



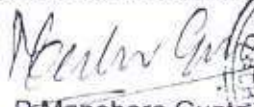

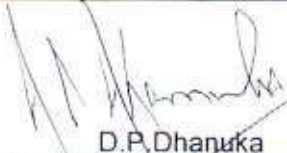
# Welcast Steels Limited

Plot No. 15, Phase 1, Peenya Industrial Area, Bangalore - 560 058, INDIA  
Phones : (91-80) 28394058, 28394059, 28393162 Fax : (91-80) 28395638



## ANNEXURE TO CLAUSE 31 (a) OF EQUITY LISTING AGREEMENT

### FORM 'A'

1.	Name of the Company	Welcast Steels Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2014
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Whether appeared first time..... / repetitive..... / since how long period..... NIL
5.	Signed by	
	- Chief Executive Officer	 V.V.R. Mohana Rao
	- Chief Financial Officer	 Yash Raj For Dagliya & Co., Chartered Accountants
	- Auditor of the Company	 P. Manohara Gupta Partner 
	- Audit Committee Chairman	 D.P. Dhanuka



**42<sup>nd</sup>**  
**ANNUAL**  
**REPORT**  
**2013-2014**



**Welcast Steels Limited**



**BOARD OF DIRECTORS**

Mr. Vinod Narain - Chairman  
Mr. D.P. Dhanuka  
Mr. Bhadresh K. Shah  
Mr. Pradip R. Shah  
Mr. Rajendra S. Shah  
Mr. Sanjay Shailesh Majmudar  
Mr. Ashok A. Nichani  
Mr. R.P. Agarwal (ceased to be a Director w.e.f 06.04.2013)

**KEY MANAGERIAL PERSONS**

Mr. Mohana Rao VVR	CEO
Mr. Yash Raj	CFO
Mr. S N Jetheliya	Company Secretary (w.e.f 28/07/2014)

**AUDITORS**

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

**BANKERS**

Canara Bank, Bengaluru.  
State Bank of India, Bengaluru

**REGISTERED OFFICE & FACTORY**

Plot No. 15, Phase - 1  
Peenya Industrial Area,  
Bengaluru - 560 058  
Phone : 0-8722803333, 8722802333, 28394058 / 59  
CIN : L27104KA1972PLC002163  
E-mail : info@welcaststeels.com  
Web : www.welcaststeels.com

**SHARE TRANSFER AGENT**

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

**42nd ANNUAL GENERAL MEETING**

Date	10th September, 2014
Day	Wednesday
Time	12:00 Noon
Place	THE LALIT ASHOK, Kumarakrupa High Grounds, Bengaluru – 560 001
Book Closure (Dates)	3rd Sept. 2014 To 10th Sept. 2014 (Both days inclusive)

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**Dear Share holder/s,**

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

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

In view of the above and to comply with the SEBI directions, in case, if you have not provided the relevant details, we request you to kindly fill the enclosed form and send the same to us on or before 31st August 2014 to update mandate details in the system for future payments to you.

For this purpose we have also enclosed self address and pre-stamped cover.

Thanking you,  
Yours faithfully  
For Welcast Steels Limited.,  
P.Rajendra Kumar  
Compliance officer

Shareholder's authorisation 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 of me as a participant under the scheme.

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

Place:

Date :

Signature of the Holder(s):

Note:

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





## NOTICE

NOTICE is hereby given that the Forty Second Annual General Meeting of the members of Welcast Steels Limited will be held on Wednesday, the 10th day of September, 2014 at 12:00 Noon at THE LALIT ASHOK, Kumara Krupa High Grounds Bengaluru-560 001 to transact the following business:

### ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and reports of the Board of Directors' and Auditors' thereon.
- (2) To declare dividend on Equity Shares for the Financial Year ended 31st March 2014.
- (3) To appoint a Director in place of Mr. Bhadrash K Shah (holding DIN 01025579), who retires by rotation and being eligible, offers himself for re-appointment.
- (4) To consider and if thought fit to pass the following resolution as an Ordinary Resolution:  
"RESOLVED that pursuant to the provisions of section 139 and other applicable provision, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s Dagliya & Co. Chartered Accountants ( Firm Registration No.000671S), be and is hereby re-appointed as the auditors of the company to hold the office from the conclusion this Annual General Meeting (AGM) till the conclusion of forty fifth AGM of the company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus Service tax, out-of-pocket, travelling and living expenses, etc..., as may be mutually agreed between the Chairman of the company and the Auditors."

### SPECIAL BUSINESS:

- (5) **Appointment of Mr. D.P Dhanuka as an Independent Director of the Company**  
To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule IV and Clause 49 of the Listing agreement, Mr. D.P Dhanuka (holding DIN 00168198), an Independent Director of the Company and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company to hold office of Independent Director for a 2nd term of five consecutive years with effect from 10th September 2014 to 09th September 2019."
- (6) **Appointment of Mr. Rajendra S. Shah as an Independent Director of the Company**  
To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule IV and Clause 49 of the Listing agreement, Mr. Rajendra S. Shah (holding DIN 00061922), an Independent Director of the Company and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company to hold office of Independent Director for a 2nd term of five consecutive years with effect from 10th September 2014 to 09th September 2019."
- (7) **Appointment of Mr. Sanjay S. Majmudar as an Independent Director of the Company**  
To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule IV and Clause 49 of the Listing agreement, Mr. Sanjay S. Majmudar (holding DIN 00091305), an Independent Director of the Company and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company to hold office of Independent Director for a 2nd term of five consecutive years with effect from 10th September 2014 to 09th September 2019."
- (8) **Appointment of Mr. Pradip R. Shah as an Independent Director of the Company**  
To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule IV and Clause 49 of the Listing agreement, Mr. Pradip R. Shah (holding DIN 00293396), an Independent Director of the Company and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company to hold office of



## NOTICE

Independent Director for a 2nd term of five consecutive years with effect from 10th September 2014 to 09th September 2019.”

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

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, and the Companies [Audit and Auditors] Rules, 2014 [including any statutory modification (s) or re-enactment (s) thereof for the time being in force], the consent of the Members be and is hereby accorded to ratify the remuneration of ₹.60 thousand decided by the Board of Directors on the recommendations of the Audit Committee. The amount is payable to M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad appointed by the Board to conduct the audit of cost records of the Company for the Financial Year ending on 31st March 2015.”

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

Place : Bengaluru  
Date : 28-07-2014

By order of the Board of Directors  
**VINOD NARAIN**  
Chairman

### NOTES

1. The Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Businesses to be transacted at the meeting, are annexed hereto.
2. **A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll only instead of himself / her self and a proxy need not be a member.** A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company.  
The instrument of proxy in order to be effective must be received at the Registered Office of the Company duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy Form is annexed herewith. Proxy Form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable authorizing their representative to attend and vote on their behalf at the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 3rd September 2014 to 10th September 2014 (both days inclusive) for annual closing and determining the entitlement of the Members to the dividend for the Financial Year 2013-14.
4. Members are requested to bring the Attendance Slip duly filled in and hand over the same at the entrance of the Meeting Hall.
5. A dividend of Rs.5 per share has been recommended by the Board of Directors for the year ended 31st March 2014, subject to the approval of the Members at the ensuing Annual General Meeting and is proposed to be paid from 15th September, 2014.
6. Payment of Dividend:
  - (a) The Bank account particulars of the members holding shares in physical form will be printed on the dividend warrants. Hence the members are advised to intimate changes, if any in their registered address along with Pin Code and submit particulars of their bank account viz. name and address of the branch of the bank, 9 digit MICR code of the branch, type of account and account number latest by 30th August 2014 directly to the Company's Registered office address. A separate form in this connection is provided and enclosed along with this notice.
  - (b) To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the company of any change in Address or demise of any Member(s) as soon as possible. Members are also advised not to leave their demat account (s) dormant for long. Members holding shares in demat form are advised to inform the changes, if any, particulars of their bank account to their respective Depository Participants.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Registrar & Share Transfer Agent.
8. 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 2014 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Annual Report for 2014 are being sent in the permitted mode.





## NOTICE

9. All documents referred to in the accompanying Notice and the Explanatory Statements shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 a.m. to 5.00 p.m.) on all working days except Sunday and other public holidays, up to and including the date of the Annual General Meeting of the Company.

The Company proposes to send documents, such as the Notice of the Annual General Meeting, Annual Report, Half-yearly and Quarterly communications 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.

In case you wish to receive the above documents in physical form, you are requested to please inform us to the E-mail ID. [invest\\_grievance@welcaststeels.com](mailto:invest_grievance@welcaststeels.com) Please quote Name, your Demat Account No. [DP ID No. and Client ID No.].

Those members who have so far not encashed their dividend warrants for the under mentioned Financial Years, may claim or approach the Company for the payment thereof as the same will be transferred to the Investors' Education and Protection Fund (IEPF) of the Central Government, pursuant to Section 205 C of the Companies Act, 1956. Members are requested to note that after such dates, the members will lose their rights to claim such dividend.

Sr. No.	Financial Year	Due date of Transfer to IEPF
1.	2006-07	19.10.2014
2.	2007-08	19.10.2015
3.	2008-09	27.08.2016
4.	2009-10	24.08.2017
5.	2010-11	01.09.2018
6.	2011-12	17.08.2019
7.	2012-13	09.08.2020

10. Voting through electronic means:

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

11. Re-appointment / Appointment of Directors:

It is proposed that Messers D.P Dhanuka, Rajendra S. Shah, Sanjay S. Majmudar and Pradip R. Shah, who have already completed their 1st term of five years as Independent Directors, proposed to be re-appointed for the 2nd term of five years from 10th September 2014 to 09th September 2019.

Pursuant to the requirements under the Listing Agreement with the Stock Exchanges, relating to Corporate Governance, a statement containing brief resumes of the above Directors together with the details of shares held by them, if any, is annexed hereto.

### 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, so as to enable the Company to keep the information ready.
- Members are requested to bring their copy of the Annual Report to the Meeting.



## NOTICE

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

#### ITEM NO.5

Mr. D.P Dhanuka (holding DIN 00168198), is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in Feb. 1972 .

Notice along-with requisite deposit as required pursuant to the provisions of Section 160 of the Companies Act, 2013 (the Act) has been received from a Member proposing the candidature of Mr. D.P. Dhanuka as an Independent Director of the Company to hold office of an Independent Director for a 2nd term of five consecutive years with effect from 10th September 2014 to 09th September 2019.

Mr. D.P. Dhanuka is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as a Director. Section 149 of the Act, inter alia stipulates the criteria of independence, for the appointment of an Independent Director in a Company. As per the provisions of the said section, an Independent Director can hold office for a term upto five consecutive years of two terms on the Board of a Company and he shall not be included in determining the total number of Directors liable to retire by rotation.

Company has also received a declaration from Mr. D.P. Dhanuka that he meets the criteria of independence as prescribed under Section 149 [6] of the Act and Clause 49 of the Listing Agreement as amended from time to time. Mr. D.P. Dhanuka possesses appropriate skills, expertise and knowledge in finance and other fields. A brief profile of Mr. D.P. Dhanuka and names of companies in which he is a director and memberships / chairmanships of the Board Committees, Shareholding etc. as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are annexed to this Notice.

In the opinion of the Board, Mr. D.P. Dhanuka fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter of appointment of Mr. D.P. Dhanuka as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during the normal business hours on any working day.

Considering his eminence, rich experience and expertise in his field, it will be in the best interest of the Company to appoint him as an Independent Director. The Board considers that his continued association would be of immense benefit to the Company and is desirable to continue to avail the services of Mr. D.P. Dhanuka as an Independent Director of the Company.

Except Mr. D.P. Dhanuka, none of the Directors, Key Managerial Personnel or their relatives can be considered to be interested in or concerned in the resolution.

The Board recommends passing of the said resolution by way of a Special Resolution for the approval of the members of the Company.

This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

#### ITEM NO. 6

Mr. Rajendra S. Shah (holding DIN 00061922), is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in May 2007.

Notice along-with requisite deposit as required pursuant to the provisions of Section 160 of the Companies Act, 2013 (the Act) has been received from a Member proposing the candidature of Mr. Rajendra S. Shah as an Independent Director of the Company to hold office of Independent Director for a 2nd term of five consecutive years with effect from 10th September 2014 to 09th September 2019.

Mr. Rajendra S. Shah is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act and has given his consent to act as an Independent Director. Section 149 of the Act, inter alia stipulates the criteria of independence, for the appointment of an Independent Director in a Company. As per the provisions of the said section, an Independent Director can hold office for a term upto five consecutive years of two terms on the Board of a Company and he shall not be included in determining the total number of Directors liable to retire by rotation.

Company has also received a declaration from Mr. Rajendra S. Shah that he meets the criteria of independence as prescribed under Section 149 [6] of the Act and clause 49 of the Listing Agreement as amended from time to time. Mr. Rajendra S. Shah possesses appropriate skills, expertise and knowledge in Finance and other fields. A brief profile of Mr. Rajendra S. Shah and names of companies in which he is a Director and memberships / Chairmanships of the Board Committees, Shareholding etc. as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are annexed to this Notice.

