



***A Kedia* ENTERPRISE**

NITIN CASTINGS LIMITED

CIN : L65990MH1982PLC028822

**36th Annual Report
2018-19**

Board of Directors

Mr. Nitin S. Kedia	– Chairman and Managing Director
Mr. Shyamlal K. Agarwal	– Wholetime Director
Mr. Nirmal B. Kedia	– Executive Director
Mr. Nipun N. Kedia	– Executive Director
Mr. Arvind B. Jalan	– Independent – Non Executive Director
Ms. Preethi Anand	– Independent-Non Executive Director (Resigned w.e.f. 29.05.2019)
Mr. Ravi Nevatia	– Independent-Non Executive Director

Chief Financial Officer

Mr. Murlidhar Gupta

Company Secretary

Ms. Shruti Yeshwant Laud

Bankers

ICICI Bank Limited
Axis Bank Limited

Statutory Auditors

Sandeep Rathi & Associates
Chartered Accountants

Legal Advisors

Narayanan & Narayanan
Advocate & Solicitor

Registered Office

202, 2nd Floor,
Rahul Mittal Industrial Premises Co-Op Soc. Ltd.,
Sanjay Building No. 3,
Sir M.V. Road, Andheri (East), Mumbai – 400 059

Corporate Office

Prestige Precinct, 3rd Floor,
Almeida Road, Panchpakhadi,
Thane (West) – 400 601

Works

- 1) Plot No. 183/1, Surangi, Silvassa,
Dadra & Nagar Haveli – 396 230
- 2) Plot No. 7, Survey No. 679/1, Village-
Karvad, Taluka-Vapi, District-Valsad,
Gujarat - 396195
- 3) Plot No. 410, Almeida Road,
Panchpakhadi, Thane (West),
Thane – 400 601 (Shut down during the FY)

Registrar & Share Transfer Agent

Shared Dynamic (India) Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083

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DIRECTORS' REPORT

To,
The Members,
NITIN CASTINGS LIMITED

Your Directors have the pleasure in submitting the **Thirty Sixth Annual Report** of your Company together with the Audited Statement of Accounts and the Auditors' Report for the financial year ended 31st March, 2019.

1. FINANCIAL RESULT

The performance of the Company for the financial year ended 31st March, 2019 is summarized below:

(Rs. in Lakhs)

Particulars	Current Year	Previous Year
Total Revenue	7,558.23	6,024.45
Expenditure (excluding Depreciation and Amortization)	6,806.31	5,549.40
Earnings before Depreciation and Taxes	751.92	475.05
Depreciation and Amortization	431.16	386.15
Earnings before Taxes	320.76	88.90
Tax expenses including Deferred tax	87.04	4.64
Profit after Taxes	233.72	84.26
Add : Balance brought forward from previous year	1,709.47	1,642.35
Add : Other Comprehensive Income	(28.01)	13.95
Less : Dividend (Including Dividend Tax)	30.15	31.09
Balance carried to Balance Sheet	1,885.03	1,709.47

2. OPERATING RESULT & PROFIT

During the year under review, your Company has registered a Turnover of **Rs. 7,558.23 Lakhs** as against **Rs. 6,024.45 Lakhs** in the previous year. The Profit before taxes in the current year is **Rs. 320.76 Lakhs** as against **Rs. 88.90 Lakhs** in the previous year and profit after taxes are **Rs. 233.72 Lakhs** as against **Rs. 84.26 Lakhs** in the previous year.

TRANSFER TO RESERVES

During FY 2018-19, no amount has been transferred to the general reserves of the Company.

3. FINANCE

Cash and cash equivalents as at 31st March, 2019 was **Rs. 383.64 Lakhs**. The company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Management's discussion and analysis is set out in this Annual Report.

5. CORPORATE GOVERNANCE

A report on Corporate Governance along with a Certificate from M/s. Sandeep Rathi & Associates, Chartered Accountants in practice, regarding compliance of the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a

separate section forming part of the Annual Report. The auditors' certificate for fiscal 2018-2019 does not contain any qualification, reservation or adverse remark.

