

43rd

**ANNUAL
REPORT
2014-2015**



Welcast Steels Limited



WELCAST STEELS LIMITED

BOARD OF DIRECTORS

Mr. Vinod Narain– Chairman, Non – Executive & Non - Independent
Mr. D.P. Dhanuka - Independent
Mr. Bhadresh K. Shah - Non – Executive & Non - Independent
Mr. Pradip R. Shah- Independent
Mr. Rajendra S. Shah - Independent
Mr. Sanjay Shailesh Majmudar - Independent
Mr. Ashok A. Nichani - Independent
Mrs.Komal Shaival Majmudar (Ceased to be a Director w.e.f.01-04-2015) Independent
Mrs.Khushali Samip Solanki (w.e.f.15-04-2015) Non – Executive & Non - Independent

KEY MANAGERIAL PERSONNEL

Mr. Mohana Rao V.V.R, Chief Executive Officer
Mr. Yash Raj, Chief Financial Officer
Mr. S N Jetheliya, Company Secretary

AUDITORS

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

BANKERS

Canara Bank, Bengaluru.
State Bank of India, Bengaluru

REGISTERED OFFICE & 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

**WELCAST STEELS LIMITED****43rd ANNUAL GENERAL MEETING**

Date	21st September, 2015
Day	Monday
Time	3.00 PM
Place	HOTEL RAMANASHREE, No. 16, RAJA RAM MOHAN ROY ROAD BENGALURU – 560 025
Book Closure - (Dates)	14th Sept. 2015 To 21st Sept.2015 (Both days inclusive)

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NOTICE

NOTICE is hereby given that the Forty -Third Annual General Meeting of the members of Welcast Steels Limited will be held on Monday, the 21st day of September, 2015 at 3:00 PM at "HOTEL RAMANASHREE", No 16, Raja Ram Mohan Roy Road Bengaluru - 560 025 to transact the following business:

ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2015 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 2015.
- (3) To appoint a Director in place of Mr. Vinod Narain (Holding DIN 00058280), who retires by rotation and being eligible, offers himself for re-appointment.
- (4) Ratification of appointment of Statutory Auditors:

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

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, the appointment of M/s Dagliya & Co, Chartered Accountants, (Firm's registration number FRN 000671S), who was appointed by the members of the company in their 42nd Annual General Meeting held on 10th September 2014, as the Statutory Auditors of the Company for a term of three years i.e. till the conclusion of the 45th Annual General Meeting (AGM) and which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the 44th Annual General Meeting (AGM) of the Company at such remuneration plus service tax, out of pocket, travelling and living expenses, etc., as may be mutually agreed between the Chairman of the Company and the said Statutory Auditors."

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

SPECIAL BUSINESS:

- (5) Appointment of Mrs. Khushali Samip Solanki (Holding DIN 07008918) who was appointed as an Additional Director of the Company and in this regard 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 provision of section 149 and 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rules, 2014 (including any Statutory modification(s) or re-enactments thereof for the time being in force) and Clause 49 of the Listing Agreement Mrs. Khushali Samip Solanki (Holding DIN 07008918) who has been appointed as an Additional Director (Non-Executive & Non-Independent) of the Company by the Board of Directors with effect from 15th April 2015, in terms of Section 161(1) of the Companies Act, 2013 and articles 81(6) of the Articles of Association of the Company, and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director (Non-Executive & Non-Independent) of the Company liable to retire by rotation"

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

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

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies [Audit and Auditors] Rules, 2014 [including any statutory modification (s) or re-enactment (s) thereof for the time being in force], the consent of the Members be and is hereby accorded to ratify the remuneration of Rupees Sixty Thousand (Rs. 60,000/-) as decided by the Board of Directors on the recommendations of the Audit Committee, payable to M/s. Kiran J. Mehta & Co., Cost Accountant in Practice, Ahmedabad appointed by the Board to conduct the audit of cost records of the Company for the Financial Year ending on 31st March 2016."



NOTICE

"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."

(7) Approval of Related party transaction:

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 Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the members be and are hereby accorded to the material Related Party Transactions entered into and carried out in Ordinary Course of Business and at Arm's Length price with AIA Engineering Limited, Ahmedabad (AIA), a holding Company of Welcast steels Limited and Related Party as per Accounting Standard (AS) 18, for purchase of goods during the Financial Year 2014-15 amounting to 225 Crores approx. which exceeds the threshold limit of 10 percent of annual consolidated turnover of the Company for the Financial year ended 31st March, 2014 on the terms and conditions as mentioned in the Contract Manufacturing Agreement entered into by the Company with AIA on 1st January, 2014."

"RESOLVED FURTHER THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the members be and are hereby accorded to the material Related Party Transactions entered / to be entered into and carried out in Ordinary Course of Business and at Arm's Length price with AIA Engineering Limited, Ahmedabad, a holding Company of Welcast steels Limited and Related Party as per Accounting Standard (AS) 18, for the sale of goods during the period from 1st April 2015 to 31st March 2016 for an aggregate amount, which may exceed the threshold limit of 10 % of annual consolidated turnover of the Company for the financial year 2014-15."