In the opinion of the Board, Mr. Rajendra S. Shah fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter for appointment of Mr. Rajendra S. Shah as an Independent Director setting out the terms and conditions would be available for



## NOTICE

inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

Considering his eminence, rich experience and expertise in different fields, it will be in the best interest of the Company to appoint him as an Independent Director. The Board considers that his continued association with the company would be of immense benefit and is desirable to avail the services of Mr. Rajendra S. Shah as an Independent Director of the Company.

Except Mr. Rajendra S. Shah, none of the Directors, Key Managerial Personnel or their relatives can be considered to be interested in or concerned in the resolution.

The Board recommends passing of the said resolution by way of a Special Resolution for the approval of the members of the Company.

This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

### ITEM NO. 7:

Mr. Sanjay S. Majmudar (holding DIN 00091305) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in May 2007.

Notice along-with requisite deposit as required pursuant to the provisions of Section 160 of the Companies Act, 2013 (the Act) has been received from a Member proposing the candidature of Mr. Sanjay S. Majmudar as an Independent Director of the Company to hold office of Independent Director for a 2nd term of five consecutive years with effect from 10th September 2014 to 09th September 2019.

Mr. Sanjay S. Majmudar is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as a Director. Section 149 of the Act, inter alia stipulates the criteria of independence, for the appointment of an Independent Director in a Company. As per the provisions of the said section, an Independent Director can hold office for a term upto five consecutive years of two terms on the Board of a Company and he shall not be included in determining the total number of Directors liable to retire by rotation.

Company has also received a declaration from Mr. Sanjay S. Majmudar that he meets the criteria of independence as prescribed under Section 149 [6] of the Act and Clause 49 of the Listing Agreement as amended from time to time. Mr. Sanjay S. Majmudar possesses appropriate skills, expertise and knowledge in Finance and other fields. A brief profile of Mr. Sanjay S. Majmudar and names of companies in which he is a Director and memberships / chairmanships of the Board Committees, Shareholding etc. as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are annexed to this Notice.

In the opinion of the Board, Mr. Sanjay S. Majmudar fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter for appointment of Mr. Sanjay S. Majmudar as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

Considering his eminence, rich experience and expertise in different fields, it will be in the best interest of the Company to appoint him as an Independent Director. The Board considers that his continued association with the company would be of immense benefit and is desirable to avail the services of Mr. Sanjay S. Majmudar as an Independent Director of the Company.

Except Mr. Sanjay S. Majmudar, none of the Directors, Key Managerial Personnel or their relatives can be considered to be interested in or concerned in the resolution.

The Board recommends passing of the said resolution by way of a Special Resolution for the approval of the members of the Company.

This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

### ITEM NO. 8:

Mr. Pradip R. Shah (holding DIN 00293396) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in May 1995.

Notice along-with requisite deposit as required pursuant to the provisions of Section 160 of the Companies Act, 2013 (the Act) has been received from a Member proposing the candidature of Mr. Pradip R. Shah as an Independent Director of the Company to hold office of Independent Director for a 2nd term of five consecutive years with effect from 10th September 2014 to 9th May 1995.

Mr. Pradip R. Shah is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as a Director. Section 149 of the Act, inter alia stipulates the criteria of independence, for the appointment of an Independent Director in a Company. As per the provisions of the said Section, an Independent Director can hold office for a term upto five consecutive years of two terms on the Board of a Company and he shall not be included in determining the total number of Directors liable to retire by rotation.



## NOTICE

Company has also received a declaration from Mr. Pradip R. Shah that he meets the criteria of independence as prescribed under Section 149 [6] of the Act and Clause 49 of the Listing Agreement as amended from time to time. Mr. Pradip R. Shah possesses appropriate skills, expertise and knowledge in Finance and other fields. A brief profile of Mr. Pradip R. Shah and names of companies in which he is a Director and memberships / chairmanships of the Board Committees, Shareholding etc. as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are annexed to this Notice.

In the opinion of the Board, Mr. Pradip R. Shah fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter for appointment of Mr. Pradip R. Shah as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

Considering his eminence, rich experience and expertise in different fields, it will be in the best interest of the Company to appoint him as an Independent Director. The Board considers that his continued association with the company would be of immense benefit and is desirable to avail the services of Mr. Pradip R. Shah as an Independent Director of the Company.

Except Mr. Pradip R. Shah, none of the Directors, Key Managerial Personnel or their relatives can be considered to be interested in or concerned in the resolution.

The Board recommends passing of the said resolution by way of a Special Resolution for the approval of the members of the Company.

This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

### ITEM NO. 9:

The Board of Directors on the recommendations of the Audit Committee, appointed M/s. Kiran J. Mehta, & Co., (FRN 000025) Cost Accountants, Ahmedabad as the Cost Auditors to carry out the audit of Cost records of the Company for the Financial Year 2014-15 and fixed remuneration of ₹ 60 thousand plus service tax and out of pocket expenses.

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

Accordingly, consent of the members is being sought for passing an Ordinary Resolution for ratification of remuneration payable to the Cost Auditors to carry out the audit of Cost records of the Company for the Financial Year 2014-15.

None of the Directors, Key Managerial Personnel or their relatives can be considered to be interested in or concerned with the resolution.

The Board recommends passing of the said resolution as an Ordinary Resolution for the approval of members of the Company.

Place : Bengaluru  
Date : 28-07-2014

By order of the Board of Directors  
**VINOD NARAIN**  
Chairman



## NOTICE

Disclosure pursuant to Clause 49 of Listing Agreement with regard to the Directors seeking Appointment / Re-appointment at the forthcoming Annual General Meeting (Refer Item No. 5 to 9) of the Notice:

Name	<b>Mr. D.P DHANUKA</b>
DIN	00168198
Date of Birth / Age	15th March 1934 /80 YEARS
Re-Appointed / Appointment on	10th Aug 2013 / 28th Feb 1972
Expertise in specific functional areas	He is one of the senior most directors of the company and has been associated with the company since commencement of business and has been instrumental in promoting the growth decisions in the Board. He has a rich corporate management experience and is associated with other corporates in various capacity.
Directorships held in other Public Companies	1
Membership/ Chairmanships of Committees across other Public Companies	NIL
No. of Equity Shares held in the Company.	NIL

Name	<b>Mr. RAJENDRA S. SHAH</b>
DIN	00061922
Date of Birth	1st February 1948 / 66 Years
Re-Appointed / Appointment on	19th July 2012 / 23rd May 2007
Qualifications Expertise in specific functional areas	B. E. (Mech) Mr. Rajendra S. Shah is a Mechanical Engineer and is an Industrialist. He has an entrepreneurial insight into running engineering business. He possesses rich and varied experience in Administration and Finance. He is the Chairman and Managing Director of Harsha Engineers Ltd., manufacturers of Bearing Cages.
Directorships held in other Public Companies	AIA Engineering Limited, Harsha Engineers Ltd., Transformers & Rectifiers (India) Ltd. Shilp Gravures Ltd. BecoTek Precision Bearing Components (Suzhou) Co. Ltd.
Membership/ Chairmanships of Committees across other Public Companies	Chairman – 2 Members – 1
No. of Equity Shares held in the Company.	NIL



## NOTICE

Name	<b>Mr. SANJAY S. MAJMUDAR</b>
DIN	00091305
Date of Birth / Age	21st March 1963 / 52
Re-Appointed / Appointment on	19th July 2012 / 23rd May 2007
Qualifications	B.Com, FCA & ACS
Expertise in specific functional areas	Mr. Sanjay S. Majmudar is a Practicing Chartered Accountant. He has got extensive experience and expertise in the field of Corporate Laws, Direct Tax Laws, Financial Advisory Services, Debt Syndications, Project Finance, International Structures and Taxation Planning, M & A etc. He has contributed Papers and participated as Speaker on Corporate Laws in Seminars and conferences hosted by ICAI and CA Association, Ahmedabad. He is also a regular Speaker in the SMTP Programme of the Institute of Company Secretaries of India, Ahmedabad Chapter.
Directorships held in other Public Companies	<ul style="list-style-type: none"><li>- AIA Engineering Limited .</li><li>- Aarvee Denims &amp; Exports Ltd.</li><li>- Dishman Pharmaceuticals and Chemicals Ltd.</li><li>- M &amp; B Industries Ltd.</li><li>- Acme Industries Ltd.</li></ul>
Membership/ Chairmanships of Committees across other Public Companies	Chairmanship – 1 Membership - 3
No. of Equity Shares held in the Company.	NIL

Name	<b>Mr. PRADIP R.SHAH</b>
DIN	00293396
Date of Birth / Age	30th December 1950 /64 years
Re-Appointed / Appointment on	10th Aug 2013 / 3rd May 1995
Qualifications	B.Com & FCA
Expertise in specific functional areas	Mr. Pradip R. Shah is a Practicing Chartered Accountant. He has got extensive experience and expertise in the field of Corporate Laws, Direct & Indirect Tax Laws, Financial Advisory Services, International Structures and Taxation Planning, He has contributed Papers and participated as Speaker on Corporate Laws in Seminars and conferences hosted by ICAI and CA Association, Ahmedabad and author of book and article on Direct and Indirect Taxes.
Directorships held in other Public Companies	NIL
Membership/ Chairmanships of Committees across other Public Companies	NIL
No. of Equity Shares held in the Company.	NIL



## NOTICE

### INSTRUCTIONS FOR VOTING THROUGH E-VOTING:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 03/09/2014, 9.00 AM and ends on 05/09/2014, 6.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 08/08/2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat as well as physical shareholders)
-----	---

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio/client id number in the PAN field.
- In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. eg. if your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.

DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.
- (viii) After entering these details appropriately, click on "SUBMIT" tab.
  - (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is 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.
  - (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (xi) Click on the EVSN for the relevant Welcast Steels Ltd on which you choose to vote.
  - (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - (xviii) Note for Non – Individual Shareholders and Custodians
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



## NOTICE

- After receiving the login details they have to create 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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- F. Mr. H. M. Basavaraja , Chartered Accountant ( Membership No. FCS-026686; FRN 005318S ) [Address: Basavaraja & Dileep, Chartered Accountants -No14 2nd Floor, Madhu Complex, Bungal Matt North Cross Road, VV Puram, Bengaluru – 560 004 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- G. The Scrutinizer shall within a period not exceeding three (3) working days from the closing of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- H. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.welcaststeels.com](http://www.welcaststeels.com) and on the website of CDSL within two (2) working days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

### Contact Details

Company Regd. Office	WELCAST STEELS LIMITED PLOT NO 15, PHASE 1, PEENYA INDUSTRIAL AREA Bengaluru -560058 , India CIN: L27104KA1972PLC002163
E-mail Id	<a href="mailto:info@welcaststeels.com">info@welcaststeels.com</a> <a href="mailto:rajendrakumar@welcaststeels.com">rajendrakumar@welcaststeels.com</a>
Registrar and Share Transfer Agent	Bigshare Services Pvt Ltd. E-2/3 Ansa Industrial Estate, Sakivihar Road, Saki Naka Andheri (E) , Mumbai -400 072 Phone – 022-28470652 ,40430200, Fax – 022-28475207 E mail; <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a> .
e-Voting Agency	Central Depository Services (India) Limited E-mail : <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>
Scrutinizer	H M Basavaraja, Practicing Chartered Accountant E-mail : <a href="mailto:hmbraj27@yahoo.co.in">hmbraj27@yahoo.co.in</a>





## DIRECTORS' REPORT

Your Directors present the Forty Second Annual Report together with Audited Accounts of the Company for the year ended 31st March 2014.

### FINANCIAL RESULTS

₹. In Lacs

PARTICULARS	2013-14	2012 -13
Gross Income	25876.49	26525.82
Less: Excise duty	2085.65	2370.47
Net Income	23790.84	24155.35
Profit before Interest and Depreciation.	651.28	685.73
Less: Interest	62.38	76.67
Profit before Depreciation	588.90	609.06
Depreciation for the year. (Net of withdrawal from revaluation reserve)	146.65	180.39
Profit after Interest and Depreciation	442.25	428.67
Provision for tax:	140.84	144.76
Profit for the year	301.41	283.91
Prior period adjustments	3.42	1.00
<b>Total</b>	<b>297.99</b>	<b>282.91</b>
Balance profit for earlier years	2388.34	2192.52
Profit available for appropriation	2686.33	2475.43
Transfer to General Reserve	50.00	50.00
Dividend on equity shares	31.91	31.91
Tax on proposed dividend	5.42	5.18
Balance to be carried forward a sum of	2599.00	2388.34
Earnings per equity share of ₹10/- each	46.70	44.33

#### 1. PRODUCTION

During the year under review the Company produced 38,340 tons of Grinding Media as compared to 38,414 tons in the previous year.

#### 2. SALES & PROSPECTS

The Company sold 38,143 tons of Grinding Media during the year under review as against 39,218 tons in the previous year. The sales prospects for the current year are quite encouraging.

#### 3. DIVIDEND

Your Directors are pleased to recommend a dividend of 50% (₹ 5.00 per share), as compared to 50% (₹ 5.00 per share) in the previous year.

#### 4. FINANCE

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

#### 5. EMPLOYEE RELATIONS

The relationship with the employees remained cordial.

#### 6. DIRECTORS

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

The Board also recommended the appointment of messers D.P.Dhanuka, Rajendra S.Shah, Sanjay Shailesh Majmudar and Pradip R.Shah as Independent Director for the second term of five years from 10th September 2014 to 9th September 2019 for approve of the members at the ensuing AGM.

