



# 50<sup>th</sup> Annual Report 2020-2021



**STEELCAST LIMITED**

# Navigating through...

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## Investor Information

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- Corporate Id No.  
**L27310GJ1972PLC002033**
- ISIN  
**INE124E01020**
- Scrip Code at BSE  
**513517**
- Bloomberg Code  
**STLCS:IN**
- AGM Date  
**August 09, 2021**
- 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.



## Vision



- To be a reputed global provider of reliable and ready-to-use high quality castings
- To offer customer delight and employee growth with equal fairness towards all stakeholders
- To focus on innovation and creativity for promoting organisational participation and continuous learning
- To diversify into different products and businesses by providing state-of-the-art material



## Mission



- To continuously interact with customers to understand their needs
- To offer best-in-class customer service and provide them value for money to earn complete customer loyalty and facilitate access to larger markets
- To continuously develop processes for delivering high quality, reliable and consistent products
- To create a transparent, principled and system-based organisation that empowers employees at all levels to take initiatives, innovate, learn and grow while working with enthusiasm and commitment
- To be a debt-free company offering excellent shareholder returns, employee-friendly environment and pay all fair dues to the Government and society

## Key Reporting Principles

Ministry of Corporate Affairs has revised the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011 (NVGs) and formulated the National Guidelines on Responsible Business Conduct (NGRBC), 2019. These guidelines urge businesses to actualise the principles in letter and spirit. The NGRBC is applicable to all kinds of businesses, irrespective of their size, ownership, size, sector, structure or location.

The Company is reporting the below principles on voluntarily basis to disclose the commitment of the Company to perform against its economic, social and environmental impacts.

### Principle 1

**Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable**

The Company recognizes that ethical behaviour in all operations, functions and processes, is the cornerstone of businesses and emphasizes that disclosures on business decisions and actions that impact stakeholders form the fundamental basis of operationalizing responsible business conduct and should be accessible to all relevant stakeholders.

# Key Reporting Principles (Contd.)

## Principle 2

### **Businesses should provide goods and services in a manner that is sustainable and safe**

The Company recognizes sustainable production and consumption are interrelated, contribute to enhancing the quality of life and towards protecting and preserving earth's natural resources and further emphasizes that businesses should focus on safety and resource-efficiency in the design and manufacture of their products, and use their products in a manner that creates value while minimizing and mitigating its adverse impacts on the environment and society through all stages of its life cycle, from design to final disposal.

## Principle 3

### **Businesses should respect and promote the well-being of all employees, including those in their value chains**

The Company encompasses all policies and practices relating to the equity, dignity, well-being and provision of decent work of all employees engaged within a business or in its value chain, without any discrimination and in a way that promotes diversity.

## Principle 4

### **Businesses should respect the interests of and be responsive to all their stakeholders**

The Company recognizes that businesses operate in an eco-system comprising a number of stakeholders, beyond shareholders and investors, and that their activities impact natural resources, habitats, communities and the environment and acknowledges that it is the responsibility of businesses to ensure that the interests of all stakeholders, especially those who may be vulnerable and marginalized, are protected.

The Company further recognizes that businesses have a responsibility to maximize the positive impacts and minimize and mitigate the adverse impacts of its products, operations, and practices on all their stakeholders.

## Principle 5

### **Businesses should respect and promote human rights**

The Company recognizes that human rights are rights inherent to all human beings, and that everyone, individually or collectively, is entitled to these rights, without discrimination. It further recognizes that human rights are inherent, inalienable, interrelated, interdependent and indivisible.

The Company is responsive to such persons, individually or collectively, who are most vulnerable to, or at risk of, such adverse human rights impacts.

## Key Reporting Principles (Contd.)

### Principle 6

#### **Businesses should respect and make efforts to protect and restore the environment**

The Company recognizes that environmental responsibility is a prerequisite for sustainable economic growth & for the well-being of society and further emphasizes that environmental issues are interconnected at the local, regional and global levels, which makes it imperative for businesses to address issues like pollution, biodiversity conservation, sustainable use of natural resources and climate change (mitigation, adaptation and resilience) in a just, comprehensive and systematic manner.

