

# SUSTAINING CHALLENGES





# Navigating through...

## Corporate Overview 2 - 5

○○○○

○ Our Footprints	2
○ Performance Overview	3
○ Corporate Information	5

## Statutory Reports 6 - 63

○○○○

○ Ten-years Financial Highlights	6
○ Notice	7
○ Board's Report	20
○ Report on Corporate Governance	42
○ Management Discussion and Analysis	56

## Financial Statements 64 - 100

○○○○

○ Standalone	64
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## Investor information

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○ BSE Code	: <b>513517</b>
○ Bloomberg Code	: <b>STLCS:IN</b>
○ AGM Date	: <b>August 14, 2020</b>
○ AGM Venue	: Registered Office, Ruvapari Road, Bhavnagar. Gujarat- 364005 (Through Video Conference / Other Audio Visual Means)

Please find our online version at

**[http://www.steelcast.net/  
quarterly-results.html](http://www.steelcast.net/quarterly-results.html)**

Or simply scan to download:



### Disclaimer:

This document contains statements about expected future events and financials of Steelcast Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

## Key Figures 2019-20

**₹ 157.77 Crores**

Market capitalisation as on  
March 31, 2020

**₹ 200.59 Crores**

Net Sales in 2019-20

**₹ 37.81 Crores**

EBITDA in 2019-20

**₹ 7.81 Crores**

PAT in 2019-20

# Our Footprints



**Disclaimer:**

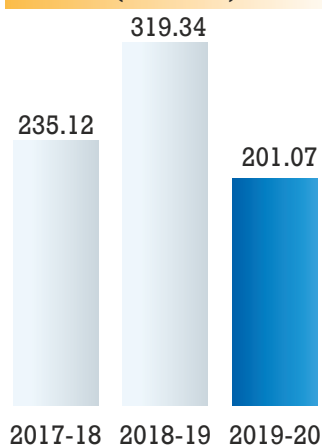
This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features / states do not necessarily reflect the actual position. The Company or any of its Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

# Performance Overview

## Key Performance Indicators

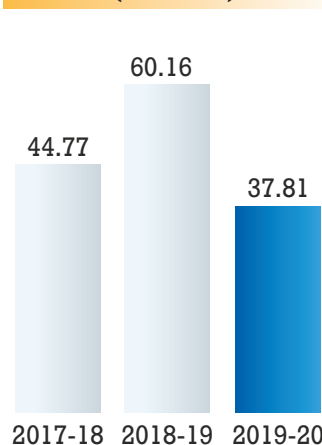
### Revenue

(₹ Crores)



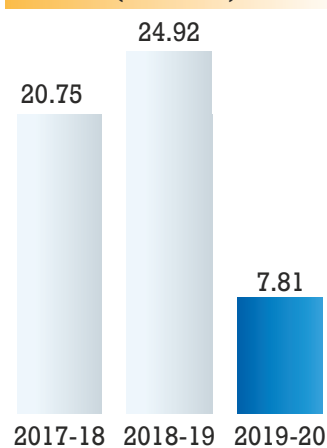
### EBIDTA

(₹ Crores)



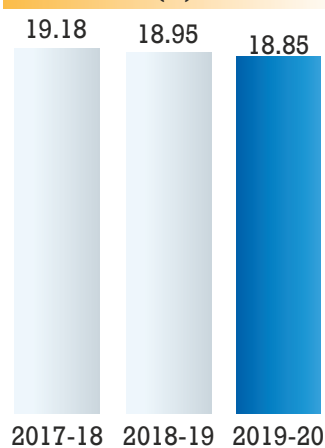
### PAT

(₹ Crores)

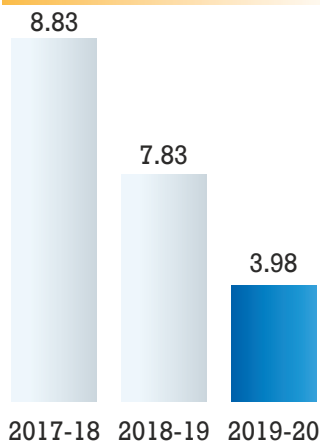


### EBIDTA Margin

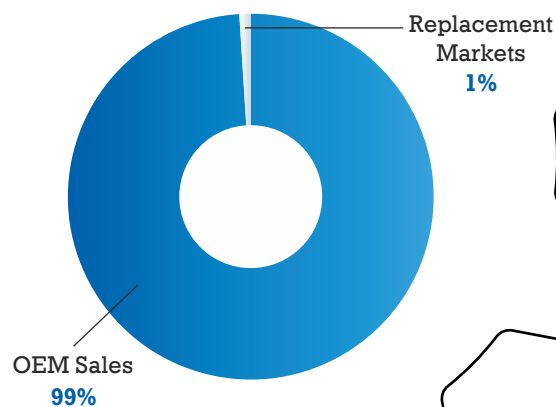
(%)



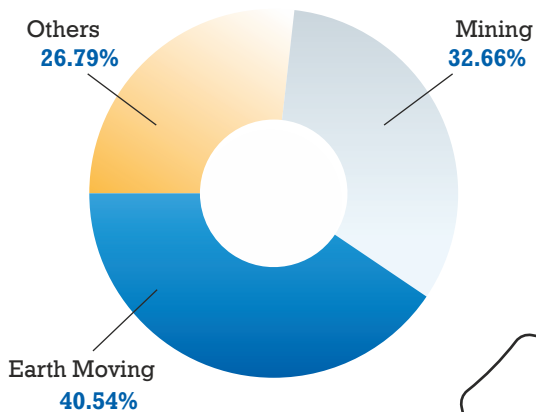
### PAT Margin (%)



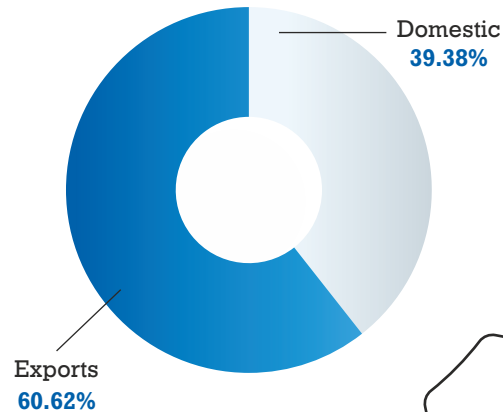
### Segment-wise Contribution



### Industry-wise Revenue Contribution



### Geography-wise Revenue Contribution



**Others** include Agricultural Equipment, Manufacturing, Steel Plants, Construction Equipment, Cement, Transportation, Defence, Locomotive and Railways

# Corporate Information

## Board of Directors

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### Mr. Chetan M Tamboli

Chairman & Managing Director

### Mr. Rushil C Tamboli

Whole Time Director

### Ms. Vidhi C Tamboli

Whole Time Director (Appointed on 05.11.2019)

### Mr. Rajendra V Gandhi

Independent Director

### Mr. Apurva R Shah

Independent Director

### Mr. Dhimant D Mehta

Independent Director

### Mrs. Manali C Tamboli

Non-Independent Non-Executive Director  
(Resigned w.e.f. 05.11.2019)

### Mr. Hemant D Dholakia

Independent Director (Appointed on 29.06.2020)

### Mr. T Kumar

Invitee to the Board

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## Chief Financial Officer

### Mr. Subhash R Sharma

## Company Secretary

### Mr. Mahesh L Purohit

(Appointed on 05.11.2019)

## Bankers

- Standard Chartered Bank
- HDFC Bank Limited
- RBL Bank Limited

## Auditors

SSM & Co., Chartered Accountants  
Bhavnagar

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## Registered Office & Works

Ruvapari Road, Bhavnagar,  
Gujarat – 364005, India  
Phone: (91) (278) 251 9062  
Fax: (91) 251 9831

## Corporate Id No.

L27310GJ1972PLC002033

## ISIN

INE124E01020

## Script Code at BSE

513517

## SIGNIFICANT FINANCIAL INDICATORS FOR LAST TEN YEARS

(₹ in Lakhs except as specified)

Sr. No.	Aspect	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1	Total Income	13,379.89	23,797.66	28,735.05	14,448.80	7,914.31	13,704.24	14,182.41	23,512.07	31,934.03	20,106.64
2	Operating Profit	1,599.73	3,954.04	4,782.92	2,618.22	(4.57)	2,627.40	2,614.98	4,476.74	6,015.54	3,780.97
3	Profit After Tax	432.59	141.01	1,965.42	42.57	(1,850.04)	13.29	298.09	2,075.18	2,492.30	781.37
4	Net Worth	4,520.13	5,961.96	7,704.14	7,907.10	5,990.84	7,186.46	7,404.04	9,333.06	11,495.95	11,789.31
5	Total Borrowed Funds	6,497.48	8,485.44	11,631.81	13,721.91	14,361.95	12,800.66	8,959.59	9,255.51	6,443.26	4,453.62
6	Fixed Assets (Net)	6,261.42	7,922.27	12,148.19	14,913.57	13,976.83	13,409.44	12,392.36	12,361.46	11,723.36	10,680.09
7	Net Current Assets	4,425.42	6,466.61	7,322.19	5,650.32	4,787.08	4,619.99	7,792.19	11,572.12	9,726.17	7,677.75
8	Book Value Per Share (Adjusted to Sub Division & Bonus Issue and PI) (₹)	29.00	36.00	44.00	43.00	32.89	35.51	36.58	46.11	56.80	58.25
9	Earning Per Share (Basic) (Adjusted to Sub Division & Bonus Issue) (₹)	2.80	9.30	11.80	0.23	(10.16)	0.07	1.47	10.31	12.34	3.94
10	Dividend (%)	20.00	60.00	36.00	0.00	0.00	0.00	12.00	27.00	40.00	12.00
11	Debt Equity Ratio (Total Borrowed Funds/Net Worth)	1.44	1.42	1.51	1.74	2.40	1.78	1.21	0.99	0.56	0.38
12	Operating Profit to Sale (%)	11.96	16.62	16.64	18.12	(0.06)	19.17	18.44	19.04	18.95	18.85



# STEELCAST LIMITED

CIN: L27310GJ1972PLC002033

Registered Office: Ruvapari Road, Bhavnagar, Gujarat 364 005.

Phone: 0278-2519062 , www.steelcast.net, info@steelcast.net.

## NOTICE OF 49TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **49<sup>th</sup> Annual General Meeting** of the Members of STEELCAST LIMITED (CIN L27310GJ1972PLC002033) (the "Company") will be held at 1600 Hours on Friday, 14<sup>th</sup> August, 2020 through Video Conference ("VC")/ Other Audio Visual Means ("OAVM") facility, to transact the following business:

### Ordinary Business:

1. To receive, consider, approve and adopt the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2020 and the Report of the Board of Directors' and Auditors' thereon.
2. To declare dividend on equity shares for the year ended 31<sup>st</sup> March, 2020.
3. To appoint a Director in place of Mr. Rushil C Tamboli, as Director having Director Identification Number 07807971, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

Re-appointment of Statutory Auditors of the Company:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. S. S. M. & Co., Chartered Accountants (FRN:129198W), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for their second term of 5 (five) years from the conclusion this Annual General Meeting till the conclusion of Annual General Meeting for the financial year 2024-25, on such remuneration as may be determined by the Audit Committee/Board of Directors of the Company in consultation with the auditors."

### Special Business:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

**"RESOLVED THAT** pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, a remuneration of Rs.80,000 (Rupees Eighty Thousand Only) plus Goods & Service Tax (GST) as applicable and reimbursement of actual travel and out-of-pocket expenses, for the Financial Year commencing on 1<sup>st</sup> April, 2020 and ending on 31<sup>st</sup> March, 2021, as fixed by the Audit Committee and approved by the Board of Directors of the Company, to be paid to M/s. S K Rajani & Co., Cost Accountants (FRN:101113), for the conduct of the Cost Audit of the Company's Steel castings products (CETA Heading 73259920, 73259999, 73259930 and 84879000), be and is hereby ratified and confirmed."

6. 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 Sections 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) Ms. Vidhi C Tamboli (DIN: 06689283), Director of the Company who was appointed as an Additional Director w.e.f. 5<sup>th</sup> November, 2019 and whose term of office expires at this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and on recommendation of the Nomination and remuneration Committee Company for her appointment as the Director of the Company, be and is hereby appointed as Director of the Company who shall be liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as SPECIAL RESOLUTION:

**"RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-

enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded for the appointment of Ms. Vidhi C Tamboli (DIN: 06689283) as Whole Time Director of the Company for a period of 5 (Five) years effective from 5<sup>th</sup> November, 2019 on the terms conditions of appointment and remuneration given below as contained in the draft agreement, to be entered into between the Company and Ms. Vidhi C Tamboli, with liberty to the Board to alter the same from time to time, so long as the alterations involving remuneration are in conformity with the provisions of Schedule V to the Companies Act, 2013:

Particulars	Per Month (Rs.)	Per Annum (Rs.)
Basic Salary	30,000.00	3,60,000.00
House Rent Allowance	15,000.00	1,80,000.00
Conveyance Allowance	5,000.00	60,000.00
<b>Total</b>	<b>50,000.00</b>	<b>6,00,000.00</b>

- i) Perquisites: Perquisites and benefits will also be allowed and paid to Ms. Vidhi C Tamboli, classified in three categories (Part-A, Part-B and Part-C) as mentioned herein.
- ii) The remuneration and perquisites as mentioned above will be effective from 5<sup>th</sup> November, 2019, with future increments in salary may be reviewed and revised by this committee and Board hereafter from time to time.

#### PART-A

**Leave Travel Concession:** WHOLE TIME DIRECTOR and her family, once in a two years period in accordance with the rules specified by the Company subject to a ceiling of one month's basic salary.

**Medical Reimbursement:** Expenses incurred for WHOLE TIME DIRECTOR and her family subject to a ceiling of one month's salary during one year.

**Fees of Clubs:** Subject to a maximum of two clubs. This will not include admission and life membership fees.

**Mediclaim & Personal Accident Insurance:** As applicable to other Executives of the Company and in accordance with the Company's policy.

**"Family" here means:** Spouse, dependent children and dependent parents.

#### PART-B

Contribution to the Provident Fund, Superannuation Fund and/or Annuity Fund will not be included in the computation of the ceiling on salary/ total remuneration to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.

**1 Provident Fund:** Provident Fund as applicable to other Executives of the Company.

**2 Gratuity:** Gratuity as applicable to other Executives of the Company.

**3 Superannuation:** Superannuation as applicable to other Executives of the Company.

#### PART -C

Commission as part of remuneration payable to Ms. Vidhi C Tamboli will be: NIL."

**"RESOLVED FURTHER THAT** on the recommendation, if made, by the Nomination and Remuneration Committee, the Board may vary, from time to time the remuneration payable to Ms. Vidhi C Tamboli, so long as it is in conformity with the provisions of Schedule V of the Companies Act, 2013."

**"RESOLVED FURTHER THAT** Mr. Chetan M Tamboli, Chairman and Managing Director be and is hereby authorized to execute and sign the agreement, including any supplementary agreement as may be required at a future date, on behalf of the Company with Ms. Vidhi C Tamboli, and the common seal of the Company be affixed on the said agreement in the presence of her."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

**"RESOLVED THAT** the approval of Board and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Hemantbhai D Dholakia (DIN: 00147408) who was appointed as the additional

director of the company from 29<sup>th</sup> June, 2020 and who hold office as such upto the date of this annual general meeting and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for appointment under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations, as an Independent Non-Executive Director of the Company and in pursuant to the recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Director of the company to hold office for a period of 5 (Five) consecutive years on the Board of the Company for a term w.e.f. 29<sup>th</sup> June, 2020 upto 28<sup>th</sup> June, 2025 or conclusion of AGM pertaining to FY 2024-2025,

whichever is later and shall not be subject to retirement of directors by rotation."

**"RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized 'Committee' thereof) be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

By Order of the Board of Directors  
For **STEELCAST LIMITED**

**(Chetan M Tamboli)**

Place: Bhavnagar  
Date: June 29, 2020

Chairman & Managing Director  
DIN: 00028421

## Notes

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide circular no. 20/2020 dated 5<sup>th</sup> May, 2020 read with circular No. 14/2020 dated 8<sup>th</sup> April, 2020 and circular No. 17/2020 dated 13<sup>th</sup> April, 2020 (collectively referred to as 'MCA Circulars'), inter alia, permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") or through Other Audio-Visual Means ("OAVM"), without the physical presence of the Members at a common venue.

Considering social distancing as a pre-requisite to contain spread of COVID-19 and in compliance with the provisions of the above MCA Circulars, the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM for which detailed instructions are contained in this Notice.

2. Pursuant to the provisions of the Act, a Member 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, physical attendance of Members has been dispensed

with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Institutional / Corporate Shareholders ("Body Corporates") are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and also to cast their votes through e-voting platform.

3. The relevant Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013, in respect of the special business is annexed hereto.
4. A statement giving the relevant details of the Directors seeking re-appointment is annexed hereto.
5. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12<sup>th</sup> May, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice calling AGM along with the explanatory statement and Annual Report 2019-20 are available on the website of the Company at

## Notes (Contd.)

www.steelcast.net and BSE Limited at www.bseindia.com, and on the website of National Securities Depository Limited (NSDL) i.e. www.evoting.nsdl.com (the Authorised agency for providing voting through electronic means and AGM through VC/OAVM). Company's web-link on the above will also be provided in advertisement being published in news papers.

6. Pursuant to the provisions of the Act, a Member 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, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
7. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at cs@steelcast.net from 11<sup>th</sup> August, 2020 (9:00 a.m. IST) to 13<sup>th</sup> August, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
8. Since the AGM will be held through VC / OAVM, the Route Map of the AGM venue is not annexed to this Notice.  
  
Member may also send their query in writing through cs@steelcast.net on or before 10<sup>th</sup> August, 2020, which would be replied by the Chairman at the time of the meeting. For this purpose, it would not be necessary to register as speaker.

Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 10<sup>th</sup> August, 2020 through email on ss@steelcast.net. The same will be replied by The Company suitably.

9. The Members can join the AGM through VC / OAVM 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 electronic mode will be made available for 1000 members on first come first served basis. It may be noted that the large Shareholders (i.e. 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 are allowed to attend the AGM without restriction on account of first come first served basis.
10. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
11. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to **cs@steelcast.net** with a copy marked to **dgbhimani@yahoo.co.in** and **evoting@nsdl.co.in**.
12. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members

## Notes (Contd.)

and Share Transfer Books of the Company will remain closed from 08<sup>th</sup> August, 2020 to 14<sup>th</sup> August, 2020 (both days inclusive) for the purpose of 49<sup>th</sup> Annual General Meeting.

13. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with MCSSTA in case the shares are held by them in physical form.
14. Pursuant to Section 124 & Section 125 as per Companies Act, 2013 came in to effect on 7<sup>th</sup> September, 2016 (corresponding to the provisions of Section 205A (5) and 205C of the Companies Act, 1956), Members are requested to note that, dividends if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).
15. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1<sup>st</sup> April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident

individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [ss@steelcast.net](mailto:ss@steelcast.net) by 11:59 p.m. IST on 10<sup>th</sup> August 2020. Accordingly, if any resident individual shareholder is in receipt of dividend exceeding Rs. 5,000 in a fiscal year, entire dividend will be subject to TDS@7.5%. The rate of 7.5% is applicable provided the shareholder has updated his/her Permanent Account Number (PAN) with the depository/Registrar and Transfer Agent (RTA). Otherwise the TDS rate will be 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [ss@steelcast.net](mailto:ss@steelcast.net). The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on 10<sup>th</sup> August, 2020.

16. Members holding shares in physical form are requested to promptly notify in writing any changes in their address, contact details and bank account details to the R&T Agents M/s. MCS Share Transfer Agent Ltd, 101, First Floor, Shatdal Complex, Opp: Bata Show Room, Ahmedabad 380 009 or the Company at Ruvapari Road, Bhavnagar 364 005. Members holding shares in electronic form are requested to notify the changes in the above particulars, if any, directly to their Depository Participants (DP).
17. Equity shares of the Company are under compulsory demat trading by all investors. Considering the advantage of scripless trading, members are encouraged to consider dematerialization of their shareholding so as to avoid inconvenience in future.



## Notes (Contd.)

### 18. INSTRUCTIONS FOR E-VOTING AND ATTENDING THE AGM THROUGH VC / OAVM ARE AS FOLLOWS:

#### A. Instructions for Members for remote Voting through Electronic means are as under:

i) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility of casting votes using remote e-voting system as well as venue voting on the date of the AGM through services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

ii) **The remote e-voting period begins on 11<sup>th</sup> August, 2020 at 09.00 a.m. and ends on 13<sup>th</sup> August, 2020 at 5.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., 7<sup>th</sup> August, 2020 may cast their vote electronically. **The remote e-voting module shall be disabled by NSDL for voting thereafter.** Those Members, who will be present in the AGM through VC / OAVM facility and have not cast 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 during the AGM.

iii) Mr. Dinesh G Bhimani of D G Bhimani & Associates, Practicing Company Secretary (Membership No. FCS 8064) (Address: 207, Nathwani Chambers, Sardar Gunj, Anand- 388 001, Gujarat) the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

iv) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

v) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

vi) Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at **evoting@nsdl.co.in**. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

vii) The details of the process and manner for voting electronically through NSDL e-Voting system consists of "Two Steps" as explained herein below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at **<https://eservices.nsdl.com/>** with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

## Notes (Contd.)

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on **www.evoting.nsdl.com**.

b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on **www.evoting.nsdl.com**.

c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

## Notes (Contd.)

### Details on Step 2 is given below:

#### How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company, which is **113187**.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

1. Bodies Corporates are required to send scanned copy (PDF/ JPG Format) of the relevant Board or Governing Body Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [dgbhimani@yahoo.co.in](mailto:dgbhimani@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key

in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222- 990 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

4. In case of any grievances connected with facility for e-voting, please contact Mr. Pratik Bhatt (email: [pratikb@nsdl.co.in](mailto:pratikb@nsdl.co.in) or at telephone no.: +91-22-24994738) or Ms. Sarita Mote (email: [saritam@nsdl.co.in](mailto:saritam@nsdl.co.in) or at telephone no.: +91-22-24994890) or to NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), Tel: 91 22 2499 4738/ 1800-222-990.

#### Process for registration of email id for obtaining Annual Report and user id/password for e-voting and updation of bank account mandate for receipt of dividend:

##### I) Physical Holding :-

Send a request to the RTA of the Company, M/s. MCS Share Transfer Agent Ltd. at [mcsstaahmd@gmail.com](mailto:mcsstaahmd@gmail.com) providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) for registering email address.

Following additional details need to be provided in case of updating Bank Account Details:

- a) Name and Branch of the Bank in which you wish to receive the dividend,
- b) the Bank Account type,
- c) Bank Account Number allotted by their banks



## Notes (Contd.)

after implementation of Core Banking Solutions,

d) 9 digit MICR Code Number,

e) 11 digit IFSC Code, and

f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.

### II) Demat Holding:-

Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

B. Instructions for Members attending the AGM through VC / OAVM are as under:

- 1) Member will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL through its platform at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- 2) Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
- 3) Members who need assistance before or during the 49<sup>th</sup> AGM, can contact NSDL on their toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact NSDL officials Mr. Pratik Bhatt at designated email ID:

[pratikb@nsdl.co.in](mailto:pratikb@nsdl.co.in) or at telephone nos.: +91-22-24994738, and Ms. Sarita Mote at designated email ID: [saritam@nsdl.co.in](mailto:saritam@nsdl.co.in) or at telephone nos.: +91-22-24994890.