#### 7. AUDITORS

The Statutory Auditors M/S.Dagliya & Co, (FRN 000671S) Statutory Auditors of the company will hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re- appointment. The Audit Committee and the Board of Directors recommend their re-appointment as Statutory Auditors of your Company.

The Company has received a certificate from the retiring auditor to the effect that the appointment, if made, will be in accordance with in the limits specify in Section 141 of the Companies Act, 2013.

#### 8. AUDITORS' REPORT AND NOTES ON ACCOUNTS:

The Board has duly reviewed the Statutory Auditors' Report on the Accounts. The observations and comments, appearing in the Auditors' Report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors under Section 217[3] of the Companies Act, 1956.



## DIRECTORS' REPORT (Contd..)

### 9. COST AUDITORS:

In compliance with the Ministry of Corporate Affairs' order No. 52/26/CAB-2010 dated 3rd May, 2011, on the recommendations of the Audit Committee, the Board of Directors of the Company has appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as the Cost Auditors to audit the Cost Accounting Records of the Company for the Financial Year 2013-14.

The Cost Auditor has filed the Cost Audit Report for the Financial Year ended 31st March, 2013 with MCA within the stipulated time.

### 10. INTERNAL CONTROL AND AUDIT:

Company has a proper and adequate system of Internal Control commensurate with its size and the nature of its operations to ensure that all assets are safeguarded and protected against loss from un-authorized use or disposition and those transactions are authorised, recorded and reported correctly.

During the year under review, the Board of Directors at the recommendation of the Audit Committee appointed M/s. Rajesh Dudhara & Co, Chartered Accountants, Ahmedabad as Internal Auditors of the Company for financial year 2013-2014.

### 11. DEPOSITS

The Company has not accepted any deposit from the public during the year under review within the meaning of Section 58A of the Companies Act, 1956.

### 12. INSURANCE:

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

### 13. 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 Clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance and Practicing Company Secretary's Report thereon is attached as annexure II to this Director's report.

### 14. MANAGEMENT DISCUSSION AND ANALYSIS

MDA covering details of operations, Opportunities and Threats etc. for the year under review is given as a separate statement, which forms part of this Annual Report as Annexure III to Director's report.

### 15. 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 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are provided as an Annexure-I to this report.

### 16. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 your Directors hereby confirm that:

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- (ii) sound accounting policies have been selected and applied consistently and judgments and estimates made 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 ended 31st March, 2014 and of the Profit for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Annual Accounts have been prepared on a going concern basis.

### 17. COMPLIANCE CERTIFICATE:

Pursuant to Section 383 A of the Companies Act, 1956 and Companies (Compliance Certificate) Rules 2001, Compliance Certificate from Mr. Manjunatha Reddy, Practicing Company Secretary for the year ended 31st March 2014 is attached as Annexure II to this Directors' Report.

### 18. PARTICULARS OF EMPLOYEES

No employee of the Company is drawing salary in excess of the limits specified under section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1975.

### 19. ACKNOWLEDGMENTS

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

Place : Bengaluru

Date : 29-04-2014

For and on behalf of the Board of Directors

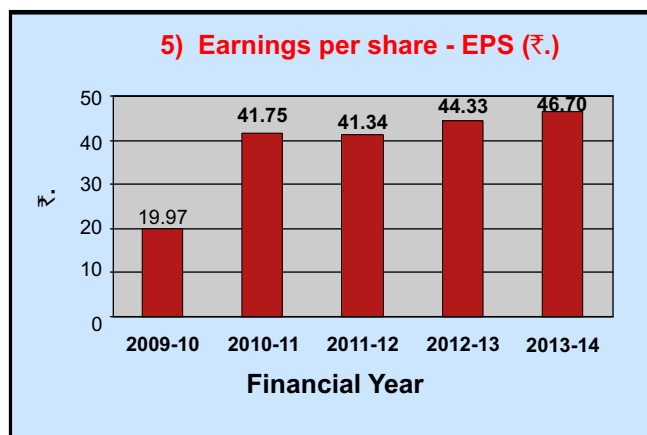
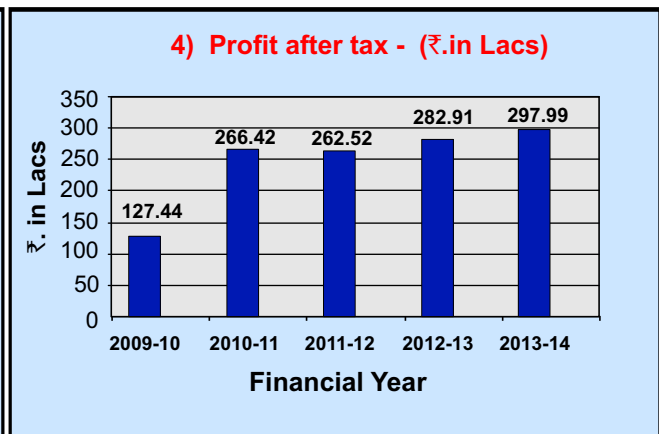
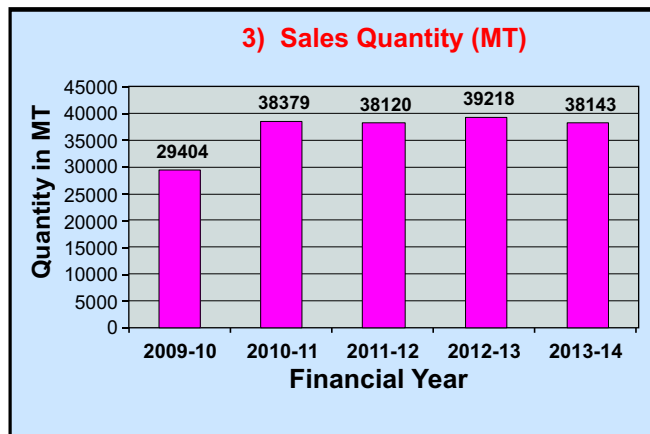
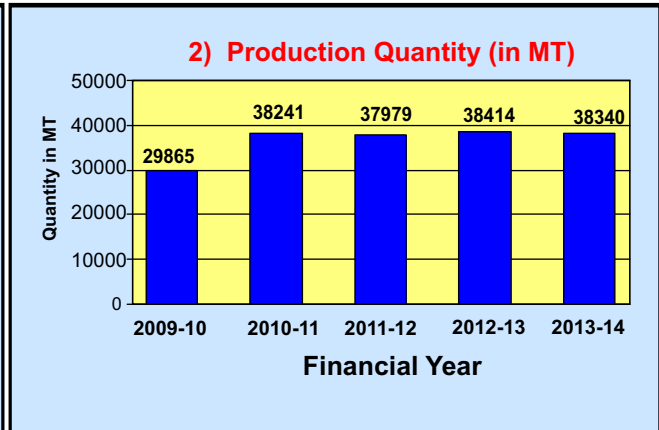
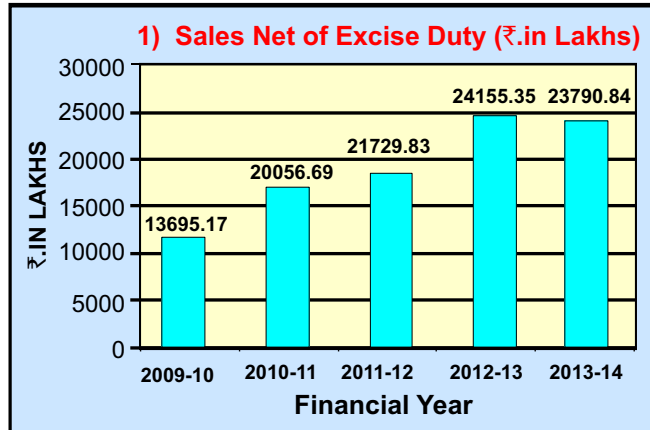
**VINOD NARAIN**  
Chairman



## DIRECTORS' REPORT (Contd..)

### PERFORMANCE HIGHLIGHTS

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





## ANNEXURE-I TO DIRECTORS' REPORT

### ANNEXURE – I

Particulars as per the Companies (Disclosures of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ended 31.03.2014.

#### I. CONSERVATION OF ENERGY

Effective steps were taken to conserve energy.

##### 1. POWER AND FUEL CONSUMPTION

Electricity

- i) Units purchased
- Total amount in ₹.
- Rate / Unit (₹.)

- ii) Units generated
- Unit generated / Litre of Dese / HFO

	2013-14	2012-13
i) Units purchased	4,49,33,160	4,73,45,400
Total amount in ₹.	27,15,15,475	28,11,94,133
Rate / Unit (₹.)	6.04	5.94
ii) Units generated	32,52,178	28,61,362
Unit generated / Litre of Dese / HFO	3.24	4.08
<b>2. CONSUMPTION PER UNIT (Metric ton) OF PRODUCTION (PRODUCT : GRINDING MEDIA)</b>		
Electricity Units	1270	1316

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

Electricity Units

#### II. RESEARCH AND DEVELOPMENT

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

- a) Improvement of yield by modification of patterns.
- b) Development of new grades of Grinding Media for pulverization of different minerals.
- c) Implementation of 5'S' under Lean Management.

##### 2. BENEFITS DERIVED

- a) Increase in productivity
- b) Wider market for the products
- c) Safe working environment and improvement in efficiency.

##### 3. FUTURE PLAN OF ACTION

- i) Reduction of fuel consumption in heat treatment furnaces.
- ii) Implementation of elimination of 8 deadly wastes under Lean Management.

#### III. TECHNOLOGY ABSORPTION AND INNOVATION

##### 1. EFFORTS MADE

- a) Introduction of new packing system for Exports.
- b) Use of new technology in mould making process.

##### 2. BENEFITS

- a) Safe packing and cost saving.
- b) Efficient working and cost saving.

##### 1. PARTICULARS OF TECHNOLOGY IMPORTED DURING THE LAST 5 YEARS - NIL -

##### 2. EXPENDITURE ON R & D

- a) Capital NIL
- b) Revenue NIL

Total R&D Expenditure as a percentage of total turnover (%)

#### IV. FOREIGN EXCHANGE EARNINGS AND OUTGO

##### 1. EARNINGS

Foreign exchange earned. NIL

##### 2. OUTGO

- a) CIF Value of Imports ₹. 224.47 Lacs



## ANNEXURE-II TO DIRECTORS' REPORT

### SECRETARIAL COMPLIANCE CERTIFICATE

To,  
The Members  
WELCAST STEELS LIMITED

I have examined the registers, records, books and papers of WELCAST STEELS LIMITED as required to be maintained under the Companies Act, 1956, (the act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year.

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a Public Limited Company, comments are not required.
4. The Board of Directors duly met four times on 04.05.2013, 10.08.2013, 23.10.2013 and 25.01.2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company closed its Register of Members from 03.08.2013 to 10.08.2013 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2013 was held on 10.08.2013 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary General Meeting held during the financial year
8. According to the information and explanations given to me, the company has not advanced loans to its directors and/or persons or firms or companies referred in the section 295 of the Act.
9. The Company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. According to the information and explanations given to me, no appointment has been made necessitating the company to obtain necessary approvals from the Board of Directors, members and previous approval of the Central Government pursuant to Section 314 of the Act wherever applicable.
12. The Board of Directors has approved / ratified the issue of duplicate share certificates.
13. The Company has:
  - i) Delivered all the certificates on lodgment thereof for transfer / transmission or any other purpose in accordance with the provisions of the act;
  - ii) Deposited the amount of dividend declared in a separate bank account on 12.08.2013 which is within five days from the date of declaration of such dividend.
  - iii) paid / posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed / unpaid dividend has been remained in the Unpaid Dividend Account of the Company with HDFC BANK, Richmond Road, Bengaluru.
  - iv) Duly complied with the requirements of section 217 of the act.
  - v) An amount of ₹.45,526.00 unclaimed Dividend pertaining to the financial year 2005-06 has been transferred to Investor Education and Protection Fund Vide SRN: B85417988. However there were no instances necessitating the transfer of the amount in, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
14. The Board of Directors of the Company is duly constituted and the appointment of Directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.



## **ANNEXURE-II TO DIRECTORS' REPORT (Contd..)**

15. There was no requirement of appointing of a Managing Director / Whole-time-Director / Manager under the provisions of section 269 read with Schedule XIII to the Act and approval of the Central Government.
16. According to the information and explanations given to me, the company has not appointed any sole-selling agent.
17. The Company has no requirement necessitating to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the year under scrutiny.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the Rules made there under.
19. The Company has not issued shares / debentures / other securities during the financial year.
20. The Company has not bought back shares during the financial year ending 31.03.2014.
21. The Company has no redeemable preference shares / debentures due for redemption during the year under scrutiny.
22. There were no transactions necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. According to the information and explanations given to me, the Company has not accepted any deposits from the public during the year under review.
24. The amount borrowed by the Company from financial institutions, banks and others during the financial year ending 31.03.2014 are within the borrowing limits of the company.
25. According to the information and explanations given to me, the company has not made loans and investments, or given guarantees or provided securities to other bodies corporate.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year under scrutiny.
31. According to the information and explanations given to me, no prosecution was initiated against or show cause notices received by the company for alleged offences under the Act and also the fines and penalties or any other punishment imposed.
32. According to the information and explanations given to me, the company has not received security deposit from its employees during the year under certification.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Place : Bengaluru  
Date : 29.04.2014

Signature .....