The Company adopts environmental practices and processes that minimize or eliminate the adverse impacts of its operations and across the value chain.

### Principle 7

#### **Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

The Company recognizes that businesses operate within specified national and international legislative and policy frameworks, which guide their growth and also provide for certain desirable restrictions and boundaries. Also recognizes the legitimacy of businesses to engage with governments for redressal of a grievance or for influencing public policy.

The Company emphasizes that public policy advocacy must expand public good.

### Principle 8

#### **Businesses should promote inclusive growth and equitable development**

The Company recognizes the challenges of social and economic development faced by India, and builds upon the national and local development agenda as articulated in government policies and priorities. This is particularly significant in zones affected by social disharmony and low human development.

The Company believes that business success, inclusive growth and equitable development are interdependent.

### Principle 9

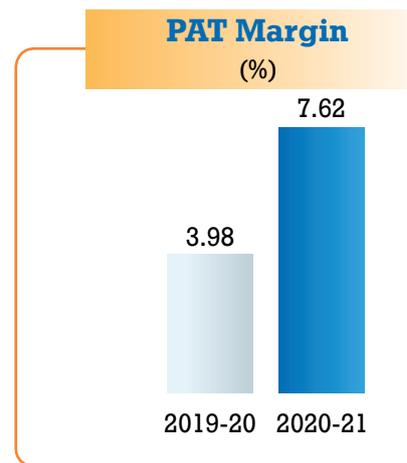
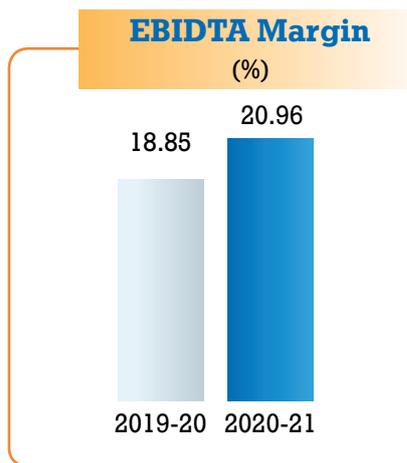
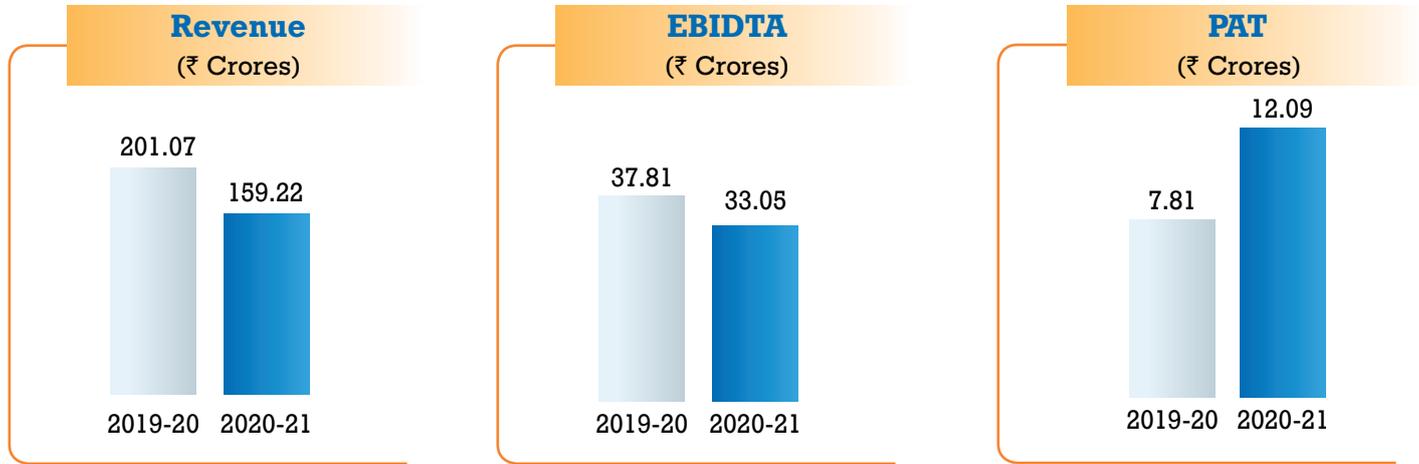
#### **Businesses should engage with and provide value to their consumers in a responsible manner**

The basic aim of the Company is to provide goods and services to its consumers that are safe to use, and in a manner that creates value for both.

