale of products *	AIA Engineering Limited	2,372.19	3,948.35
2	Purchase of goods *	AIA Engineering Limited	75.06	59.51
3	Commission expenses on purchases	AB Trade Link Limited	-	-
4	SAP ERP functional and technical support	Discus IT Private Limited	-	4.55
5	Salary, Bonus and Perquisites	Mr. Mohana Rao VVR	31.46	29.36
		Mr. Yash Raj	29.30	27.20
6	Rent, rates and taxes	Mrs. Tayaramma	1.61	1.55
7	Travelling expenses	Vee Connect Travel Pvt. Ltd.	0.17	-
8	Legal and professional consultancy fees	Mr. Vinod Narain	0.90	1.20
9	Sitting Fees Paid	Mr. Vinod Narain	0.30	0.75
		Mr. Bhadresh K. Shah	1.00	1.15
		Mrs. Khushali S. Solanki	0.60	0.75
		Mr. D.P Dhanuka	0.50	1.15
		Mr. Pradip R. Shah	1.00	1.15
		Mr. Rajendra S. Shah	1.00	0.75
		Mr. Sanjay S. Majmudar	1.00	0.90
		Mr. Ashok Nichani	1.00	1.15

*Inclusive of taxes

Details of amounts due to or due from related parties as at 31 March, 2022

₹ In Lakhs

Sr no.	Nature of transaction	Name of related party	As at 31 March, 2022	As at 31 March, 2021
1	Trade Receivables			
	Holding Company	AIA Engineering Limited	164.97	703.84
2	Trade Payables			
	Holding Company	AIA Engineering Limited	-	0.58
3	Key Managerial Personal	Mr. Mohana Rao VVR	1.71	1.44
		Mr. Yash Raj	1.00	0.76
		Mr. Vinod Narain	0	0.28
4	Enterprises over which key managerial personnel or Close member of their family exercise control	Vee connect Travels P ltd	0	0
5	Relative of KMP	Mrs. Tayaramma	0	0.13

E Break up of compensation paid to key managerial personnel

₹ In Lakhs

Sr No	Particulars	Name of the Key managerial personnel	As at 31 March, 2022	As at 31 March, 2021
1	Short-term employee benefits	Mr. Mohana Rao VVR	31.46	29.36
		Mr. Yash Raj	29.30	27.20
2	Post-employment benefits	Mr. Mohana Rao VVR	-	-
		Mr. Yash Raj	-	-

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

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



Notes to the Financial Statements for the year ended 31 March, 2022 (Contd..)

The Company's transactions with its related party its holding company are at arm's length, as per the independent accountant's report for the year ended 31 March, 2022. The management believes that the Company's transactions with its holding company post 31 March, 2022 continue to be at arm's length and that transfer pricing legislations will not have any impact on the financial statements, particularly on the amount of tax expenses for the financial year 2021-22 and the amount of provision for taxation as at 31 March, 2022.

Note No 41

Lease Arrangements:

The company has entered into a lease cum sale agreement with Karnataka Industrial Area Development Board for 2 acres of land allotted.

Note No 42

Segmental reporting:

The company manufactures and deals with a single product, Alloy steel Cast Grinding Media. Also Company's operations are solely situated in India. Hence there are no reportable segments as required by Ind AS - 108 "Operating Segments" under the Companies (Indian Accounting Standards) Rules, 2015. Company's revenue from sale of grinding media exceeding 10% is from two of its customers and its aggregating value is ₹ 4,075.52 Lakhs (previous year ₹ 3,307.91 Lakhs)

Note No 43

Financial risk management

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

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

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

Credit Risk :

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

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



Notes to the Financial Statements for the year ended 31 March, 2022 (Contd..)