(M. MANJUNATHA REDDY)  
Name of the Company Secretary  
C.P.No: 7259  
ACS No 19957



## ANNEXURE-II TO DIRECTORS' REPORT (Contd..)

### ANNEXURE : 'A'

Name of the Company : Welcast Steels Limited  
Corporate Identity No. : L27104KA1972PLC002163

Registers as maintained by the Company

1. Register of Members & Index of Members U/s.150/151.
2. Register of charges U/s.143.
3. Copies of Instrument of charges created by the company U/s.136.
4. Copies of Annual Returns U/s.163
5. Minutes of proceedings of General Meetings U/s.193.
6. Minutes of proceedings of Directors Meetings U/s.193.
7. Books of accounts U/s.209.
8. Register of contracts, etc in which directors are interested U/s.301
9. Register of Directors, Managing Director, Manager and Secretary U/s.303.
10. Register of Directors' shareholding U/s.307
11. Bank Receipts relating to deposits of Provident fund U/s.417/418/419.
12. Register of renewed and duplicate share certificates.

### ANNEXURE : 'B'

Forms and returns as filed by the Company with the Registrar of Companies during the financial year ending on 31st March, 2014.

Sl. No.	Forms>Returns	Filed on	Relevant Section
1.	Balance Sheet (Schedule VI) as at 31.03.2013	24.09.2013	220
2.	Annual Return (Schedule V)	26.09.2013	159
3.	Compliance Certificate	29.08.2013	383A
4.	Form No.1INV	01.10.2013	205C
5.	Form No.32	25.04.2013	303
6.	Form No. 23C	21.06.2013	233B (2)
7.	Form No.23B	23.10.2013	224
8.	Form No.23D	26.07.2013	233B
9.	Form No.5INV	07.03.2014	205B
10.	Form No.5INV	07.03.2014	205B



## ANNEXURE-II TO DIRECTORS' REPORT (Contd..)

### 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:

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

The Company's corporate governance philosophy has been further strengthened through the Model Code of Conduct for the Directors / Designated Employees of the Company for prevention of Insider Trading. The said Code of Conduct for prevention of the Insider Trading has also been amended from time to time in line with the amended Securities and Exchange Board of India (SEBI) Prevention of Insider Trading Regulations in this regard.

We take pleasure in reporting that your Company has complied in all respects with the features of Corporate Governance specified in Clause 49 of the Listing Agreement.

#### I. BOARD OF DIRECTORS:

##### Composition of the Board and Details of Board Meetings:

The Composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors, meets the requirement of Code of Corporate Governance. The Board is headed by the Non-Executive Chairman, Mr. Vinod Narain. The present strength of the Board of Directors is 7 which include 2 non executive - Promoter Directors and non independent directors, 5 non executive and Independent Directors in terms of Clause – I (A) (ii) of Clause 49 of the Listing Agreement. Board represents a balance mix of professionalism, knowledge and expertise.

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 are circulated well in advance before the date of the meeting. Board members express opinions and bring up matters for discussions at the meetings. Copies of minutes of the various Committees of the Board, minutes of Board meetings of the company and Compliance Report in respect of various laws and regulations applicable to the company are tabled at Board meeting.

Company's Board met Four times during the financial year under review on 4th May, 2013, 10th August, 2013, 23rd October, 2013 and 25th January 2014. The Company holds one Board Meeting in each quarter and the gap between any two Board Meetings was not more than four months as prescribed under the Listing Agreement. Details of the Directors, their positions, attendance record at Board meetings and last Annual General Meeting (AGM), other Directorships (excluding Private Limited, Foreign Companies and Alternate Directorships) and the Memberships / Chairmanships of Board Committees other than your Company as on 31st March, 2014 and sitting fees for attending Board and Committee meetings are as follows:

Name of the Director	Category	Number of Board meetings attended during the year 2013-14	Attendance at the last AGM held on 10th August 2013	Number of Directorships in other public Companies		Number of Committee positions held in other public companies		Sitting fees Paid ₹. in Lacs
				Member	Chairman	Member	Chairman	
Mr. Vinod Narain Chairman, Promoter	Non Executive Non Independent	4	Yes	1	-	-	-	0.60
Mr. Bhadresh K. Shah - Promoter Director	Non Executive Non Independent	4	Yes	11	-	-	-	0.40
Mr. D.P. Dhanuka	Non Executive Independent	4	Yes	1	-	-	-	0.60
Mr. Sanjay S. Majmudar	Non Executive Independent	-	No	5	-	3	1	-
Mr. Rajendra S. Shah	Non Executive Independent	-	No	4	1	1	-	-
Mr. Pradip R. Shah	Non Executive Independent	4	Yes	-	-	-	-	0.60
Mr. Ashok A. Nichani	Non Executive Independent	4	Yes	-	-	-	-	0.20





## ANNEXURE-II TO DIRECTORS' REPORT (Contd..)

### (B) Independent Directors' Compensation and Disclosures:

Independent Directors' are paid sitting fees in accordance with the applicable laws, and no commission is paid. The Board of Directors at their meeting held on 05 /06/ 2006 had decided to pay ₹. 5,000 as sitting fees for attending Board and other Committee Meetings. The details of the sitting fees paid are given in the table under the heading Details of Board Meetings:

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

### (C) Information available to the members of the Board:

All the information as specified in – Annexure – I (A) of Clause 49 of the Listing Agreement is provided to the Board of Directors. Information like businesses to be transacted at Board Meeting is submitted well in advance through electronic mail mode and agenda papers are submitted to them during the course of Board Meetings.

### (D) Code of Conduct:

Company's Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct is available on the website of the Company [www.welcaststeels.com](http://www.welcaststeels.com). All the Board Members and Senior Management Personnel have affirmed compliance of the Code of Conduct. A declaration signed by the Chief Executive to this effect is enclosed at the end of this report.

### (E) Prohibition of Insider Trading:

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

## II. COMMITTEES OF THE BOARD:

The Company has two (2) Board level Committees, namely:

- a) Audit Committee; and
- b) Shareholders' / Investors' Grievance Committee;

### a) AUDIT COMMITTEE:

As on 31st March, 2014, the Audit Committee comprise of 2 Independent Directors and 1 non independent director. Names of the members and the Chairman of the Committee as on 31st March, 2014 together with their attendance are given in the following table.

The name of Directors and their attendance details are:

Name of Director	No. of Meetings	No. of Meetings attended
Mr. D.P.Dhanuka – Chairman	4	4
Mr. Bhadresh K.Shah	4	4
Mr. Pradip R. Shah	4	4

During Financial Year 2013-14, four (4) Audit Committee meetings were held on 04th May 2013, 10th August 2013, 23rd October 2013, and 25th January 2014. Necessary quorum was present in all the meetings. The time gap between any two Audit committee meetings was not more than four months. Mr. D.P.Dhanuka Chairman of the Audit Committee attended the last Annual General Meeting (AGM) of Shareholders of the Company. The Chief Executive officer, Chief Financial officer, Sr. Manger Finance, Statutory Auditors and Internal Auditors are invited to attend the meetings of the Audit Committee. Mr. P.Rajendra Kumar Sr. Manager Finance acts as the Secretary of the Committee. The Terms of Reference of the Audit Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

Brief description of terms of reference:

- i) Supervision of the Company's financial reporting process.
- ii) Reviewing with the management, the financial results before placing them to the Board with a special emphasis on accounting policies and practices, internal controls, compliance with the accounting standards and other legal requirements concerning financial statements.
- iii) Reviewing the adequacy of internal control systems and internal audit functions including their policies, procedures, techniques and other regulatory requirements with the Statutory Auditors.
- iv) Reviewing the Company's financial and Risk Management policies.
- v) Recommending the appointment and removal of Statutory Auditors and reviewing their performance and their remuneration.
- vi) Keeping watch on timely payment to Shareholders, Creditors etc.



## ANNEXURE-II TO DIRECTORS' REPORT (Contd..)

- vii) Reviewing of significant Related Party Transactions, if any.
- viii) Reviewing Management Discussion and Analysis of financial condition and result of operations.
- ix) Reviewing the performance of the Internal Auditors and appointment, removal and terms of remuneration of Internal Auditors.
- x) Recommend to the Board, the appointment of a Cost Accountant within the meaning of the Cost Accountants Act, 1959 to conduct audit of cost records of the Company in compliance with the provisions of Companies Act, 1956 and rules made there under.

In addition to the above, the Committee reviews the Management Discussion and Analysis; statement of significant related party transactions, management responses etc. 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.

b) **SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE:**

The Company has constituted a Shareholders'/Investors' Grievance Committee of Directors to look into the:

- (i) Redressal of Shareholders and Investors complaints like transfer of shares, non-receipt of Annual Reports, non-receipt of declared dividends etc.
- (ii) Oversee the performance of the Registrar and Transfer Agents and recommend measures for overall improvement in the quality of investor services.

Composition, Name of Members and Chairperson:

Name of the Directors	No of meetings held	No of Meetings Attended
Mr. Vinod Narain -Chairman	4	4
Mr. D.P.Dhanuka	4	4
Mr. Pradip R. Shah	4	4

Mr. P.Rajendra Kumar, Compliance officer acts as the Compliance Officer of the Committee.

Meetings and attendance during the year:

The Committee meets on need basis. During the year under review Committee met four times on 04th May 2013, 10th August 2013, 23rd October 2013, and 25th January 2014.

Number of Shareholders complaints received during the Financial Year:

The Committee ensures that the Shareholders' / Investors' grievances and correspondences are attended and resolved expeditiously. During the period under review, Company received one Complaint from a Shareholder and the same was resolved to his/her satisfaction. There is no outstanding complaint as on 31st March, 2014.

Number of Complaints not solved to the satisfaction of Shareholders : Nil

Number of pending Share Transfers : Nil

#### IV. DISCLOSURES:

(A) **Material Significant Related Party Transactions:**

The Company has not entered into transactions of material nature with related parties i.e. Directors or Management, their holding companies, subsidiary of holding company s or relatives conflicting with the Company's interest at large. The Register of Contracts containing transactions in 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.

(B) **Disclosure of Accounting Treatment:**

In the preparation of the Financial Statements, the Company has followed Accounting policies and Practices as prescribed in the Accounting Standards.

(C) **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.

(D) **Public issue :**

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



## ANNEXURE-II TO DIRECTORS' REPORT (Contd..)

(E) Remuneration of Directors:

The Directors' Remuneration Policy of your Company conforms to the provisions under Companies Act, 1956. The Board determines the remuneration of the Non-Executive Directors. The Company does not have any stock option plan or performance linked incentive for the Executive Directors. The details of Sitting Fees paid to the Independent Directors for attending Board and Committee Meetings during the Financial Year 2013-2014 is given above under the heading of Details of board meeting under para - I (A)

(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 report.

(G) Shareholders:

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

Messrs Bhadresh K. Shah and Vinod Narain being non independent Directors of the Company were reappointed by the share holders at 40th and 41st Annual General Meetings of the Company respectively. Mr. Bhadresh K. Shah, Director of the Company retiring by rotation at the ensuing 42nd AGM of the Company and being eligible, offers himself for re-appointment in the ensuing AGM.

Messrs D.P. Dhanuka, Sanjay S. Majmudar, Rajendra S. Shah, and Pradip R. Shah Directors of the Company would be appointed as Independent Directors for a 2nd term of five years having already completed first term of five years.

The brief resumes and other information of the above retiring Independent Director as required to be disclosed under this section are provided in the notice of the Annual General Meeting.

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

(iii) None of the Directors holds any shares of the company at any point of time during the year.

H) Compliance by the Company:

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

**V. CEO / CFO CERTIFICATION:**

The Chief Executive officer and the Chief Finance officer of the Company have certified to the Board that the Financial Results of the Company for the year ended 31st March, 2014 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 Clause 49 (V) of the Listing Agreement.

**VI. MEANS OF COMMUNICATION:**

(1) The quarterly and half yearly results are published in widely circulated national and local dailies such as "Financial Express" in English and Sanjay Vani in Kannada version. These results are not sent individually to the Shareholders but are put on the website of the Company.

(2) The Company's results are displayed on the Company's website: [www.welcaststeels.com](http://www.welcaststeels.com).



## ANNEXURE-II TO DIRECTORS' REPORT (Contd..)

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

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

Location, date and time for the last three Annual General Meetings.