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

Place : Bengaluru
Date : 02-05-2015

By order of the Board of Directors
VINOD NARAIN
Chairman
(DIN. 00058280)

NOTES

1. The Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, which set out details relating to Special Businesses to be transacted at the meeting are annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll only instead of himself / herself and a proxy need not be a member. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. The instrument of proxy in order to be effective must be received at the Registered Office of the Company duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy Form is annexed herewith. Proxy Form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable, authorizing their representative to attend and vote on their behalf at the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 14th September 2015 to 21st September 2015 (both days inclusive) for annual closing and determining the entitlement of the Members to the dividend for the Financial Year 2014-15.
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. 2/- (Two) per equity share has been recommended by the Board of Directors for the year ended 31st March 2015, subject to the approval of the Members at the ensuing Annual General Meeting and is proposed to be paid within 30 days from the date of declaration of dividend.
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



NOTICE

Pin Code and submit particulars of their bank account viz. name and address of the branch of the bank, 9 (Nine) digit MICR code of the branch, type of account and account number latest by 10th September 2015 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 - 15 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 e - mail address, physical copies of the Annual Report for 2014 - 15 are being sent in the permitted mode.
 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, and Annual Reports, 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 inform us to the E-mail ID. invest_grievance@welcaststeels.com by quoting your Name, Demat Account No. [DP ID No. and Client ID No.].

10. 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 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	2007 – 08	19.10.2015
2	2008 – 09	27.08.2016
3	2009 – 10	24.08.2017
4	2010 – 11	01.09.2018
5	2011 – 12	17.08.2019
6	2012 – 13	09.08.2020
7	2013 – 14	09.09.2021

11. 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.

Mr. H. M Basavaraja, Practicing Chartered Accountant [Membership No. 026686 : FRN 005318S] has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.



NOTICE

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

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

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

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

12. Re-appointment / Appointment of Directors:

Mr. Vinod Narain (Holding DIN 00058280), Non-Executive and Non Independent Director of the Company will retire by rotation at the ensuing 43rd Annual General Meeting of the Members of the Company and being eligible, has offered himself for re-appointment.

Mrs. Khushali Samip Solanki (DIN 07008918) Additional Directors, who were appointed as an Additional Directors on 15th April , 2015, will hold the office of Directors upto the ensuing 43rd Annual General Meeting of the Members of the Company and proposed to be appointed as Directors of the Company (Non-Executive and Non-Independent) liable to retire by rotation.

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

1. 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.
2. Members are requested to bring their copy of the Annual Report to the Meeting.



NOTICE

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

ITEM NO.5

Mrs. Khushali Samip Solanki (Holding DIN 07008918) is a Non-Executive and Non- Independent Director of the Company. She joined the Board of Directors of the Company on 15th April 2015 as an additional woman Director. 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 Mrs. Khushali Samip Solanki as a Director (Non – Executive & Non – Independent) of the Company and liable for retirement by rotation.

Mrs. Khushali Samip Solanki possesses appropriate skills, expertise and knowledge in Finance and other fields. Mrs. Khushali Samip Solanki is daughter of Mr. Bhadresh K. Shah, Promoter of AIA Engineering Limited, a Holding Company of Welcast Steels Limited. A brief profile of Mrs. Khushali Samip Solanki and names of companies in which she 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, Mrs Khushali Samip Solanki fulfils the conditions specified in the Act and rules made thereunder for her appointment as Director of the Company. Copy of the draft letter for appointment of Mrs. Khushali Samip Solanki as a Director (Non – Executive & Non – Independent), setting out the terms and conditions would be available for inspection without any fee to the members at the Registered Office of the Company during normal business hours on any working day.

Considering her eminence, rich experience and expertise in different fields, it will be in the best interest of the Company to appoint her as a Director (Non – Executive & Non – Independent). The Board considers that her association with the company would be of immense benefit and is desirable to avail the services of Mrs. Khushali Samip Solanki as a Director of the Company. Except Mrs. Khushali Samip Solanki and Mr Bhadresh K. Shah, none of the Directors, Key Managerial Personnel or their relatives are considered to be interested in or concerned in the resolution.

The Board recommends passing of the said resolution by way of an Ordinary 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

The Board of Directors on the recommendations of the Audit Committee, appointed M/s. Kiran J. Mehta, & Co., (FRN 000025) Practicing Cost Accountants, Ahmedabad as the Cost Auditors to carry out the audit of Cost records of the Company for the Financial Year 2015-16 and fixed remuneration of Rupees Sixty Thousand (₹. 60,000/-) plus service tax and out of pocket expenses. As per the provisions of Section 148 of the Companies Act, 2013 read with the Companies [Audit and Auditors] Rules, 2014, the remuneration fixed by the Board of Directors shall be ratified by the members by passing a resolution. Accordingly, consent of the members is being sought for passing an Ordinary Resolution for ratification of remuneration payable to the Cost Auditors to carry out the audit of Cost records of the Company for the Financial Year 2015-16. None of the Directors, Key Managerial Personnel or their relatives can be considered to be interested in or concerned with the resolution. The Board recommends passing of the said resolution as an Ordinary Resolution for the approval of members of the Company.