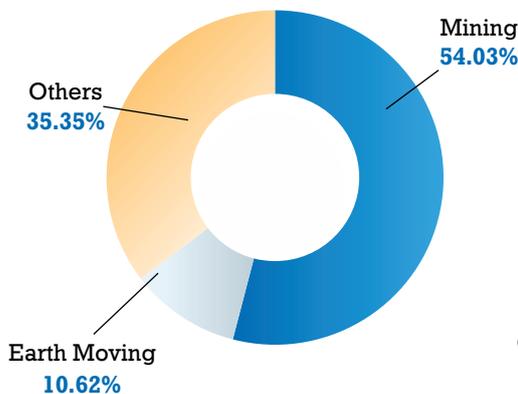
The Company also recognizes that businesses should play a key role, along with other relevant stakeholders, in mitigating the adverse impacts that excessive consumption of its products may have on the overall well-being of individuals, society and our planet.

# Performance Overview

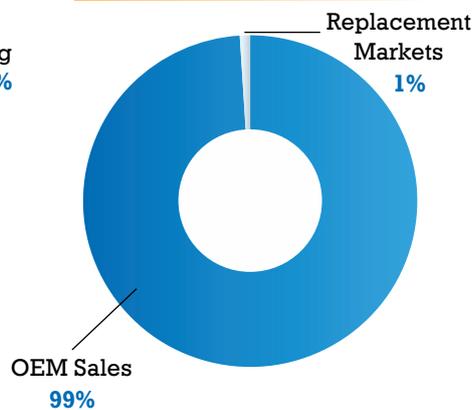
## Key Performance Indicators



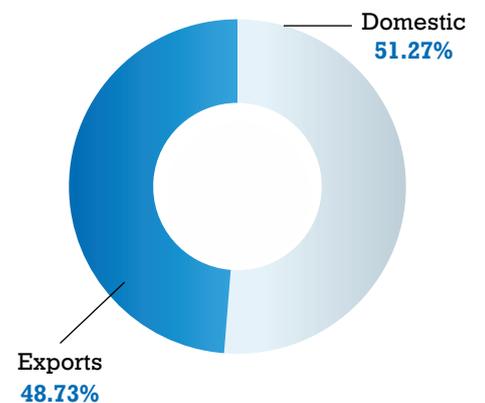
**Industry-wise Revenue Contribution**



**Segment-wise Contribution**



**Geography-wise Revenue Contribution**



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

# Our Footprints



**Company Head office**

- Bhavnagar (Gujarat) India

**The Company Exports about half its production and has established in over Ten Countries**

- USA
- Germany
- Thailand
- Singapore
- Denmark
- Mexico
- Brazil
- China
- South Korea
- Japan



**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.

# Corporate Information

## Board of Directors & Invitee

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### **Mr. Chetan M Tamboli**

Chairman & Managing Director

### **Mr. Rajendra V Gandhi**

Independent Director

### **Mr. Apurva R Shah**

Independent Director

### **Mr. Kumar Tipirneni**

Permanent Invitee to the Board

### **Mr. Hemant D Dholakia**

Independent Director  
(Appointed on 29.06.2020)

### **Mr. Rushil C Tamboli**

Whole Time Director

### **Ms. Vidhi C Tamboli**

Non-Independent Non-Executive Director  
(W.e.f. 01.12.2020)

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## Chief Financial Officer

**Mr. Subhash R Sharma**

## Company Secretary

**Mr. Mahesh L Purohit**

## 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  
Phone : (91) (278) 251 9062  
Fax : (91) (278) 251 9831

## SIGNIFICANT FINANCIAL INDICATORS FOR LAST TEN YEARS

(₹ in Lakhs except as specified)