Sl No	Financial Year	Venue	Time and Date
1	2012-13	THE LALIT ASHOK, Kumara Krupa High Grounds Bengaluru 560 001	15hrs on 10th Aug 2013
2	2011-12	Lee Meridian Hotel, 28, Sankey Road, Bengaluru 560052	15hrs on 19th July 2012
3	2010-11	THE LALIT ASHOK, Kumara Krupa High Grounds Bengaluru 560 001	15hrs on 3rd Aug 2011

No Special Resolutions were passed by the members during the past 3 Annual General Meetings:

### VIII. GENERAL SHAREHOLDERS' INFORMATION

#### 1. General

Date and Time of 42nd AGM	Wednesday the 10th Sept, 2014 at 12 Noon THE LALIT ASHOK, Kumara Krupa High Grounds Bengaluru 560 001
Venue of AGM	Kumara Krupa High Grounds Bengaluru 560 001
Financial Year ended	31st March, 2014.
Book Closure Date	3rd September, 2014 to 10th September, 2014 (both days inclusive)
Registered Office Address	Plot No 15, Phase 1. Peenya Industrial Area, Bengaluru 560058
Dividend Payment Date	Within 30 days from the date of declaration of dividend
Compliance Officer	Mr. P. Rajendra Kumar
Email for redressal of Investors' Complaints in terms of Clause 47 (f) of the Listing Agreement	invest_grievance@welcaststeels.com

#### 2. Financial Calendar (subject to change) for the Financial Year 2014-15:

First Quarter Results	On or before 14th August, 2014
Second Quarter & Half Yearly Results	On or before 14th November, 2014
Third Quarter Results	On or before 14th February, 2015
Audited Results for the year 2014-15 :	On or before 30th May, 2015

The listing fees for the year 2014-15 have been paid to both the Stock Exchanges.

#### 3. Listing on Stock Exchanges:

Name and Address of the Stock Exchanges	Scrip Code
Bombay Stock Exchange Limited 25th Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400 001	504988 & ISIN - INE380G01015
Bengaluru Stock Exchange Stock Exchange towers, No 51, 1st Cross, JC Road, Bengaluru 560027.	

#### 4. Market Price Data:

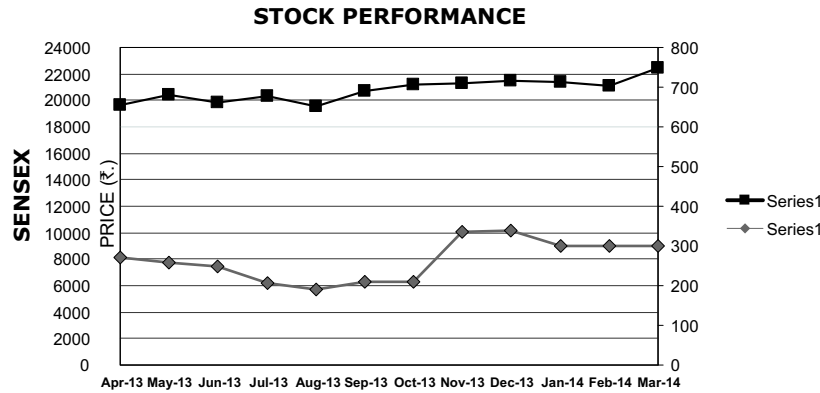
The securities of the Company have been listed on BSE and Bengaluru stock exchanges. The stock market prices with BSE were as under:

Sl No	Month	High	Low
1.	Apr 2013	270.00	260.00
2.	May 2013	259.00	234.95
3.	Jun 2013	250.00	203.15
4.	July 2013	205.00	196.00
5.	Aug 2013	191.00	190.00
6.	Sep 2013	210.00	180.56
7.	Oct 2013	210.20	204.85
8.	Nov 2013	335.00	220.70
9.	Dec 2013	340.00	281.00
10.	Jan 2014	299.90	247.10
11.	Feb 2014	300.00	284.95
12.	Mar 2014	300.00	270.00



## ANNEXURE-II TO DIRECTORS' REPORT (Contd..)

### STOCK PERFORMANCE



5. Registrar & Share Transfer Agent:

M/s Big Share Services Pvt Ltd., E-2/3 Ansa Industrial Estate, Sakivhar Road, Saki Naka, Andheri (E) MUMBAI – 400 072 Phone No. 022-28470652, 404030200, Fax No. 022-28475207 email-info@bigshareonline.com are the Registrar and Share transfer agents of the Company (R & T Agent). They deal with all matters pertaining to transfers, transmissions, subdivisions and consolidation of Company's securities and also correspondence for shares held in physical form. It may be noted that the request for demat of shares should be made by investors to their respective depository participants. There are no legal proceedings against the Company on any share transfer matters.

6. Share Transfer System:

The Share transfers are processed and the Share Certificates are returned to the Shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

7. Distribution of Shareholding:

(i) Shareholding pattern as on 31st March, 2014.

Category of Share holders	No of Shares held		Number of Share Holders	Percentage of holding
	Electronic	Physical		
Promoter & Promoter Group	4,77,661	-	1	74.85
Public shareholding	-	-	-	-
- Institutions	-	-	-	-
- Financial Institutions / Banks	-	75	3	0.01
- Bodies Corporate	6,677	50	44	1.05
- Individuals	1,06,949	45,658	2493	23.92
- NRI	623	50	12	0.11
- Clearing Member	418	-	6	0.06
<b>GRAND TOTAL</b>	<b>5,92,328</b>	<b>45,833</b>	<b>2559</b>	<b>100%</b>

(ii) Distribution of Shareholding as on 31st March 2014.

No. of Equity Shares

Holder	No. of folios	% of total folios	No. of Shares	% of holding
1 to 500	2529	98.82	1,09,922	17.22
501 to 1000	21	0.82	14,205	2.23
1001 to 2000	4	0.16	5,258	0.82
2001 to 3000	1	0.04	2,361	0.37
3001 to 4000	1	0.04	3,550	0.56
4001 to 5000	-	-	-	-
5001 to 10000	1	0.04	9,000	1.41
10001 & above	2	0.08	4,93,865	77.39
<b>Grand Total</b>	<b>2559</b>	<b>100.00</b>	<b>6,38,161</b>	<b>100.00</b>



## ANNEXURE-II TO DIRECTORS' REPORT (Contd..)

### 8. Dematerialisation of Shares & Liquidity:

The Shares of the Company are compulsorily traded in DEMAT form in the Stock Exchanges where they are listed. The Shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Shares of the Company are actively traded at Bombay Stock Exchange Limited, Mumbai (BSE)

As on 31st March, 2014

Category of shares held	No of folios	% of total folios	No of Shares	% of holding
In Physical Mode	1151	44.98	45833	7.18
In Electronic Mode	1408	55.02	592328	92.82

### 9. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely Impact on Equity:

The Company has not issued GDRs / ADRs / Warrants or any convertible instruments.

### 10. Outstanding Shares in Unclaimed Suspense Account of the Company as on 31st March 2014 : NIL

### 11. Plant Location:

Welcast Steels Limited  
Plot No 15, Phase 1, Peenya Industrial Area, Bengaluru 560 058.

### 12. Address for Correspondence:

#### a) For transfer / dematerialisation of Shares, change of address of members and other queries:

Welcast steels Limited  
Plot No 15, Phase 1, Peenya Industrial Area,  
Bengaluru 560 058.  
Phone No. 080-28394058 – 59  
Email : invest\_grievance@welcaststeels.com.

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

Mr. P.Rajendra Kumar,  
Compliance officer,  
Welcast Steels Limited ,  
Plot No 15, Phase 1, Peenya Industrial Area,  
Bengaluru 560 058.  
Phone No. 080-28394058 – 59

Investors' related query mail to: invest\_grievance@welcaststeels.com.

## IX DETAILS OF NON-COMPLIANCE:

There was no non-compliance during the year and no penalty has been imposed or strictures passed on the Company by the Stock Exchanges, SEBI or Registrar of Companies (ROC). The Company has obtained a Certificate from Mr. Manjunath Reddy M Practicing Company Secretary on Corporate Governance and has attached the certificate with the Directors' Report and the same will be sent to all the Shareholders of the Company. The same certificate shall also be sent to all the concerned Stock Exchanges along with the Annual Reports to be filed by the Company.

## X NON-MANDATORY REQUIREMENTS:

### a) Chairman of the Board:

Non-Executive Chairman heads the Board of the Company.

### b) Shareholder Rights:

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

### c) Postal Ballot: No Postal Ballot was conducted during the year under review.

### d) Whistle Blower Policy:

The Company promotes ethical behavior in all its business and has put in place a mechanism of reporting of (i) Bribery and Corruption (ii) Financial Misappropriation and other illegal or unethical behavior. The Company has a Whistle Blower Policy wherein the employees are free to report above violations directly to the Chief Financial officer in a sealed envelope or to an email id provided in the Whistle Blower Policy. The confidentiality of those reporting violations is maintained and they are not subject to any discriminatory practices and are suitably rewarded.



## ANNEXURE-II TO DIRECTORS' REPORT (Contd..)

### PRACTICING COMPANY SECRETARY CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of  
Welcast Steels Limited Bengaluru

We have examined the compliance of conditions of Corporate Governance by Welcast Steels Limited for the year ended 31st March 2014 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above listing agreement.

We state that during the year ended 31st March 2014, one complaint was received and resolved and hence no Investor Complaint is pending against the Company as on 31st March 2014 as per the records maintained by the Company and presented to the Investors/ Shareholders Grievance Committee and to us.

We 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.

**Manjunath Reddy M**  
Company Secretary

Place :Bengaluru  
Date : 29.04.2014

ACS No. 1957  
C.P.No.7259

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### CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER CERTIFICATION

To,

The Board of Directors,  
WELCAST STEELS LIMITED,  
Bengaluru -560 058

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

- (a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2014 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 affairs and are in compliance with existing Accounting Standards, applicable laws & regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions executed by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- (c) We are responsible for establishing & maintaining Internal Controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control system, if any, and that we have taken the required steps to rectify these deficiencies.
- (d) We have indicated, based on our evaluation, wherever applicable, to the Auditors and the Audit Committee:
  - (i) Significant changes, if any, in internal control over financial reporting during the year;
  - (ii) Significant changes, if any, in accounting policies during the year and that the same has 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.

**MOHANA RAO VVR**  
Chief Executive Officer  
Place: Bengaluru  
Date :29.04.2014

**YASH RAJ**  
Chief Financial Officer  
Place: Bengaluru  
Date : 29.04.2014



## ANNEXURE-III TO DIRECTORS' REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS

#### A. INDUSTRY OVERVIEW:

The Company manufactures and markets wide range of High Chrome Grinding Media Balls which are used in the process of grinding in the Cement, Mining and Thermal Power Plants.

The Company employs alloy-casting process for manufacture of the products, which require designing of alloys in relation to end application. The casting process is followed by precision heat treatment to develop required end properties. Therefore, Company can generally be classified as a foundry. Since the Company's products are used in the Cement, Mining and Thermal Power Plants, its market prospects are linked with the requirement of these industries.

The Indian Cement Industry has been facing excess capacity in the recent past due to sluggish demand. The Cement Industry, having grown its capacity upto 300 Million Tonnes P.A. seems to have entered a phase of consolidation with the new capacity additions having slowed down. However, the Government's plan is to boost up the infrastructure development in the country will help the Cement Industry to perform better.

The Company is also servicing the replacement and new capex requirements of coal fired thermal power plants and thus directly catering to the power sector. India is projected to continue to be power deficit for the foreseeable future and hence a sustained growth in this particular segment is predictable. In Mining sector, company's prospects are closely linked to the capacity utilization of mines and there the demand of Grinding Media shall continue to be fairly good.

#### B. SEGMENTWISE PERFORMANCE:

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

#### C. OUTLOOK AND PROSPECTS:

The replacement market of Grinding Media for Cement Industry is likely to improve in the current year if the infrastructure development is carried out as per Government's plan. The Mining Industry has large annual replacement market and the company shall continue to enjoy fairly good share of the demand due to its superior quality of products. Similarly, in Thermal Power Plants also the demand of Grinding Media shall continue to be good.

#### D. FINANCIAL PERFORMANCE REVIEW :

An analysis financial performance of the Company is as under:-

##### • Production

The production achieved is as under: (Qty.in M.T)

Product	F.Y.2013-14	F.Y.2012-13
High Chrome Grinding Media Balls	38340	38414

##### • Sales Turnover

The comparative position of sales turnover achieved by the Company is as under: (₹. in Lacs)

Particulars	F.Y.2013-14	F.Y.2012-13
Sales (Net of Excise)	23790.84	24155.35
Other Income	43.16	49.52
Total	23,834.00	24204.87





## ANNEXURE-IV TO DIRECTORS' REPORT (Contd..)

### ◆ Key Performance Indicators

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

(₹. in lacs)

	Particulars	F.Y.2013-14	% of revenue	F.Y.2012-13	% of revenue
1	Revenue from Operations (Net)	23,790.84	100.00	24,155.35	100.00
2	Cost of Materials Consumed - (including Trading Purchase)	15,514.99	65.21	16,207.98	67.01
3	Employee Benefits Expense	922.29	3.88	877.78	3.63
4	Other Expenses	6,748.86	28.37	6,434.38	26.34
5	EBIDTA	604.70	2.54	635.22	2.63
6	Other Income	43.16	0.18	49.52	0.21
7	Finance Costs	62.38	0.26	76.67	0.32
8	Depreciation & Amortization Expenses	146.65	0.62	180.39	0.75
9	Profit before Tax	438.83	1.84	427.68	1.77
10	Tax Expenses	140.84	0.59	144.77	0.60
11	Profit for the period after tax	297.99	1.25	282.91	1.17

### E. INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT:

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

The Company continues to attract excellent talent to further its business interest. Industrial Relations continue to be cordial.