- 4) Members are encouraged to join the Meeting through Laptops or Desktop and having Internet connectivity with good speed for better experience and to avoid any disturbance during the meeting.
19. The voting rights of the shareholders shall be in proportion of their shares of the paid up equity share capital of the Company as on the cut-off date of August 07, 2020.
20. The Results shall be declared after the receipt of the Scrutinizer's Report from conclusion of the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.steelcast.net](http://www.steelcast.net) and on the website of NSDL immediately. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

By Order of the Board of Directors  
For **STEELCAST LIMITED**

**(Chetan M Tamboli)**

Place: Bhavnagar  
Date: June 29, 2020

Chairman & Managing Director  
DIN: 00028421

## EXPLANATORY STATEMENT

(Pursuant to section 102(2) of the Companies Act, 2013)

In conformity with the provisions of Section 102(2) of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

### Item No. 5 of Special Business:

Pursuant to provisions of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual/ firm of cost accountant(s) in practice on the recommendations of the Audit Committee, which shall also recommend remuneration for such Cost Auditor. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of the Audit Committee at its meeting held on 29<sup>th</sup> June, 2020, the Board has considered and approved appointment of M/s S K Rajani & Co., Cost Accountants having FRN:101113, for the conduct of the Cost Audit of the Company's Steel castings products (CETA Heading 73259920, 73259999, 73259930 and 84879000) at a remuneration of Rs. 80,000 (Rupees Eighty Thousand only) plus Goods & Service Tax (GST) as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending on March 31, 2021.

The Board recommends the resolution set out at Item No. 5 of the Notice for the approval and ratification by the members in terms of Section 148 of the Companies Act, 2013, as an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the passing of the Resolutions set out at Item No. 5.

### Item No. 6 and 7 of Special Business:

Ms. Vidhi C Tamboli (DIN: 06689283), daughter of Mr. Chetan M Tamboli, Chairman & Managing Director and sister of Mr. Rushil C Tamboli, Whole Time Director of the Company. She is Master of Arts & Master of Education (Psychology) from Columbia University, NY.

The Board of Directors at their meeting held on 05<sup>th</sup> November, 2019, after receiving recommendations from Nomination & Remuneration Committee, appointed Ms. Vidhi C Tamboli (DIN: 06689283), as an Additional Director and Whole Time Director for the period of 5 (Five) years subject to approval in next Annual General Meeting of the Company, whose office shall be liable to retire by rotation.

Nomination and Remuneration Committee has, recommended her appointment as director liable to retire by rotation as mentioned under Item No. 6.

Approval of the members is required by way of Ordinary and Special Resolution, for item No. 6 and 7 respectively, for appointment and payment of remuneration to Ms. Vidhi C Tamboli, as Whole Time Director for the period of 5 (Five) years effective from 05<sup>th</sup> November, 2019.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Except Ms. Vidhi C Tamboli and his relatives including Mr. Chetan M Tamboli, Chairman & Managing Director and Mr. Rushil C Tamboli, Whole Time Director of the Company, none of the other Directors or Key Managerial Persons or their relatives is in any way interested or concerned, financially or otherwise in the passing of the Resolutions set out at item no. 6 and 7 except to the extent of their shareholding in the Company, if any.

## Explanatory Statement (Contd.)

Details of Directors seeking appointment at forthcoming Annual General Meeting:

(In pursuance of Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

<b>Name of the Director</b>	Ms. Vidhi C Tamboli (DIN No. 06689283)
<b>Date of Birth</b>	23.11.1991
<b>Nationality</b>	Indian
<b>Date of Ap pointment on Board</b>	05.11.2019
<b>Qualification</b>	Master of Arts & Master of Education (Psychology)
<b>Experience</b>	Having experience of over three years as Psychological and Career Counsellor in various organisations in India and abroad.
<b>Shareholding</b>	NIL
<b>Terms and conditions of appointment along with details of remuneration</b>	As mentioned at Point No 7 under Special Resolution above.
<b>Remuneration last drawn (during FY 2019 - 20)</b>	Rs.269,328.00
<b>No. of Meetings of the Board attended during the year</b>	Two meetings attended out of Two meetings applicable to her to attend after her appointment to Directorship during the Financial Year 2019-20.
<b>Directorship of other Companies</b>	NIL
<b>Membership/Chairmanship of Committees of other Companies</b>	NIL

Ms. Vidhi C Tamboli is the daughter of Mr. Chetan M Tamboli & Mrs. Manali C Tamboli and sister of Mr. Rushil C Tamboli

### Item No. 8 of Special Business:

Mr. Hemantbhai D Dholakia, aged 55 years, is Master in Business Administration (USA). He joined family owned business in 1987 manufacturing & marketing various Oral & Health care, Hygiene products being supplied in domestic and foreign market. He has long experience as entrepreneur.

As per the recommendation of the Nomination and Remuneration Committee, the Board, at their meeting held on 29<sup>th</sup> June, 2020, has appointed Mr. Hemantbhai D Dholakia, as Additional Director in the capacity of Independent Director to hold office upto this Annual General Meeting.

Based on skills, rich experience and knowledge of Mr. Hemantbhai D Dholakia, Nomination and Remuneration Committee recommended his appointment as an Independent Director of the Company, for period of 5 (Five) years w.e.f. 29<sup>th</sup> June, 2020. Further, Mr. Hemantbhai D Dholakia shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has received a declaration from Mr. Hemantbhai D Dholakia, being eligible for appointment as Independent Director as per term providing his consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended from time to

## Explanatory Statement (Contd.)

time. The Company has also received a declaration from Mr. Hemantbhai D Dholakia confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under the Regulation 16(b) of the Listing Regulations, as amended from time to time. Mr. Hemantbhai D Dholakia is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013, as amended from time to time. In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 and is independent of the management.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

The Board considers that his appointment would provide immense benefit to the Company and it is desirable to avail his services. Accordingly, consent of the Members is sought for passing Ordinary Resolution as set out in this item of the Notice for appointment of Mr. Hemantbhai D Dholakia as an Independent Director of the Company.

Except Mr. Hemantbhai D Dholakia, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8. This Explanatory Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

Details of Directors seeking appointment at forthcoming Annual General Meeting:

(In pursuance of Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

<b>Name of the Director</b>	Mr. Hemantbhai D Dholakia (DIN No. 00147408)
<b>Date of Birth</b>	06.12.1964
<b>Nationality</b>	Indian
<b>Date of Appointment on Board</b>	29.06.2020
<b>Qualification</b>	B.Com; MBA (USA)
<b>Experience</b>	38 Years
<b>Shareholding</b>	1000
<b>Terms and conditions of appointment along with details of sitting fees</b>	Independent Director for five years w.e.f. 29 <sup>th</sup> June, 2020 with sitting fees as applicable to other non - executive directors for attending Board of Directors meeting and committee meeting thereof.
<b>Remuneration last drawn</b>	NIL
<b>No. of Meetings of the Board attended during the year</b>	NIL (Appointed on 29.06.2020)
<b>Designated Partner/Directorship of other Companies</b>	1. Goran Pharma Pvt Ltd 2. Hansrx Private Limited 3. Parag Perfumes, Sihor
<b>Membership/Chairmanship of Committees of other Companies</b>	NIL

There is no inter-se relationship between the Board Members.

No Director, Key Managerial personnel or their relatives, except Mr. Hemantbhai D Dholakia (DIN: 00147408) to whom the resolution relates, is interested or concerned in the resolution.

## Explanatory Statement (Contd.)

### ITEM NO.3 OF THE NOTICE

Details of Directors seeking appointment at forthcoming Annual General Meeting:

(In pursuance of Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

<b>Name of the Director</b>	Mr. Rushil C Tamboli (DIN No. 07807971)
<b>Date of Birth</b>	14.08.1989
<b>Nationality</b>	Indian
<b>Date of Appointment on Board</b>	02.11.2017
<b>Qualification</b>	B. E. (IE)
<b>Experience</b>	Working since Aug 2011 in Steelcast Limited in various capacities like 6 Sigma project for improving fuel efficiency of Heat Treatment operations, headed Heat Treatment Section and Shell Moulding Foundry. He was instrumental in developing new parts, achieving improvement in Man Hours Per Ton etc.
<b>Shareholding</b>	NIL
<b>Terms and conditions of appointment along with details of remuneration</b>	-
<b>Remuneration last drawn (during FY 2019-20)</b>	Rs. 1,808,995.00
<b>No. of Meetings of the Board attended during the year</b>	Four meetings attended out of Four meetings held during the Financial Year 2019-20.
<b>Designated Partner/ Directorship of other Companies</b>	Tamboli Investments Private Limited
<b>Membership/Chairmanship of Committees of other Companies</b>	NIL

Mr. Rushil C Tamboli is son of Mr. Chetan M Tamboli & Mrs. Manali C Tamboli. Ms. Vidhi C Tamboli is Sister of Mr. Rushil C Tamboli.

By Order of the Board of Directors  
 For **STEELCAST LIMITED**

**(Chetan M Tamboli)**

Chairman & Managing Director  
 DIN: 00028421

Place: Bhavnagar  
 Date: June 29, 2020

## Board's Report

### Dear Members,

The Directors of your Company are pleased to present the 49<sup>th</sup> Annual Report together with the Audited Financial Statement for the Financial Year ended on March 31, 2020.

#### 1. FINANCIAL RESULTS: (₹ in Lakhs)

Sr. No.	Particulars	2019-20	2018-19
1	Sales	20,058.86	31,792.46
2	Other Income	47.77	141.56
3	<b>Total Income</b>	20,106.64	31,934.03
4	Profit Before Depreciation & Tax (PBDT)	3,308.42	5,070.69
5	Less: Depreciation	1,604.76	1,565.03
6	Profit Before Taxation (PBT)	1,703.66	3,505.66
7	Less: Taxation (all Taxes)	905.90	1,008.13
8	Profit After Taxation (PAT)	797.75	2,497.53
9	Other comprehensive income	(16.38)	(5.22)
10	Add: Balance brought forward from last year	2,277.31	273.01
11	Amount Available for Appropriation	3,058.68	2,765.32
	<b>Appropriations:</b>		
	(a) Interim Dividend	-	-
	(b) Proposed Dividend	121.44	404.80
	(c) Corporate Dividend Tax	-	83.21
	(d) General Reserve	-	-
	(e) Balance to be carried forward	2,937.24	2,277.31

- 2. STATE OF COMPANY'S AFFAIRS:** The Company has earned revenue from operation of Rs. 20,058.86 Lakhs during the year ended on 31<sup>st</sup> March, 2020 as against Rs. 31,792.46 Lakhs earned during the previous year ended on 31<sup>st</sup> March, 2019, giving a significant dip of 36.91% as compared to previous year. The Company has also earned other income of Rs.47.77 Lakhs during the year under review as against Rs.141.56 Lakhs earned during the previous year.

The Company earned Profit Before Tax (PBT) of 8.49 % of sales during the year ended on 31<sup>st</sup> March, 2020 against 11.03 % of previous year ended on 31<sup>st</sup> March, 2019.

The Company earned Profit After Tax (PAT) of 3.98% of sales during the year ended on 31<sup>st</sup> March, 2020 against 7.86 % of previous year ended on 31<sup>st</sup> March, 2019.

After adding the surplus in the Statement of profit & loss of Rs. 2,277.31 Lakhs brought forward from the previous year to the profit of Rs. 781.37 Lakhs earned by the Company during the year under review, the total amount of Rs. 3,058.68 Lakhs profit is available for appropriation.

There are no material changes and commitment occurred during the period which affects the financial position of the company.

Further, there are no change in the nature of business of the company.

- 3. DIVIDEND:** the Board of Directors of your Company are pleased to recommend dividend @ 12.00% (i.e. Rs. 00.60 per share) on full paid up equity shares of Rs.5/- each for the financial year ended March 31, 2020, subject to approval of the shareholders at the ensuing Annual General Meeting.

**Transfer to reserves:** The closing balance of the retained earnings of the Company for F.Y. 2019-20, after all appropriation and adjustments was Rs.3,058.68 Lakhs.

- 4. COVID-19:** During the lockdown imposed by the Government to combat COVID-19, it spread rapidly in the last month of FY 2020, the Industrial and Commercial establishments were closed and till date at many a locations these are still open in restricted conditions. The company ensured the well-being of the employees during lock down and also it was lifted partially. Your company is also working in a similar environment under the restrictive conditions. The demand for the product has been affected. Although arising from uncertainties due to the pandemic and reversal of the positive momentum gained in the last quarter of FY 2020 is happening. It is expected to revive as the lockdown is lifted partly and economic revival ensues. The Company is also taking necessary steps to ensure adequate liquidity through the period of lockdown and



## Board's Report (Contd.)

during the rest of FY 2020-21. The Company does not see any medium to long term risks in the company's ability to continue as a going concern and in meeting its liabilities as and when they fall due.

**5. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EARNINGS AND OUTGO:** The Information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed to this Report as an **Annexure-A** and forming part of this Report.

**6. SEGMENT REPORTING:** The Company is engaged in the Castings business only and therefore there is only one reportable segment in accordance with the Indian Accounting Standard (Ind AS) 108 Operating Segments.

**7. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:** The Company was having a partnership firm namely STEELCAST LLC, in USA till recently and now the company is not able to exercise any of the agreed rights under the agreement. A final settlement has been reached with the partner post date of this Balance Sheet and have received the final settlement amount. Now no more relationship exists with STEELCAST LLC. Now there is no other institution which became or ceased to become Subsidiary, Joint Venture or Associate Company.

**8. CORPORATE SOCIAL RESPONSIBILITY (CSR):** Company has formulated Policy on CSR in accordance with Schedule VII of the Companies Act, 2013 and the details of the composition of the Committee are covered in the Corporate Governance Report. Your Company spent some amount towards CSR activities during the year. Report on CSR activities is annexed hereto as **Annexure-B** and forming part of this Report. The Board has approved Policy on CSR which has been uploaded on the Company's website at [www.steelcat.net](http://www.steelcat.net).

**9. QUALITY:** Your Company has continued emphasis on Research & Development. A dedicated Quality Assurance ("QA") team is

monitoring product quality. Your Company strives to be industry leader by adopting modern technology.

**10. INSURANCE:** All assets of the Company, including Building, Plant & Machinery, Stocks etc., wherever necessary and to the extent required, have been adequately insured.

## **11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

### **11.1 CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

During the period of this report, Mrs. Manali C Tamboli, Non-Executive Non-Independent Director of the company, resigned from the Board with effect from 5<sup>th</sup> November, 2019. The Board appreciates the valuable services rendered by her during her tenure.

Ms. Vidhi C Tamboli, was appointed as Additional Director with title of Whole Time Director for a period of 5 (Five) years subject to approval of shareholders in next Annual General Meeting of the Company, vide Board of Directors meeting held on 5<sup>th</sup> November, 2019 who is liable to retire by rotation.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder, Mr. Rushil C Tamboli, Whole Time Director of the Company, shall retire by rotation at this Annual General Meeting and being eligible offers himself for re-appointment. The Members are requested to consider his re-appointment.

Mr. Hemantbhai D Dholakia, who has been appointed as Additional Director in the capacity of Independent Director w.e.f. 29<sup>th</sup> June, 2020 to hold office upto ensuing Annual General Meeting. Nomination and Remuneration Committee has recommended his appointment as Independent Director of the company for a period of five years and shall not be liable to retire by rotation.

Necessary resolutions relating to Directors who are seeking appointment/

## Board's Report (Contd.)

reappointment are included in the Notice of Annual General Meeting. The relevant details of the said Directors are given in the Notes/Annexures to the Notice of the Annual General Meeting.

### **11.2 COMPLIANCE ON CRITERIA OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS:**

All Independent Directors of the Company have given declarations to the Company under Section 149 (7) of the Act that they meet the criteria of independence as provided in Sub-Section 6 of Section 149 of the Act and also under the Listing Regulations.

### **11.3 FORMAL ANNUAL EVALUATION:**

The Board of Directors has carried out an annual evaluation of its own performance, its Committees and individual Directors pursuant to the requirements of the Act and the Listing Regulations.

Further, the Independent Directors, at their exclusive meeting held 13<sup>th</sup> February, 2020 during the year reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Listing Regulations.

### **11.4 NOMINATION AND REMUNERATION POLICY:**

The Company has an approved Nomination & Remuneration policy the details of which are covered under Corporate Governance Report and the said policy is also available on company's website at [www.steelcast.net](http://www.steelcast.net).

### **11.5 MEETINGS:**

During the year 4 Board Meetings and 4 Audit Committee Meetings were held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### **11.6 FORMAL UPDATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

The Company conduct familiarization and updation programs for independent directors on need basis. conducted by knowledgeable persons from time to time.

### **11.7 COMMITTEES OF THE DIRECTORS:**

The details of various committees of Directors constituted under various provisions of Companies Act, 2013 and Rules made thereunder, their constitution, terms of reference and other details are provided in the Corporate Governance Report.

Compositions of Board of Directors and various Committees of Directors are available on the Company's website at [www.steelcast.net](http://www.steelcast.net).

### **12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, are given in the notes to the Financial Statements.

### **13. RELATED PARTY TRANSACTIONS:**

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure-C** in the prescribed Form – AOC-2 and the same forms part of this report. All related party transactions or any omnibus approval as permitted under the law as required are placed before the Audit Committee and Board of the Company for review and approval. Transactions with related parties, as per requirements of Indian Accounting Standard (Ind AS) 24 are disclosed in the notes to accounts annexed to the Financial Statements. Your Company's duly approved Policy on Related Party Transactions is available on the Company's website at [www.steelcast.net](http://www.steelcast.net).

### **14. PARTICULARS OF EMPLOYEES:**

The Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed with this report as **Annexure-D**.

The Statement of particulars of employees under Section 197(12) read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is not provided with as during the financial year under review, no employee of the Company



## Board's Report (Contd.)

including Managing Director was in receipt of remuneration in excess of the limits set out in the said rules.

**15. HUMAN RESOURCES:** Your Company believes that employees are one of its most valuable assets. During the year under review, the Company organize various training programs for people at various levels to enhance their knowledge and skills. As on 31<sup>st</sup> March, 2020, total employees strength at STEELCAST is over 688 under direct employment. The employees are deeply committed to the growth of the Company.

**16. VIGIL MECHANISM / WHISTLEBLOWER POLICY:** The Company has formulated a Whistleblower Policy in conformity with the provisions of Section 177(9) of the Companies Act, 2013 and Listing Regulation to provide a mechanism for any concerned person of the company to approach the Ethics Counselor/Chairman of the Audit Committee of the Company for the purpose of dealing with any instance of fraud or mismanagement, and also ensure that whistleblowers are protected from retribution, whether from within or outside the organization. The details of the Whistle Blower Policy are given in the Corporate Governance Report and also available on the Company's website at [www.steelcast.net](http://www.steelcast.net).

**17. EXTRACT OF ANNUAL RETURN:** Pursuant to the provisions of section 92(3) of the Companies Act, 2013, an extract of annual return is annexed hereto as **Annexure-E** and forms part of this report.

**18. SECRETARIAL AUDITORS:** Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. D.G. Bhimani & Associates, Company Secretary, (CP: 6628) Anand, Gujarat have been appointed as the Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial Year 2019-20, the Secretarial Audit Report for the Financial Year 2019-20 is annexed herewith as **Annexure-F** and forms part of this report.

The observations made in the Auditor's Report are self-explanatory and, therefore, do not call for any further comments under Section 134(3)(f) of the Companies Act, 2013.

**19. CORPORATE GOVERNANCE REPORT AND CERTIFICATE:** Your Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by SEBI. As required under Regulation 34(3) read with Schedule V(C) of the Listing Regulations a Corporate Governance report and the certificate as required under Schedule V(E) of the Listing Regulations from Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance are given in **Annexure-G** and **Annexure-H** respectively, forming part of this report.

**20. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:** Management Discussion and Analysis Report for the year under review, as stipulated under Listing Regulation, is annexed herewith as **Annexure-I** and forms part of this report.

**21. COST AUDITORS:** In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors, on the recommendation of the Audit Committee, have appointed M/s. S K Rajani & Co. Cost Accountants, Bhavnagar as Cost Auditor of the Company, for the Financial Year 2019-20 on a remuneration as mentioned in the Notice of Annual General Meeting for conducting the audit of the cost records maintained by the Company.

A Certificate from M/s. S K Rajani & Co. Cost Accountants has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder. A resolution seeking Member's ratification for the remuneration payable to Cost Auditor forms part of the Notice of the Annual General Meeting of the Company and same is recommended for your consideration and approval.

Cost Audit report for the financial year ended March 31, 2019 were filed on August 22, 2019,

## Board's Report (Contd.)

which was within the time limit as prescribed in Companies (Cost Records and Audit) Rules, 2014 as amended.

**22. STATUTORY AUDITORS:** M/s. SSM & Co., Chartered Accountants, Statutory Auditors of the Company, having firm registration number 129198W, were appointed as Statutory Auditors at AGM pertaining to the FY 2016-17, held on 4<sup>th</sup> July, 2017 for three consecutive years starting 2017-18 to 2019-20. As required under Listing Regulation, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The appointment of Statutory Auditors was made for three consecutive years subject to ratification at each Annual General Meeting of the Company until the conclusion of 4<sup>th</sup> Annual General Meeting to be held for the financial year 2019-20.

The Audit Committee and Board of Directors of the Company respectively at their meeting held on 29<sup>th</sup> June, 2020 proposed to appointment of M/s. SSM & Co., Chartered Accountants, Statutory Auditors of the Company, subject to approval of the shareholders, having Firm Registration Number 129198W as Statutory Auditors of the Company to hold office for their second term of 5 (five) years i.e. from the conclusion of ensuing AGM till the conclusion of AGM for financial year 2024-25.

M/s. S. S. M & Co, Chartered Accountants, having Firm Registration Number 129198W has given consent to act as Statutory Auditors of the Company confirming that their appointment, if made, would be in accordance with the provision of section 139 and 140 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 and Listing Regulation.

Your Directors recommend their appointment as Statutory Auditors of the Company for a period of 5 (five) years commencing on the date of AGM of the FY 2020-21 and ending with the AGM of FY 2024-25.

The observations made the Auditor's Report are self-explanatory and, therefore, do not call for any further comments under Section 134(3)(f) of the Companies Act, 2013.

**23. INTERNAL FINANCIAL CONTROLS:** The Company has in place adequate internal financial controls with reference to financial statements. The Company has adopted an Internal Financial Control Framework Policy and Procedure document in to ensure orderly and efficient conduct of the business, accuracy and completeness of the accounting records and timely preparation of financial reports. The policy & procedure framework is supported by an ERP system. The ERP system used by the company developed in-house is conforming to Accounting Standards and Financial Control Requirements. The ERP system of the company is updated as and when changes are necessary.

**24. SIGNIFICANT AND MATERIAL ORDERS PASSED BY ANY REGULATOR OR COURT:** There were no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations, during the year under review.

**25. CHANGE IN THE NATURE OF BUSINESS:** During the year under review, there was no change in the nature of business of the Company and there is no material change and/or commitments, affecting the financial position of the Company, during the period from 31<sup>st</sup> March, 2020 till the date of this report.

**26. DIRECTORS' RESPONSIBILITY STATEMENT:** To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) and 134(5) of the Companies Act, 2013, that:

- a. in the preparation of the annual financial statements for the year ended March 31, 2020, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if applicable;
- b. for the Financial Year ended March 31, 2020, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the

## Board's Report (Contd.)

Company at the end of the Financial Year and of the Profit and Loss of the Company for that period;

- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Annual Financial Statements have been prepared on a going concern basis;
- e. proper internal financial controls are in place and such internal financial controls are adequate and were operating effectively;
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and are adequate and operating effectively.