Sr. No.	Aspect	Financial Year Ending on 31st March									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
1	Total Income	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	15,922.00
2	EBITDA	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	3,305.26
3	Profit After Tax	1411.01	1,965.42	42.57	(1,850.04)	13.29	298.09	2,075.18	2,492.30	781.37	1,209.49
4	Net Worth	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	12,877.37
5	Total Borrowed Funds	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	2,311.02
6	Fixed Assets (Net)	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	9,906.03
7	Net Current Assets	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	8,297.95
8	Book Value Per Share (Adjusted to Sub Division & Bonus Issue and PI) (₹)	36.00	44.00	43.00	32.89	35.51	36.58	46.11	56.80	58.25	63.85
9	Earning Per Share (Basic) (Adjusted to Sub Division & Bonus Issue) (₹)	9.30	11.80	0.23	(10.16)	0.07	1.47	10.31	12.34	3.94	6.16
10	Dividend (%)	60.00	36.00	0.00	0.00	0.00	12.00	27.00	40.00	12.00	27.00
11	Debt Equity Ratio (Total Borrowed Funds/Net Worth)	1.42	1.51	1.74	2.40	1.78	1.21	0.99	0.56	0.38	0.18
12	Operating Profit to Sale (%)	16.62	16.64	18.12	(0.06)	19.17	18.44	19.04	18.95	18.85	20.96

# STEELCAST LIMITED

CIN: L27310GJ1972PLC002033

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

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

## NOTICE OF 50<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 50th Annual General Meeting of the Members of **STEELCAST LIMITED** (CIN L27310GJ1972PLC002033) (the "Company") will be held at 1600 Hours on 09<sup>th</sup> August, 2021 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, 2021 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, 2021.
3. To appoint a Director in place of Ms. Vidhi C Tamboli, as Non-Executive Non-Independent Director having Director Identification Number 06689283, who retires by rotation and being eligible offers herself for re-appointment.

### Special Business:

#### 4. Ratification of Remuneration to Cost Auditor:

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, 2021 and ending on 31<sup>st</sup> March, 2022, 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."

#### 5. Re-appointment of Mr. Chetan M Tamboli (DIN:00028421) as Managing Director and fixation of remuneration:

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") (including any statutory modification or re-enactment thereof) read with Schedule V to the Act and the rules framed thereunder and Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Articles of Association of the Company the approval of the members of the Company, be and is hereby accorded for the re-appointment of Mr. Chetan M Tamboli having Director Identification Number 00028421 as Managing Director of the Company not liable to retired by rotation, for a further period of 5 (five) years with effect from 1<sup>st</sup> September, 2021, on the terms and conditions hereinafter mentioned, with liberty to the Board to alter and vary the remuneration and terms and conditions of said appointment to the extent recommended by the Nomination and Remuneration Committee, from time to time, as may be considered appropriate within the overall limits specified herein, so long as the alterations are in conformity with the provisions of the Companies Act, 2013:

- i) The total remuneration payable to Mr. Chetan M Tamboli will be @ 5% of the Net Profit of the Company, the said profit being computed in accordance with the provisions of the Companies Act, 2013.
- ii) Out of the total remuneration specified in para (i) above, Mr. Chetan M Tamboli will be paid as salary a sum of Rs.265,000/- per month, in the scale of Rs.265,000-15,000-340,000.

- iii) In addition to the salary, Mr. Tamboli will also be paid a House Rent Allowance of Rs.30,000/- per month.
- iv) The difference between 5% of the Net Profit specified in para (i) above, and the sum of the amounts mentioned in paras (ii) & (iii) above and the value of perquisites as laid down in para (vii) below will be paid to Mr. Tamboli by way of Commission.
- v) If, in any year, there is inadequacy of profit or there is no profit, then:
  - a. If there is inadequacy of profit, the total remuneration shall not exceed 5% of the Net Profit.
  - b. In the event of there being no profit or inadequacy of profit, notwithstanding anything contained in paras (i), (ii), (iii), (iv) & (v) (a) above, the total remuneration payable to Mr. Tamboli shall not be less than the amounts shown under para (ii) and (iii) above, subject to ceiling specified under Schedule V to the Companies Act, 2013.
- vi) The revised salary and allowance as above and the benefits and perquisites as mentioned in paras (vii) below will be effective from 01/09/2021, with future increments in salary within the specified scale falling due on 1<sup>st</sup> April each year hereafter. However, the ceiling on the aggregate remuneration at 5% of the Net Profit would apply to the Financial Year 2021-22 and the subsequent Financial Years.
- vii) **Perquisites:** Perquisites and benefits will also be allowed and paid to Mr. Chetan M Tamboli within the overall ceiling of 5% of net profit, and classified in three categories (Part-A, Part-B and Part-C) as follows:

#### **PART-A**

- i) **Medical reimbursement:** Expenses incurred for MANAGING DIRECTOR and his family subject to a ceiling of one month's salary during one year.
- ii) **Leave Travel Concession:** MANAGING DIRECTOR and his family, in accordance with the rules specified to other Executives by the Company.

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

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

**Family means :** Spouse, dependent children and dependent parents, if any.

#### **PART-B**

Contribution to the Provident Fund, Superannuation Fund and or Annuity Fund will not be included in the computation of the ceiling on perquisites 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 in accordance with the rules and policy specified by the company.
3. **Superannuation:** Superannuation in accordance with the rules and policy specified by the company.

#### **PART-C**

Provision of telephone at the residence will not be considered as perquisite. Personal long distance calls on telephone shall be billed by the Company to the MANAGING DIRECTOR.

**“RESOLVED FURTHER THAT** the MANAGING DIRECTOR shall not, during the period of his employment and without the previous consent in writing of the Board, engage or interest himself either directly or indirectly (except as a shareholder or debenture holder of any limited liability Company and provided that such shares or debentures, as the case may be, are dealt in on a recognized stock exchange and the nature of such shareholding or holding of debentures shall have been disclosed to and approved by the Board) in the business or affairs of any other person, firm, company, body corporate, or in any undertaking or business of a nature similar to or competing with the Company's business and further shall not, in any manner, whether directly or indirectly use, apply or utilize his knowledge or experience for or in the interest of any such person, firm, company, body corporate as aforesaid or any such competing undertaking or business as aforesaid.

Subject to the superintendence and guidance of the Board of Directors, Mr. Chetan M Tamboli will have the overall responsibility and authority for day-to-day management of the Company.

The Company shall be at liberty, from time to time, to appoint a person or persons to be Managing Director(s) of the Company jointly with existing Managing Director.

If before the expiration of this agreement the tenure of office of Managing Director shall be determined by any reason of a reconstruction or amalgamation, whether by winding up of the Company or otherwise, the Managing Director shall have no claim against the Company for damages.

The Managing Director may provide guarantee to lenders like Bankers, Financial Institutions & Non-Banking Financial Institutions, etc. as may be required as part of the terms & conditions of their sanction letter, without any consideration for the various working capital and term loan credit facilities sanctioned to the company, for duration of the his employment."

**"RESOLVED FURTHER THAT** Mr. Rushil C Tamboli, Whole Time Director of the Company, be and is hereby authorized to execute the Agreement, including any supplementary agreement as may be required at a

future date, on behalf of the Company with Mr. Chetan M Tamboli, and the common seal of the Company be affixed on the said agreement in the presence of him."

**"RESOLVED FURTHER THAT** Mr. Chetan M Tamboli, Managing Director and Mr. Rushil C Tamboli, Whole Time Director and Mr. Subhash Sharma, Chief Financial Officer and Mr. Mahesh Purohit, Company Secretary be and are hereby authorized severally to file all forms, returns and other relevant documents with various statutory authorities."