6. DIRECTORS & KEY MANAGERIAL PERSONNEL

During the period under review Mr. Akshaykumar Rao resigned (w.e.f. August 11, 2018) from the post of Company Secretary cum compliance officer of the Company and Ms. Shruti Y. Laud (Membership No. A38705) has been appointed as a Company Secretary cum Compliance Officer of the Company w.e.f. February 06, 2019.

During the period under review there is no change in the Composition of Directors.

7. DIVIDEND

Your Directors have recommended dividend of **Rs. 0.50/-** per equity share **(10%)** for the financial year ended 31st March, 2019, amounting to **Rs. 25.71 Lakhs**. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

The dividend will be paid to members whose name appear in the Register of Members as on **23rd September, 2019** in respect of shares held in dematerialized form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

8. LISTING OF SHARES AND DEMATERIALIZATION

The Company's shares are listed and traded at Bombay Stock Exchange (BSE) and its scrip code is **508875** and ISIN No. **INE861H01020**

9. RISK MANAGEMENT

During the year, the company has developed and implemented Risk Management Policy consistent with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to identify the elements of risk which may threaten the existence of the Company and possible solutions to mitigate the risk involved.

10. PUBLIC DEPOSITS

During the year under review, the Company did not raise funds by way of Public deposits and, as such, no amount of principal or interest was outstanding as on the balance sheet date.

11. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT

During the year under review the Company has Sub-divided the Equity shares of the Company from the face value of Rs. 10/- each to the face value of Rs. 5/- each. The result of Postal ballot for the same was been declared on February 19, 2019.

The notice of Postal ballot & Scrutinizers report for the same has been declared on the Bombay Stock Exchange Limited & on the company's Website at www.nitincastings.com

ANNUAL EVALUATION OF BOARD PERFORMANCE AND ITS COMMITTEE AND INDIVIDUAL DIRECTORS

Criteria of performance evaluation of the Board Committees and Directors are laid down by Nomination and Remuneration Committee (NRC) of the Company. Further, pursuant to provisions of the Companies (Amendment) Act, 2017, NRC decided to continue existing method of performance evaluation through circulation of performance evaluation sheets based on SEBI Guidance Note dated 5th January, 2017 and that only Board should carry out performance evaluation of Board, Committees and Individual Directors.

An assessment sheet based on aforesaid SEBI Guidance Note, containing the parameters of performance evaluation along with rating scale was circulated to all the Directors. The Directors rated the performance against each criteria. Thereafter, consolidated score was arrived. Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out performance evaluation of its own, evaluation of working of the Committees and performance evaluation of all Directors in the said manner.

A meeting of Independent Directors of the Company was held on 30.03.2019, in which Independent Directors inter-alia reviewed performance of Non-Executive Independent Chairman and other Non-Independent Directors and the Board as a whole through performance evaluation sheets.

12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, state and confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the annual accounts on a going concern basis;
- (e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- (f) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

13. BOARD MEETINGS

The Board of Directors met Seven times during this financial year. The details of the meetings are elaborated in the Corporate Governance Section of this Report.

POLICY ON DIRECTORS APPOINTMENT AND THEIR REMUNERATION

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The said policy is uploaded on the website of the Company and web-link thereto is <http://www.nitincastings.com/codeofconduct.html>. The Remuneration Policy is stated in the Corporate Governance Report.

14. DECLARATION OF INDEPENDENCE

Criteria of performance evaluation of the Board Committees and Directors are laid down by Nomination and Remuneration Committee (NRC) of the Company. Further, pursuant to provisions of the Companies (Amendment) Act, 2017, NRC decided to continue existing method of performance evaluation through circulation of performance evaluation sheets based on SEBI Guidance Note dated 5th January, 2017 and that only Board should carry out performance evaluation of Board, Committees and Individual Directors.

An assessment sheet based on aforesaid SEBI Guidance Note, containing the parameters of performance evaluation along with rating scale was circulated to all the Directors. The Directors rated the performance against each criteria. Thereafter, consolidated score was arrived. Pursuant to the provisions of the

Companies Act, 2013 and Listing Regulations, the Board has carried out performance evaluation of its own, evaluation of working of the Committees and performance evaluation of all Directors in the said manner.