### F. 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.



## AUDITORS' REPORT

To,

**The Members of  
WELCAST STEELS LIMITED Bengaluru  
Report on the Financial Statements**

We have audited the accompanying financial statements of WELCAST STEELS LTD., which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the PROFIT for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

- I. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, based on such checks as we considered appropriate and according to the information and explanations given to us, we state that:
    - 1) a) The company has maintained adequate records of fixed assets with full particulars including quantity and location.
    - b) The fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
    - c) During the year, the company has not disposed off any substantial part of the fixed assets affecting the going concern status of the company.
  - 2) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) The 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.
  - c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the nature of business and volume of operations and the same have been properly dealt with in the books of accounts.
- 3) a) The company has not granted any loans, secured or unsecured to companies, firms, or other parties covered in the register maintained u/s 301 of the companies Act, 1956.



## AUDITORS' REPORT (Contd..)

In view of the above the question of rate of interest, terms and conditions of loans, regularity of recovery of principal and interest and over dues does not arise and clauses 4 (iii) (b), (c) and (d) of the Order are not applicable.

- b) The company has not borrowed any loans from the companies, firms, or other parties covered in the register maintained u/s 301 of the companies Act, 1956.

In view of the above the question of rate of interest, terms and conditions of loans, regularity of repayment of principal and interest and over dues does not arise and clauses 4 (iii) (e), (f) and (g) of the Order are not applicable.

- 4) In our opinion and according to the information and explanations given to us there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods & services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- 5) a) Based on the audit procedures and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained u/s 301 of the companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained u/s 301 of the companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6) As explained to us, the company has not accepted any deposits from the public with in the meaning of sections 58A and 58 AA or any other relevant provisions of the companies Act, 1956 and Rules framed there under.
- 7) In our opinion, the company has an internal audit system commensurate with the size of the company and nature of its business
- 8) 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 209 (1) (d) of the Companies Act 1956 and we are of the opinion that prima facie the prescribed accounts records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether that are accurate or complete.
- 9) a) According to the records of the Company, the company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, Service Tax, custom duty, excise duty, cess and other material statutory dues to the extent applicable to it.
- b) According to the information and explanations given to us and based on the records verified by us, we state that no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise duty and Cess which have remained outstanding as at 31st March 2014 for a period of more than six months from the date they became payable.
- c) According to the information and explanation given to us, there are no dues of Income tax, Wealth tax, Sales tax, Service Tax, Customs duty, Excise duty and Cess, which have not been deposited on account of any dispute except as stated below:

Name of the Statute	Nature of Dues	Disputed Amount (₹. in Lac)	Forum where the dispute is pending
Finance Act, 1994	Service Tax	116.64	Customs, Excise & Service Tax Appellate Tribunal, Bengaluru.
Foreign Trade Regulation Act (DEEC Scheme)	Customs Duty, Interest	556.37*	High Court of Karnataka
Income Tax Act, 1961	Income Tax	1.22	In the process of filing rectification before DCIT, Bengaluru

\* Excluding Penalty, Rs. 35 Lakhs has been deposited against the above.

- 10) The company neither has accumulated losses at the end of the financial year nor incurred cash losses during the current and the immediately preceding financial year.
- 11) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The company has neither borrowed any loans from Financial Institutions nor issued any debentures and consequently the question of default in repayment does not arise.



## AUDITORS' REPORT (Contd..)

- 12) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the year.
  - 13) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  - 14) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  - 15) As informed to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
  - 16) The company has not raised any term loans from Banks or Financial Institutions during the year under audit. Hence the question of application of loan funds for the purpose for which they are obtained does not arise.
  - 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
  - 18) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.
  - 19) The Company has not issued any debentures during the year.
  - 20) The company has not raised money by public issues during the year.
  - 21) Based on the audit procedures performed and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- II. As required by section 227(3) of the Act, we report that:
- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement referred to in this report are in agreement with the books of account;
  - d. In our opinion, the Balance sheet, Statement of Profit & loss and Cash Flow statement generally comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.;
  - e. On the basis of written representations received from the directors, as on 31st March 2014 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

Place : Bengaluru  
Date : 29-04-2014

**For DAGLIYA & CO.**  
Chartered Accountants  
(FRN 000671S)  
**(P.MANOHARA GUPTA)**  
Partner  
Membership No: 16444



## Balance Sheet As At 31st March 2014

₹. In Lacs

Particulars	Note No.	As At 31st March 2014	As At 31st March 2013
<b>A. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	63.84	63.84
(b) Reserves and Surplus	2	3,041.46	2,781.97
<b>(2) Share Application money pending allotment</b>			
-			
<b>(3) Non-Current Liabilities</b>			
(a) Long term borrowings		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions	3	159.70	143.75
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	4	325.00	550.00
(b) Trade Payables	5	1,375.36	1,716.97
(c) Other Current Liabilities	6	82.26	555.12
(d) Short-Term Provisions	7	110.60	106.83
<b>Total</b>		<b>5,158.22</b>	<b>5,918.48</b>
<b>B. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	8		
(i) Tangible Assets		614.92	708.11
(ii) Intangible Assets		1.88	2.36
(iii) Capital Work in Progress		-	6.22
(b) Non-current investments	9	0.01	0.01
(c) Deferred tax assets (net)	10	147.79	136.70
(d) Long term loans and advances	11	621.87	601.94
(e) Other non-current assets	12	0.09	0.09
<b>(2) Current Assets</b>			
(a) Current investments			
(b) Inventories	13	1,730.05	2,139.94
(c) Trade receivables	14	342.33	824.01
(d) Cash and cash equivalents	15	112.04	555.03
(e) Short-term loans and advances	16	1,579.64	917.90
(f) Other current assets	17	7.60	26.17
<b>Total</b>		<b>5,158.22</b>	<b>5,918.48</b>

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

For and on behalf of the Board  
**D.P. DHANUKA**  
**BHADRESH K. SHAH**  
**PRADIP R. SHAH**  
**ASHOK A. NICHANI**  
 Directors

**VINOD NARAIN**  
 Chairman  
  
**YASHRAJ**  
 Chief Financial Officer

As per our Report attached for **DAGLIYA & CO.**  
 Chartered Accountants  
 (FRN 000671S)  
  
**(P MANOHARA GUPTA)**  
 Partner  
 Membership No 16444

Place : Bengaluru  
 Date : 29.04.2014



## Statement of Profit & Loss For The Year Ended 31st March 2014

₹. In Lacs

Particulars	Note No	Year ended 31st March 2014	Year ended 31st March 2013
1 Revenue from operations (Gross)	18	25,876.49	26,525.82
Less: Excise duty		2,085.65	2,370.47
Revenue from operations (Net)		23,790.84	24,155.35
2 Other Income	19	43.16	49.52
<b>3. Total Revenue (1+2)</b>		<b>23,834.00</b>	24,204.87
4 Expenses:			
(a) Cost of materials consumed	20	15,557.53	15,595.72
(b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	(42.54)	310.48
(c) Cost of goods Traded		-	301.78
(d) Employee Benefits Expense	22	922.29	877.78
(e) Finance Costs	23	62.38	76.67
(f) Depreciation and Amortization Expense	8	146.65	180.39
(g) Other Expenses	24	6,745.44	6,433.38
<b>Total Expenses 4</b>		<b>23,391.75</b>	23,776.20
5 Profit before exceptional, extraordinary, prior period items, and tax (3-4)		442.25	428.67
6 Prior Period items	25	3.42	1.00
7 Exceptional Items		-	-
8 Profit before extraordinary items and tax (5 - 6 - 7)		438.83	427.67
9 Extraordinary Items		-	-
10 Profit before tax (8 - 9)		438.83	427.67
11 Tax expense:			
a) Current tax		155.40	165.00
b) Taxes of earlier years		(3.46)	0.73
c) Deferred tax		(11.10)	(20.97)
12 Profit(Loss) for the period from continuing operations (10-11)		297.99	282.91
13 Earning per equity share: Basic & Diluted		46.70	44.33

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

26

For and on behalf of the Board  
**D.P. DHANUKA**  
**BHADRESH K. SHAH**  
**PRADIP R. SHAH**  
**ASHOK A. NICHANI**  
Directors

**VINOD NARAIN**  
Chairman  
  
**YASHRAJ**  
Chief Financial Officer

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

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

Place : Bengaluru  
Date : 29.04.2014



## Notes forming part of the Financial Statements

₹. In Lacs

### 1. Share Capital

Particulars	As at 31st March 2014		As at 31st March 2013	
	No of shares	Amount	No of shares	Amount
<b>A AUTHORISED</b>				
Equity Shares of ₹.10/- each with voting rights	2,000,000	200.00	2,000,000	200.00
<b>B ISSUED , SUBSCRIBED &amp; FULLY PAID UP</b>				
Equity Shares of ₹.10/- par value - Fully allotted for cash	638,161	63.82	638,161	63.82
Forfeited Shares Equity Shares of ₹.10/- each (originally paid up @ ₹. 5/- per share)	425	0.02	425	0.02
<b>Total</b>	<b>638,586</b>	<b>63.84</b>	638,586	63.84

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

Equity Shares	As at 31st March 2014		As at 31st March 2013	
	No of shares	Amount	No of shares	Amount
Shares outstanding at the beginning of the year	638,161	63.82	638,161	63.82
Add/ (Less): Shares allotted/ (bought back) during the year	-	-	-	-
Shares outstanding at the end of the year	638,161	63.82	638,161	63.82

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

Name of the shareholder	As at 31st March 2014		As at 31st March 2013	
	No. of shares	% of holding	No. of shares	% of holding
AIA Engineering Ltd - Holding Company	477,661	74.85	456,881	71.59

#### E TERMS/RIGHTS ATTACHED TO EQUITY SHARES

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

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

### 2. Reserves & Surplus

₹. In Lacs

Particulars	As at 31st March 2014		As at 31st March 2013	
<b>A Securities Premium</b> (There are no additions/deduction since the last Balance sheet)		47.79		47.79
<b>B Revaluation Reserve</b>				
Opening balance	11.71		12.88	
Less: Withdrawn during the year	1.17		1.17	
Closing balance		10.54		11.71
<b>C General Reserve</b>				
Opening balance	334.13		284.13	
Add: Transferred from Surplus in Statement of Profit and Loss	50.00		50.00	
Closing balance		384.13		334.13
<b>D Surplus</b>				
Opening balance	2,388.34		2,192.52	
Add: Transferred from Surplus in Statement of Profit and Loss	297.99		282.91	
Less: Proposed Dividend	31.91		31.91	
Less :Tax on Proposed Dividend	5.42		5.18	
Less: Transfer to General Reserve	50.00		50.00	
Closing balance		2,599.00		2,388.34
<b>Total</b>		<b>3,041.46</b>		2,781.97



## Notes forming part of the Financial Statements

₹. In Lacs

### 3. Long Term Provisions

Particulars	As at 31st March 2014	As at 31st March 2013
Provision for Employee Benefits		
a) Gratuity	130.50	118.67
b) Compensated Absences	29.20	25.08
<b>Total</b>	<b>159.70</b>	<b>143.75</b>

### 4. Short Term Borrowings

₹. In Lacs

Particulars	As at 31st March 2014	As at 31st March 2013
Secured		
Working Capital Loan from Bank - Canara Bank		
Packing Credit	325.00	550.00
1) Secured by hypothecation, by way of first charge on stocks of raw materials, semi finished, finished goods, packing materials, book debts, receivables and other current assets and fixed assets including Plant, Machinery, tools, accessories and other assets stored/installed in the factory or at any other place.		
2) No default in repayment of above loan/in payment of interest		
<b>Total</b>	<b>325.00</b>	<b>550.00</b>

### 5. Trade Payables

₹. In Lacs

Particulars	As at 31st March 2014	As at 31st March 2013
Trade Payables		
Dues to Micro and Small Enterprises	28.69	30.53
Dues to Others	1,346.67	1,686.44
<b>Total</b>	<b>1,375.36</b>	<b>1,716.97</b>

### 6. Other Current Liabilities

₹. In Lacs

Particulars	As at 31st March 2014	As at 31st March 2013
a) Unpaid Dividends	4.29	3.67
b) Advances from Customers	6.96	478.23
c) Accrued Salaries & Benefits	54.44	51.07
d) Contribution to PF/ESI payable	8.62	10.42
e) Other Payables -Duties & Taxes	7.95	11.73
<b>Total</b>	<b>82.26</b>	<b>555.12</b>

### 7. Short Term Provisions

₹. In Lacs

Particulars	As at 31st March 2014	As at 31st March 2013
a) Provision for employee benefits		
i) Gratuity	30.68	24.68
ii) Compensated Absences	9.73	5.89
iii) Bonus and Ex-Gratia	36.22	33.22
b) Others		
i) Provision for Income tax	155.40	165.00
Less: Advance Tax Paid	(158.76)	(159.05)
Net Tax Provision	(3.36)	5.95
ii) Proposed Dividend	31.91	31.91
iii) Provision for Tax on Dividend	5.42	5.18
<b>Total</b>	<b>110.60</b>	<b>106.83</b>