**6. Alteration of Articles of Association of the Company:**

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

**"RESOLVED THAT** pursuant to the provisions of section 14, of the Companies Act, 2013 ("the Act") and any other applicable provisions of the Act and rule frame thereunder, including any modification(s) thereto or re-enactment(s) thereof and subject to the approval of shareholders and subject to such other approvals, permission and consents as may be required, the following clauses of Articles of Association of the Company be and are hereby altered/replaced as under:

Sr. No.	Clauses of Articles No.	Existing	Proposed
1	2(5)	<b>'Directors'</b> means the Directors for the time being of the company or as the case may be the Directors assembled at a Board Meeting.	<i>"Director"</i> means a Director appointed to the Board of a company;
2	2(7)	<b>'Members'</b> shall mean Members of the Company holding a share or shares of any class and registered in the Share Register of the Company.	<i>"Members"</i> means (i) the subscriber to the memorandum of the company who shall be deemed to have agreed to become member of the company, and on its registration, shall be entered as member in its register of members; (ii) every other person who agrees in writing to become a member of the company and whose name is entered in the register of members of the company; (iii) every person holding shares of the company and whose name is entered as a beneficial owner in the records of a depository;

3	2(13)	<p><b>'Proxy'</b> includes attorney duly constituted under a Power of Attorney.</p>	<p><i>"Proxy"</i> means any member of a company, entitled to attend and vote at a meeting of the company, as a proxy to attend and vote at the meeting on his behalf.</p> <p>The instrument appointing a proxy shall—</p> <p>(a) be in writing; and</p> <p>(b) be signed by the appointer or his attorney duly authorised in writing.</p>
4	2(23)	<p><b>'Key Managerial Personnel'</b> in relation to a company, means:</p> <p>(i) the Chief Executive Officer or the managing director or the manager;</p> <p>(ii) the company secretary;</p> <p>(iii) the whole-time director;</p> <p>(iv) the Chief Financial Officer; and</p> <p>such other officer as may be prescribed.</p>	<p><i>'Key managerial personnel'</i>, in relation to a Company, mean:</p> <p>(i) the Chief Executive Officer or the managing Director or the manager;</p> <p>(ii) the Company secretary;</p> <p>(iii) the whole-time Director;</p> <p>(iv) the Chief Financial Officer;</p> <p>(v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and</p> <p>(vi) such other officer as may be prescribed;</p>
5	58	<p><b>'Reduction of Capital etc., by Company'</b></p> <p>The Company may, by Special Resolution, reduce in any manner and with, and subject, any incident authorised and consent required by law:</p> <p>(a) its share capital</p> <p>(b) any capital redemption reserve account or any share premium account</p>	<p><i>'Reduction of Capital etc., by Company'</i>; The Company may from time to time by special resolution, subject to confirmation by the Court or the Tribunal (as may be applicable) and subject to the provisions of Sections 52, 55 and 66 of the Companies Act, 2013 and other applicable provisions, if any, reduce its share capital in any manner and in particular may –</p> <p>(a) extinguish or reduce the liability on any of its shares in respect of the share capital not paid up; or</p> <p>(b) either with or without extinguishing or reducing liability on any of its shares,—</p> <p>(i) cancel any paid-up share capital which is lost or is unrepresented by available assets; or</p> <p>(ii) pay off any paid-up share capital which is in excess of the wants of the company,</p> <p>alter its memorandum by reducing the amount</p>

**“RESOLVED FURTHER THAT** Mr. Chetan M Tamboli, Chairman & Managing Director and Mr Rushil C Tamboli, Whole Time Director and Mr. Subhash Sharma, Chief Financial Officer and Mr. Mahesh Purohit, Company Secretary of the Company, be and are hereby severally authorized to sign and file all the

requisite e-forms along with such other documents as may be required, with registrar of Companies, and to do all such acts, deeds and things as may be ancillary or incidental thereto for giving effect to this resolution.”