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Schedules and Rules issued thereunder and under Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

15. SEPARATE INDEPENDENT DIRECTORS' MEETINGS

The Independent Directors meet at least once in a year, without the presence of Executive Directors or Management representatives. They also have a separate meeting with the Non-Executive Chairman, to discuss issues and concerns, if any.

The Independent Directors met on Saturday, **30th March, 2019** during the Financial Year ended 31st March, 2019.

16. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company proactively keeps its Independent Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry. The said policy is uploaded on the website of the Company and web-link thereto is <http://www.nitincastings.com/familiarization.html>.

17. BOARD & COMMITTEE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and under Regulation 25 of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

18. AUDIT COMMITTEE

During the period under review, there were no changes in the composition of the Audit committee. As on now 31st March, 2019, the Audit committee comprises of Mr. Ravi Nevatia, Independent Director as a chairman, Mr. S.L. Agarwal, Independent Director and Ms. Preethi Anand, Independent Director. *(Ms. Preethi Anand has resigned from the office on 29.05.2019)*

Moreover the details pertaining to composition of audit committee is included in the Corporate Governance Report which forms part of Annual Report.

19. STATUTORY AUDITORS

The Board had appointed **M/s. Sandeep Rathi & Associates**, Chartered Accountants, (FRN # 113728W) to hold the office of the statutory auditor of the Company from the conclusion of the **Thirty Third Annual General Meeting** till the **Annual General Meeting to be held in the year 2020** and at a remuneration to be fixed by the Board of Directors in consultation with the auditors, plus applicable GST and reimbursement of out of pocket expenses incurred by them for the purpose of audit.

Further, Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under section 139 of the Companies Act, 2013.

STATUTORY AUDITORS' REPORT

The Auditors' Report on standalone financial statements for the year ended 31st March, 2019 forms part of this Annual Report. The Auditors' Report does not contain any qualifications, reservations, adverse remarks, disclaimer or emphasis of matter. Notes to the Financial Statements are self-explanatory and do not call for any further comments.

20. SECRETARIAL AUDITOR

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed **Kala Agarwal**, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report issued by them in Form No. MR-3 has been annexed to this Report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

21. EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in the prescribed format is appended as annexure to the Board's report as Annexure – I.

22. DISCLOSURE RELATING TO SUBSIDIARY COMPANIES / ASSOCIATE COMPANIES / JOINT VENTURES:

The Company does not have any Subsidiary Company / Associate Company / Joint Ventures.

However, Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014, Form AOC-1 is annexed to this report as Annexure – II.

23. PARTICULARS OF CONTRACTS & ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Your Company has adopted a policy on Related Party Transactions and is uploaded on the website of the Company at http://www.nitincastings.com/pdf/Related_Party_Transaction_Policy.pdf

Pursuant to the provisions of section 134 (3) (h) of the Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014, Form AOC-2 is annexed to this report as Annexure – III.

24. INTERNAL AUDIT SYSTEM

The Company's internal Auditors had conducted periodic audit to provide reasonable assurance that the Company's established policies and procedure have been followed.

25. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has a proper and adequate internal control system for all its activities including safeguarding and protecting its assets against any loss from its unauthorized use or disposition. All transaction are properly documented, authorized, recorded and reported correctly. The Company has well defined Management Reports on key performance indicators. The systems are reviewed continuously and its improvement and effectiveness is enhanced based on the reports from various fields. Normal foreseeable risks to the company's assets are adequately covered by comprehensive insurance.

26. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 and the Companies (Particulars of Employee) Rules, 1975, names and other particulars of the employees required are not given as none of the employee is covered under the said provisions of the Act.

27. ENVIRONMENT PROTECTION AND POLLUTION CONTROL

The Company has always been socially conscious corporate, and has always carried forward all its operations and procedures following environment friendly norms with all necessary clearances.

Your Company has taken the following steps towards environment and Ecological balance in manufacturing of Castings.

- Continuous plantation activities in and around the Factory as usual has helped in keeping the environment pollution free.

28. CONSERVATION OF ENERGY

The Company has taken all possible measures for the conservation of energy by undertaking melting operations in consolidated and economical lot sizes for optimum utilizations of furnace.