## Notes forming part of the Financial Statements

### 8. FIXED ASSETS

₹. in lacs

PARTICULARS	Gross Block			Depreciation			Net Block		
	As at 01.04.2013	Additions during the Year	Deletions during the Year	As at 31.03.2014	As at 01.04.2013	For the Year	Withdrawal/ Deductions	As at 31.03.2014	As at 31.03.2013
<b>TANGIBLE ASSETS :</b>									
Land	8.89	-	-	8.89	-	-	-	8.89	8.89
Buildings	628.36	7.11	-	635.47	368.41	26.00	-	241.06	259.95
Plant & Machinery	3,353.06	33.16	-	3,386.22	2,982.43	105.55	-	298.24	370.63
Furniture & Fixtures	42.97	1.33	-	44.30	32.86	1.94	-	9.50	10.11
Computers	40.47	4.81	-	45.28	36.72	2.66	-	5.90	3.75
Office Equipment's	65.54	1.86	-	67.40	27.09	6.00	-	34.31	38.45
Laboratory equipment's	40.94	0.35	-	41.29	31.23	2.73	-	7.33	9.71
Vehicles	34.13	5.12	-	39.25	27.51	2.05	-	9.69	6.62
Total	4,214.36	53.74	-	4,268.10	3,506.25	146.93	-	614.92	708.11
Previous year - Tangible	4,192.60	21.76	-	4,214.36	3,324.94	181.31	-	708.11	
<b>INTANGIBLE ASSETS :</b>									
Software	2.62	0.41	-	3.03	0.26	0.89	-	1.88	2.36
Total	2.62	0.41	-	3.03	0.26	0.89	-	1.88	2.36
Previous year - Intangible	-	2.61	-	2.61	-	0.25	-	2.36	-
Capital work in progress *	6.22	-	6.22	-	-	-	-	-	6.22
Previous Year	-	6.22	-	6.22	-	-	-	6.22	-
Grand total	4,223.20	54.15	6.22	4,271.13	3,506.51	147.82	-	616.80	716.69
Previous year	4,192.60	30.59	-	4,223.19	3,324.94	181.56	-	716.69	

\* Represents disposal on as is where is basis



## Notes forming part of the Financial Statements

₹. In Lacs

### 9. Non Current Investments

Particulars	As at 31st March 2014	As at 31st March 2013
a) Trade Investments	-	-
b) Other Investments In Government Securities- (Unquoted, At cost) (National Saving Certificates/IVP)	0.01	0.01
<b>Total</b>	<b>0.01</b>	<b>0.01</b>

### 10. Deferred Tax Assets

₹. In Lacs

Particulars	As at 31st March 2014	As at 31st March 2013
Arising on account of timing difference		
On account of Depreciation	82.87	80.14
On account of Gratuity, Compensated Absences & Bonus	64.92	56.56
<b>Total</b>	<b>147.79</b>	<b>136.70</b>

### 11. Long Term Loans and Advances

Particulars	As at 31st March 2014	As at 31st March 2013
i) Capital Advances (Unsecured & considered good) (Advance paid towards purchase of Land)	188.40	188.40
ii) Security Deposits (Unsecured & Considered good) Earnest Money Deposit	2.72	2.72
Other Deposits	430.75	410.82
<b>Total</b>	<b>621.87</b>	<b>601.94</b>

### 12. Other Non Current Assets

₹. In Lacs

Particulars	As at 31st March 2014	As at 31st March 2013
a Long Term Trade Receivables		
Deposits-In Post office Savings bank Account (Pass Book lodged with Central Excise Dept.)	0.09	0.09
<b>Total</b>	<b>0.09</b>	<b>0.09</b>

### 13. Inventory

₹. In Lacs

Particulars	As at 31st March 2014	As at 31st March 2013
a Raw Material	575.81	1,192.59
b Stores & Spares	657.82	453.53
c Work in Process	494.13	451.59
d As Casting goods	2.29	-
e Raw material in transit	-	42.23
<b>Total</b>	<b>1,730.05</b>	<b>2,139.94</b>

### 14. Trade Receivables

₹. In Lacs

Particulars	As at 31st March 2014	As at 31st March 2013
Unsecured & Considered good Amount due for more than 6 months from the date they have fallen due	131.95	213.01
Others Debts	210.38	611.00
<b>Total</b>	<b>342.33</b>	<b>824.01</b>



## Notes forming part of the Financial Statements

₹. In Lacs

### 15. Cash & Cash Equivalents

Particulars	As at 31st March 2014	As at 31st March 2013
<b>Cash &amp; Bank Balances :</b>		
a Balance with Banks:		
i) In Current Accounts	16.14	37.45
ii) In Cash Credit Account Debit Balance	79.96	501.13
iii) Fixed Deposits	11.48	11.90
iv) Unpaid Dividend accounts	4.29	3.72
<b>Sub Total (A)</b>	<b>111.87</b>	554.20
b Cash-in-Hand	0.17	0.83
<b>Total [ A + B ]</b>	<b>112.04</b>	555.03

### 16. Short Term Loans and Advances

₹. In Lacs

Particulars	As at 31st March 2014	As at 31st March 2013
Short Term Loans & Advances: (Un Secured, Considered Good)		
a Advances Recoverable in cash or in kind or for value to be received	698.93	348.43
b Balance with Central Excise Dept.	168.39	215.67
c Balance with Sales Tax Dept.	691.02	339.08
d Income Tax Refund Due	3.91	3.14
e Loans and Advances to Staff	17.39	11.58
<b>Total</b>	<b>1,579.64</b>	917.90

### 17. Other Current assets

₹. In Lacs

Particulars	As at 31st March 2014	As at 31st March 2013
DEPB Receivables	7.60	26.17
<b>Total</b>	<b>7.60</b>	26.17

### 18. Revenue from Operations

₹. In Lacs

Particulars	Year ended 31st March 2014	Year ended 31st March 2013
Sale of Products : Grinding Media ball	25,853.32	26,176.09
: Liners	-	322.65
Other Operating Revenues	23.17	27.08
	<b>25,876.49</b>	26,525.82
Less : Excise Duty	(2,085.65)	(2,370.47)
<b>Total</b>	<b>23,790.84</b>	24,155.35

### 19. Other Income

₹. In Lacs

Particulars	Year ended 31st March 2014	Year ended 31st March 2013
a Interest on Bank and other Deposits	41.43	28.43
b Miscellaneous Receipts	1.73	21.09
<b>Total</b>	<b>43.16</b>	49.52



## Notes forming part of the Financial Statements

₹. In Lacs

### 20. Cost of Material Consumed

Particulars	Year ended 31st March 2014	Year ended 31st March 2013
RAW MATERIALS CONSUMED: Current Yr 99.38% indigenous & 0.62% Imported (Pr Yr 98.08 % indigenous, 1.92% imported)		
MS SCRAP	7,645.23	8,332.58
FERRO CHROME	7,667.40	7,098.01
ALLOY STEEL AS CASTINGS	244.90	165.13
<b>Total</b>	<b>15,557.53</b>	<b>15,595.72</b>

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

₹. In Lacs

Particulars	Year ended 31st March 2014	Year ended 31st March 2013
Work in Process		
Opening Stock:	451.59	759.27
Less :		
Closing Stock	494.13	451.59
<b>Total -A</b>	<b>(42.54)</b>	<b>307.68</b>
Finished Goods:		
Opening Stock:	0.00	2.80
Less :		
Closing Stock:	0.00	0.00
<b>Total - B</b>	<b>0.00</b>	<b>2.80</b>
Total - A+B (Total Change in Inventory)	<b>(42.54)</b>	<b>310.48</b>

### 22 Employee Benefits Expense

₹. In Lacs

Particulars	Year ended 31st March 2014	Year ended 31st March 2013
1 Salaries, Wages and Bonus	769.29	708.48
2 Contribution to Provident Fund / ESIC / Gratuity Fund	88.43	95.23
3 Staff Welfare Expenses	64.57	74.07
<b>Total</b>	<b>922.29</b>	<b>877.78</b>

### 23 Finance Costs

₹. In Lacs

Particulars	Year ended 31st March 2014	Year ended 31st March 2013
Interest Expense		
- For Cash Credit and Working Capital	62.08	76.67
- For Others	0.30	0.00
<b>Total</b>	<b>62.38</b>	<b>76.67</b>

### 8. Depreciation & Amortisation Expense

₹. In Lacs

Particulars	Year ended 31st March 2014	Year ended 31st March 2013
Depreciation	147.82	181.56
Less: Amount Transferred to Revaluation Reserve	1.17	1.17
<b>Total</b>	<b>146.65</b>	<b>180.39</b>



## Notes forming part of the Financial Statements

₹. In Lacs

### 24. Other Expenses

Particulars	Year ended 31st March 2014	Year ended 31st March 2013
Consumption of Stores & Spare Parts	2,284.84	2,138.18
Power and Fuel	3,124.00	3,091.22
Labour Charges	514.22	473.03
Factory Maintenance	65.48	46.58
Repairs and Maintenance		
- To Buildings	41.32	27.46
- To Plant and Equipments	105.57	80.79
- To Other Assets	13.00	10.14
Insurance	16.20	10.66
Rates and Taxes	14.96	14.34
Rent	4.89	4.77
Directors' Sitting Fees	2.20	2.15
Travelling Expenses		
- For Directors	0.66	0.34
- For Others	11.29	9.37
Statutory Auditor's Fees		
- For Audit Fees	2.00	2.00
- For Income Tax Audit Fees	0.50	0.50
- For KVAT Audit Fees	0.50	0.50
- For Income Tax matters	0.50	0.50
- For Certification/Limited Reviews	0.50	0.50
Legal and Professional Consultancy Fees	29.39	25.32
Bank Commission Charges	2.92	13.48
Printing and Stationery Expenses	9.73	6.85
Postage,Telephones,Courier,Internet & E-mail	6.10	6.42
Sales Promotion	2.03	3.96
Vehicle Repairs and Maintenance	6.16	7.85
Conveyance Expenses	1.48	1.52
Donation Expenses	0.00	0.35
Advertisement Expenses	1.89	1.59
Packing Materials Consumed	417.42	406.16
Freight Outward	17.86	29.30
Bad Debts	10.77	0.00
Miscellaneous Expenses	37.06	17.55
<b>Total</b>	<b>6,745.44</b>	<b>6,433.38</b>

### 25. Prior Period Expenses

₹. In Lacs

Particulars	Year ended 31st March 2014	Year ended 31st March 2013
1 Repair & Maintenance	1.64	0.35
2 Freight inward	1.04	0.00
3 Labour charges	0.14	0.00
4 Office maintenance	0.00	0.05
5 Professional fee	0.60	0.00
6 Subscription & membership	0.00	0.25
7 Freight Outward	0.00	0.35
<b>Total</b>	<b>3.42</b>	<b>1.00</b>



## Notes forming part of the Financial Statements

### 26. Significant Accounting Policies and Notes on Accounts for the year ended 31st March 2014.

#### A. Significant Accounting Policies

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

The financial statements, except certain Fixed Assets which are revalued, have been prepared under the historical cost convention in accordance with Indian generally accepted accounting principles and the provisions of the Companies Act 1956 as adopted consistently by the Company.

##### II. FIXED ASSETS

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

##### III. DEPRECIATION AND AMORTISATION

- a) In respect of the assets acquired up to 31/03/1996, depreciation has been provided on straight-line method at the rates and in the manner stipulated under schedule XIV to the Companies Act 1956.
- b) In respect of tangible fixed assets acquired after 31/03/1996, depreciation has been provided on written down value method at the rates and in the manner stipulated under schedule XIV to the Companies Act 1956.
- c) Depreciation on incremental value on account of revaluation of assets is charged to revaluation reserve.
- d) Intangible assets are amortised using the straight line method over their estimated useful life as follows:  
Computer software : Over a period of 3 years commencing from the date of putting to use.

##### IV. INVESTMENTS

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

##### V. INVENTORIES

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

##### VI. REVENUE RECOGNITION

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

##### VII. EMPLOYEE BENEFITS

###### a) Defined Contribution plans:

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

###### b) Defined benefit plans:

- i. Gratuity: The Company makes contributions to the employees' group gratuity-cum-life assurance scheme of the Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits has been determined on actuarial valuation conducted annually by an independent Actuary using the projected unit credit method, as adjusted for un recognized past service cost , if any, and as reduced by the fair value of the plan assets, is recognized in the accounts. Actuarial gains and losses for the current year are recognized in full in the statement of profit and loss for the period in which they occur.
- ii. Compensated absence: The Company has a scheme to compensate absence for employees. The liability of which is determined on the basis of an actuarial valuation carried out by an independent actuary at the end of the year. The actuarial gains or losses are recognized in full in the statement of profit and loss for the period in which they occur.
- iii. Short term employee benefit: All employee benefits which are wholly due within twelve months of rendering the services are recognized in the period in which the employee renders the related services.



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

### VIII. RESEARCH AND DEVELOPMENT

Revenue expenses incurred on Research and Development are charged off to revenue in the year of incurrence. Fixed assets purchased for Research and Development purposes are capitalized and depreciated as per the Company's Accounting policy.

### IX. FOREIGN CURRENCY TRANSACTIONS

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

### X. TAXATION

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

### XI. IMPAIRMENT OF ASSETS

At each Balance Sheet date, the management reviews the carrying amounts of its assets include in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre - tax discount rate that reflects the current market assessments of time value of money and risks specific to the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

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

### XII. PROVISIONS AND CONTINGENT LIABILITIES

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

### XIII. EARNINGS PER SHARE

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

### B. NOTES ON ACCOUNTS:

- 1 Contingent liability to the extent not provided for

₹. in Lacs

Particulars	31.03.2014	31.03.2013
In respect of claims against the company not acknowledged as debt	7.60	7.60
In respect of disputed Service Tax	116.64	116.64
In respect of disputed Custom duty*	556.37	-
In respect of disputed Income tax	1.22	1.22

\* Excluding Penalty, ₹. 35 Lakhs has been deposited against the above.

