

48th

**ANNUAL
REPORT
2019-2020**



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 S. Majmudar - Independent
Mr. Ashok A. Nichani - Independent
Mrs. Khushali S. Solanki - Non – Executive & Non - Independent

KEY MANAGERIAL PERSONNEL

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

AUDITORS

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

BANKERS

Canara Bank, Bengaluru
Citi Bank, Ahmedabad

REGISTERED OFFICE

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

WORKS

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

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Pvt. Ltd.,
1st Floor, Bharat Tin Works Building,
Opp: Vasant Oasis,
Makwana Road, Marol,
Andheri (E), Mumbai- 400 059.
Phone: 022 – 62638200, Fax: 022 - 62638299
E-mail: info@bigshareonline.com

**48TH ANNUAL GENERAL MEETING**

Date	14th September, 2020
Day	Monday
Time	10.00 AM
Mode	Through Video Conferencing/Other Audio Visual Means

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NOTICE

NOTICE is hereby given that the Forty-Eighth Annual General Meeting of the members of Welcast Steels Limited will be held on Monday, the 14th day of September, 2020 at 10.00 A.M. through Video Conferencing / Other Audio Visual Means, to transact the following business:

ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2020 and the Statement of Profit and Loss for the year ended on that date and Reports of the Board of Directors' and Auditors' thereon.
- (2) To appoint a Director in place of Mrs. Khushali Samip Solanki (DIN 07008918), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR Regulations") the approval of the members be and is hereby accorded to the material related party transactions entered / to be entered into and carried out in the ordinary course of business and at arm's length price with AIA Engineering Limited (AIA), a Holding Company and Related Party as per Indian Accounting Standard (Ind AS) 24, for the sale of goods during the period from 1st April, 2020 to 31st March, 2021 for an aggregate amount, which may exceed the threshold limit of 10 percent of annual turnover of the Company for the Financial Year 2019-2020 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 the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies [Audit and Auditors] Rules, 2014 [including any statutory modification (s) or re-enactment (s) thereof for the time being in force], the consent of the members be and is hereby accorded to ratify the remuneration of ₹ 75,000/-, decided by the Board of Directors on the recommendations of the Audit Committee, of ₹ 75,000/- (Rupees Seventy Five Thousand) payable to M/s. Kiran J. Mehta & Co., Cost Accountants 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 2021".

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

By order of the Board of Directors

Place : Ahmedabad
Date : 15th June, 2020

S. N. Jetheliya
Company Secretary
ACS :5343

**NOTES**

1. The Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, are annexed hereto.
2. Pursuant to the provisions of the Act, a Member is entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA Circulars and SEBI Circular, the facility of appointment of proxies by the members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map of the AGM venue are not annexed to this Notice.
3. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Registrar & Share Transfer Agent.
4. In compliance with the circular of Ministry of Corporate Affairs for a "Green Initiative in the Corporate Governance" by allowing / permitting service of documents etc. in electronic form, electronic copy of the Annual Report of 2019-20 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes.
5. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection electronically during the period of AGM.

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

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

In case you wish to receive the above documents in physical form, you are requested to please inform to the below mentioned E-mail ID. Please quote Name, your Demat Account No. [DP ID No. and Client ID No.]. Email ID for reply:invest_grievance@welcaststeels.com.

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

Those members who have so far not en-cashed their dividend warrants for the below 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 125 of the Companies Act, 2013. Members are requested to note that after such dates, the members can claim their dividend from IEPF Authority.

Sr. No.	Financial Year	Type of Dividend	Due date of Transfer to IEPF
1	2012-2013	Final Dividend	16.09.2020
2	2013-2014	Final Dividend	17.10.2021
3	2014-2015	Final Dividend	28-10.2022
4	2015-2016	Dividend not declared	Dividend not declared
5	2016-2017	Final Dividend	20.09.2024
6	2017-2018	Final Dividend	15.09.2025
7	2018-2019	Final Dividend	14.09.2026

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

7. In accordance with the afore said IEPF Rules, the Company has sent notice to all the shareholders whose shares are due to be transferred to the IEPF Authority and has also published newspaper advertisement.

**8. 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] Limited (CDSL) to facilitate e-voting.

- (i) Mr. Tushar M. Vora, Practicing Company Secretary [Membership No. FCS 3459] has been appointed as the Scrutinizer to scrutinize the Remote E-Voting and E-Voting process in a fair and transparent manner.
- (ii) Members who have cast their vote by remote e-voting prior to the meeting can also attend the meeting but shall not be entitled to cast their vote again.
- (iii) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date i.e. 7th September, 2020 only shall be entitled to avail facility of Remote E-Voting and E-Voting.
- (vi) 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.

9. Re-appointment of Director:

Mrs. Khushali Samip Solanki (DIN 07008918), Non-Executive and Non-Independent Director of the Company retires by rotation at this 48th Annual General Meeting of the Members of the Company and being eligible, has offered herself for re-appointment.

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

REQUEST TO THE MEMBERS

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

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

ITEM NO. 3: AIA Engineering Limited (AIA) is presently holding 74.85% of the shares in the equity share capital of Welcast Steels Limited (WSL). Therefore, AIA is a holding Company of WSL and is a Related Party as per definition under Section 2 (76) of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations")

The provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time exempts any transaction entered into by a Company with its related party 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 an Ordinary Resolution.

Transactions to be entered into / carried out with AIA are of sale and purchase of goods. Omnibus approval of the Audit Committee has been obtained at its meeting held on 27th January, 2020.