ITEM NO. 7:

AIA Engineering Limited (AIA), Ahmedabad is a holding Company of Welcast Steels Limited (WSL). AIA is holding 74.85% of the Shares in the Share Capital of WSL. AIA is a Related Party as per definition under Section 2 (76) of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with the Stock Exchanges ("Clause 49"). The provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time exempts any transactions entered into by the Company in its Ordinary Course of Business and done at Arm's Length price, from the requirement of prior approval of the Members by way of Special Resolution.



NOTICE

However, in terms of provisions of Clause 49 of the Listing Agreement, the transactions as described hereunder has exceeded 10% of the Consolidated Annual Turnover of the Company as per the Audited Annual Accounts of the Company for the Financial Year 2014-15. Thus, these transactions would require the approval of the Members by way of a Special Resolution.

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

Sr. No.	Particulars	Information
1	Name of Related Party	AIA ENGINEERING LTD
2	Name of Directors of key Managerial Personel who is related, if any	Mr. Bhadresh K. Shah Mr. Rajendra S. Shah Mr. Sanjay Shailesh Majmudar Mrs.Khushali Samip Solanki, Directors on Board of AIA Engineering Ltd, Mr. S.N. Jethaliya, Company Secretary who is also Company Secretary of AIA Engineering Ltd,
3	Nature of Relationship	Holding Company of WSL
4	Nature and Monetary value of Transactions	Sale of Goods : Rs 21,989.10 Lacs Purchase of goods: Rs 496.20 Lacs
5	Whether the transactions have been approved by the Audit Committee	Yes, the Related Party Transactions are in accordance with the Related Party Transactions Policy of the Company and have been approved by the Audit Committee and recommended to the Board of Directors for their approval at their respective meetings.
6	Any other information relevant or important for the Members to make a decision on the proposed.	WSL has obtained a Report for the Financial Year 2014-15 under section 188 of the Companies Act,2013 from BSR Associates, LLP which states that the Transactions with AIA are at Arms' Length and in Ordinary Course of Business

The Annual Turnover of WSL as per the last Audited Financial Statements for the year ended 31st March, 2014 was Rs. 23,790.84 lacs. As such, the transactions with AIA during the Financial Year ended 31st March, 2015 are material pursuant to Clause 49 of the Listing agreement and requires the ratification of the members.

Currently, it cannot be ascertained the transactions to be entered in the Current Financial Year of 2015-16 would exceed the threshold limit of 10% of Annual Consolidated Turnover as per the latest Audited Financial Results. The approval of the members for the transactions proposed to be entered into and carried out with WSL from time to time, in Ordinary Course of Business and at Arm's length price, during the Financial Year 2015-16, is being sought by way of abundant caution and as a proactive measure.

Further, Clause 49 of the Listing Agreement requires that the entities falling under the definition of related party to abstain from voting irrespective of whether the entity is a party to the transaction or not. Accordingly, the AIA being the promoter of WSL holding 74.85% of the Paid-up Capital, is required to abstain from the voting on this resolution of the notice. Except Messers Bhadresh K. Shah, Rajendra S.Shah, Sanjay Shailesh Majmudar, Mrs Khusali Samip Solanki, Directors and Mr. S.N. Jetheliya, Company Secretary of the Company and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the said Resolution. The Board recommends passing of the said Resolution by way of a Special Resolution for the approval of the Members of the Company.

Place : Bengaluru

Date : 02-05-2015

By order of the Board of Directors

VINOD NARAIN

Chairman

(DIN.00058280)



NOTICE

ANNEXURE TO THE NOTICE:

Disclosure pursuant Clause 49 of Listing Agreement with regard to the Directors seeking Appointment / Re-appointment at the forthcoming Annual General Meeting (refer Item No.3 and 5) of the Notice and (refer item No.6) of the Board's Report:

Name	Mr. Vinod Narain (DIN 00058280)
Date of Birth /Age	10.03.1930 – 85 Years
Appointment on / Re – appointment	10th August ,2013
Qualifications	Three years Indenture Engg. Apprenticeship Course with Austin Motor Co. Ltd., Birmingham,UK. Out of which one year was entirely devoted to foundry practice. Also holds certificate of Mechanical Engineers Birmingham in Auto Mobile Engineering of UEI, England
Expertise in specific functional areas	Fellow of the Institution of valuers. He is the Director of the Company and served the Company since its inception as Managing Director upto 1997. He is presently serving as chairman of the Company.
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

Name	Mrs. Khushali Samip Solanki (DIN 07008918)
Date of Birth /Age	09.05.1977 – 38 Years
Appointment on / Re – appointment	15th April ,2015
Qualifications	Diploma in Hotel Management
Expertise in specific functional areas	She possesses appropriate skills, expertise and knowledge in marketing and other fields.
Directorships held in other Public Companies	AIA Engineering Ltd.
Membership / Chairmanships of Committees across other Public Companies	NIL
No. of Equity Shares held in the Company	NIL