- (i) Actual or expected significant adverse changes in business
- (ii) Actual or expected significant changes in the operating results of the counter party.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations

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

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

Provision for expected credit loss:

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

Expected credit loss for loans and deposits:

₹ In Lakhs

Particulars	Assets Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
As at 31 March, 2022					
Loss allowance measured at 12 month expected credit losses:					
Financial assets for which credit risk has not increased significantly since initial recognition	Loans	6.05	-	-	6.05
	Deposits	213.97	-	-	213.97



Notes to the Financial Statements for the year ended 31 March, 2022

(Contd..)

Loss allowance measured at life time expected credit losses:					
Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	NA	-	-	-	-
As at 31 March, 2021					
Loss allowance measured at life time expected credit losses:					
Financial assets for which credit risk has not increased significantly since initial recognition	Loans	5.51	-	-	5.51
	Deposits	437.17	-	-	437.17

Loss allowance measured at life time expected credit losses:					
Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	NA	-	-	-	-

Expected credit loss for trade receivables under simplified approach: Ageing of trade receivables as at year end:			₹ In Lakhs
Due from the date of invoice	As at 31 March, 2022	As at 31 March, 2021	
Not due	-	0.23	
0 - 3 months	923.15	1,395.44	
3 - 6 months	175.57	0.17	
6 - 12 months	-	0.84	
Beyond 12 months	0.33	1.85	
Gross carrying amount	1,099.05	1,398.53	
Expected credit loss	-	-	
Net carrying amount	1,099.05	1,398.53	

Liquidity Risk

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

Financing arrangements

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

Particulars	As at 31 March, 2022	As at 31 March, 2021	₹ In Lakhs
Fund and non-fund based facilities	899.20	1,046.00	

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

Particulars	As at 31 March, 2022		As at 31 March, 2021		₹ In Lakhs
	Less than 1 year	Total	Less than 1 year	Total	
Short term borrowings	157.00	157.00	347.30	347.30	
Trade payables	534.49	534.49	204.55	204.55	
other Financial Liability	82.00	82.00	84.80	84.80	
Total	773.49	773.49	636.65	636.65	

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

**Market Risk - Interest Rate**

Interest rate risk is the risk that the fair value of future cash flows of the financial borrowings for its working capital requirements with the banks. Instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management. The company borrows from bank for working capital requirement on floating rate.

Exposure to interest rate risk

₹ In Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Borrowings bearing variable rate of interest	157.00	347.30

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

Commodity Risk

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

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

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

Consumption details of Metal scrap and Ferro chrome in MT:

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Metal scrap	7,670	10,860
Ferro chrome	2,307	3,149

Commodity price sensitivity :

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

₹ In Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Re. 1 increase in commodity price	99.77	140.09
Re. 1 decrease in commodity price	-99.77	-140.09

(B) Capital Management

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

- Safe guard their ability to continue as a going concern so that they can continue to provide return for shareholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.
- Company believes in conservative leverage policy.

Company's capital expenditure plan over the medium term shall be largely funded through internal accruals and suppliers' credit and does not have any long term borrowing arrangements with any one.



Notes to the Financial Statements as at 31 March, 2022

(Contd..)

The Company monitors capital on the basis of the following debt equity ratio:

₹ In Lakhs

Particulars	2021-22	2020-21
Debt	284.00	347.30
Total equity	3,188.39	3,212.19
Debt to total equity	0.09	0.11

Company believes in conservative leverage policy. Company's capital expenditure plan over the medium term shall be largely funded through internal accruals and suppliers' credit.

b. Company follows the policy of dividend for every financial year as may be decided by the Board considering financial performance of the Company and other internal and external factors enumerated in the Company's dividend policy such as reinvestment of capital business.