Mr. Bhadresh K. Shah, Mr. Rajendra S. Shah, Mr. Sanjay S. Majmudar and Mrs. Khushali S. Solanki, all being Directors in AIA Engineering Limited and Mr. S. N. Jethaliya, Company Secretary who is also a Company Secretary of AIA are related to AIA.

The transactions of WSL with AIA for the financial year 2020-21 are likely to exceed threshold limit of 10% of consolidated annual turnover as per the Audited Annual Accounts of WSL for the financial year 2019-20. The gross annual turnover of WSL for the financial year 2019-2020 as per the audited financial statements is ₹ 15001.54 lakhs. For the financial year 2020-2021 the transactions of WSL with AIA may exceed 10 % of the gross annual turnover of WSL for the financial year 2019-2020. The approval of the members for the transaction proposed to be entered into and carried out with AIA during the financial year 2020-2021, in ordinary course of business and at arm's length price, is being sought by way of abundant caution and as a proactive measure.

Further, Regulation 23 of SEBI Listing Regulations (as amended w.e.f. 01.04.2019) requires that the entities / persons falling under the definition of related party shall not vote to approve the relevant transaction irrespective of whether the entity / person is a party to the transaction or not. Accordingly, AIA being the promoter of WSL holding 74.85% of the paid-up capital, shall not vote to approve this resolution.

Except Mr. Bhadresh K Shah, Mr. Rajendra S. Shah, Mr. Sanjay S. Majmudar, and Mrs. Khushali Samip Solanki directors of AIA and Mr.S N Jethaliya, Company Secretary of AIA and their relatives, none of the directors and Key Managerial personnel of the Company and their relatives, are in any way concerned or interested in the said resolution.

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

ITEM NO. 4: The Board of Directors on the recommendations of the Audit Committee, re 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 2020-2021 and fixed remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand) plus applicable tax and out of pocket expenses.

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

Accordingly, consent of the members is being sought for passing an Ordinary Resolution for ratification of remuneration payable to the Cost Auditors to carry out the audit of cost records of the Company for the financial year 2020-21.

Except Mr. Bhadresh K Shah, Mr. Rajendra S. Shah, Mr. Sanjay S. Majmudar, and Mrs. Kushali Samip Solanki directors of AIA and Mr.S N Jethaliya, Company Secretary of AIA and their relatives, none of the directors and Key Managerial personnel of the Company and their relatives, are in any way concerned or interested in the said resolution.

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

By order of the Board of Directors

Place : Ahmedabad
Date : 15th June, 2020

S.N. Jethaliya
Company Secretary
ACS: 5343

**NOTICE**

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ANNEXURE TO THE NOTICE:

RELEVANT DETAILS AS STIPULATED UNDER REGULATION 26(4) OF THE SEBI LODR REGULATIONS AND SECTARIAL STANDARD ON GENERAL MEETING ("SS-2") ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA, WITH REGARD TO THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING (REFER ITEM NO.2)

Name	Mrs. Khushali Samip Solanki (DIN 07008918)
Date of Birth /Age	43 Years
Date of first appointment on the Board of the Company	10.09.2014
Qualifications	Diploma in Hotel Management
Experience (brief resume)	She possesses rich and varied experience in Production Administration and Accounts.
Disclosure of Relationship	She is the daughter of Mr. Bhadresh K. Shah, Director of the Company
No. of Shares held in the Company	-
Terms and Conditions of Re-appointment	As per the Resolution at item No.2 of the Notice convening this Annual General Meeting. Mrs. Khushali Sampi Solanki is proposed to be re-appointed as a director
Remuneration last drawn (including sitting fee if any)	₹ 0.15 Lakh (Sitting Fees)
Remuneration proposed to be paid	She shall be paid remuneration by way of sitting fee.
Number of meetings of the Board attended during the financial year	Please refer Corporate Governance Report Section of the Annual Report 2019-2020.
Directorships held in other Public Companies	
Membership/Chairmanships of Committees across other Public Companies	

**INSTRUCTIONS FOR E-VOTING:****CDSL e-Voting System – Remote & Venue Voting Facility.**

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as E-Voting system on the date of the AGM will be provided by CDSL.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through Remote E-Voting or E-Voting.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The helpline numbers regarding any query/assistance for participation in the AGM through VC/OAVM are 022- 23058738 /022-23058543/ 022-23058542
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Process for those shareholders whose email ids are not registered:
 - a. For Members holding shares in Physical mode are requested to send an e-mail to invest_grievance@welcaststeels.com along with necessary details like Folio No, Name of Member(s) and self-attested scanned copy of PAN Card or Aadhar Card for registering their e-mail addresses.
 - b. Members holding shares in Demat mode can get their E-mail ID registered by contacting their respective Depository Participant or by sending Demat Account details (CDSL 16 digit beneficiary ID or NSDL 16 digit DPID+CLID), Name, Client Master Copy or copy of consolidated account statement, self-attested scanned copy of PAN or Aadhar Card to invest_grievance@welcaststeels.com.

INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE VOTING ARE AS UNDER:

- (i) The voting period begins on Friday, 11.09.2020 at 09.00 AM ends on Sunday, 13.09.2020 at 05.00 PM During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 07.09.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.



NOTICE

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- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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 shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is given through an e-mail.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN "**200810005 -Welcast Steels Limited**".
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

INSTRUCTIONS FOR SHAREHOLDERS VOTING ON THE DAY OF THE AGM ON e-VOTING SYSTEM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.