**27. RISK MANAGEMENT:** The Company has been addressing various risks impacting the Company and details of the same are provided elsewhere in this Annual Report in Management Discussion and Analysis. The Company has voluntarily framed risk management policy and the same has been approved by the Audit Committee.

**28. SEXUAL HARASSMENT POLICY:** Your Company has zero tolerance towards sexual harassment at the workplace and has adopted a Policy on Sexual Harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The said policy can be accessed on the Company's website at [www.steelcast.net](http://www.steelcast.net).

**29. MATERIAL CHANGES AND COMMITMENTS IF ANY:** There are no material changes or commitments which have occurred between the end of the financial year and the date of this report which affect the financial position of the Company.

**30. DEPOSITS:** The Company has not accepted/renewed any deposits during the year.

### **31. COMPLIANCE OF SECRETARIAL STANDARD:**

Your company have complied with all Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and approved by Central Government from time to time.

**32. AUDIT COMMITTEE:** Composition of Audit Committee and details of number of audit committee meetings held during the financial year 2019-20 are enclosed herewith at **Annexure-G** under Corporate Governance Report. The Board has accepted all the recommendations and suggestions received from Audit committee.

### **33. MEETING OF NON-EXECUTIVE DIRECTORS WITH SENIOR MANAGEMENT:**

The meeting of Non-Executive Directors with Senior Management of the Company was held on February 13, 2020 where the Non-Executive Directors interacted with Senior Management of the Company.

**34. ACKNOWLEDGEMENTS:** Yours Directors take this opportunity to express their sincere appreciation for the excellent support and co-operation extended by the shareholders, customers, suppliers, bankers and other business associates. Your Directors gratefully acknowledge the on-going co-operation and support provided by the Central and State governments and all Regulatory Authorities. Your Directors also place on record their deep sense of appreciation to all employees for their dedicated services rendered at various levels.

By Order of the Board of Directors  
For **STEELCAST LIMITED**

**(Chetan M Tamboli)**

Chairman & Managing Director  
DIN: 00028421

Place: Bhavnagar  
Date: June 29, 2020

## ANNEXURE- A to the Board's Report:

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014,

### (A) ENERGY CONSERVATION

- (i) The steps taken or impact on conservation of energy:
  - As a part of energy conservation chiller unit of thermal reclamation plant has been modified with lower power input without affecting the process output and quality of product.
  - Significant power conservation done by installation of true demand utilization system with software development and system integration.
  - Installation of Energy monitoring software with 600 Tag (850 Parameters) with USB license Key for 65 Energy meter software.
- (ii) The steps taken by company for utilizing alternate sources of energy:
 

The company has not taken any steps towards utilization of alternate sources of energy during this financial year 2019-20.
- (iii) The capital investment on energy conservation equipment:
 

The Company has made capital investments amounting to Rs. 27.52 Lakhs during financial year 2019-20 on the energy conservation equipment.

### (B) TECHNOLOGY ABSORPTION

#### Research and Development (R & D)

- 1) The efforts made towards technology absorption:
  - a) Study the influence of quantum of resin, hardener and sand additive to minimize gas related defect in casting.
  - b) Study of Boron as micro alloy on mechanical properties of high strength low alloy steel.
  - c) Experimental trial of heavy section component to enhance hardenability by providing artificial cooling fins to promote fast cooling.
  - d) Study of the performance of extruded High alumina Ceramic core as a substitute of sand core to avoid core fusion, inclusion and gas related defects.
  - e) Distinction of different welding defect morphology by creating artificial defect during welding.

- f) Elimination of crazy crack in heavy section high strength low alloy steel by selection of appropriate Scrap and controlled melting technique.
- g) Development of process simulation with MAGMASOFT to predict phase content and mechanical properties of casting during heat treatment.

- 2) The benefits derived like product improvement, cost reduction, product development or import substitution:

The company has in place well developed program of

- a) Continuous Improvement Plan( CIP)
- b) Product Development
- c) Process Development
- d) Materials Development

Benefits derived as a result of the above efforts (e.g. Product development, Cost reduction, Process Development, Import substitution etc.) have resulted in a saving of Rs104.18 Lakhs during the year 2019-20.

- 3) In case of imported technology (Imported during the last 3 years reckoned from the beginning of the year)
  - a) The details of technology imported : Nil
  - b) The Year of import : Not Applicable
  - c) Whether technology is : Not applicable  
fully absorbed
  - d) If not fully absorbed, areas where : Not applicable  
absorption has not taken place,  
reason thereof
- 4) The expenditure incurred on Research and Development
  - a) Capital : Rs. 60.23 Lakhs
  - b) Recurring : Rs. 151.80 Lakhs
  - c) Total : Rs. 212.04 Lakhs
  - d) Total R & D expenditure as a percentage of total turnovers: 1.06%.

By Order of the Board of Directors  
For **STEELCAST LIMITED**

**(Chetan M Tamboli)**

Place: Bhavnagar  
Date: June 29, 2020

Chairman & Managing Director  
DIN: 00028421

## ANNEXURE- B to the Board's Report:

### ANNUAL REPORT ON CSR ACTIVITIES

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.																		
2	<b>The Composition of the CSR Committee:</b> <table> <tr> <th>Name of the Director</th><th>Category</th><th>Position in the Committee</th></tr> <tr> <td>Mr. Chetan M Tamboli</td><td>Executive Director</td><td>Chairman</td></tr> <tr> <td>Mr. Rajendra V Gandhi</td><td>Independent Director</td><td>Member</td></tr> <tr> <td>Mrs. Manali C Tamboli*</td><td>Non-Independent Non-Executive Director</td><td>Member</td></tr> <tr> <td>Mr. Rushil C Tamboli</td><td>Executive Director</td><td>Member</td></tr> <tr> <td>Ms. Vidhi C Tamboli**</td><td>Executive Director</td><td>Member</td></tr> </table>		Name of the Director	Category	Position in the Committee	Mr. Chetan M Tamboli	Executive Director	Chairman	Mr. Rajendra V Gandhi	Independent Director	Member	Mrs. Manali C Tamboli*	Non-Independent Non-Executive Director	Member	Mr. Rushil C Tamboli	Executive Director	Member	Ms. Vidhi C Tamboli**	Executive Director	Member
Name of the Director	Category	Position in the Committee																		
Mr. Chetan M Tamboli	Executive Director	Chairman																		
Mr. Rajendra V Gandhi	Independent Director	Member																		
Mrs. Manali C Tamboli*	Non-Independent Non-Executive Director	Member																		
Mr. Rushil C Tamboli	Executive Director	Member																		
Ms. Vidhi C Tamboli**	Executive Director	Member																		
3	Average net profit of the company for last three financial years. (Rs. In Lakhs)	1941.71																		
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above) (Rs. in Lakhs)	38.83																		

\* Mrs. Manali C Tamboli resigned w.e.f. 05.11.2019.

\*\* Ms. Vidhi C Tamboli appointed w.e.f. 05.11.2019.

#### 5 Details of CSR spent during the financial year 2019-20:

(a) Total amount to be spent for the financial year 2019-20: Rs. 3,887,570/-

(b) Amount unspent, if any: NIL

(c) Manner in which the amount spent during the financial year is detailed below:

1 Sr. No.	2 CSR project or activity identified	3 Sector in which the project is covered (clause no. of Schedule VII to the Companies act, 2013, as amended)	4 Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken	5 Amount outlay (budget) project or programs wise	6 Amount spent on the projects or programs Sub Heads: (1) Direct Expenditure on projects or programs (2) Overheads	7 Cumulative expenditure up to the reporting period	8 Amount spent: Direct or through implementing agency
1	Donation to Smt R. D. Gardi Bhavnagar Stree Kelavani Mandal	Promoting Education	Bhavnagar, Gujarat	151,000	151,000	151,000	Direct
2	Donation to Smt R. D. Gardi Bhavnagar Stree Kelavani Mandal	Promoting Education	Bhavnagar, Gujarat	10,000	10,000	161,000	Direct
3	Donation to Jay Bharat Vastra Bhandar	Promoting Education	Bhavnagar, Gujarat	12,420	12,420	173,420	In - Direct

## ANNEXURE- B to the Board's Report (Cont.)

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies act, 2013, as amended)	Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub Heads: (1)Direct Expenditure on projects or programs (2)Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
4	Donation to Shree Dakshina Murti Vidhyarthi Bhavan	Promoting Education	Bhavnagar, Gujarat	500,000	500,000	673,420	Direct
5	Donation to Gazi Enterprise	Disaster Management	Bhavnagar, Gujarat	321,630	321,630	995,050	In - Direct
6	Donation to Audhyogik Karmchari Kalyan Sangh	Promoting Education	Bhavnagar, Gujarat	7,000	7,000	1,002,050	Direct
7	Donation to Mukhya Shikshak Shala No.18	Promoting Education	Bhavnagar, Gujarat	85,520	85,520	1,087,570	Direct
8	Donation to Steelcast Education Trust	Promoting Education	Bhavnagar, Gujarat	1,050,000	1,050,000	2,137,570	Direct
9	Donation to F.P.Tamboli Charitable Trust	Welfare of Society	Bhavnagar, Gujarat	1,750,000	1,750,000	3,887,570	Direct

6 **Reasons for not spending the two per cent of the average net profit of the last three financial years or any part thereof:** The Company has spent full amount towards CSR activities during the year as per Section 135 and Companies (Social Responsibility Policy) Rules, 2014. There is no unspent amount of against CSR obligation as on 31<sup>st</sup> March, 2020.

7 **A responsibility Statement of CSR Committee of the Board of Directors of the Company:** 'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

For **STEELCAST LIMITED**

**(Rajendra V Gandhi)**

MEMBER OF CSR COMMITTEE

DIN: 00189197

Place: Bhavnagar

Date: June 29, 2020

For **STEELCAST LIMITED**

**(Chetan M Tamboli)**

CHAIRMAN OF CSR COMMITTEE

DIN: 00028421



## ANNEXURE- C to the Board's Report:

### FORM NO. AOC - 1

(Pursuant to clause (h) of sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Not Applicable as Company neither have any Subsidiary Company nor have any Associate Company**

### FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

#### 1. Details of contracts or arrangements or transactions not at arm's length basis

Sr. No	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	All the contracts or arrangements or transactions were at arm's length basis. Transactions with related parties, as per requirements of Accounting Standard 18 are disclosed in the notes to accounts annexed to the financial statements.
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

#### 2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No	Particulars	Details
(a)	Name(s) of the related party	There were no material contracts or arrangement or transactions. Transactions with related parties, as per requirements of Accounting Standard 18 are disclosed in the notes to accounts annexed to the financial statements.
(b)	Nature of relationship	
(c)	Nature of contracts/arrangements/ transactions	
(d)	Duration of the contracts / arrangements/transactions	
(e)	Salient terms of the contracts or arrangements or transactions including the value, if any:	
(f)	Date(s) of approval by the Board, if any:	
(g)	Amount paid as advances, if any:	

By Order of the Board of Directors  
For **STEELCAST LIMITED**

**(Chetan M Tamboli)**

Chairman & Managing Director  
DIN: 00028421

Place: Bhavnagar  
Date: June 29, 2020

## ANNEXURE- D

### to the Board's Report:

#### PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:**

Name of the Managing Directors, Chief Financial Officer and Company Secretary	Ratio to median remuneration of the employees	% increase in remuneration in the financial year	Comparison of the Remuneration of the KMP against the performance of the Company.
Mr. Chetan M Tamboli (Chairman and Managing Director)	1:14.12	3.06 %	<b>% Increase from FY 2018-19 to FY 2019-20:</b> Total Income: (37.04%) Profit After Tax : (68.65%) Remuneration of Employees: 5.13% The remuneration of the KMP is keeping in view the performance of the Company as aforesaid and trend of remuneration in industry.
Mr. Rushil C Tamboli (Whole Time Director)	1:5.95	32.41 %	
Ms. Vidhi C Tamboli (Whole Time Director)	1:0.89	-	
Mr. Subhash R Sharma (Chief Financial Officer)	1:5.74	7.55%	
Mr. Mahesh Purohit (Company Secretary)	1:0.98	9.51%	

The Company does not pay any remuneration to the Non-Executive Directors except sitting fees for attending Board and Committee Meetings.

- b. **The percentage increase in the median remuneration of employees in the financial year:** 5.13%.
- c. **The number of permanent employees on the rolls of Company:** 687.
- d. **The explanation on the relationship between average increase in remuneration and Company performance:** On an average, employees received an annual increase of 5.13%. The individual increments varied from 4.10% to 7%, based on individual performance. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.
- e. **Market Capitalisation of the Company & Price Earning Ratio:**

Date	Market Price-Closing (₹)	EPS in ₹	P/E ratio	Market capitalisation (₹ In Lakhs)	% Change
31.03.2020	77.95	3.94	19.78	15,777.08	-47.31
31.03.2019	147.95	12.34	11.99	29,945.08	

- f. **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:** During the year under review, the average annual increase was around 5.13% accounting for promotions and other event based compensation revisions. Increase in the managerial remuneration (excluding Chairman and Managing Director and Whole Time Director) for the year was 3.52%. The difference arises from the different market situations for two categories.
- The key parameters for any variable component of remuneration in case of Managing Director of the Company is linked with the Company performance. In case of other key managerial personnel(s), the same is linked with Company performance and individual performance.
- g. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:** Not applicable.
- h. **Affirmation:** The Company affirms that the remuneration of the Managing Director and the employees of the Company are as per the remuneration policy of the Company.
- i. The Statement of particulars of employees under Section 197(12) read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is not provided with as during the financial year under review, no employee of the Company including Managing Director was in receipt of remuneration in excess of the limits set out in the said rules.

By Order of the Board of Directors

**STEELCAST LIMITED**

**(Chetan M Tamboli)**

Chairman & Managing Director

DIN: 00028421

Place: Bhavnagar  
Date: June 29, 2020



## ANNEXURE- E to the Board's Report:

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

#### FORM NO. MGT - 9

#### I. REGISTRATION AND OTHER DETAILS:

i	CIN	L27310GJ1972PLC002033
ii	Registration Date	February 11, 1972
iii	Name of the Company	STEECAST LIMITED
iv	Category / Sub-Category of the Company	Public listed Company having Share Capital
V	Address of the Registered office and contact details	Ruvapari Road, Bhavnagar 364 005. Ph. No.: (91)(278) 2519062 Fax No.: (91)(278) 2519831 E-mail.: cs@steelcast.net Website.: <a href="http://www.steelcast.net">www.steelcast.net</a>
Vi	Whether listed Company Yes / No	Yes
Vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s MCS Share Transfer Agent Ltd. 101, First Floor, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad 380 009, Gujarat Ph. No.: 079-26581296 E-mail: <a href="mailto:mcsstaahmd@gmail.com">mcsstaahmd@gmail.com</a>

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1	Steel casting	273	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary / Associate	% of shares held	Applicable Section
1	NA	NA	NA	NA	NA

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

##### i. Category-wise Share Holding:

Category of Shareholder	No. of Shares held at the beginning of the year [01.04.2019]				No. of Shares held at the end of the year [31.03.2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	4,928,840	0	4,928,840	24.35	4,985,340	0	4,985,340	24.63	0.28
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00

## ANNEXURE- E to the Board's Report (Contd.)

Category of Shareholder	No. of Shares held at the beginning of the year [01.04.2019]				No. of Shares held at the end of the year [31.03.2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Bodies Corp.	4,339,200	0	4,339,200	21.44	3,539,200	0	3,539,200	17.48	3.96
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(1):</b>	<b>9,268,040</b>	<b>0</b>	<b>9,268,040</b>	<b>45.79</b>	<b>8,524,540</b>	<b>0</b>	<b>8,524,540</b>	<b>42.11</b>	<b>3.68</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>9,268,040</b>	<b>0</b>	<b>9,268,040</b>	<b>45.79</b>	<b>8,524,540</b>	<b>0</b>	<b>8,524,540</b>	<b>42.11</b>	<b>3.68</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) Foreign Portfolio Investors	1,000	400	1,400	0.01	5,350	400	5,750	0.28	0.27
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):</b>	<b>1,000</b>	<b>400</b>	<b>1,400</b>	<b>0.006</b>	<b>5,350</b>	<b>400</b>	<b>5,750</b>	<b>0.28</b>	<b>0.27</b>
<b>2. Central Govt/State Govt(s)/POI</b>									
i) Government	163,260	0	163,260	0.80	260,965	0	260,965	1.28	0.48
<b>3. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	1,456,688	11,200	1,467,888	7.25	1,559,722	11,200	1,570,922	7.76	0.51
ii) Overseas	0	400,000	400,000	1.98	0	400,000	400,000	1.98	0.00
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹2 lakh	3,182,037	263,104	3,445,141	17.02	3,567,588	191,704	3,759,292	18.57	1.55

## ANNEXURE- E to the Board's Report (Contd.)

Category of Shareholder	No. of Shares held at the beginning of the year [01.04.2019]				No. of Shares held at the end of the year [31.03.2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders Holding nominal share capital in excess of ₹2 lakh	3,481,107	0	3,481,107	17.19	3,645,784	0	3,645,784	18.01	0.82
<b>c) Others (specify)</b>									
i) NRI	1,361,431	64,000	1,425,431	7.05	1,642,025	29,200	1,671,225	8.25	1.20
ii) HUF	587,333	400	587,733	2.90	400,122	400	400,522	1.97	0.93
iii) Trust	0	0	0	0.00	1,000	0	1,000	0.00	0.00
<b>Sub-total (B)(2):</b>	<b>10,231,856</b>	<b>738,704</b>	<b>10,970,560</b>	<b>54.20</b>	<b>11,077,206</b>	<b>632,504</b>	<b>11,709,710</b>	<b>57.85</b>	<b>3.65</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>10,106,856</b>	<b>865,104</b>	<b>10,971,960</b>	<b>54.21</b>	<b>11,082,556</b>	<b>632,504</b>	<b>11,715,460</b>	<b>57.87</b>	<b>3.67</b>
<b>C. Shares held by Custodian for GDR &amp; ADR</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>19,500,896</b>	<b>739,104</b>	<b>20,240,000</b>	<b>100.00</b>	<b>19,607,096</b>	<b>632,904</b>	<b>20,240,000</b>	<b>100.00</b>	<b>0.00</b>

### ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year [01.04.2019]			Shareholding at the end of the year [31.03.2020]			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / cumbered to total shares*	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mr. Chetan M Tamboli	3,062,920	15.13	Nil	3,119,420	15.41	Nil	0.28
2	M/s. Rushil Industries Ltd	2,376,000	11.74	Nil	1,576,000	7.78	Nil	3.96
3	M/s. Tamboli Investment Pvt Ltd	1,963,200	9.70	Nil	1,963,200	9.70	Nil	0.00
4	Mrs. Manali C Tamboli	1,029,480	5.09	Nil	1,029,480	5.09	Nil	0.00
5	Chetan M Tamboli (HUF)	835,320	4.13	Nil	835,320	4.13	Nil	0.00
6	Mrs.Hansa M Tamboli	1,120	0.005	Nil	1,120	0.005	Nil	0.00
	<b>TOTAL</b>	<b>9,268,040</b>	<b>45.79</b>	<b>Nil</b>	<b>8,524,540</b>	<b>42.12</b>	<b>Nil</b>	<b>3.68</b>

### iii. Change in Promoters' Shareholding:

Sr. No.	Particulars	Shareholding at the beginning of the year [01.04.2019]		Cumulative Shareholding during the year [01.04.2019 to 31.03.2020]	
		No. of share	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	9,268,040	45.79	9,268,040	45.79
2	Decrease/ Increase in Shareholding during the year	0	0	0	0
	a) 20.08.2019			56,500	0.28
	b) 30.12.2019			(800,000)	(3.39)
3	At the end of the year	9,268,040	45.79	8,524,540	42.12

## ANNEXURE- E to the Board's Report (Contd.)

### iv. Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [01.04.2019]		Cumulative Shareholding during the year [01.04.2019 to 31.03.2020]	
		No. of share	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Mr. Gautam B Doshi</b>				
	At the beginning of the year	789,558	3.90	789,558	3.90
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			789,558	3.90
<b>2</b>	<b>Mr. Nrupesh C. Shah</b>				
	At the beginning of the year	506,000	2.5	506,000	2.5
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			506,000	2.5
<b>3</b>	<b>M/s. Kurimoto Limited</b>				
	At the beginning of the year	400,000	1.98	400,000	1.98
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			400,000	1.98
<b>4</b>	<b>Mr. Miten Mehta</b>				
	At the beginning of the year	400,000	1.98	400,000	1.98
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			400,000	1.98
<b>5</b>	<b>Mr. Rajiv B. Doshi</b>				
	At the beginning of the year	322,028	1.59	322,028	1.59
	Increase/ Decrease in Shareholding during the year	0	0	(22,669)	(0.11)
	At the end of the year			299,359	1.48
<b>6</b>	<b>Mrs. Kusum B. Doshi</b>				
	At the beginning of the year	268,767	1.33	268,767	1.33
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			268,767	1.33
<b>7</b>	<b>Investor Education &amp; Protection Fund Authority (Ministry of Corporate Affairs)</b>				
	At the beginning of the year	163,260	0.81	163,260	0.81
	Increase/ Decrease in Shareholding during the year	0	0	97,705	0.47
	At the end of the year			260,965	1.28
<b>8</b>	<b>M/s. Meenakshi Mercantiles Limited</b>				
	At the beginning of the year	183,000	0.90	183,000	0.90
	Increase in Shareholding during the year	0	0	0	0
	At the end of the year			183,000	1.13
<b>9</b>	<b>M/s. Neoworth Commercial Pvt. Ltd.</b>				
	At the beginning of the year	228,500	1.13	228,500	1.13
	Increase/ Decrease in Shareholding during the year	0	0	(50,000)	(0.25)
	At the end of the year			178,500	0.88
<b>10</b>	<b>Mr. Ranjit Dongre (HUF)</b>				
	At the beginning of the year	165,000	0.82	165,000	0.82
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			165,000	0.82

## ANNEXURE- E to the Board's Report (Contd.)

### v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of share	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Mr. Chetan M Tamboli (Chairman &amp; Managing Director)</b>				
	At the beginning of the year	3,062,920	15.13	3,062,920	15.13
	Increase/ Decrease in Shareholding during the year	0	0	56,500	0.28
	At the end of the year	3,062,920	15.13	3,119,420	15.41
<b>2</b>	<b>Mrs. Manali C Tamboli (Director) (Resigned w.e.f.05.11.2019)</b>				
	At the beginning of the year	1,029,480	5.09	1,029,480	5.09
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year	1,029,480	5.09	1,029,480	5.09
<b>3</b>	<b>Mr. Rajendra V Gandhi (Director)</b>				
	At the beginning of the years	2,884	0.02	2,884	0.02
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year	2,884	0.02	2,884	0.02
<b>4</b>	<b>Mr. Dhimant D Mehta (Director)</b>				
	At the beginning of the year	0	0	0	0
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year	0	0	0	0
<b>5</b>	<b>Mr. Apurva R Shah (Director)</b>				
	At the beginning of the year	0	0	0	0
	Decrease in Shareholding during the year	0	0	0	0
	At the end of the year	0	0	0	0
<b>6</b>	<b>Ms. Vidhi C Tamboli (Director) (Appointed w.e.f. 05.11.2019)</b>				
	At the beginning of the year	0	0	0	0
	Increase in Shareholding during the year	0	0	0	0
	At the end of the year	0	0	0	0
<b>7</b>	<b>Mr. Rushil C Tamboli (Whole Time Director)</b>				
	At the beginning of the year	0	0	0	0
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year	0	0	0	0
<b>8</b>	<b>Mr. Subhash R. Sharma (Chief Financial Officer)</b>				
	At the beginning of the year	0	0	0	0
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year	0	0	0	0
<b>9</b>	<b>Mr. Mahesh L Purohit (Company Secretary) (Appointed w.e.f. 05.11.2019)</b>				
	At the beginning of the year	0	0	0	0
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year	0	0	0	0
<b>10</b>	<b>Mr. Vishal K Sondagar (Company Secretary) (Resigned w.e.f. 11.05.2019)</b>				
	At the beginning of the year	0	0	0	0
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year	0	0	0	0

## ANNEXURE- E to the Board's Report (Contd.)

### vi. INDEBTEDNESS: Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3,993.10	-	-	<b>3,993.10</b>
ii) Interest due but not paid	36.16	-	-	<b>36.16</b>
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>4,029.26</b>	<b>-</b>	<b>-</b>	<b>4,029.26</b>
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
Addition	-	-	-	-
Reduction	1,290.40	-	-	<b>1,290.40</b>
Net Change	(1,290.40)	-	-	<b>(1,290.40)</b>
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	2,733.23	-	-	<b>2,733.23</b>
ii) Interest due but not paid	20.93	-	-	<b>20.93</b>
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,754.17</b>	<b>-</b>	<b>-</b>	<b>2,754.17</b>

### vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Mr. Chetan M.Tamboli (Chairman & Managing Director)	Mr. Rushil C. Tamboli (Whole Time Director)	Ms. Vidhi C. Tamboli (Whole Time Director)	Total Amount
<b>1</b>	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	91.84*	36.46*	2.69	<b>130.99</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.13	-	-	<b>1.13</b>
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
<b>2</b>	<b>Stock Option</b>	-	-	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-	-	-
<b>4</b>	<b>Commission</b>				
	- as % of profit	2.67%	1.00%	-	<b>3.67%</b>
	- Others, specify...				
<b>5</b>	<b>Others: Contribution to PF</b>	-	-	-	-
	<b>Total (A)</b>	<b>92.97</b>	<b>36.46</b>	<b>2.69</b>	<b>132.12</b>

Ceiling as per the Act ₹183.68 Lakhs (being 10% of Net Profit of the Company calculated as per section 198 of Companies Act, 2013).