- 2 Estimated amount of contracts remaining to be executed and not provided for-
- a. On capital account - ₹.0.07 lacs (previous year: ₹. 5.45 lacs)
- b. On revenue account (Material contracts for purchase of Raw Materials, stores & service contracts) - ₹. 315.11 lacs (Previous Year: ₹.84.74Lacs)

- 3 Amount remitted in foreign currency on account of Dividend:

₹. in Lacs

Particulars	31.03.2014	31.03.2013
Number of non resident share holders	12	14
Number of shares held by them	673	38,362
Amount of dividend ( ₹. In lakhs)	1.92	1.53
Year for which dividend was remitted	2012-2013	2011-2012

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



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

NRO Accounts)

- 4 In the opinion of the Board, any of the assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- 5 The company manufactures and deals with a single product, Alloy steel Cast Grinding Media. Also Company's operations are solely situated in India. Hence there are no reportable segments as required by AS - 17 "Segment Reporting" prescribed under the Companies (Accounting Standards) Rules, 2006
- 6 The company has not entered into any non cancelable lease arrangement.
- 7 Related party disclosures:

Parties where control exists:	
Related Party	Relationship
AIA Engineering Ltd.	Holding Company Controlled By Bhadresh K. Shah - Director
DCPL Foundries Ltd.	Associate (Fellow Subsidiary)*
Key Managerial Personnel:	
Vinod Narain	Chairman
Pradip R. Shah	Director
Bhadresh K. Shah	Director
D P Dhanuka	Director
Rajendra S Shah	Director
Sanjay Shailesh Majmudar	Director
Ashok A Nichani	Director
R.P.Agarwal	Director ( ceased to be a Director w.e.f 06.04.2013 on account of his death)

₹.in Lacs

Transactions with related parties	2013-14			2012-13		
	Holding Company	Fellow Subsidiary	Directors	Holding Company	Fellow Subsidiary	Directors
Purchases of Goods/Services	128.49	215.06	-	500.03	29.23	-
Sales of Goods	23,199.87	179.01	-	20,397.16	1,395.17	-
Transfer of Capital Work in progress (Crane)	-	6.88	-	-	-	-
Professional charges	-	-	3.00	-	-	3.00
Sitting Fees	-	-	2.20	-	-	2.15
Dues Receivable as at last date of the financial year	-	-	-	-	140.02	-
Dues payable as at last date of the financial year	-	-	-	380.63	-	0.71

\* under amalgamation with holding Company

- 8 Earnings Per Share:

Particulars	2013-14	2012-13
Net Profit for the Year (₹. In lakhs):	297.99	282.91
Number of Shares	638,161	6,38,161
Nominal Value of each Share (in ₹.)	10/-	10/-
Earnings per Share (Basic and Diluted)(in ₹.):	46.70	44.33

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

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

Particulars	2013-14	2012-13
i) Principal amount remaining unpaid at the end of the year	28.69	30.53
ii) Interest accrued at the end of the year	NIL	NIL
iii) Interest remaining unpaid, out of above, as at the end of the year	NIL	NIL
iv) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, For the purpose of disallowance as a deductible expenditure under Section 23 of the Act.	NIL	NIL

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





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

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

### Employee benefits:

₹. in Lacs

I. Defined Contribution Plan	For the year ended 31-03-2014		For the year ended 31-03-2013	
	Current Year	Previous Year	Current Year	Previous Year
Contribution to Defined Contribution Plan, recognized as expense for the year are as under:				
<b>Particulars</b>				
Employer's Contribution to Provident Fund	24.55		24.27	
Employer's Contribution to Employee State Insurance Scheme	5.13		6.70	
ii. Defined Benefit plans:				
<b>1. Actuarial assumptions</b>				
	Gratuity - Funded		Leave Encashment - unfunded	
	Current Year	Previous Year	Current Year	Previous Year
Discount Rate (Per annum)	9.10%	8.00%	9.10%	8.00%
Expected return on plan assets	9.15%	9.15%	0.00%	0.00%
Salary escalation rate	6.00%	6.00%	6.00%	6.00%
Mortality Rate LIC (1994-96) published table of Mortality rates				
<b>2. Reconciliation of present value of obligation</b>				
Present value of obligation at the beginning of the year	193.53	147.03	30.97	27.67
Interest cost	14.55	11.80	2.36	2.03
Current service cost	14.71	12.77	6.57	5.73
Actuarial (gain) /Loss	28.30	38.34	2.06	0.19
Benefits Paid	(23.29)	(16.41)	(3.03)	(4.64)
Present value of obligation at the end of the year	227.80	193.53	38.93	30.97
<b>3. Reconciliation of Fair value of plan assets</b>				
Fair value of plan assets at the beginning of the year	50.18	48.12	0.00	0.00
Expected return on plan assets	5.11	4.30	0.00	0.00
Actuarial gain / (Loss)	0.07	0.00	0.00	0.00
Contributions	34.18	14.18	3.03	4.64
Benefits paid	(23.29)	(16.41)	(3.03)	(4.64)
Adjustment to the fund	0.37	-	-	-
Fair value of plan assets at the end of the year	66.62	50.18	0.00	0.00
<b>4. Net (Assets) / Liability recognized in the balance sheet as at year end</b>				
Present value of obligation at the end of the year	227.80	193.53	38.93	30.97
Fair value of plan assets at the end of the year	(66.63)	(50.18)	0.00	0.00
Net present value of unfunded obligation recognised as (assets) /Liability in the Balance Sheet.	161.17	143.35	38.93	30.97

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

₹. in Lacs

	Current Year	Previous Year	Current Year	Previous Year
<b>5. Expenses recognised in the statement of profit and loss</b>				
Current Service cost	14.71	12.77	6.57	5.73
Interest cost	14.55	11.80	2.36	2.03
Expected return on plan assets	(5.11)	(4.30)	0.00	0.00
Actuarial (Gain) / Loss recognised in the period	28.23	38.34	2.06	0.19
Settlement Cost			(0.91)	1.22
Total Expenses recognised in the statement profit and loss for the year	52.38	58.61	10.07	9.16
Actual return on plan assets	5.11	4.30		

The above disclosures are based on information certified by the independent acutuary and relied upon by the auditors.

**12. Consumption of Raw Materials**

₹. in Lacs

	Current Year	Previous Year
Indigenous - Value	15,217.76	15,133.75
Percentage	99.38%	98.08%
Imported	94.87	296.85
Percentage	0.62%	1.92%

**13. CIF Value of Imports**

Raw materials	200.55	548.86
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**14. Consumption of Stores and Spares**

Indigenous - Value	2,260.92	2,413.83
Percentage	99.95%	99.85%
Imported	23.92	3.63
Percentage	0.05%	0.15%

**15. Particulars of Sale of Raw materials, Stores and other material netted in the respective consumptions :**

Ferro Chrome	239.72	152.37
Stores, Spares and other material	11.40	2.34

**16. CIF Value of Imports:**

Stores & spare parts	23.92	3.63
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For and on behalf of the Board

**D.P. DHANUKA**  
**BHADRESH K. SHAH**  
**PRADIP R.SHAH**  
**ASHOK A. NICHANI**  
 Directors

**VINOD NARAIN**  
 Chairman

**YASHRAJ**  
 Chief Financial Officer

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

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

Place : Bengaluru  
 Date : 29.04.2014



## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014

₹. in Lacs

	2013-2014	2012-2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX AS PER STATEMENT OF PROFIT &amp; LOSS</b>	<b>442.25</b>	428.67
Adjusted for Extraordinary items:		
Net Profit before tax & extraordinary items	<b>442.25</b>	428.67
Adjustments for :		
Prior Year's expenditure	<b>(3.42)</b>	(1.00)
Depreciation (net)	<b>146.66</b>	180.39
Interest	<b>62.38</b>	76.67
Operating Profit before working capital changes	<b>647.87</b>	684.73
Adjustments for : (Increase)/Decrease Trade & Other Receivable	<b>(181.44)</b>	583.92
(Increase)/Decrease Inventories	<b>409.93</b>	(228.60)
Increase/(Decrease) Trade Payable	<b>(785.69)</b>	(18.54)
Cash generated from operations	<b>90.67</b>	1,021.51
Direct Taxes paid	<b>(161.24)</b>	(165.86)
Cash flow before extraordinary items	<b>(70.57)</b>	855.65
Net Cash flow from Operating Activities	<b>(70.57)</b>	855.65
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(47.95)</b>	(30.59)
Net Cash Flow from Investing Activities	<b>(47.95)</b>	(30.59)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Repayment)/ Proceeds of long term borrowings	<b>196.17</b>	(766.03)
Net increase/(Decrease) in working capital borrowings		
Interest Paid	<b>(62.38)</b>	(76.67)
Dividend Paid	<b>(31.91)</b>	(25.53)
Dividend Distribution tax Paid	<b>(5.18)</b>	(4.14)
Net Cash Flow from Financing Activities	<b>96.70</b>	(872.37)
Net (Decrease) / Increase in cash & cash equivalents (A+B+C)	<b>(21.82)</b>	(47.32)
Cash & Cash equivalent at the beginning of the year	<b>53.99</b>	101.31
Cash & Cash equivalent at the closure of the year	<b>32.17</b>	53.99

For and on behalf of the Board

**D.P.DHANUKA**  
**BHADRESH K. SHAH**  
**PRADIP R. SHAH**  
**ASHOK A. NICHANI**  
DIRECTORS

Place : Bengaluru  
Date : 29.04.2014

Notes:

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

Place : Bengaluru  
Date : 29.04.2014

**VINOD NARAIN**  
Chairman

**YASH RAJ**  
Chief Financial Officer

For **DAGLIYA & Co.,**  
FRN:000671S  
Chartered Accountants  
**(P.MANOHARA GUPTA)**  
Partner  
M.NO.16444



**ATTENDANCE SLIP**

**WELCAST STEELS LIMITED**

**[CIN:L27104KA1972PLC002163]**

Regd. Office: Plot no 15, Phase 1, Peenya Industrial Area, Bengaluru – 560 058 Email: info@welcaststeels.com

website: www.welcaststeels.com

Phone: 080 -28394058

**42nd ANNUAL GENERAL MEETING**

I/We hereby record my / our presence at the 42nd Annual General Meeting of the Company to be held at the 10th day of September 2014 at 12 Noon at THE LALITASHOK, Kumara Krupa High Grounds Bengaluru - 560 001.

\_\_\_\_\_

Member's Folio / DP ID Client ID No

\_\_\_\_\_

Member's / Proxy name in Block

\_\_\_\_\_

Member's / Proxy's Signature

**Note:**

1. Please complete the Folio / DP ID-Client ID No. and Name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Electronic copy of the Annual Report for 2013-14 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form are being sent to all the members whose email address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2013-14 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode (s) to all members whose email address is not registered or have requested for a hard copy.

Attendance Slip & Proxy Form

**PROXY FORM**

**WELCAST STEELS LIMITED**

[CIN:L27104KA1972PLC002163]

Regd. Office: Plot no 15, Phase 1, Peenya Industrial Area, Bengaluru - 560 058 Email: info@welcaststeels.com

website: www.welcaststeels.com

Phone: 080 -28394058

Name of the Member (s):

Registered Address:

E-mail Id:

Folio / DP ID Client ID No.

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

(1) Name: \_\_\_\_\_ Address: \_\_\_\_\_

Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him / her:

(2) Name: \_\_\_\_\_ Address: \_\_\_\_\_

Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him / her:

(3) Name: \_\_\_\_\_ Address: \_\_\_\_\_

Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_

as my /our proxy to attend and vote for my / our behalf at the Forty Second Annual General Meeting of the Members of the Company to be held on Wednesday , the 10th September 2014 at 12 Noon at THE LALITASHOK, Kumara Krupa High Grounds Bengaluru 560 001 and at any adjournment thereof in respect of Resolutions as are indicated below:.

Resolution No.	Particulars of Resolution	Optional	
		For	Against
	<b>ORDINARY BUSINESS</b>		
1.	Adoption of Financial Statements for the year ended 31st March 2014		
2.	Declaration of Dividend for the Financial Year 2013-14.		
3.	Re appointment of Mr. Bhadresh K.Shah Director		
4.	Appointment of Statutory Auditors.		
	<b>SPECIAL BUSINESS</b>		
5.	Appointment of Mr. D.P Dhanuka as an Independent Director.		
6.	Appointment of Mr.Rajendra S. Shah as an Independent Director.		
7.	Appointment of Mr. Sanjay S. Majmudar as an Independent Director.		
8.	Appointment of Mr. Pradip R.Shah as an Independent Director.		
9.	Ratification of Remuneration to Cost Auditors.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of Shareholder \_\_\_\_\_

Signature of Proxy holder (s) \_\_\_\_\_

Affix  
₹. 1  
revenue  
stamp

- Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 42nd Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member (s) in the above box before submission.



**Welcast Steels Limited**