Note -44 : Fair value measurements

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

₹ In Lakhs

A. Financial assets :	Particulars	Note	Instruments carried at			Total Carrying Value	Total Fair Value
			FVTPL	FVTOCI	Amortised cost		
As at 31 March, 2022							
Non-current investments							
	Current investments		-	-	-	-	
	Trade receivables	12	-	-	1,099.05	1,099.05	
	Loans	7,15	-	-	6.05	6.05	
	Cash and cash equivalents	13	-	-	289.60	289.60	
	Bank balances other than above	14	-	-	13.48	13.48	
	Derivatives		-	-	-	-	
	Other financial assets	16	-	-	66.97	66.97	
	Total		-	-	1,475.15	1,475.15	
As at 31 March, 2021							
Non-current investments							
	Current investments		-	-	-	-	
	Trade receivables	12	-	-	1,398.53	1,398.53	
	Loans	7,15	-	-	5.52	5.52	
	Cash and cash equivalents	13	-	-	222.94	222.94	
	Bank balances other than above	14	-	-	11.75	11.75	
	Derivatives		-	-	-	-	
	Other financial assets	16	-	-	31.51	31.51	
	Total		-	-	1,670.25	1,670.25	

B. Financial liabilities :

Particulars	Note	Instruments carried at			Total Carrying Value	Total Fair Value
		FVTPL	FVTOCI	Amortised cost		
As at 31 March, 2022						
	Borrowings	22	-	-	157.00	157.00
	Trade payables	23	-	-	534.49	534.49
	Derivatives		-	-	-	-
	Other financial liabilities	24	-	-	82.00	82.00
	Total		-	-	773.49	773.49
As at 31 March, 2021						
	Borrowings	22	-	-	347.30	347.30
	Trade payables	23	-	-	204.55	204.55
	Derivatives		-	-	-	-
	Other financial liabilities	24	-	-	84.80	84.80
	Total		-	-	636.65	636.65

**Note 45:**

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

Note 46:

The financial statements are approved by Board of Directors in their meeting held on dated 23 May, 2022 by Video Conferencing.

Note 47 :

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these standalone financial statements including the recoverability of carrying amounts of financial and non- financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. Having reviewed the underlying information, management believes the impact of the pandemic may not be significant. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

Note 48:

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 49:

The Company has not :

- (i) Advanced / loaned / invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend / invest in other person or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries ('UB'));
 - (b) provide any guarantee, security or the like to or on behalf of the UB;
- (ii) received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding that the company shall:
 - (a) directly or indirectly lend / invest in other person or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries ('UB'));
 - (b) provide any guarantee, security or the like to or on behalf of the UB;

Note 50:

The company has had no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Note 51:

There are no transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

Note 52:

The Provisions of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 are not applicable to the Company for the year.

Note 53:

The company has not traded or invested in Crypto or virtual currency during the year (PY Nil).

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

MANOJ KUMAR G
Partner
Membership No 217827
UDIN:-22217827AJSHQV4875

Place : Bengaluru
Date : 23 May, 2022

For and on behalf of the Board of Directors
Welcast Steels Limited
CIN: L27104GJ1972PLC085827

D.P.DHANUKA
Chairman
DIN: 00168198

MOHANA RAO V.V.R.
Chief Executive Officer

Place : Bengaluru
Date : 23 May, 2022

BHADRESH K.SHAH
Director
DIN 00058177

S N JETHELIYA
Company Secretary
ACS:5343

VIREN K. THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 23 May, 2022



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 21 March, 2013 directed that in view of the advancements in the field of electronic payment system viz. NEFT, RTGS etc. for making cash payments to the investors, Companies whose securities are listed on the Stock exchanges shall use RBI approved electronic mode of payment. The said circular also provides that in cases where either the bank details such as MICR, IFSC code etc. are not available or the electronic payment instructions have failed or have been rejected by the bank, Companies may use the physical payment instrument for making cash payments to the investors and Companies shall mandatorily print the bank account details of the investors on such payment instruments.

In view of the above and to comply with the SEBI directions, in case, if you have not provided the relevant details, we request you to kindly fill the enclosed form and send the same to us on or before 29 August, 2022 to update mandate details in the system for future payments to you.

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

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

Unit: Welcast Steels Limited.

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

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

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

Place:

Date :

Signature of the Holder(s):

Note:

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



Welcast Steels Limited