\*Includes Commission

## ANNEXURE- E to the Board's Report (Contd.)

### B. Remuneration to other directors:

#### 1. Independent Directors

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount in INR
		Mr. Rajendra V Gandhi	Mr. Apurva R Shah	Mr. Dhimant D Mehta	
1	- Fee for attending board / committee meetings	310,000	240,000	240,000	790,000
	- Commission	0	0	0	0
	- Others, please specify	0	0	0	0
	<b>Total (1)</b>	<b>310,000</b>	<b>240,000</b>	<b>240,000</b>	<b>790,000</b>

#### 2. Other Non-Executive Directors

E. Other Non-Executive Directors			
Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount in INR
		Mrs. Manali C Tamboli	
2	- Fee for attending board / committee meetings	90,000	90,000
	- Commission	0	0
	- Others, please specify	0	0
Total (2)		90,000	90,000

**Total (B)=(1+2)** **880,000**

### viii. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Lakhs)

Sr. No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. Vishal Sondagar, Company Secretary (Resigned w.e.f. 11.05.2019)	Mr. Mahesh Purohit, Company Secretary (Appointed w.e.f. 05.11.2019)	Mr. Subhash Sharma, Chief Financial Officer	
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.42	2.99	17.43	<b>20.84</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	<b>Stock Option</b>	-	-	-	-
3	<b>Sweat Equity</b>	-	-	-	-
4	<b>Commission</b>				
	- as % of profit	-	-	-	-
	- Others, specify...	-	-	-	-
5	<b>Others, please specify</b>	-	-	-	-
	<b>Total</b>	<b>0.42</b>	<b>2.99</b>	<b>17.43</b>	<b>20.84</b>

## ANNEXURE- E to the Board's Report (Contd.)

### ix. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

By Order of the Board of Directors  
For **STEELCAST LIMITED**

**(Chetan M Tamboli)**

Chairman & Managing Director  
DIN: 00028421

Place: Bhavnagar  
Date: June 29, 2020



## ANNEXURE- F to the Board's Report:

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
STEELCAST LIMITED  
Bhavnagar.

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by STEELCAST LIMITED (hereinafter called the company). Secretarial Audit was conducted in accordance with the Guidance Notes issued by the Institute of Company Secretaries of India and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minutes, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 Complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and the other records maintained by STEELCAST LIMITED for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **As informed to us, there were no FDI transaction in the Company during the year under review.**
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):-
    - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    - (b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – Company has appointed SEBI registered Category-I Registrar and Share Transfer Agent.
- We further report that** there were no actions/events in pursuance of the following regulations requiring compliance thereof by the Company during the period of this report:
- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - (vi) Other Applicable Acts
- As informed to us, there are no laws which have specific applicability to the Company other than general laws applicable to the industry generally, namely:
- (a) Factories Act, 1948
  - (b) Payment of Wages Act, 1936, and rules made there under,
  - (c) The Minimum Wages Act, 1948, and rules made there under,
  - (d) Employees' State Insurance Act, 1948, and rules made there under,
  - (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,

## ANNEXURE- F to the Board's Report (Contd.)

- (f) The Payment of Bonus Act, 1965, and rules made there under,
- (g) Payment of Gratuity Act, 1972, and rules made there under,
- (h) The Water (Prevention and Control Pollution) Act, 1974.
- (i) The Air (Prevention and Control Pollution) Act, 1981,
- (j) Industrial Dispute Act, 1947,

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards, etc. mentioned above.

### We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes, the decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes on the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **D. G. Bhimani & Associates**

Place: Anand  
Date: June 19, 2020  
UDIN: F008064B000358876

**Dineshkumar G. Bhimani**  
Company Secretary  
C P No.: 6628

**Note :** This report is to be read with our letter of even date which is annexed as 'ANNEXURE I' and forms an integral part of this report.

## ANNEXURE- F to the Board's Report (Contd.)

### ANNEXURE 1

To,  
The Members,  
STEELCAST LIMITED  
Bhavnagar.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. In view of the situation emerging out of the outbreak of COVID-19 Pandemic, I could not examine physical documents, records & other papers etc. of the Company for the year ended March 31, 2020 and the documents/information required were provided through electronic Mode.

For **D. G. Bhimani & Associates**

Place: Anand  
Date: June 19, 2020  
UDIN: F008064B000358876

**Dineshkumar G. Bhimani**  
Company Secretary  
C P No.: 6628

## ANNEXURE- G to the Board's Report:

### CORPORATE GOVERNANCE REPORT

In terms of Compliance to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") on Corporate Governance, your Company is complying with the Listing Regulations. The report for year ended on 31<sup>st</sup> March, 2020 is as follows:

- 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:** The Company has been adhering to the principles of Corporate Governance since over three decades by conducting its affairs in a transparent manner with regularity, responsibility and accountability.

The Philosophy of the Company on Corporate Governance lies in its concern to protect interests of various stakeholders, fair dealings with all and active contribution to the Society at large, while enhancing the wealth of shareholders. The processes of Company are directed to achieve compliance with the Code of Corporate Governance. Company's own policies and expectations include ethical conduct, protection of health, safety and environment and commitment to employees.

Your Company has complied with all applicable guidelines & regulations as stipulated by the Securities and

Exchange Board of India pertaining to the Corporate Governance.

- 2. BOARD OF DIRECTORS:** The Company has a balanced Board, comprising 3 Independent Non-Executive Directors, 1 Executive Director (Woman Director), and 2 Executive Directors including one Managing Director, which is in conformity with the requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Chairman of the Board is an Executive Director (Promoter). The Non-Executive Directors including Independent Directors on the Board are experienced, competent and renowned persons in their respective fields. The Board is headed by the Managing Director.

The Board of Directors at their meeting held on 18<sup>th</sup> September, 2018 appointed Mr. Tipirneni Kumar as permanent invitee to attend the Board and Committee meetings and on 05<sup>th</sup> November, 2019 Ms. Vidhi C Tamboli appointed as an Additional Whole Time Director and Mrs. Manali C Tamboli Resigned from the Board and its committee.

**a. Composition/ Category of Directors/ Attendance at Meetings/ Directorships and Committee Memberships in other companies:**

Sr. No	Name of Directors	Category	Number of Board Meetings attended out of Four meetings held in 2019-20	Whether attended last AGM	Number of Directorships and Committee Membership / Chairmanship (including Steelcast Limited)		
					Directorship *	Committee Membership**	Committee Chairmanship**
1	Mr. Rajendra V Gandhi	Independent	4	Yes	2	2	1
2	Mr. Apurva R Shah	Independent	3	Yes	3	3	2
3	Mr. Dhimant D Mehta	Independent Director	3	Yes	1	2	-
4	Mr. Rushil C Tamboli	Whole Time Director (Promoter)	4	Yes	1	1	-
5	Mrs. Manali C Tamboli (Resigned w.e.f. 05.11.2019)	Non-Independent Non-Executive (Promoter)	3	Yes	1	-	-
6	Ms. Vidhi C Tamboli (Appointed w.e.f. 05.11.2019)	Additional Whole Time Director (Promoter)	2	N.A.	1	-	-
7	Mr. Chetan M Tamboli	Managing Director (Promoter)	4	Yes	2	2	-

\*This excludes Directorship held in Private & Foreign Companies and Companies incorporated under Section 8 of the Companies Act, 2013.

\*\* Committees include Audit Committee and Stakeholders' Relationship Committee of Public Company.

## ANNEXURE- G to the Board's Report (Contd.)

None of the Directors is a director in more than 20 Companies and more than 10 public limited Companies, in terms of Section 165 of the Companies Act, 2013. Also, none of the Directors is a member of neither more than 10 Committees, nor acts as Chairman of more than 5 Committees across all Companies in which they are Directors, as required under Regulation 26 of the Listing Regulation. The Independent Directors fulfill the requirements stipulated in Regulation 25(1) of the Listing Regulations.

**b. Disclosures pertaining to directors:** The SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 introduced requirement to disclose separately the names of the listed entities, where the persons is a director and the category is of directorship. The details of all directors are as below:

Sr. No.	Name of Director	Name Company in which he/she is Director	Type of Directorship
1	Mr. Chetan M Tamboli	1. Steel Cast Limited	Managing Director
		2. Vadilal Industries Limited	Independent Director
2	Mr. Apurva Rajendra Shah	1. Steel Cast Limited	Independent Director
		2. Asian Star Company Limited	Independent Director
		3. Fine-Line Circuits Limited	Independent Director
3	Mr. Rajendra Vadilal Gandhi	1. GRP Limited	Managing Director
		2. Steel Cast Limited	Independent Director
4	Mr. Dhimant Dhirajlal Mehta	1. Steel Cast Limited	Independent Director
5	Mrs. Manaliben Chetankumar Tamboli*	1. Steel Cast Limited	Non-Executive Director
6	Mr. Rushil Chetanbhai Tamboli	1. Steel Cast Limited	Whole Time Director
7	Ms. Vidhi Chetanbhai Tamboli**	1. Steel Cast Limited	Whole Time Director

\* Mrs. Manali C Tamboli resigned w.e.f. 05.11.2019.

\*\* Ms. Vidhi C Tamboli appointed w.e.f. 05.11.2019.

**c. No. of Board Meetings held during the Financial Year 2019-20 and dates on which held:** The Board held four (4) meetings during the Financial Year 2019-20 i.e. on:

Sr. No.	Date of Board Meetings	Place
1	May 30, 2019	Bhavnagar
2	August 07, 2019	Bhavnagar
3	November 05, 2019	Bhavnagar
4	February 13, 2020	Ahmedabad

**d. Relationship between Directors:** Mr. Chetan M Tamboli Chairman & Managing Director of the Company. Mr. Rushil C Tamboli is son of Mr. Chetan M Tamboli. Ms. Vidhi C Tamboli is daughter of Mr. Chetan M Tamboli. No other Director is related to any other Director on the Board.

**e.** No of Securities held by each director are given in **Annexure-E** to the Board's Report.

**f. Independent Directors:** The Independent Directors, who are from diverse fields of expertise and have long standing experience and expert knowledge in their respective fields are very relevant as well as of considerable value for the Company's business. As a part of familiarization programme as required under Listing Regulations, the

Directors have been appraised during the Board Meetings about the amendments to the various enactments viz., Companies Act, 2013 (the Act), Listing Regulations, Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information etc.

During the year, a separate meeting of the Independent Directors was held on February 13, 2020, without the presence of Non-Executive Directors / Managing Director / Management to discuss the matter as required/agreed amongst them.

Further familiarization programmes and the terms & conditions of appointment of the Independent Directors as required under the Companies Act, 2013 & Listing Regulations are updated on the Company's website at [www.steelcast.net](http://www.steelcast.net)

**g. Formal annual evaluation:** The Board of Directors, Nomination & Remuneration Committee and Independent Director has carried out an annual evaluation of its own performance, its Committees and Individual Directors pursuant to the requirements of the Act and the Listing Regulations.

**h. Function and Procedure of Board:** Board meets regularly to make and review policies. Board's role, functions and

## ANNEXURE- G to the Board's Report (Contd.)

responsibility are well defined. All relevant information as required under the Listing Regulation and Companies Act, 2013 as amended from time to time is regularly placed before the Board. Further the Board periodically reviews the compliance reports submitted by the management in respect of all laws applicable to the Company.

**3. AUDIT COMMITTEE:** Your Company has an Audit Committee at the Board level with the powers and role that are in accordance with Listing Regulation and Companies Act, 2013.

**a. Terms of Reference:** The Audit Committee acts on the terms of reference given by the Board pursuant to Section 177 of the Act and Regulation 18 of the Listing Regulations. The Committee acts as a link between the Management, the Statutory Auditors, the Internal Auditors, the Cost Auditors, Secretarial Auditors and the Board of Directors. The scope of functioning of the Audit Committee is to review, from time to time, the internal control system & procedures and its adequacy. The Committee reviews accounting policies and financial reporting

system & procedures of the Company. It ensures that the financial statements are correct, sufficient and credible and also such other functions as may prescribe from time to time by Regulatory Authorities. The Audit Committee is vested with the necessary powers to achieve its objectives.

**b. Composition, name of Members & Chairman, Meetings held during the year and attendance at meetings:** The Audit Committee presently consists of three Non-executive Independent Directors. The Audit Committee meets regularly as stipulated in Regulation 18 of the Listing Regulation. The Executive Directors, Internal Auditors and the Statutory Auditors are permanent invitees to the meetings of the Committee. The Secretarial Auditors and Cost Auditor are also invited to attend the Audit Committee Meetings, as and when required.

The details of composition of the Audit Committee, meetings held during the year and attendance of members are as under:

Sr. No	Name of Directors	Category	Position in the Audit Committee	No. of Meetings attended out of four (4) meetings held during the year 2019-20
1	Mr. Rajendra V Gandhi	Independent Director	Chairman	4
2	Mr. Apurva R Shah	Independent Director	Member	3
3	Mr. Dhimant D Mehta	Independent Director	Member	3

During the financial year 2019-20, four (4) meetings of the Audit Committee were held as per details given below:

Sr. No.	Date of Audit Committee Meetings	Place
1	May 30, 2019	Bhavnagar
2	August 07, 2019	Bhavnagar
3	November 05, 2019	Bhavnagar
4	February 13, 2020	Ahmedabad

## 4. NOMINATION AND REMUNERATION COMMITTEE:

**a. Terms of Reference:** The terms of reference and Role of the Nomination and Remuneration Committee are as per the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, which includes Devising a policy on Board diversity, Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal, determination of qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel

and other employees and also formulating performance evaluation criteria. The Committee also ensures equity, fairness and consistency. The recommendations of the Nomination and Remuneration Committee are considered and approved by the Board, subject to the approval of Members, wherever necessary.

The policy is framed by the Nomination and Remuneration Committee and approved by the Board, which includes performance evaluation criteria for Independent Directors is disclosed on the website of the Company at [www.steelcast.net](http://www.steelcast.net)

## ANNEXURE- G to the Board's Report (Contd.)

- b. Composition, name of Members & Chairman, Meetings held during the year and attendance at meetings:** The Nomination and Remuneration Committee presently consist of three Independent Non-Executive Directors.

The Chairman is an Independent Non-Executive Director.  
The details of composition of the Nomination and Remuneration Committee, meetings held during the year and attendance of members are as under:

Sr. No	Name of Directors	Category	Position in the Committee	No. of Meetings attended out of Three (3) meetings held during the year 2019-20
1	Mr. Dhimant D Mehta	Independent Director	Chairman	2
2	Mr. Apurva R Shah	Independent Director	Member	3
3	Mr. Rajendra V Gandhi	Independent Director	Member	3

During the financial year 2019-20, Three (3) meetings of the Nomination and Remuneration Committee were held as per details given below:

Sr. No.	Date of Nomination and Remuneration Committee Meetings	Place
1	May 30, 2019	Bhavnagar
2	November 05, 2019	Bhavnagar
3	February 13, 2020	Ahmedabad

- c. Policy for selection and appointment of Directors and their remuneration:** The Nomination and Remuneration (N&R) Committee has adopted a Policy which, inter alia, deals with the manner of selection of Board of Directors and Key Managerial Personnel and their remuneration are as under:

- (i) Appointment criteria and qualification:** The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board his / her appointment.

A person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment of KMP (other than Managing / Whole time Director) or Senior Management Personnel. Further, for administrative convenience, the appointment of KMP (other than Managing / Whole time Director) or Senior Management, the Managing Director is authorized to identify and appoint a suitable person for such position. However, if the need be, the Managing Director may consult the Committee / Board for further directions / guidance.

- (ii) Remuneration Policy:** The Company has a standard remuneration policy for the Executive and Non-Executive Directors, which is periodically reviewed by the Nomination and Remuneration Committee, are as under.

- The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / Shareholders.
- An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Companies Act, 2013 and Listing Regulation, as amended from time to time
- The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole Time Director will be determined by the Committee and recommended to the Board for approval. Subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made thereunder.
- Further, the Managing Director of the Company is authorized to decide the remuneration of KMP (other than Managing / Whole time Director) and Senior Management, and which shall be decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company
- The Board has approved Nomination and Remuneration Policy which has been uploaded on the Company's website.



## ANNEXURE- G to the Board's Report (Contd.)

- d. Details of Remuneration to all the Directors:** The Details of remuneration/sitting fees paid/payable to the Directors for the financial year 2019-20 are as under:

(₹ in Lakhs)

Name of the Director	Salary, Allowance, Perquisites and other benefits	Performance-linked Income/Bonus / Commission Paid or Payable***	Stock Option**	Pension	Sitting Fees Paid
<b>Directors</b>					
Mr. Chetan M Tamboli (Managing Director)*	44.02	48.95	-	-	-
Mr. Rushil C Tamboli (Whole Time Director)*	18.08	18.37	-	-	-
Ms. Vidhi C Tamboli (Whole Time Director)	2.69	-	-	-	-
<b>Non-Executive Directors</b>					
Mr. Rajendra V Gandhi	-	-	-	-	3.10
Mr. Apurva R Shah	-	-	-	-	2.40
Mr. Dhimant D Mehta	-	-	-	-	2.40
Mrs. Manali C Tamboli	-	-	-	-	0.90

No Director is related to any other Director on the Board, except Mr. Chetan M Tamboli and Mrs. Manali C Tamboli, who are husband and wife respectively. Further Mr. Rushil C Tamboli is son of Mr. Chetan M Tamboli and Mrs. Manali C Tamboli. Ms. Vidhi C Tamboli is daughter of Mr. Chetan M Tamboli and Mrs. Manali C Tamboli and Sister of Mr. Rushil C Tamboli.

\* Service Contract/Notice Period/Severance Fees are as per Agreement entered with Managing Director and Whole Time Director.

\*\*The Company is not having stock option scheme therefore the same is not applicable.

\*\*\*Commission is payable to Managing Director and Whole Time Director only, as per the terms of Contract entered into between the Company and the Managing Director & Whole Time Director.

- e. Pecuniary Relationship with Non-Executive Directors:** None of the Non-executive Directors has any pecuniary relationship or transactions with the Company except as per requirements of Accounting Standard 18 are disclosed in the notes to accounts annexed to the financial statements.

- 5. STAKEHOLDERS RELATIONSHIP COMMITTEE:** The Stakeholders Relationship Committee, amongst the areas, mentioned in Regulation 20 of the Listing Regulations and Section 178 of the Act is ensuring expeditious redressal of shareholders' and investors' complaints like non-receipt of annual report, non-receipt of share certificates upon transfer of shares, dematerialization/re-materialization, transfer/ transmission, split/consolidation of shares etc.

The details of Composition of the Committee are as under:

Sr. No	Name of Directors	Category	Position in the Committee	No. of Meetings attended out of Two (2) meetings held during the year 2019-20
1	Mr. Apurva R Shah	Independent Director	Chairman	2
2	Mr. Rajendra V Gandhi	Independent Director	Member	2
3	Mr. Dhimant D Mehta	Independent Director	Member	2
4	Mr. Chetan M Tamboli	Executive Director	Member	2
5	Mr. Rushil C Tamboli	Executive Director	Member	2

During the financial year 2019-20, Two (2) meetings of the Stakeholders Relationship Committee were held as per details given below:

Sr. No.	Date of Stakeholders Relationship Committee Meetings	Place
1	August 07, 2019	Bhavnagar
2	February 13, 2020	Ahmedabad

Mr. Chetan M Tamboli, Chairman and Managing Director is the Compliance Officer.

## ANNEXURE- G to the Board's Report (Contd.)

The details of investors' complaints received and resolved during the Financial Year 2019-20 are as under:

No. of investors' complaints received during the Year	No. of investors' complaints Resolved during the year	Investors' complaints pending at the end of the year
0	0	0

- 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:** The Corporate Social Responsibility Committee was constituted in accordance with the provisions of the Companies Act, 2013 and rules made there under. Amongst the areas, mentioned under the Companies Act, 2013, is to formulate policy and monitoring activities of Corporate Social Responsibility spending.

The terms of reference and role of the Corporate Social Responsibility Committee are as mentioned in policy formulated in line with Schedule VII to the Companies Act, 2013 and Rules made thereunder, same is disclosed on the website of the Company at [www.steelcast.net](http://www.steelcast.net)

The details of composition of the Corporate Social Responsibility Committee meeting held during the year and attendance of members are as under:

Sr. No	Name of the Directors	Category	Position in the Committee	No. of Meetings attended out of Three (3) meeting held during the year 2019-20
1	Mr. Chetan M Tamboli	Executive Director	Chairman	3
2	Mr. Rushil C Tamboli	Executive Director	Member	3
3	Mr. Rajendra V Gandhi	Independent Director	Member	3
4	Mrs. Manali C Tamboli	Non-Independent Non-executive Director	Member	2
5	Ms. Vidhi C Tamboli	Non-Independent Non-executive Director (Appointed w.e.f. on 05.11.2019)	Member	1

During the financial year 2019-20, Three (3) meeting of the Corporate Social Responsibility Committee was held as per details given below:

Sr. No.	Date of Corporate Social Responsibility Committee Meeting	Place
1	May 30, 2019	Bhavnagar
2	November 05, 2019	Bhavnagar
3	February 13, 2020	Ahmedabad

- 7. SUBSIDIARY COMPANIES:** The requirement of formulating a specific policy on dealing with material subsidiaries doesn't arise as the Company has no Subsidiary as on date.