29. FOREIGN EXCHANGE EARNING AND OUTGO

The information regarding the foreign exchange earnings and outgo is contained in **Note no. 43** to the Notes to Accounts.

30. SIGNIFICANT OR MATERIAL ORDERS PASSED BY REGULATORS / COURTS

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

31. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

In order to prevent sexual harassment of women at workplace, your Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up an Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to look into the complaints relating to sexual harassment at workplace of any woman employee. During the year under review, your Company has not received any complaint pertaining to sexual harassment and no complaint was pending as on 31st March, 2019

32. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any. In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility. The Vigil Mechanism / Whistle Blower Policy may be accessed on the Company's website at http://www.nitincastings.com/pdf/Whistle_Blower_Policy.pdf.

The Company has a Fraud Risk and Management Policy to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

33. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 are NIL as on 31.03.2019.

34. CORPORATE SOCIAL RESPONSIBILITY

As the Company does not fall in the mandatory bracket for Corporate Social Responsibility pursuant to Section 135 of the Companies Act, 2013 the Company did not adopt any activity pursuant to the same for the financial year 2018-19.

35. SHARE CAPITAL

a) Issue of Equity Shares:

No Equity Shares were issued in current financial year.

b) Issue of Sweat Equity Shares:

No Sweat Equity Shares were issued in current financial year.

c) Issue of Employee Stock Options:

No Employee Stock Options were issued in current financial year.

d) Provision of Money by Company for Purchase of Its Own Shares by Employees or by Trustees for the benefit of employees:

No provision is made by Company for purchase of its own shares by employees or by trustees for the benefit of employees.

Note: During the financial year under review the Company has sub-divided the Equity Share capital of the Company from face value of Rs. 10/- per share to the face value of Rs. 5/- per share.

36. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All the Directors and the designated employees have confirmed compliance with the Code.

37. SECRETARIAL STANDARDS

During the year under review, your Company has complied with all the applicable standards. The same has also been confirmed by Secretarial Auditors of the Company.

38. ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to all the Company employees for their enormous personal efforts as well as their collective contribution to Company's record performance.

The Directors would also like to thank their Shareholders, Customers, Dealers, Suppliers, Bankers, Financial Institutions, Government Authorities and all Other Business Associates for the continued support given by them to the Company and their confidence in the Management.

BY ORDER OF THE BOARD OF DIRECTORS
FOR NITIN CASTINGS LIMITED

BY ORDER OF THE BOARD OF DIRECTORS
FOR NITIN CASTINGS LIMITED

NIPUN KEDIA
DIRECTOR
DIN: 02356010

SHYAMLAL AGARWAL
WHOLE-TIME DIRECTOR
DIN: 00347757

THANE, 29TH DAY OF MAY, 2019

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. NO.	Requirements	Disclosures	
		Name of Director	Remuneration of Directors / KMP (Rs. in Lakhs)
I.	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2018-2019	Mr. Nitin Kedia	56.01
		Mr. Nirmal Kedia	60.01
		Mr. Nipun Kedia	18.90
		Mr. Arvind Jalan	Nil
		Mr. Shyamlal Agarwal	5.20
		Mr. Ravi Nevatia	0.50
		Mrs. Preeti Anand	0.50
II.	The percentage increase in remuneration of each directors, CFO, CEO, CS in the financial year	NIL	
III.	The percentage of increase in median remuneration of employees in the Financial year	NIL	
IV.	The number of permanent employees on the payroll of the Company	163 as on March 31, 2019	
V.	The explanation on the relationship between average increase in remuneration and Company performance	NA	
VI.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Not applicable for the financial year 2018-19, because of the inadequate profit.	
VII.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Increment has been given to the employees / workers excluding managerial personnel.	
VIII.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Not applicable for the financial year 2018-19, in order to conserve the profit	
IX.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed.	

BY ORDER OF THE BOARD OF DIRECTORS
FOR NITIN CASTINGS LIMITED

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FOR NITIN CASTINGS LIMITED

NIPUN KEDIA
DIRECTOR
DIN: 02356010

SHYAMLAL AGARWAL
WHOLE-TIME DIRECTOR
DIN: 00347757

THANE, 29TH DAY OF MAY, 2019