**8. GENERAL BODY MEETINGS:**

**a. Location and time where last three Annual General Meetings (AGMs) held :**

Financial Year	AGM/EGM	Location	Date	Time
2018-19	AGM	Efcee Sarovar Portico – Sarovar Hotels, Iscon Mega City, Opp. Victoria Park Bhavnagar, Gujarat	August 7, 2019	1600 Hours
2017-18	AGM	Efcee Sarovar Portico – Sarovar Hotels, Iscon Mega City, Opp. Victoria Park Bhavnagar, Gujarat	August 7, 2018	1600 Hours
2016-17	AGM	Efcee Sarovar Portico – Sarovar Hotels, Iscon Mega City, Opp. Victoria Park Bhavnagar, Gujarat	July 4, 2017	1600 Hours

## ANNEXURE- G to the Board's Report (Contd.)

### b. Special Resolutions passed in the previous three AGM:

Financial Year	AGM held on	Special Resolutions passed
2018-19	August 7, 2019	1. For re-appointment of Mr. Rajendra V Gandhi as Independent Non-Executive Director. 2. For re-appointment of Mr. Apurva R Shah as Independent Non-Executive Director.
2017-18	August 7, 2018	1. For appointment of Mr. Rushill C Tamboli as Whole Time Director of the Company. 2. For appointment of Mr. Tipirneni Kumar as Non-Executive Non-Independent Director of the Company.
2016-17	July 4, 2017	No Special Resolution was passed.

- c. **Passing of Resolution by Postal Ballot:** None of special resolution was passed by way of postal ballot during the financial year ended March 31, 2020. As on date, the Company does not have any proposal to pass any special resolution by way of postal ballot.

### 9. DISCLOSURES:

- a. **Related Party Transactions:** Transactions with related parties, as per requirements of Indian Accounting Standard (Ind AS) 24 are disclosed in the notes to accounts annexed to the financial statements. All the transactions with related parties were in the ordinary course of business and on arm's length basis. In terms of Regulation 23 of Listing Regulations the Company has started obtaining prior approval of the Audit Committee for entering into any transaction with related parties. The Audit Committee granted omnibus approval for certain transactions to be entered into with the related parties, during the year. Statement giving details of all related party transactions entered into pursuant to the omnibus approval so granted is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis

Policy on dealing with Related Party Transactions can be viewed in the Company's website at [www.steelcast.net](http://www.steelcast.net)

- b. **Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities or any matter related to capital markets during the last three years:** No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets in the last three years.
- c. **Whistleblower Policy:** The Company has formulated Whistleblower Policy in conformity with the Regulation 22 of the Listing Regulation and Section 177 of the Companies Act, 2013, to provide a mechanism for directors and employees of the company to approach the Ethics Counselor/ Chairman of the Audit Committee of the Company for the purpose of dealing with instance of fraud and mismanagement, if any and also ensure that whistleblowers are protected from retribution, whether within or outside the organization.

No personnel have been denied access to the Audit Committee, if any, during the year.

The Company's Whistleblower Policy is on the Company's website at [www.steelcast.net](http://www.steelcast.net).

### d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Listing Regulation:

- Mandatory: During the year, the Company has fully complied with the mandatory requirements as stipulated in Listing Regulations. Further Company has disseminated report on compliance with corporate governance requirements as specified in regulation 17 to 27 and 46(2) on its website at [www.steelcast.net](http://www.steelcast.net) and also submitted with BSE.
- Non Mandatory The Company has adopted following Non-Mandatory requirements of C & E of the Non-Mandatory requirements as provided in Part E of Schedule II to the Listing Regulations and not adopted A and B since they are discretionary requirements.

- e. **Commodity Price Risk and Hedging activities:** Company is a sizable user of various commodities, including base metals & others, which exposes it to the price risk on account of procurement of commodities. The company has drawn a hedging policy for activities exposed to foreign exchange fluctuations including for imports of goods.

10. **RISK MANAGEMENT:** The management of the Company has identified some of the major areas of concern having inherent risk, viz. Foreign Currency Fluctuation, Client Concentration, Technology Risks, non compliance risk and Credit Control. The processes relating to minimizing the above risks have already been put in place at different levels of management. The management of the Company reviews the risk management processes and implementation of risk mitigation plans periodically. The processes are continuously improved. The company has drawn a Risk Management Policy and approved by Audit Committee.

11. **GENERAL CODE OF CONDUCT:** The Company has formulated and implemented a General Code of Conduct (copy available on Company's website at [www.steelcast.net](http://www.steelcast.net)) for all its Directors and Senior Management of the Company in compliance with Listing

## ANNEXURE- G to the Board's Report (Contd.)

Regulation. All the Board Members and Senior Management of the Company have affirmed compliance with the Said Code of Conduct for the financial year ended March 31, 2020. A declaration by the Chairman & Managing Director affirming compliance with the said Code of Conduct by Board Members and Senior Management is annexed at the end of the Report and forms part of this Report.

### 12. CODE OF CONDUCT FOR PREVENTION OF INSIDER

**TRADING:** The Board of Directors at their meeting held on March 29, 2019 has revised policy for code of practices and procedures for fair disclosure of unpublished price sensitive information as per SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and the Rules made thereunder. The said policy can be accessed on the Company's website at [www.steelcast.net](http://www.steelcast.net). The necessary preventive actions, including Closure of Trading Window around the time of any price sensitive events or information, are taken. All the Designated Persons have given declaration affirming compliance with the said Code for the year ended 31st March, 2020.

### 13. MD/CEO & CFO CERTIFICATION:

In accordance with the requirements of Regulation 17(8) of Listing Regulation, a certificate from Managing Director and Chief Financial Officer of the Company, on the financial statements of the Company was placed before the Board in the Meeting held on June 29, 2020 and the same is annexed to this report, also forms part of this Annual Report.

### 14. REPORT ON CORPORATE GOVERNANCE:

This Corporate Governance Report forms part of the Annual Report. Certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in Listing Agreement/Listing Regulation and the same is annexed to this report, also forms part of this Annual Report.

### 15. MEANS OF COMMUNICATION:

The Company has a practice to publish Quarterly\Annual results in leading newspapers of the Country, namely, Financial Express (English & Gujarati)/Indian Express, now in Economic Times and also to put the same on its website at [www.steelcast.net](http://www.steelcast.net). The aforesaid financial results are also disclosed on ([www.bseindia.com](http://www.bseindia.com)) website of BSE Limited (BSE) where the Company's securities are listed, immediately after these are approved by the Board. Moreover, a direct communication is also made to the shareholders by the Managing Director as and when required. Further, there is separate General Shareholder Information section in this Annual Report and forms part of it.

### 16. Disclosures of Related Party Transactions (RPTs):

The SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 have introduced, as a part of the "related party disclosure" in the annual report, disclosures of transactions of the listed entity with any person or entity belonging to the promoter or promoter group which hold(s) 10% or more shareholding in the listed entity. The details of related party transactions entered during the financial year 2019-20 are as below:

Name of the Related Party	Nature of Transaction	Amount ₹ in Lakhs
Mr. Chetan M Tamboli	Remuneration	42.89
	Commission paid for Financial Year 2018-19	136.09
	Medical Expenses Reimbursement	1.13
	Loan taken	-
	Interest Paid	-
	Loan Repaid	-

### 17. Disclosure on audit and non-audit services rendered by the auditor:

The SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 requires to disclose total fees paid to auditors for audit and non-audit services to improve transparency. The total fee paid to the Statutory Auditor during the FY 2019-20 is as under:

a. Fee paid for audit services:	₹ 4.80 Lakhs
b. Fee paid for Non-Audit Service:	₹ 3.05 Lakhs
<b>Total fee paid:</b>	<b>₹ 7.85 Lakhs</b>

### 18. Disclosure pertaining to Credit Rating:

[SEBI (LODR) (Amendment) Regulations, 2018, Para 3(t)(ii) and Para 3(x)(c)(ii)] require listed entity to disclose as a part of the Corporate Governance Report, a list of all credit ratings obtained by the listed entity for all debt instruments or for any fixed deposit program, or any scheme or proposal involving mobilization of funds, needs to be disclosed along with any revisions thereto during the relevant financial year. The rating for the following CREDIT facilities sanctioned by banks, carried out by CARE Ratings Limited and intimated vide their letter no. CARE/ARO/RL/2019-20/1582 dated 30.07.2019:

Sr. No.	Credit Facilities	Rating
1.	Long-Term Bank Facilities	CARE BBB+; Stable (Triple B Plus; Outlook: Stable)
2.	Short-Term Bank Facilities	CARE A3+ (A Three Plus)
3.	Long-Term / Short-Term Bank Facilities	CARE BBB+; Stable/ CARE A3+ (Triple B ; Outlook: Stable / A Three Plus)

### 19. Disclosures pertaining to disqualification of Directors:

The SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 introduced requirement to disclose a certificate from a Company Secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as the directors of companies by the Board/MCA or any such statutory authority. In this regard, Company have received certificate from Mr. Dinesh Bhimani, Practicing Company Secretary (Membership No. FCS 8064) (Address: 207, Nathwani Chambers, Sardar Gunj, Anand-388 001, Gujarat) dated on 19/06/2020 that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as the directors of companies by the Board/MCA or any such statutory authority.

## ANNEXURE- G to the Board's Report (Contd.)

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**Steelcast Limited**  
Ruvapari Road,  
Bhavnagar - 364005.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of STEELCAST LIMITED having CIN L27310GJ1972PLC002033 and having registered office at Ruvapari Road, Bhavnagar- 364005 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Apurva Rajendra Shah	00004781	18/06/2003
2	Mr. Chetankumar Manmohanbhai Tamboli	00028421	31/08/1991
3	Mr. Rajendra Vadilal Gandhi	00189197	28/10/2002
4	Mr. Dhimant Dhirajlal Mehta	00362227	25/07/2017
5	Ms. Vidhi Chetanbhai Tamboli	06689283	05/11/2019
6	Mr. Rushil Chetanbhai Tamboli	07807971	02/11/2017

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

Place: Anand  
Date: June 19, 2020  
UDIN: F008064B000358678

**Dineshkumar G. Bhimani**  
Company Secretary  
Membership No.: F-8064  
C P No.: 6628

**20. Views of committees not accepted by the Board of Directors:** The SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 introduced requirement to disclose, along with the reasons thereof, where the Board has not accepted any recommendation of any committee of the Board which is mandatorily required. We hereby confirm that the Board has accepted all the recommendations received from committee of the Board which is mandatorily required and there is no recommendation which has not been accepted by the Board to comment on required to disclose.

## ANNEXURE- G to the Board's Report (Contd.)

### 21. GENERAL SHAREHOLDERS INFORMATION:

#### a. Information about Annual General Meeting, Financial Year, Book Closure & Dividend Payment Date, Stock Exchanges & Stock Code:

Sr. No	Particulars	Details				
1	Financial Year: From April 1 to March 31					
2	Annual General Meeting (as indicated in the Notice)	Date	Time	Venue		
		14.08.2020	1600 Hours	Registered Office, Ruvapari Road, Bhavnagar - 364005. (Through Video Conference (VC)/Other Audio Visual Means (OAVM))		
3	Date of Book Closure (both days inclusive)	From	To	Dividend Payment Date		
		08.08.2020	14.08.2020	28.08.2020		
4	Listing on Stock Exchange (s)	Name of Stock Exchange		Stock Code	ISIN	Listing Fees paid upto
		BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001		513517	INE124E01020	March 31, 2021
5	Address for Correspondence	Name of contact person		Address	Telephone	e-mail
		Mr. Mahesh Purohit (Company Secretary)		Steelcast Limited Ruvapari Road, Bhavnagar 364005	0278- 2519062	cs@steelcast.net

#### b. Market Price Data and Performance in comparison to broad-based indices viz., BSE Sensex: (As per records of BSE Limited in respective month of the 2019-20)

Month	Share Price at BSE (₹)		BSE Sensex	
	High	Low	High	Low
Apr, 2019	181.00	147.95	39487.45	38460.25
May, 2019	169.00	142.50	40124.96	36956.10
Jun, 2019	159.85	144.50	40312.07	38870.96
Jul, 2019	159.80	115.00	40032.41	37128.26
Aug, 2019	132.45	109.90	37807.55	36102.35
Sep, 2019	130.00	110.00	39441.12	35987.80
Oct, 2019	125.50	110.70	40392.22	37415.83
Nov, 2019	127.00	112.60	41163.79	40014.23
Dec, 2019	130.25	102.65	41809.96	40135.37
Jan, 2020	137.65	108.00	42273.87	40476.55
Feb, 2020	121.70	105.35	41709.30	38219.97
Mar, 2020	124.00	75.10	39083.17	25638.90

#### c. Registrar and Share Transfer Agents:

MCS Share Transfer Agent Limited  
101, First Floor, Shatdal Complex  
Opp: Bata Show Room, Ahmedabad 380 009.  
Ph.No.: 079-26581296, 079-26582878  
Email Id: mcsstaahmd@gmail.com

**d. Share Transfer System:** The Company's shares being in compulsory demat list, are transferable through the depository system. However, shares in the physical form are processed by the Registrar and Share Transfer Agents. In order to expedite the process, the Board of Directors has delegated the authority to it to approve the share transfer/transmission and accordingly, it approves the transfer/transmission of shares as and when require. The share transfer process is reviewed and noted by the Board/Committee.

#### e. Distribution of shareholding as on March 31, 2020:

No. of equity shares	No of share-holders	% of share-holders	No of shares held	% of share-holding
1 to 500	2519	68.51	615517	3.04
501 to 1000	320	8.70	263165	1.30
1001 to 2000	301	8.19	454247	2.24
2001 to 3000	129	3.51	329917	1.63
3001 to 4000	74	2.01	261134	1.29
4001 to 5000	60	1.63	277692	1.37
5001 to 10000	115	3.13	813243	4.02
10001 to 50000	113	3.07	2585997	12.78
50001 to 100000	19	0.52	1417954	7.01
100001 & above	27	0.73	13221134	65.32
<b>Total</b>	<b>3677</b>	<b>100.00</b>	<b>20,240,000</b>	<b>100.00</b>



## ANNEXURE- G to the Board's Report (Contd.)

### Shareholding pattern as on March 31, 2020:

Sr. No.	Category of shareholder	Number of Share-holders	Number of shares held	Number of shares held in dematerialised form	% of share-holding	% of share-holders
<b>1.0</b>	<b>Shareholding of Promoter and Promoter Group</b>	<b>6</b>	<b>8,524,540</b>	<b>8,524,540</b>	<b>42.11</b>	<b>0.16</b>
<b>2.0</b>	<b>Public Shareholding</b>					
2.1	Institutions-FPI	3	5,750	5,350	0.03	0.08
2.2	Central government / IEPF Suspense Account	1	260,965	260,965	1.29	0.03
2.3	Bodies Corporate	106	1,570,922	1,559,722	7.76	2.88
2.4	Individuals	3,296	7,405,076	7,213,372	36.58	89.66
2.5	NRI	139	1,671,225	1,642,025	8.26	3.78
2.6	Foreign Company	1	400,000	-	1.98	0.03
2.7	HUF	123	400,522	400,122	1.98	3.35
2.8	Trust	1	1,000	1,000	0.04	0.03
	<b>Total Public Shareholding</b>	<b>3,670</b>	<b>11,715,460</b>	<b>11,082,556</b>	<b>57.89</b>	<b>99.84</b>
	<b>Grand Total (1.0) + (2.0)</b>	<b>3,676</b>	<b>20,240,000</b>	<b>19,607,096</b>	<b>100.00</b>	<b>100.00</b>

- f. Dematerialization of Shares and Liquidity:** The equity shares of the Company are available in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd., (CDSL). The Company's equity shares are traded compulsorily in the dematerialized form. As on date, out of 20,240,000 equity shares of the Company, 19,607,096 equity shares have been dematerialized, representing 96.35% of the total number of shares.

Your company confirms that the promoters' holdings were converted into dematerialized form and the same is in line with the circulars issued by SEBI.

Shareholders who are still holding shares in physical form are requested to dematerialize their shares at the earliest. This will be necessary and also be advantageous to deal in securities. For queries / clarification / assistance, shareholders are advised to approach the Company's Registrar and Share Transfer Agents.

- g. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity:** As on date, the Company has not issued GDRs, ADRs or any other Convertible Instruments and as such, there is no impact on the equity share capital of the Company.
- h. Plant Locations:** The Company's plant is only located at Ruvapari Road, Bhavnagar, Gujarat 364005.
- i. Commodity Price Risk/Foreign Exchange Risk and Hedging Activities:** Company is exposed to foreign exchange risk on account of import and export transactions entered into. Also it is a sizable user of various commodities, including base metals, which exposes it to price risk on account of procurement of

commodities. The Company hedged Foreign Currency for import of goods and did not hedge commodities that company imported during the year.

- j. Disclosure with respect to demat suspense account/unclaimed suspense account of shares:** As on date, 260,965 shares have been transferred to Investor Education Fund Suspense Account.

Pursuant to Section 124 & 125 of the Companies Act 2013 read with the Investor Education and Protection Fund Authority (Accounting Audit Transfer and Refund) Rules, 2016 ('the Rules') notified by the Ministry of Corporate Affairs, New Delhi, The Rules, inter alia, provide for transfer of all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years, to the Investor Education Protection Fund (IEPF) set up by the Central Government.

**k. Discretionary Requirements:**

- The position of the Chairman and Managing Director are not separate.
- The Company does not maintain a separate office for the Non-Executive Chairman as Chairman and Managing Director is the same person.
- The quarterly financial results are published in the newspapers of wide circulation and are not sent to individual shareholders. Further, the financial results are available on the website of the Company and of the Stock Exchange where the shares of the Company are listed, i.e. BSE Ltd.
- The Auditors' Opinion on the Financial Statements is unmodified.
- Internal Auditor reports to the Audit Committee.



## ANNEXURE- G to the Board's Report (Contd.)

### I. Disclosure of the Compliance with Corporate Governance requirement as specified in Listing Regulation:

During the Financial Year under review, SEBI issued new Listing Regulations viz., Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 which is effective from December 1, 2015. As required under the said Regulations, the Company has complied with the following requirements:

- (i) Adopted Policy on Preservation of Documents and Policy on Materiality of Event/Information,
- (ii) Executed fresh Listing Agreements with BSE Limited.

Further the Company affirms that all the requirements applicable under the Listing Agreement (valid upto November 30, 2015) and Listing Regulations (effective

from December 1, 2015) are complied with. Company has also disseminated, report on compliance with corporate governance requirements as specified in Listing Agreement (valid upto November 30, 2015) and regulation 17 to 27 and 46(2) of Listing Regulation (effective from December 1, 2015), on it's website at [www.steelcast.net](http://www.steelcast.net), and also submitted with BSE.

By Order of the Board of Directors  
For **STEELCAST LIMITED**

**(Chetan M Tamboli)**

Chairman & Managing Director  
DIN: 00028421

Place: Bhavnagar  
Date: June 29, 2020

## ANNEXURE- G to the Board's Report (Contd.)

### DECLARATION OF COMPLIANCE WITH THE GENERAL CODE OF CONDUCT OF THE COMPANY

In the above regard as provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I declare as follows:

1. The Company does have a General Code of Conduct approved by its Board of Directors, which is posted on its website [www.steelcast.net](http://www.steelcast.net)
2. All the members of the Board of Directors and all the members of the Senior Management of the Company have individually submitted statements of affirmation of compliance with the said Code of Conduct for the financial year ended 31<sup>st</sup> March, 2020.

For and on behalf of the Board of Directors  
For **STEELCAST LIMITED**

Place: Bhavnagar  
Date: June 29, 2020

**(Chetan M Tamboli)**  
Chairman & Managing Director  
DIN: 00028421

### MD/CEO & CFO CERTIFICATION

To  
The Board of Directors,  
**STEELCAST LIMITED,**

We certify that:

- a. We have reviewed financial statements and the cash flow statement of Steelcast Limited for the year ended March 31, 2020 and that to the best of our knowledge and belief:
  - (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 and regulations.
- b. To the best of our knowledge and belief, no transactions entered into by the Company during the years which are fraudulent, illegal or violative of the Code of Conduct of the Company.
- c. We accept responsibility for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of internal control systems of the Company over financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls over financial reporting, if any, of which we are aware and the steps we have taken, propose to take, to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting;
- d. We have indicated to the auditors and the Audit Committee that there are:
  - (i) no significant changes in internal control over financial reporting during the year;
  - (ii) no significant changes in accounting policies during the year and
  - (iii) no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

For **STEELCAST LIMITED**

**(Chetan M Tamboli)**  
Chairman & Managing Director  
DIN: 00028421  
Place: Bhavnagar  
Date: June 29, 2020

For **STEELCAST LIMITED**

**(Subhash R Sharma)**  
Chief Financial Officer

## ANNEXURE- H to the Board's Report:

### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

(In terms of Regulation 34(3) and Schedule V (E) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015)

To,  
The members of  
**Steelcast Limited**

1. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

#### MANAGEMENT'S RESPONSIBILITY

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

#### AUDITOR'S RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### OPINION

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2020.

#### OTHER MATTERS AND RESTRICTION ON USE

8. This Certificate 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.
9. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For **SSM & Co,**  
Chartered Accountants  
FRN: 129198W

**CA Sarju S. Mehta**  
Partner  
M. N. 106804

Place: Bhavnagar  
Date: June 29, 2020  
UDIN: 20106804AAAAAN6934

## ANNEXURE- I to the Board's Report:

### MANAGEMENT DISCUSSION AND ANALYSIS

#### Company overview

Steelcast Ltd is a well-known name in the Steel & Alloyseel castings industry. It manufactures cast products using No-Bake and Shell Molding processes. With the improvement in market conditions during previous two years the company was making a steady progress. FY 2019-20 began with uncertainties owing to tussle between two big economies i.e. China and USA. While 1<sup>st</sup> Quarter of the year went off smoothly, slowdown impact started from 2<sup>nd</sup> quarter. The last quarter was gripped by the COVID-19 pandemic. The effects of these events have been felt the world over and all nations are struggling with fighting with COVID-19 to save the lives of humans and to bring the economy on track. The company continued catering to its main sectors like earth moving equipment, mining & mineral processing, railways, steel plants, cement, locomotive etc. The company is looking for further opportunities in other industrial segments and products. The company has been working on its strategy of reducing each sector specific dependency and adding new customers each year. The company managed to put up a moderate financial performance despite all these uncertainties.

Our company is no exception to global developments. This year domestic and export sales have maintained their previous year proportion of total sales indicates that the impact of global conditions have been even on both the markets. In this circumstances, we expect our Sales for FY 2020-21 to be lower compared to Rs 201 Cr during FY 2019-20.

#### Industry Structure and Developments:

1.0 Mining Machinery Industry: Sales during FY 2019-20 were Rs 61.15 Cr which shows a decline of about 34% compared to previous year. It is difficult to predict sales precisely under the prevailing circumstances. It is a challenge to maintain this level in coming year FY 2020-21 if COVID-19 spread is not controlled throughout the year.

Since this is a pandemic issue, accurate prediction of sales for domestic and export markets is not possible.

2.0 Earth Moving Equipment: Sales during FY 2019-20 were Rs 82.51 Cr which shows a decline of about 42% compared to previous year.

3.0 Construction Equipment: Sales during FY 2019-20 were Rs 29.01 Cr which shows a decline of about 49% compared to previous year.

4.0 Locomotive, Cement & Steel Sector: These sectors in combination have contributed to turnover significantly. It will again be a challenge to repeat this performance in the coming year FY 2020-21.

5.0 Ground Engaging Tools (GET): We expect a significant improvement in this section in the coming year.

6.0 Partnering with Indian Defence Units: The Company is making its constant endeavour to contribute to defence of the nation by partnering with the Indian Defence units. This efforts is continuing and we expect improvement in this sector considering the Government push through schemes like Atmanirbhar Bharat, Make in India etc.

#### Industrial opportunities and outlook:

Global economic growth is projected to contract sharply from +3.3% in 2019 to -3% in 2020 (Ref-World Economic Outlook, April 2020, International Monetary Fund). This prospect is worse than what happened during the 2008-09 financial crisis. Rolling lockdowns and social distancing restrictions on account of the pandemic are expected to significantly impact economic activity in all major markets, and cause demand compression. In the immediate aftermath, enterprises are expected to downscale (Ref-World Economic Outlook, April 2020, International Monetary Fund, current investments, defer planned initiatives, cut costs and conserve cash. All capital investments will be in conservative mode in this uncertain environment. The company looks forward to tap the Indian Mining sector after coal block allotments initiatives undertaken by the Government of India very recently. It is expected that despite all the adversities, with the improvements in controlling pandemic, the Indian economy will bounce back with renewed vigour in relatively short period.

## ANNEXURE- I to the Board's Report (Contd.)

### Financial Performance snapshot:

(₹ in Lakhs)

Particulars	2019-20	2018-19
Sales/Income from Operations	20,058.88	31,792.46
Other Income	47.77	141.56
<b>Sub-Total</b>	<b>20,106.64</b>	<b>31,934.03</b>
Total Expenditure (before Interest & Depreciation)	16,325.68	25,918.49
Operating Profit (EBIDTA)	3,780.97	6,015.54
Operating Margin %	18.80%	18.92%
Profit/(loss) After Tax	797.75	2,492.30
Return on Capital Employed % (EBIT) (ROCE=Total Equity + LT Borrowings)	14.99%	28.73%
No. of months Receivables (Receivables/Sales 12)	1.69	2.14
Current Ratio (Current Assets/Current Liabilities)	1.53	1.41
Debt Equity Ratio (Long Term Borrowings/Net Worth)	0.23	0.35
Production (in MT)	8,614	13,219

### Disclosures of key changes in financial indicators

#### Key Financial Ratios:

(disclosure of the following ratio changed 25% or more as compared to previous year)

Sr. No.	Ratios	Change % compared to Previous year	Remarks
1	Debt Equity Ratio	33.26	Significant reduction of 32% in long term debts repayment has contributed to improvement in Debt equity ratio coupled with increased net worth.
2	Inventory Turnover Ratio	(34.28)	Due to slowdown globally & impact of COVID-19 the company could not achieve the budgeted sales despite inventory being lower than the previous year.
3	Debtors Turnover Ratio	26.20	This has significantly improved due to improvement in collection of debtors.

Sr. No.	Ratios	Change compared to Previous year	Remarks
4	PAT Margin %	(49.27)	Due to slowdown globally & impact of COVID-19 the company could not achieve the budgeted sales & thus this has directly impacted profits.
5	Return on Investment %	(68.79)	For the above reasons the company could not achieve the budgeted sales & profit.

#### Quality Assurance:

- As a company policy, we are committed to total customer satisfaction both in terms of quality and services in a healthy, safe & environmentally responsible manner. The Company is committed to:
- Deliver goods with excellent performance and at reasonable price
- Comply with applicable legal & other requirements
- Adopt programs for prevention of pollution, improving health & safety performance, resource conservation and waste reduction
- Continual improvement in our quality, environmental and occupational health & safety performance through efficient systems and procedures.

We encourage teamwork, co-operation, education and training of all our people to fulfill our commitment to quality, environmental and OH&S management system in our operations.

During 2019-20, we undertook following initiatives to further strengthen our quality parameters:

- To maintain consistency in process parameters as well as manual activities, a special dedicated team has formed to minimize manual activities.
- More emphasis has been given to Key process parameters by mean of digital display to control and monitor foundry processes.
- Implementation of Statistical Quality Control approach to analyze the rework and rejection.
- To eliminate metallization in heavy section as well as precision castings by application of metallic impregnated core to diffuse heat.
- To minimize welding related defects, internal welding audit system as well as shop floor training was introduced with layer process audit.
- To educate welder and inspector, concerning welding defects welding defect morphology created by artificial means.
- To avoid weld crack in critical castings with high carbon equivalent, a special welding technique and process being implemented.

## ANNEXURE- I to the Board's Report (Contd.)

### Research and Development:

Since 1976, the Company's in-house R&D is recognized by DSIR (Department of Scientific and Industrial Research). The Company is involved in manufacturing high quality products through R&D activities across product development, technology up-gradations and process improvements. The R&D team has hands-on foundry experience that combine with in-depth knowledge of latest metallurgy & foundry technology. The department is equipped with state-of-the-art equipment with digital calculations to monitor mechanical & chemical testing results having NABL Accreditation. A modern version of software for methoding is utilized with expert engineers. Dedicated sets of equipment are installed to carry out testing of different sands including resin Coated & No-Bake sands and test critical parameters of quenching media (Water & Polymer). A Strong sub-section in R&D allows us to do conduct complete failure analysis and give latest technical inputs based on Fractography & SEM/EDS report.

Our constant efforts on R&D have allowed us to maintain ever - increasing demand of high-end products by global customers, especially in the high strength materials. Our initiatives have helped us get orders for items requiring import substitution with international specifications through pilot batches mechanism followed by bulk orders.

Going ahead, the Company will further undertake the following R&D strengthening initiatives:

- a) Development of an alternate material / technique to enhance feeding efficiency of Blind riser,
- b) Development of suitable de-sulfurizing practice in induction melting.
- c) To investigate the influence of Prolong storage of Thermally reclaimed sand on strength development.

### Human resources and industrial relations:

The human resource philosophy and strategy of your Company have been designed to attract and retain the best talent to create a workplace environment that keeps employees engaged, motivated to encourage innovation. Your Company has fostered a culture that rewards continuous learning, collaboration and development, making it future ready with respect to the challenges posed by ever changing market realities. Employees are your Company's most valuable asset and your Company's processes are designed to empower employees and support creative approaches in order to create enduring value. Your Company maintains a cordial relationship with its employees. Its emphasis on safe work practices and productivity improvement is unrelenting. Your Company employs more than 688 employees on direct employment.

The Company is conscious of its strong corporate reputation and the positive role it can play by focusing on "EHS" aspects. Towards this, the Company has set very exacting standards in "EHS" management. The Company recognizes the importance of "EHS" aspects in its operations and has established comprehensive indicators to track performance in these areas. The Company values the safety of its employees and constantly raises the bar in ensuring a safe work place.

### Risk Management :

The Company recognizes that every business has its inherent risks and it is required to possess a proactive approach to identify and mitigate them. Your Company has embedded an efficient organizational risk management framework, which regularly scans all possible internal and external environment to identify risks, decide on possible mitigation plans and incorporate them in its strategic plans. Some of the key risks include Disruption and Uncertainty in Business

due to Covid-19 pandemic, Volatile global economic scenario, Restrictions on global mobility, industry risk, foreign currency fluctuation, client concentration, technology risks and financial risk. The processes relating to minimizing of the above risks have already been put in place at different levels of management. The risk mitigation plans are regularly monitored and reviewed by the Management and Audit Committee of your Company.

### Long-term and medium-term strategy:

The Company has strategies for business development to cop up with the dynamic situation evolving everyday globally. Your Company is subject to all the positive & negative effects of the change in the global scenario. Your Company works on long term and medium term strategies to deal with the challenges. The challenge to execute the strategies in this uncertain environment is immense:

- a) Long-term Strategy:
  - i) Widening of customer base
  - ii) Entry into new industry segments
  - iii) Development of new casting products for existing customers
- b) Medium-term Strategy:
  - i) Improvement in product quality
  - ii) Control & minimizing rejections
  - iii) Cost reduction

CAUTIONARY STATEMENT: Statement in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand and supply conditions, finished goods prices, input materials availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events or otherwise.

By Order of the Board of Directors  
For **STEELCAST LIMITED**

(Chetan M Tamboli)

Place: Bhavnagar  
Date: June 29, 2020

Chairman & Managing Director  
DIN: 00028421



# Independent Auditors' Report

To  
The Members of  
**STEELCAST LIMITED**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of STEELCAST LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These

matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There is no any key audit matter to be communicated in our report.

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

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

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



## Independent Auditors' Report (Contd.)

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

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

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

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

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of

## Independent Auditors' Report (Contd.)

Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position except those stated under note no. 40(c) - Contingent Liabilities.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- 2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent possible.

For **SSM & Co,**  
 Chartered Accountants  
 FRN: 129198W

Place: Bhavnagar  
 Date: June 29, 2020  
 UDIN: 20106804AAAAAN6934

**CA Sarju S. Mehta**  
 Partner  
 M. N. 106804

## ANNEXURE – A to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **STEELCAST LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

- (a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and
- (c) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SSM & Co,**  
Chartered Accountants  
FRN : 129198W

Place: Bhavnagar  
Date: June 29, 2020  
UDIN : 20106804AAAAAN6934

**CA Sarju S. Mehta**  
Partner  
M. N. 106804

## ANNEXURE – B

### to the Independent Auditors' Report

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

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- i. In respect of fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified by the management at reasonable intervals having regard to the size of the company, in a phased manner in accordance with a programme of physical verification. As informed, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and based on the records of the company examined by us, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventories were physically verified by the management at reasonable intervals during the year. As informed to us, no material discrepancies were noticed on such physical verification carried out by the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.
- iv. The Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security, to the extent applicable.
- v. The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory and other dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and other statutory dues, to the extent

applicable, with the appropriate authorities during the year. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable.

- (b) There are no amounts outstanding, which have not been deposited on account of dispute.
- viii. The Company has not defaulted in repayment of loans or borrowing to banks and financial institution. The Company has not obtained any borrowings from government or by way of debentures.
- ix. Terms loans obtained by the Company have been applied for the purpose for which they were obtained. The Company has not raised any money, during the year, by way of public offer (including debt instruments).
- x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company or on the Company by its officers or employees was noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, managerial remuneration paid or provided by the Company during the year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. Since the Company is not a Nidhi Company, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **SSM & Co,**  
Chartered Accountants  
FRN: 129198W

Place: Bhavnagar  
Date: June 29, 2020  
UDIN: 20106804AAAAAN6934

**CA Sarju S. Mehta**  
Partner  
M. N. 106804

# Balance Sheet as at March 31, 2020

(₹ in Lakhs)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	3	10,509.18	11,452.58
Capital Work-in-Progress	3	2.03	36.55
Intangible Assets	4	168.88	234.23
Financial Assets			
Investments	5	8.63	8.70
Loans	6	14.41	15.43
Tax Assets (Net)	7	188.03	119.63
Other Assets	8	1,010.10	474.53
<b>Total Non Current Assets</b>		<b>11,901.26</b>	<b>12,341.65</b>
<b>Current Assets</b>			
Inventories	9	2,302.86	2,398.77
Financial Assets			
Trade Receivables	10	2,833.39	5,663.51
Cash and Cash Equivalents	11	28.21	359.79
Other Bank Balances	12	139.34	280.22
Loans	13	1,512.07	9.53
Other Financial Assets	14	19.13	6.49
Other Assets	15	842.75	1,007.86
<b>Total</b>		<b>7,677.75</b>	<b>9,726.17</b>
Assets Classified as held for Sale	16	150.29	150.74
<b>Total Current Assets</b>		<b>7,828.04</b>	<b>9,876.92</b>
<b>Total Assets</b>		<b>19,729.30</b>	<b>22,218.56</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	17	1,012.00	1,012.00
Other Equity	18	10,777.31	10,483.95
<b>Total Equity</b>		<b>11,789.31</b>	<b>11,495.95</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	19	1,248.68	2,762.84
Provisions	20	107.57	95.01
Deferred Tax Liabilities (Net)	21	1,019.16	421.26
Other Liabilities	22	457.12	445.07
<b>Total Non Current Liabilities</b>		<b>2,832.53</b>	<b>3,724.18</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	23	1,720.76	2,450.16
Trade Payable:	24	-	0.37
(a) Total outstanding dues of Micro Enterprises and Small Enterprises; and			
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises.		1,044.67	1,620.26
Other Financial Liabilities	25	1,984.47	2,181.70
Provisions	26	94.76	66.54
Other Liabilities	27	262.81	679.40
<b>Total</b>		<b>5,107.46</b>	<b>6,998.44</b>
Liabilities directly associated with Assets Classified as Held for Sale	28	-	-
<b>Total Current Liabilities</b>		<b>5,107.46</b>	<b>6,998.44</b>
<b>Total Liabilities</b>		<b>7,939.99</b>	<b>10,722.62</b>
<b>Total Equity and Liabilities</b>		<b>19,729.30</b>	<b>22,218.56</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **S S M & CO**

Chartered Accountants

FRN: 129198W

**CA Sarju Mehta**

Partner

M. No. 106804

Place: Bhavnagar

Date: June 29, 2020

For **STEELCAST LIMITED**

**Subhash Sharma**

Chief Financial Officer

For and on behalf of the Board of Directors

**Rushil C Tamboli**

Whole Time Director

DIN: 07807971

Place: Bhavnagar

Date: June 29, 2020

**Maresh Purohit**

Company Secretary

**Chetan M Tamboli**

Chairman & Managing Director

DIN: 00028421

## Statement of Profit & Loss for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>INCOME:</b>			
Revenue from Operations	29	20,058.88	31,792.46
Other Income	30	47.77	141.56
<b>Total Income</b>		<b>20,106.64</b>	<b>31,934.03</b>
<b>Expenses :</b>			
Cost of Materials Consumed	31	4,631.47	7,374.99
Changes in Inventories of Finished Goods and Work-in-Progress	32	40.64	1,426.88
Employee Benefits Expenses	33	2,277.37	2,576.01
Finance Costs	34	472.55	944.85
Depreciation and Amortization Expenses	3, 4	1,604.76	1,565.03
Other Expenses	35	9,376.20	14,540.62
<b>Total Expenses</b>		<b>18,402.99</b>	<b>28,428.37</b>
<b>Profit/(Loss) Before Exceptional Items and Tax</b>		<b>1,703.66</b>	<b>3,505.66</b>
Exceptional Items	36	-	-
<b>Profit/(Loss) Before Tax</b>		<b>1,703.66</b>	<b>3,505.66</b>
<b>Tax Expenses:</b>			
Current Tax		693.83	760.57
MAT Credit Entitlement		-	(39.36)
Short/(Excess) Provision of Tax of Earlier Years		(19.29)	8.05
Deferred Tax		231.37	278.87
<b>Profit/(Loss) for the Year</b>		<b>797.75</b>	<b>2,497.53</b>
<b>Other Comprehensive Income:</b>			
Items that will not be reclassified to Profit or Loss			
Re-Measurement Gains/(Losses) on Defined Benefit Plans		(23.11)	(7.37)
Income Tax Effect		6.73	2.15
Net Gain/(Loss) on FVOCI Equity Instruments		-	-
Income Tax Effect		-	-
<b>Total Other Comprehensive Income for the Year, Net of Tax</b>		<b>(16.38)</b>	<b>(5.22)</b>
<b>Total Comprehensive Income for the Year</b>		<b>781.37</b>	<b>2,492.30</b>
<b>(Comprising Profit and Other Comprehensive Income for the Year)</b>			
<b>Earnings per Equity Share:</b>			
Face Value Per Equity Share		5.00	5.00
Basic and Diluted Earnings Per Share (INR)	37	3.94	12.34

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **S S M & CO**  
Chartered Accountants  
FRN: 129198W

**CA Sarju Mehta**  
Partner  
M. No. 106804  
Place: Bhavnagar  
Date: June 29, 2020

For **STEELCAST LIMITED**

**Subhash Sharma**  
Chief Financial Officer

For and on behalf of the Board of Directors

**Rushil C Tamboli**  
Whole Time Director  
DIN: 07807971  
Place: Bhavnagar  
Date: June 29, 2020

**Mahesh Purohit**  
Company Secretary

**Chetan M Tamboli**  
Chairman & Managing Director  
DIN: 00028421



# Statement of Cash Flow for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit Before Taxation		1,703.66		3,505.66
<b>Adjustments for-</b>				
Depreciation and Amortisation	1,604.76		1,565.03	
(Profit)/Loss on sale of Property, Plant & Equipment	(2.19)		(82.89)	
Dividend	-		-	
Interest Expenses (net)	432.20	2,034.77	787.65	2,269.80
<b>Operating Profit Before Working Capital Changes</b>		<b>3,738.42</b>		<b>5,775.45</b>
<b>Adjustments for-</b>				
Trade Receivables	2,830.13		(384.09)	
Inventories	95.91		1,644.04	
Other Financial and Non Financial Assets	(1,743.11)		488.80	
Non Current/Current Financial and Other Liabilities/Provisions	(508.23)	674.70	(1,037.09)	711.66
<b>Cash Generated From Operations</b>		<b>4,413.12</b>		<b>6,487.11</b>
Direct Taxes (Payment)/Refund		(974.30)		(1,079.82)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>3,438.82</b>		<b>5,407.29</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Property, Plant & Equipment		(621.28)		(895.97)
(Purchase)/Sale of Investments (net)		0.07		0.73
Sale of Property, Plant & Equipment (including Held for Sale)		14.59		151.94
Interest Received		27.09		57.75
Dividend Received		-		-
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(579.54)</b>		<b>(685.54)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds/(Repayment) from Long Term Borrowings		(1,514.16)		1,355.30
Interest Paid		(459.29)		(845.40)
Dividend Paid		(488.01)		(329.42)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(2,461.46)</b>		<b>180.49</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>397.83</b>		<b>4,902.23</b>
Cash and Cash Equivalents as at Beginning of the Year		(2,090.37)		(6,992.61)
Cash and Cash Equivalents as at End of the Year		<b>(1,692.55)</b>		<b>(2,090.37)</b>

<b>Reconciliation of Cash and Cash Equivalents as per the Cash Flow Statement</b>				
Cash and Cash Equivalents as per above comprise of the following:		31 March 2020		31 March 2019
Cash and Cash Equivalents (Refer Note 11)		28.21		359.79
Working Capital Finance from Banks (Refer Note 23)		1,720.76		2,450.16
<b>Balance as per Cash Flow Statement</b>		<b>(1,692.55)</b>		<b>(2,090.37)</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **S S M & CO**

Chartered Accountants

FRN: 129198W

**CA Sarju Mehta**

Partner

M. No. 106804

Place: Bhavnagar

Date: June 29, 2020

For **STEELCAST LIMITED**

**Subhash Sharma**

Chief Financial Officer

For and on behalf of the Board of Directors

**Rushil C Tamboli**

Whole Time Director

DIN: 07807971

Place: Bhavnagar

Date: June 29, 2020

**Mahesh Purohit**

Company Secretary

**Chetan M Tamboli**

Chairman & Managing Director

DIN: 00028421



## Statement of Changes in Equity for the year ended March 31, 2020

### A EQUITY SHARE CAPITAL

(₹ in Lakhs)

At March 31, 2018	1,012.00
Changes in Equity Share Capital	-
At 31 March 2019	1,012.00
Changes in Equity Share Capital	-
<b>As at March 31, 2020</b>	<b>1,012.00</b>

### B OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves & Surplus				Total Other Equity
	Security Premium	Capital Reserve	General Reserve	Retained Earnings	
<b>As at March 31, 2018</b>	<b>1,916.18</b>	<b>4.67</b>	<b>5,797.79</b>	<b>602.43</b>	<b>8,321.06</b>
Net Profit for the period	-	-	-	2,497.53	2,497.53
Other Comprehensive Income	-	-	-	(5.22)	(5.22)
<b>Total Comprehensive Income</b>	-	-	-	2,492.30	2,492.30
Final Dividend	-	-	-	(273.24)	(273.24)
Dividend Distribution Tax	-	-	-	(56.18)	(56.18)
<b>As at March 31, 2019</b>	<b>1,916.18</b>	<b>4.67</b>	<b>5,797.79</b>	<b>2,765.32</b>	<b>10,483.95</b>
Net Profit for the period	-	-	-	797.75	797.75
Other Comprehensive Income	-	-	-	(16.38)	(16.38)
<b>Total Comprehensive Income</b>	-	-	-	781.37	781.37
Final Dividend	-	-	-	(404.80)	(404.80)
Dividend Distribution Tax	-	-	-	(83.21)	(83.21)
<b>As at March 31, 2020</b>	<b>1,916.18</b>	<b>4.67</b>	<b>5,797.79</b>	<b>3,058.68</b>	<b>10,777.31</b>

# Notes to the Financial Statements as at and for the year ended March 31, 2020

## Note: 1 Corporate Information

The financial statements are of Steelcast Limited ('the Company') for the year ended 31 March 2020. The Company was incorporated on 11.02.1972. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is engaged in casting manufacturing business.

The registered office of the Company is located at Ruvapari Road, Bhavnagar, Gujarat - 364005.

The financial statements were authorized for issue in accordance with a resolution of the directors on 29 June 2020.

## Note: 2 Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on an accrual basis and under the historical cost convention basis except for the following:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit plans - plan assets measured at fair value.

### 2.1 Summary of significant accounting policies

#### A. Current versus non-current classification

All assets and liabilities are classified into current and non-current.

##### Assets

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

## Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within 12 months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

## Operating cycle

Based on the nature of services and the normal time between the acquisition of assets and their realization into cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

## Deferred tax

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## B. Property, Plant and Equipment

Property, plant and equipment, capital work in progress are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price net of refundable taxes and any attributable cost of bringing the asset to its working condition for its intended use and initial estimate of decommissioning, restoring and similar liabilities. Borrowing costs relating to acquisition of property, plant and equipment which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Subsequent expenditure is capitalized only when it is probable that the future economic benefits of the expenditure will flow to the Company. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciation over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the assets and has useful life that is materially different from that of the remaining asset.

### C. Depreciation on property, plant and equipment

Depreciation is provided on Straight Line Method in the manner specified in the Schedule II in accordance with the provisions of section 123(2) of the Companies Act, 2013. The identified components are depreciated over their useful lives; the remaining assets are depreciated over the life of the principal assets.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### D. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Software is amortized using the straight-line method over a period of 6 years. The amortization expense is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

### E. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is

considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

### F. Leases

#### Company as a lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

### G. Inventories

Inventories are valued at cost or net realizable value, whichever is lower. Cost is determined on the following basis:

- Raw materials and stores and spares – on a weighted average method basis;
- Finished and semi-finished goods – at material cost plus direct expenses and appropriate value of overheads; cost of finished goods includes excise duty as applicable.

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### H. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Revenue from sale of goods is recognized when significant risks and rewards of ownership are passed to the buyer, which generally coincides with dispatch of goods. Goods and Service Tax, Sales taxes and value added taxes, wherever applicable, are collected on behalf of the Government and therefore, excluded from the revenue.

Income from export incentives under various schemes notified by government is accounted on accrual basis.

The Company does not accrue interest on long-term advances received from customers towards supply of goods or services.

### I. Research & Development

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- How the assets will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The liability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Revenue expenditure on Research & Development is charged to the statement of profit and loss for the year in which it is incurred. Capital expenditure on Research & Development is shown as an addition to property, plant and equipment and depreciated on the same basis as other assets.

### J. Foreign currency transactions

#### Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate prescribed fortnightly by the Central Board of Indirect Taxes and Customs (CBIC) for exports between the reporting currency and the foreign currency at the date of the transaction. This practice followed by the company is consistent with Para 22 of the Ind AS 21.

#### Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

#### Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

### K. Employee benefits

#### Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employee renders the service.

#### Post-employment benefit plans

- i. Defined Contribution Plan: Contribution for provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner. Contribution for Superannuation in respect of certain employees of the company is made in accordance with the scheme with Life Insurance Corporation of India.
- ii. Defined Benefit Plan: The liability in respect of gratuity is determined using Projected Unit Credit Method with actuarial valuation carried out as at

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

balance sheet date. Contributions in respect of gratuity are made to the Group Gratuity Scheme with Life Insurance Corporation of India. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- b. Net interest expense or income

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

### Other long-term employee benefits

Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per Projected Unit Credit method. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

### L. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### M. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss is recognised in correlation to the

underlying transaction either in other comprehensive income or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future
- Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

Deferred tax asset is reviewed as at each balance sheet date and written down or written up to reflect whether taxable profit will be available or not.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

### A. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### (i) Financial assets

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

##### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

##### Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

- b) The asset's contractual cash flows represent SPPI
- Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

##### Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

##### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. The company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value in case of equity investments which are not held for trading. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to



## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets which are measured at amortised cost or FVOCI.

The Company follows 'simplified approach' for

recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected in a separate line in the P&L as an impairment gain or loss.

For financial assets measured as at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

### (ii) Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.



## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

#### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

#### **De-recognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **(iii) Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### **(iv) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **0. Derivative financial instruments**

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

### P. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### Q. Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### R. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### S. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 3 PROPERTY, PLANT AND EQUIPMENT & CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Vehicles	Furniture & Fixture	Office Equipment	Total	Capital Work in Progress
<b>Cost or Deemed Cost (Gross Carrying Amount)</b>									
<b>As at March 31, 2018</b>	<b>632.51</b>	<b>443.32</b>	<b>3,078.28</b>	<b>10,177.58</b>	<b>108.23</b>	<b>78.90</b>	<b>56.92</b>	<b>14,575.74</b>	<b>228.10</b>
Additions	40.24	11.01	143.18	849.46	150.72	7.78	21.48	1,223.87	36.55
Deductions	-	-	25.96	1,047.54	23.22	5.90	25.73	1,128.35	228.10
Deduction of Assets Classified as Held for Sale	-	-	156.13	-	-	-	-	156.13	-
Exchange Differences Capitalised	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>672.76</b>	<b>454.33</b>	<b>3,039.38</b>	<b>9,979.50</b>	<b>235.73</b>	<b>80.78</b>	<b>52.67</b>	<b>14,575.74</b>	<b>36.55</b>
Additions	9.02	0.64	100.11	507.98	18.70	2.18	15.97	654.61	-
Deductions	-	-	-	107.68	20.30	-	2.82	130.79	34.52
Deduction of Assets Classified as Held for Sale	-	-	-	-	-	-	-	-	-
Exchange Differences Capitalised	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>681.77</b>	<b>454.97</b>	<b>3,139.49</b>	<b>10,379.80</b>	<b>234.13</b>	<b>82.96</b>	<b>65.82</b>	<b>15,038.96</b>	<b>2.03</b>
<b>Accumulated Depreciation and Impairment Losses</b>									
<b>As at March 31, 2018</b>	<b>-</b>	<b>38.51</b>	<b>209.79</b>	<b>2,252.96</b>	<b>19.29</b>	<b>22.22</b>	<b>25.11</b>	<b>2,567.89</b>	<b>-</b>
Additions	-	21.82	117.37	1,309.14	24.80	10.37	13.08	1,496.58	-
Deductions	-	-	21.96	932.75	12.16	5.26	24.39	996.51	-
Deduction of Assets Classified as Held for Sale	-	-	5.39	-	-	-	-	5.39	-
Exchange Differences Capitalised	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>-</b>	<b>60.34</b>	<b>299.82</b>	<b>2,629.35</b>	<b>31.92</b>	<b>27.33</b>	<b>13.80</b>	<b>3,062.57</b>	<b>-</b>
Depreciation for the Year	-	21.88	119.13	1,344.00	31.27	11.00	11.39	1,538.67	-
Deductions	-	-	-	50.64	17.70	-	2.67	71.00	-
Depreciation of Assets Classified as Held for Sale	-	-	0.45	-	-	-	-	0.45	-
<b>As at March 31, 2020</b>	<b>-</b>	<b>82.22</b>	<b>418.49</b>	<b>3,922.72</b>	<b>45.50</b>	<b>38.33</b>	<b>22.52</b>	<b>4,529.78</b>	<b>-</b>
<b>Net Block</b>									
<b>As at March 31, 2020</b>	<b>681.77</b>	<b>372.75</b>	<b>2,721.00</b>	<b>6,457.09</b>	<b>188.63</b>	<b>44.63</b>	<b>43.30</b>	<b>10,509.18</b>	<b>2.03</b>
<b>As at March 31, 2019</b>	<b>672.76</b>	<b>393.99</b>	<b>2,739.56</b>	<b>7,350.15</b>	<b>203.81</b>	<b>53.45</b>	<b>38.86</b>	<b>11,452.58</b>	<b>36.55</b>

a. All term loans from financial institutions are secured against first pari passu charge on gross block of the fixed assets. Working capital finance taken from banks are also secured by way of second charge on gross block of fixed assets.

b. The Company has also received long-term advance from one of the customer. The said advance is secured against plant and machinery purchased from such advance.

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 4 INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Software
<b>Cost or Deemed Cost (Gross Carrying Amount)</b>	
<b>As at March 31, 2018</b>	<b>380.42</b>
Additions	14.38
Deductions	0.27
<b>As at March 31, 2019</b>	<b>394.54</b>
Additions	0.74
Deductions	-
<b>As at March 31, 2020</b>	<b>395.28</b>
<b>Accumulated Amortisation and Impairment Losses</b>	
<b>As at March 31, 2018</b>	<b>92.11</b>
Depreciation for the Year	68.46
Deductions	0.25
<b>As at March 31, 2019</b>	<b>160.31</b>
Depreciation for the Year	66.09
Deductions	-
<b>As at March 31, 2020</b>	<b>226.40</b>
<b>Net Block</b>	<b>-</b>
<b>As at March 31, 2020</b>	<b>168.88</b>
<b>As at March 31, 2019</b>	<b>234.23</b>

### 5 INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Investment in Equity Instruments (Quoted)</b>		
43000 Equity Shares of Bhadreshwar Vidyut Private Limited of Rs. 0.19 each	0.08	0.15
<b>Investment in Gold Sovereign Bonds</b>	8.55	8.55
<b>Total</b>	<b>8.63</b>	<b>8.70</b>

### 6 LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured considered good</b>		
Loans to Employees	8.88	10.48
Security Deposits	5.54	4.95
<b>Total</b>	<b>14.41</b>	<b>15.43</b>

### 7 TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Tax Paid in Advance (Net of Provision)	188.03	119.63
<b>Total</b>	<b>188.03</b>	<b>119.63</b>

### 8 OTHER ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances	1,010.10	474.53
<b>Total</b>	<b>1,010.10</b>	<b>474.53</b>

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 9 INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Inventories (At lower of Cost and Net Realisable Value)</b>		
Raw Materials	218.61	207.80
Work-in-Progress	1,172.90	1,464.33
Finished Goods	333.72	82.93
Stores and Spares	577.63	643.71
<b>Total</b>	<b>2,302.86</b>	<b>2,398.77</b>

### 10 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Trade Receivables considered good – Secured;	-	-
(b) Trade Receivables considered good – Unsecured;	2,833.39	5,663.51
(c) Trade Receivables which have significant increase in Credit Risk; and	-	-
(d) Trade Receivables – Credit Impaired	-	-
<b>Total</b>	<b>2,833.39</b>	<b>5,664.51</b>

### 11 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with Bank		
In Current Account	12.57	354.54
In Deposit Account (with Original Maturity upto 3 Months)	-	-
Cash on Hand	15.63	5.25
<b>Total</b>	<b>28.21</b>	<b>359.79</b>

### 12 OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits with Original Maturity of more than 12 Mths	-	26.24
Unpaid Dividend Accounts	16.30	17.45
Margin Money Deposits	123.05	236.53
<b>Total</b>	<b>139.34</b>	<b>280.22</b>

### 13 LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Loans Receivables considered good – Secured;	-	-
(b) Loans Receivables considered good – Unsecured;	1,512.07	9.53
(c) Loans Receivables which have significant increase in Credit Risk; and	-	-
(d) Loans Receivables – Credit Impaired	-	-
<b>Total</b>	<b>1,512.07</b>	<b>9.53</b>

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 14 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest Receivable Accrued but Not Due	5.04	-
Other Financial Assets	14.09	6.49
<b>Total</b>	<b>19.13</b>	<b>6.49</b>

### 15 OTHER ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Government Authorities	675.24	662.51
DEPB and Duty Drawback Claim Receivable	40.36	167.82
Trade Advance to Suppliers	45.19	65.98
Prepaid Expenses	79.20	92.21
Advances to Staff	1.53	0.46
Other Current Assets	1.23	18.88
<b>Total</b>	<b>842.75</b>	<b>1,007.86</b>

### 16 ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Buildings	150.29	150.74
<b>Total</b>	<b>150.29</b>	<b>150.74</b>

Assets classified as held for sale as on 31 March 2020 includes buildings which the management of the Company has decided to sale as they are no longer used in the normal course of the business. The sale of this asset is expected to be completed within next one year from the reporting date. Due to slow down in reality sector, the assets classified as held for sale could not be sold. The same will continue to be remained in this category till change in decision by management.

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Break up of Financial Assets carried at Amortised Cost</b>		
Investment in Gold Soverien Bond (Note 5)	8.55	8.55
Investment in Equity Instruments (Unquoted)(Note 5)	0.08	0.15
Loans (Refer Note 6 & 13)	1,526.48	24.97
Trade Receivables (Note 10)	2,833.39	5,663.51
Cash and Cash Equivalents (Note 11)	28.21	359.79
Other Bank Balances (Note 12)	139.34	280.22
Other Financial Assets (Note 14)	19.13	6.49
<b>Total</b>	<b>4,555.18</b>	<b>6,343.68</b>

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 17 EQUITY SHARE CAPITAL

#### A Authorised Share Capital

(₹ in Lakhs)

Particulars	Equity shares of ₹ 5 each	
	No. of shares	Amount
As at March 31, 2019	3,00,00,000	1,500.00
Increase / (Decrease) during the year	-	-
As at March 31, 2020	3,00,00,000	1,500.00

#### B Terms/ Rights attached to Equity Shares

The Company has one class of shares referred to as equity shares having a par value of ₹ 5 each. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### C Issued Equity Capital

(₹ in Lakhs)

Equity Shares of ₹ 5 each Issued, Subscribed and Fully Paid	No. of shares	Amount
As at March 31, 2019	2,02,40,000	1,012.00
Changes during the year	-	-
As at March 31, 2020	2,02,40,000	1,012.00

D Of the total Share Capital 1,31,16,000 Equity Shares were issued as fully paid up Bonus Shares.

#### E Details of Shareholders Holding more than 5% Shares in the Company

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% holding	No. of shares	% holding
Mr. Chetan M Tamboli	31,19,420	15.41%	30,62,920	15.13%
Mrs. Manali C Tamboli	10,29,480	5.09%	10,29,480	5.09%
Tamboli Investments Pvt. Ltd.	19,63,200	9.70%	19,63,200	9.70%
Rushil Industries Limited	15,76,000	7.78%	23,76,000	11.74%

F During the year ended 31st March 2020, the Company paid the final dividend of INR 404.80 Lakhs (INR 2.00 per Equity Share) and Dividend Distribution Tax of INR 83.21 Lakhs for the year ended 31st March 2019.

G On 29 June 2020, the Board of Directors has recommended the final dividend of INR 00.60 per Equity Share on the Fully Paid Share Capital for the year ended 31st March 2020 subject to approval from Shareholders. On approval, the total dividend payment based on number of shares outstanding as on 31st March 2020 is expected to be INR 121.44 Lakhs.



## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 18 OTHER EQUITY

(₹ in Lakhs)

<b>Securities Premium:</b>	
<b>As at March 31, 2019</b>	<b>1,916.18</b>
Increase/(Decrease) During the year	-
<b>As at March 31, 2020</b>	<b>1,916.18</b>
<b>Capital Reserve:</b>	
<b>As at March 31, 2019</b>	<b>4.67</b>
Increase / (Decrease) During the year	-
<b>As at March 31, 2020</b>	<b>4.67</b>
<b>General Reserve:</b>	
<b>As at March 31, 2019</b>	<b>5,797.79</b>
Increase / (Decrease) During the year	5,797.79
<b>Retained Earnings:</b>	
<b>As at March 31, 2018</b>	<b>602.43</b>
Add / (Less): Profit / (Loss) during the Year	2,497.53
Add / (Less): Other Comprehensive Income	(5.22)
(Less): Appropriations	
Dividend on Equity Shares	(273.24)
Dividend Distribution Tax on Dividend	(56.18)
<b>As at March 31, 2019</b>	<b>2,765.32</b>
Add / (Less): Profit / (Loss) during the Year	797.75
Add / (Less): Other Comprehensive Income	(16.38)
(Less): Appropriations	
Dividend on Equity Shares	( 404.80)
Dividend Distribution Tax on Dividend	(83.21)
<b>As at March 31, 2020</b>	<b>3,058.68</b>

**Securities Premium-** Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium Reserve". The Company may issue fully paid-up bonus shares to its members out of the securities premium reserve and the Company can use this reserve for buy-back of shares.

**Capital Reserve-** It represents gain of capital nature which mainly includes gain on reissue of forfeited shares.

**General Reserve-** General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up and not paid-up bonus shares.

**Retained Earnings-** Retained Earnings are the profits that the Company has earned till date, less any transfers to General reserve and payment of dividend.

### 19 LONG-TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Secured</b>		
Term Loans:		
From Banks (Foreign Currency Accounts)	-	-
From Banks (Indian Rupee Accounts)	-	-
From Financial Institutions (Indian Rupee Accounts)	2,732.86	3,993.10
<b>Unsecured</b>		
Intercompany Loan	-	-
Loan from Promoters	-	-
<b>Total</b>	<b>2,732.86</b>	<b>3,993.10</b>

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 19 LONG-TERM BORROWINGS (CONTD.)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current Maturity of Long Term Borrowings clubbed under "Current Financial Liabilities" (Refer Note 25)</b>		
<b>Term Loans:</b>		
From Banks (Foreign Currency Accounts)	-	-
From Banks (Indian Rupee Accounts)	-	-
From Financial Institutions (Indian Rupee Accounts)*	1,484.18	1,230.26
	<b>1,484.18</b>	<b>1,230.26</b>
<b>Total Non-Current Borrowings</b>	<b>1,248.68</b>	<b>2,762.84</b>
<b>The above amount includes-</b>		
Secured Borrowings	1,248.68	2,762.84
Unsecured Borrowings	-	-

\* Note: Rs.14.39 Lakhs (Previous Year Rs.14.39 Lakhs) pertaining to Unamortise Loan Processing Charge is net from term loans due within 1 Year.

#### Notes:

##### a) Rate of Interest & Terms of Repayment

Particulars	March 31, 2020	March 31, 2019	Rate of Interest	Repayment Term for Loans Outstanding as on March 31, 2020
<b>Term Loans</b>				
<b>From Banks (Indian Rupee Accounts)</b>				
<b>From Financial Institutions (Indian Rupee Accounts)</b>				
Tata Capital Financial Services Ltd				
a. Term Loan-I	307.20	307.20	Long Term Lending Rate less 5.25% pa	Repayable in 60 Equal Monthly Instalments (EMIs) starting from period ranging from October 2016 to February 2017
b. Term Loan-II	166.67	166.68		Repayable in 17 EQIs starting from period ranging from October 2017 to April 2018
c. Term Loan-III	867.56	609.00	Long Term Lending Rate less 8.25% pa on ₹ 10 Cr TL-1 and 8.00% pa on ₹ 7.35 Cr TL-2	Repayable in 24 Equal Monthly Instalments (EMI) starting from period ranging from Jul 2019.
Dewan Housing Finance Limited	-	4.64	9.10%	Repayable in 90 EMIs starting from period ranging from October 2017 to January 2018 Loan has been prepaid during the year ended on 31.03.2020.
Aditya Birla Finance Limited	157.14	157.14	Long Term Lending Rate less 6.60% pa	Repayable in 84 EMIs starting from period ranging from May 2018.

##### b) Nature of Security

- Term loans from Tata Capital Financial Services Ltd are secured against first pari passu charge on gross block of the fixed assets (excluding Plant & Machinery charged to Caterpillar India Pvt. Ltd) and second charge on current assets of the Company and further guaranteed by one of the directors.
- Term loan from Aditya Birla Finance Limited is exclusively secured through mortgage on certain residential properties.
- Loan from Dewan Housing Finance Limited has been prepaid during the year ended on 31.03.2020.

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 20 NON-CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Provision for Employee Benefits</b>		
Provision for Leave Encashment	107.57	95.01
Provision for Gratuity	-	-
<b>Total</b>	<b>107.57</b>	<b>95.01</b>

### 21 DEFERRED TAX LIABILITIES (NET)

The major components of Income Tax expense for the years ended 31 March 2020 and 31 March 2019 are:

#### Statement of Profit and Loss:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Profit or Loss Section</b>		
<b>Current Income Tax:</b>		
Current Income Tax Charge	693.83	760.57
Adjustments in respect of Current Income Tax of Previous Year	(19.29)	8.05
<b>Deferred Tax:</b>		
Relating to origination and reversal of temporary differences	231.37	278.87
Relating to changes in tax rates	-	-
<b>Income Tax Expense reported in Profit or Loss Section</b>	<b>905.90</b>	<b>1,047.49</b>
<b>Other Comprehensive Income (OCI) Section</b>		
<b>Deferred Tax related to Items Recognised in OCI during in the Year:</b>		
Net Loss/(Gain) on Remeasurements of Defined Benefit Plans	6.73	2.15
	<b>6.73</b>	<b>2.15</b>

The Company is subject to income tax in India on the basis of its standalone financial statements. As per the Income Tax Act, 1961, the Company is liable to pay income tax based on higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of fifteen years and can be offset against future tax liabilities arising from regular income tax.

#### Tax Payable under Minimum Alternate Tax Provisions at tax rate of 17.4720% (31 March 2019: 21.5488%)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Book Profit	0.02	3,529.51
Computed Tax Expenses	0.00	760.57

#### Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate, under section 115JB of income tax act, for the year ended 31 March 2020 and 31 March 2019.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Accounting Profit Before Tax from continuing operations</b>	<b>1,703.66</b>	<b>3,505.66</b>
<b>Adjustments</b>		
Additions to arrive at Book Profit	16.47	29.07
Deductions to arrive at Book Profit	(16.38)	(5.22)
<b>Book Profit</b>	<b>1,720.13</b>	<b>3,534.73</b>
Enacted Tax Rates (MAT)	17.472%	21.549%
<b>At the effective Income Tax rate of 17.472 % (31 March 2019: 21.549%)</b>	<b>297.68</b>	<b>760.57</b>

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 21 DEFERRED TAX LIABILITIES (NET) (CONTD.)

#### Reconciliation of Deferred Tax Liability (Net)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening balance as of 1 April	839.50	562.77
Tax (Income)/Expense during the period recognised in Profit or Loss	231.37	278.87
Tax (Income)/Expense during the period recognised in OCI	(6.73)	(2.15)
<b>Closing balance as at March 31</b>	<b>1,064.14</b>	<b>839.50</b>

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liabilities (Net)	1,064.14	839.50
MAT Credit Entitlement Receivable	(44.98)	(418.24)
<b>Total</b>	<b>1,019.16</b>	<b>421.26</b>

### 22 OTHER LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advances from Customers	457.12	445.07
<b>Total</b>	<b>457.12</b>	<b>445.07</b>

### 23 SHORT-TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Loans Repayable on Demand</b>		
Working Capital Finance from Banks (in Rupee Accounts)	1,720.76	2,450.16
<b>Total</b>	<b>1,720.76</b>	<b>2,450.16</b>

#### Notes:

- (1) Working Capital Finance (in Rupee Accounts) is secured against first pari passu charge on inventory and book debts and second charge on gross block of fixed assets of the Company and further guaranteed by one of the director. These loans are repayable on demand. These working capital borrowings carry interest rate ranging from 6.70% to 10.05%.

### 24 TRADE PAYABLE

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Trade Payable</b>		
(a) Total outstanding dues of Micro Enterprises and Small Enterprises; and	-	0.37
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises.	1,044.67	1,620.26
<b>Total</b>	<b>1,044.67</b>	<b>1,620.62</b>

#### Notes:

#### DUES TO MICRO AND SMALL ENTERPRISES

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) The principal amount remaining unpaid to any supplier at the end of each accounting year;	-	0.37
(b) The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	-
(c) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

### 25 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Maturities of Long-Term Borrowings (Refer Note 19)	1,484.18	1,230.26
Interest Accrued but not due on Borrowings	26.94	37.95
Payable to Employees	217.39	241.66
Unclaimed Dividend	16.30	17.45
Derivative Instruments	-	13.10
Payable for Capital Goods	77.98	168.17
Directors Commission Payable	67.32	136.09
Other Financial Liabilities	94.35	337.04
<b>Total</b>	<b>1,984.47</b>	<b>2,181.70</b>

### 26 CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Provision for Employee Benefits</b>		
Provision for Leave Encashment	22.69	19.35
Provision for Gratuity	72.07	47.20
<b>Total</b>	<b>94.76</b>	<b>66.54</b>

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 27 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advances from Customers	198.02	513.77
Statutory Liabilities	42.97	89.55
Others Liabilities	21.82	76.08
<b>Total</b>	<b>262.81</b>	<b>679.40</b>

#### Break up of Financial Liabilities carried at Amortised Cost

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings (Refer Note 19 & 23)	2,969.43	5,213.00
Trade Payable (Refer Note 24)	1,044.67	1,620.62
Other Financial Liabilities (excluding Derivative Instruments) (Note 25)	1,984.47	2,168.61
<b>Total</b>	<b>5,998.57</b>	<b>9,002.23</b>

#### Break up of Financial Liabilities carried at Fair Value through Profit or Loss

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Derivative Instruments (Note 25)	-	13.10
<b>Total</b>	<b>-</b>	<b>13.10</b>

### 28 LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance received against Assets Classified as Held for Sale	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 29 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Sale of Goods</b>		
Export Sales	11,248.56	17,545.53
Domestic Sales	7,899.07	13,279.13
<b>Other Operating Income</b>		
Export Incentives & Credits	600.02	554.66
Foreign Currency Fluctuation Gain/(Loss)	311.23	351.77
MTM Gain on Derivative Instruments	-	61.37
<b>Total</b>	<b>20,058.88</b>	<b>31,792.46</b>

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 30 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Dividend income from Investments measured at FVTOCI	-	-
Interest Receipts	27.09	57.75
Insurance Claim Receipts	1.06	0.62
Profit on Sale of Fixed Assets (Net)	2.19	82.89
Profit on Sale of Share Investment	-	0.09
Income from Other Investments	12.41	-
Sundry Balances Written Back	5.02	0.21
<b>Total</b>	<b>47.77</b>	<b>141.56</b>

### 31 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Raw Materials Consumed</b>		
Stock at the beginning of the Year	207.80	365.53
<b>Add : Purchases and Direct Expenses</b>	<b>4,642.28</b>	<b>7,217.25</b>
	4,850.08	7,582.78
<b>Less : Stock at the end of the Year</b>	<b>218.61</b>	<b>207.80</b>
<b>Total</b>	<b>4,631.47</b>	<b>7,374.99</b>

### 32 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Stock at the beginning of the Year</b>		
Finished Goods	82.93	430.82
Work-in-Progress	1,464.33	2,543.32
<b>Total</b>	<b>1,547.26</b>	<b>2,974.14</b>
<b>Stock at the end of the Year</b>		
Finished Goods	333.72	82.93
Work-in-Progress	1,172.90	1,464.33
<b>Total</b>	<b>1,506.62</b>	<b>1,547.26</b>
<b>Net Total</b>	<b>40.64</b>	<b>1,426.88</b>



## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 33 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, Wages, Allowances and Bonus	2,013.19	2,259.37
Contribution to Employee Benefit Funds	131.86	183.26
Gratuity Expenses	42.77	52.89
Staff Welfare Expenses	89.55	80.49
<b>Total</b>	<b>2,277.37</b>	<b>2,576.01</b>

### 34 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Interest Expenses on:</b>		
Working Capital Finance	164.58	460.19
Term Loan	294.66	383.06
Others	0.05	2.14
Loss on Foreign Currency Borrowings	-	62.68
Other Borrowing Cost	13.26	36.77
<b>Total</b>	<b>472.55</b>	<b>944.85</b>

### 35 OTHER EXPENSES

(₹ in Lakhs)

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Manufacturing Expenses</b>	<b>Total</b>	<b>8,223.01</b>	<b>12,705.76</b>
Power, Fuel & Water Charges		3,141.45	4,587.34
Machinery Repairs and Maintenance		124.22	131.62
Stores & Spares Consumption		2,932.73	4,920.53
Other Manufacturing Expenses		2,024.62	3,066.27
<b>Selling &amp; Distribution Expenses</b>	<b>Total</b>	<b>664.87</b>	<b>1,175.29</b>
Sales Commission		237.87	344.14
Export Freight & Insurance		72.64	229.27
Sales Promotion Expenses		11.68	7.60
Export Market Development Expenses		32.86	40.29
Other Selling Expenses		309.81	553.98
<b>Administrative Expenses</b>	<b>Total</b>	<b>488.32</b>	<b>659.57</b>
Travelling Expenses		44.30	49.27
Rent		-	0.30
Rates & Taxes		17.73	16.99
Insurance Premium		23.09	21.45
Building and Other Repairs		70.58	50.26
Advertisement Expenses		9.95	9.46
Directors' Setting Fees		8.80	5.48
Legal & Professional Fees		83.72	141.93
Payment to Auditors		7.85	5.18
Bank Discount, Commission and Other Charges		29.55	44.92

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 35 OTHER EXPENSES (CONTD.)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Donations	8.41	5.03
Sundry Balances Written Off	-	0.16
Corporate Social Responsibility Expenses	39.00	15.12
Provision for Impairment of Trade Receivables	4.11	8.25
Loss on Fair Valuation of Investments measured at FVTPL	-	-
General Expenses	141.23	285.77
<b>Total</b>	<b>9,376.20</b>	<b>14,540.62</b>
<b>Payments to the Statutory Auditor:</b>		
Audit Fees	4.80	3.50
In Other Capacity (Including Quarterly Limited Review)	3.05	1.68
<b>Total</b>	<b>7.85</b>	<b>5.18</b>

### 36 EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
No item to report under this category	-	-

### 37 EARNINGS PER SHARE (EPS)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Face Value Per Share (₹)	5.00	5.00
Weighted Average number of Equity Shares outstanding during the Year	2,02,40,000	2,02,40,000
Profit After Tax (₹ in Lakhs)	797.75	2,497.53
Basic and Diluted Earnings Per Share (₹)	<b>3.94</b>	<b>12.34</b>

### 38 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 38 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

#### Employee Benefit Plans

The cost of defined benefit gratuity plan and other long-term employment benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 39.

#### Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Details on current taxes are disclosed in Note 21.

#### Impairment of Financial Assets

The Company has defined benefits gratuity plan. Every employee who has completed five years or more of service gets gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed years of service. The Company's Gratuity Fund is managed by Life Insurance Corporation of India.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet.

### 39 EMPLOYEE BENEFIT

#### Defined Benefit Plans

The Company has defined benefits gratuity plan. Every employee who has completed five years or more of service gets gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed years of service. The Company's Gratuity Fund is managed by Life Insurance Corporation of India.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>(a) Gratuity Cost Recognised in the Statement of Profit and Loss</b>		
Current Service Cost	39.02	37.00
Net Interest Cost	33.65	31.00
Net Gratuity Cost Recognised in the Statement of Profit and Loss	<b>72.67</b>	<b>68.00</b>
<b>(b) Gratuity Cost Recognised in the Other Comprehensive Income (OCI)</b>		
Return on Plan Assets, excluding Interest Income	3.90	(0.42)
Actuarial changes arising from experience adjustments	3.30	4.70
Actuarial changes arising from changes in financial assumptions	17.23	3.08
Actuarial changes arising from changes in demographic assumptions	(1.32)	-
Net (Income) / Expense for the period recognised in OCI	<b>23.11</b>	<b>7.37</b>
<b>(c) Movements in the Present Value of the Defined Benefit Obligation</b>		
Obligation at the beginning of the year	432.55	393.90
Current Service Cost	39.02	37.00
Interest Cost	33.65	31.00
Benefits Paid	(43.92)	(37.13)
Experience Adjustments	3.30	4.70
Actuarial changes arising from changes in financial assumptions	17.23	3.08
Actuarial changes arising from changes in demographic assumptions	(1.32)	-
Obligation at the end of the year	<b>480.51</b>	<b>432.55</b>

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 39 EMPLOYEE BENEFIT (CONTD.)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>(d) Movements in the Fair Value of the Plan Assets:</b>		
Plan Assets at the beginning of the Year, at Fair Value	385.35	191.96
Interest Income	29.98	15.11
Contributions by the Employer	40.92	2 15.00
Benefits Paid	(43.92)	(37.13)
Return on Plan Assets, excluding Interest Income	(3.90)	0.42
Plan Assets at the end of the Year, at Fair Value	<b>408.44</b>	<b>385.35</b>
Actual Return on Plan Assets	26.09	15.52
Plan Asset / (Liability)	<b>(72.07)</b>	<b>(47.20)</b>

The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
	%	%
Insurance Fund	100.00	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Company's plans are shown below:

Particulars	As at March 31, 2020	As at March 31, 2019
	%	%
Discount Rate	6.82	7.78
Salary Escalation	7.00	7.00
Attrition Rate	1.00	1.00

#### Sensitivity Analysis :

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Projected Benefit Obligation on Current Assumptions	480.51	432.55
Delta Effect of +1% Change in Rate of Discounting	(37.86)	(31.57)
Delta Effect of -1% Change in Rate of Discounting	45.83	37.85
Delta Effect of +1% Change in Rate of Salary Increase	45.50	37.77
Delta Effect of -1% Change in Rate of Salary Increase	(38.30)	(32.05)
Delta Effect of +1% Change in Rate of Employee Turnover	(1.27)	1.60
Delta Effect of -1% Change in Rate of Employee Turnover	1.39	(1.99)

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 39 EMPLOYEE BENEFIT (CONTD.)

#### Projected Benefits Payable (from fund) in Future Years From the Date of Reporting

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
1st Following Year	124.17	97.12
2nd Following Year	36.94	14.15
3rd Following Year	29.49	71.23
4th Following Year	16.81	29.99
5th Following Year	18.68	16.85
Sum of Years 6 To 10	133.30	123.44
Sum of Years 11 and above	756.33	748.36

The average duration of the Projected Benefit Obligation at the end of the reporting period is 10 years (March 31, 2019: 10 years).

### 40 COMMITMENTS AND CONTINGENCIES

#### a. Leases

##### Finance Lease - Company as Lessee

The Company has taken land for its Bhavnagar Factory on lease for 30 years and the said lease has been classified as finance lease. Upon expiry, the Company also has an option to renew the said lease for another period of 30 years.

#### b. Commitments

##### Estimated amount of contracts remaining to be executed on capital account and not provided for:

The Company has entered into various contracts with suppliers and contractors for the acquisition of plant and machinery, equipment and various civil contracts of capital nature amounting to INR 0.94 Lakhs, (As at March 31, 2019: INR 322.23 lakhs).

#### c. Contingent Liabilities

(to the extent not provided for)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Renewal Power Purchase Obligation <sup>(Note No. iii)</sup>	72.54	-
Disputed Income Tax Liabilities	-	9.35
In respect of Land Revenue Charges	-	19.65
In respect of Other Matters	1.80	1.80
<b>Total</b>	<b>74.34</b>	<b>30.80</b>

**Note:** (i) Some retrenched employees of the company have preferred an appeal for their reinstatement, liability of which is unascertainable pending decision of the higher court. The company, however, does not expect any liability to arise on this account as the said retrenchment was lawfully made as per the order of the Dy. Commissioner of Labour, Government of Gujarat and Gujarat Industrial Tribunal.

(ii) In the year of 2010 the company purchased a plot of land having city survey no. 302, admeasuring 22,325.59 sq. mtrs, identified in company's record as Plot no. F-26, from a private party and acquired the lease rights thereon. The relevant transfer of the property and lease rights thereon was accepted by Bhavnagar Municipal Corporation (BMC) and taken on their record. Subsequently, the Collector of Bhavnagar District intervened and passed an order holding the transfer of the property to the company to be invalid. The company then went in appeal to the High Court of Gujarat and the Honorable High Court was pleased to stay the order of the Collector. The company is confident of ultimately winning the case on merits and does not foresee any adverse consequences and or liability in this regard.

(iii) The company uses energy generated from conventional sources and as per Electricity Act 2003 and Gujarat Electricity Regulatory Commission regulations, the company is cast upon to purchase Renewal Energy Certificate for meeting renewal power purchase obligation determined in the regulations from Central Electricity Regulatory Commission. The regulations are effective since 2015-16 and matter is sub-judice and awaiting clarification from power distribution Companies for its enforcement and applicability period. The amount of Rs 72.54 Lakhs is arrived at with the method prescribed in the regulations till March 31, 2020.

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 41 RELATED PARTY TRANSACTIONS

#### A. Name of Related Parties

Particulars	
I. Key Managerial Personnel & their Relative	Shri Chetan M Tamboli -Chairman & Managing Director
	Mrs. Manali C Tamboli -Non Executive Director *
	Shri Rushil C Tamboli -Whole Time Director
	Ms. Vidhi C Tamboli - Daughter of Managing Director **
	Shri Subhash R Sharma -Chief Financial Officer
	Shri Vishal K Sondagar -Company Secretary #
	Shri Mahesh L Purohit - Company Secretary \$
II. Entities Controlled by Key Managerial Personnel	Tamboli Investment Pvt Ltd
	Rushil Industries Limited
	C M Tamboli-HUF

#### B. Transactions with Related Parties

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Remuneration</b>		
<b>Key Managerial Personnel</b>		
Shri Chetan M Tamboli	42.89	44.34
Shri Rushil C Tamboli	18.09	14.10
Ms. Vidhi C Tamboli	2.69	-
Shri Subhash R Sharma	17.43	19.86
Shri Vishal K Sondagar#	0.42	4.24
Shri Mahesh Purohit \$	2.99	-
<b>Commission</b>		
<b>Key Managerial Personnel</b>		
Shri Chetan M Tamboli	48.95	136.09
Shri T Kumar	18.37	-
<b>Interest Paid</b>		
<b>Key Managerial Personnel</b>		
Shri Chetan M Tamboli	-	0.33
Shri Rushil C Tamboli	-	0.36
Mrs Manali C Tamboli	-	2.13
Ms. Vidhi C Tamboli	-	0.18
<b>Entities Controlled by Key Managerial Personnel</b>		
Rushil Industries Limited	-	1.15
C M Tamboli-HUF	-	0.75
Tamboli Investment Pvt Ltd	-	0.23
<b>Loan Taken</b>		
<b>Key Managerial Personnel &amp; their Relative</b>		
Shri Chetan M Tamboli	-	225.00
Shri Rushil C Tamboli	-	19.00
Mrs. Manali C Tamboli	-	382.00
Ms. Vidhi C Tamboli	-	13.75

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 41 RELATED PARTY TRANSACTIONS (CONTD.)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Entities Controlled by Key Managerial Personnel</b>		
Rushil Industries Limited	-	225.00
C M Tamboli-HUF	-	38.00
Tamboli Investment Pvt Ltd	-	21.25
<b>Loan Payment</b>		
<b>Key Managerial Personnel &amp; their Relative</b>		
Shri Chetan M Tamboli	-	225.00
Shri Rushil C Tamboli	-	19.00
Mrs. Manali C Tamboli	-	382.00
Ms. Vidhi C Tamboli	-	13.75
<b>Entities Controlled by Key Managerial Personnel</b>		
Rushil Industries Limited	-	225.00
C M Tamboli-HUF	-	38.00
Tamboli Investment Pvt Ltd	-	21.25
<b>Sitting Fees</b>		
<b>Key Managerial Personnel</b>		
Mrs. Manali C Tamboli	0.90	0.53
Shri T Kumar	-	0.38
<b>Medical Exp. Reimbursement</b>		
<b>Key Managerial Personnel</b>		
Shri Chetan M Tamboli	1.13	1.97
Shri Rushil C Tamboli	-	0.02

\* Resigned from the Company w.e.f. 5th November 2019.

\*\* Joined & Appointed w.e.f. 5th November 2019.

# Resigned w.e.f. 11th May 2019.

\$ Appointed as Company Secretary on 5th November 2019.

### Balance payable at Year End

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Remuneration and Commission Payable</b>		
<b>Key Managerial Personnel</b>		
Shri Chetan M Tamboli	(1.33)	138.80
Shri Rushil C Tamboli	1.05	1.23
Shri Subhash R Sharma	0.96	2.47
Shri Vishal K Sondagar	-	0.47
Ms. Vidhi C Tamboli	0.41	-
Shri Mahesh L Purohit	0.31	-



## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 41 RELATED PARTY TRANSACTIONS (CONTD.)

#### Terms and Conditions of Transactions with Related Parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

#### Compensation of Key Management Personnel of the Company

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Short-Term Employee Benefits	0.00	0.00
Post-Employment Benefits Plans ***	4.86	4.44
<b>Total Compensation paid to Key Management Personnel</b>	<b>4.86</b>	<b>4.44</b>

\*\*\* This do not include the provisions made for gratuity as it is determined on an actuarial basis for the Company as a whole. Similarly, provision for leave encashment are not included in the above table as the same is also determined on an actuarial basis for the Company as a whole.

### 42 SEGMENT INFORMATION

#### a. Basis for Segmentation

The Company's senior management consisting of Chief Executive Officer, Chief Financial Officer and Directors, examines the company's performance on the basis of single segment namely Castings Manufacturing business. Hence, the Company has only one operating segment under Ind AS 108 'Operating Segments' i.e. Castings Manufacturing business.

#### b. Geographical Information

The geographical information have been identified based on revenue within India (sales to customers with in India) and revenue outside India (sales to customers located outside India). The following table presents geographical information regarding the Company's revenue:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
India	7,899.07	13,279.13
Outside India	12,159.80	18,513.34
<b>Total</b>	<b>20,058.88</b>	<b>31,792.46</b>

All the Non-current assets (excluding financial instruments) are located in India only.

#### c. Major Customer

Following is the details of customers which individually contribute more than 10% of Company's revenue.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Customer 1	7,765.92	12,234.00
Customer 2	5,089.90	7,855.00
Customer 3	3,312.04	4,335.00

### 43 The total amount of Research & Development Expenditure charged to profit and loss during the year is INR 151.81 lakhs (previous year: INR 148.98 lakhs).

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The management assessed that the carrying amounts of its financial instruments are reasonable approximations of fair values.

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company's financial risk management policies are set by the Board of Directors. All derivative activities for risk management purposes are carried out by teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### Market Risk

Previous year figures have been recast/restated wherever necessary.

The sensitivity analyses in the following sections relate to the position as at 31 March 2020 and 31 March 2019. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2020 and 31 March 2019.

#### Interest Rate Risk

The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt. All the borrowing of the Company are at floating rate of interest.

#### Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Lakhs)		
Particulars	Increase/ Decrease in Basis Points	Effect on Profit Before Tax
<b>As at 31 March 2020</b>		
	+50	(22.27)
	-50	22.27
<b>As at 31 March 2019</b>		
	+50	(32.22)
	-50	32.22

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

#### Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). To mitigate the foreign currency risk, the Company enters into foreign exchange forward contracts. These foreign exchange forward contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirements and risk management strategy of the Company.

The most significant foreign currencies the Company is exposed to is the USD and EURO. The following tables sets forth information relating to foreign currency forward contracts and unhedged foreign currency exposures as at 31 March 2020 and 31 March 2019.

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

#### a) Forward Contracts Outstanding as at the Reporting Date (in Respective Currency)

##### Amount as at 31 March 2020

Particulars of Transactions	Currency	Foreign Currency	(₹ in Lakhs)
Foreign Currency Receivable	USD	-	-
Foreign Currency Receivable	EURO	-	-
<b>Total</b>			<b>-</b>

##### Amount as at 31 March 2019

Particulars of Transactions	Currency	Foreign Currency	(₹ in Lakhs)
Foreign Currency Receivable	USD	10,15,000	701.92
Foreign Currency Receivable	EURO	8,35,000	648.56
<b>Total</b>			<b>1,350.48</b>

#### b) Particulars of Unhedged Foreign Currency Exposure as at the Reporting Date

##### Amount as at 31 March 2020

Particulars of Transactions	Currency	Foreign Currency	(₹ in Lakhs)
Export Trade Receivable	USD	16,58,849	1,245.96
Export Trade Receivable	EURO	66,542	54.73
Import Payment	USD	-	-
Foreign Currency Borrowings	EURO	-	-

##### Amount as at 31 March 2019

Particulars of Transactions	Currency	Foreign Currency	(₹ in Lakhs)
Export Trade Receivable	USD	8,04,046	556.04
Export Trade Receivable	AUD	2,46,002	191.07
Import Payment	USD	32,700	22.61
Foreign Currency Borrowings	EURO	-	-

#### Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of unhedged foreign currency monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

(₹ in Lakhs)

	Change in USD rate	Effect on profit before tax
<b>31 March 2020</b>	+5%	62.30
	-5%	(62.30)
<b>31 March 2019</b>	+5%	26.67
	-5%	(26.67)

(₹ in Lakhs)

	Change in EURO rate	Effect on profit before tax
<b>31 March 2020</b>	+5%	(2.74)
	-5%	2.74
<b>31 March 2019</b>	+5%	(9.55)
	-5%	9.55

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and foreign exchange transactions.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

#### i) Trade Receivables

Customer credit risk is managed on the basis of the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30 days to 145 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored.

For trade receivables, Expected Credit Loss (ECL) is provided as per simplified approach. The Company has applied the practical expedient as per Ind AS 109 'Financial Instruments' to measure the loss allowance at lifetime ECL. The Company determines the ECL on trade receivables by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Below table represents the reconciliation of provision made for expected credit loss for trade receivables :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Balance	22.60	14.35
Changes in Loss Allowance:		
Impairment Allowance based on ECL	4.11	8.25
Utilised during the Year	-	-
<b>Closing Balance</b>	<b>26.71</b>	<b>22.60</b>

#### ii) Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties.

### Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligation on time or at a reasonable price. Processes and policies related to such risks are overseen by senior management. The Company regularly monitors the rolling forecasts and actual cashflows, to ensure it has sufficient funds to meet the operational needs.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in Lakhs)

Particulars	Payable within 0-12 Months	More than 12 Months	Total
<b>As at 31 March 2020</b>			
Borrowings including current maturities (Note 19, 23 & 25)	3,204.94	1,248.68	4,453.61
Trade Payable (Note 24)	0.01	-	0.01
Derivative Instruments (Note 25)	-	-	-
Other financial liabilities (Note 25)	500.29	-	500.29
	<b>3,705.23</b>	<b>1,248.68</b>	<b>4,953.91</b>

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(₹ in Lakhs)

Particulars	Payable within 0-12 Months	More than 12 Months	Total
<b>As at 31 March 2019</b>			
Borrowings including current maturities (Note 19, 23 & 25)	3,680.42	2,762.84	6,443.26
Trade Payable (Note 24)	0.02	-	0.02
Derivative Instruments (Note 25)	13.10	-	13.10
Other Financial Liabilities (Note 25)	938.35	-	938.35
<b>Total</b>	<b>4,631.88</b>	<b>2,762.84</b>	<b>7,394.72</b>

### 45 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings (including current maturities), trade payables, less cash and cash equivalents and other bank balances.

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings including Current Maturities (Note 19, 23 & 25)	4,453.61	6,443.26
Trade Payable (Note 24)	0.01	0.02
Less: Cash and Cash Equivalents (Note 11)	(28.21)	(359.79)
Less: Other Bank Balances (Note 12)	(139.34)	(280.22)
<b>Net Debt</b>	<b>4,286.07</b>	<b>5,803.27</b>

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Equity	11,789.31	11,495.95
Total Capital	11,789.31	11,495.95
<b>Capital and Net Debt</b>	<b>16,075.38</b>	<b>17,299.21</b>
Gearing Ratio	26.66%	33.55%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

## Notes to the Financial Statements as at and for the year ended March 31, 2020 (Contd.)

### 46 RESEARCH & DEVELOPMENT EXPENDITURE

The total amount of Research & Development Expenditure charged to profit and loss during the year is INR 151.81 lakhs (previous year: INR 148.98 lakhs).

### 47 Details of Expenditure incurred on Corporate Social Responsibility (CSR) Activities:

Total CSR expenditure incurred during the year by way of donation to various trusts is INR 38.87 lakhs (previous year: INR 15.12 lakhs).

### 48 Ind AS-116: Leases

The company has evaluated the impact on account of implementation of Ind AS-116 and which is very insignificant.

### 49 Impact of COVID-19

The COVID-19 pandemic is rapidly spreading throughout the world. The Company was under lockdown from March 24, 2020 till the company resumed operations on April 27, 2020. As a result of lockdown the volumes for the month of March 2020 has been impacted significantly. Post lockdown the Company faced various constraints in terms of movement of Men, Machines & Material and had taken quite long time to bring the operations on track. The last quarter of the year performance impacted adversely. We believe that with higher probability of normal monsoon, growth in rural economy will revive and stay strong. Despite uncertainty surrounding the COVID-19 pandemic and lockdown restrictions, the Company believes that, post lockdown, supportive measures and stimuli from the Government & Reserve Bank of India will help the economy to regain its growth. The company expect that Government of India Schemes like Atma Nirbhar Bharat, Make in India etc. will boost the domestic sector immensely. The Company does not see any medium to long term risks in the company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

50 According to the management's evaluation of events subsequent to the balance sheet date, there were no significant adjusting events that occurred other than those disclosed / given effect to, in these financial statements as of 29th June 2020.

51 Previous year figures have been recast/restated wherever necessary.

As per our report of even date attached

For **S S M & CO**

Chartered Accountants

FRN: 129198W

**CA Sarju Mehta**

Partner

M. No. 106804

Place: Bhavnagar

Date: June 29, 2020

For **STEELCAST LIMITED**

**Subhash Sharma**

Chief Financial Officer

For and on behalf of the Board of Directors

**Rushil C Tamboli**

Whole Time Director

DIN: 07807971

Place: Bhavnagar

Date: June 29, 2020

**Mahesh Purohit**

Company Secretary

**Chetan M Tamboli**

Chairman & Managing Director

DIN: 00028421







## **STEELCAST LIMITED**

**Registered Office & Works**

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