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

Place: Bhavnagar  
 Date: May 28, 2021

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

## Notes

- As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies can be conducted as per the guidelines issued by the Ministry of Corporate Affairs(MCA)vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular no 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and SEBI Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI Circular number SEB/HO/DDHS/DDHS/CIR/P/2021/21 dated February 26, 2021 respectively issued by the Securities and Exchange Board of India (collectively referred to as 'SEBI Circulars'), holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members, is permitted. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
- Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) ("Body Corporates") are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e- Voting. The said Resolution/ Authorisation shall be sent to the Scrutiniser by e-mail through its registered e-mail address at dgbhimani@yahoo.co.in with a copy marked at evoting@nsdl.co.in.
- The relevant Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013, in respect of the special business is annexed hereto.
- A statement giving the relevant details of the directors seeking re-appointment is annexed hereto.
- In compliance with the aforesaid MCA Circulars and SEBI Circular. Notice of the AGM along with the Annual Report 2020-21 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 2020-21 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 are requested to note that SEBI, vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated 7<sup>th</sup> September, 2020, has fixed 31<sup>st</sup> March, 2021 as the cut-off date for re-logging of physical share transfer requests and has stipulated that such transferred shares shall be issued only in demat mode.
8. 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 05<sup>th</sup> August, 2021 (9:00 a.m. IST) to 07<sup>th</sup> August, 2021 (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.
9. 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 to cs@steelcast.net on or before 07<sup>th</sup> August, 2021, 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 07<sup>th</sup> August, 2021 through email on ss@steelcast.net. The same will be replied by the Company suitably.
10. 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 and permanent invitee to the board are allowed to attend the AGM without restriction on account of first come first served basis.
11. 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.
12. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 04<sup>th</sup> August, 2021 to 09<sup>th</sup> August, 2021 (both days inclusive) for the purpose of 50th 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.

## Notes (Contd.)

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. April 1, 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 09<sup>th</sup> August 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 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 09<sup>th</sup> August, 2021.
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).
- We are in the process the Change R&T Agents from M/s. MCS Share Transfer Agent Ltd "MCSSTAL" to M/s. Bigshares Services Private Limited "BSSPL" once the requisite confirmation received from National Securities Depositories Limited and Central Depository Services Limited we will separately notify the effective date of change in Registrar and Share Transfer Agent.
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.
18. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant ('DP') and holdings should be verified from time to time.

## Notes (Contd.)

19. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
20. Members may please note that SEBI has made PAN as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. Members may please note that SEBI has also made it mandatory for submission of PAN in the following cases:
- Deletion of name of the deceased shareholder(s);
  - Transmission of shares to the legal heir(s); and
  - Transposition of shares.

### 21. 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 06<sup>th</sup> August, 2021 at 09.00 a.m. and ends on 08<sup>th</sup> August, 2021 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., 04<sup>th</sup> August, 2021 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: Access to NSDL e-Voting system

##### A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed

## Notes (Contd.)

Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in

order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> </ol>

## Notes (Contd.)

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

### Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**Notes (Contd.)**

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**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 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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 demataccount 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. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can user 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.

## Notes (Contd.)

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](http://www.evoting.nsdl.com).
  - b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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 etc.
  - 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.

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.
2. Select "EVEN" of company which is **116384** for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board 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 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote, Asst. Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

## Notes (Contd.)

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide 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) by email to cs@steelcast.net.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@steelcast.net. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

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

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the 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 to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@steelcast.net. The same will be replied by the company suitably.

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

Place: Bhavnagar  
 Date: May 28, 2021

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

## EXPLANATORY STATEMENT

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

### Item No. 3 of Ordinary Business:

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)

Name of the Director	Ms. Vidhi C Tamboli (DIN No. 06689283)
Date of Birth	23.11.1991
Nationality	Indian
Date of Appointment on Board	05.11.2019
Qualification	Master of Arts & Master of Education (Psychology)
Experience	Having experience of over three years as Psychological and Career Counsellor in various organizations in India and abroad. She also was Whole Time Director in the Steelcast Limited prior to her present Non-Executive Non-Independent Directorship.
Shareholding	NIL
Terms and conditions of appointment along with details of remuneration	-
Remuneration last drawn (during FY 2020-21, till she ceased to be Whole Time Director on 30.11.2020)	Rs 3,64,516/- during her being Whole Time Directorship.
No. of Meetings of the Board attended during the year	Four meetings attended out of Five meetings applicable to her during the Financial Year 2020-21.
Directorship of other Companies	NIL
Membership/Chairmanship of Committees of other Companies	NIL
Ms. Vidhi C Tamboli is daughter of Mr. Chetan M Tamboli and sister of Mr. Rushil C Tamboli	

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. 4 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 28<sup>th</sup> May, 2021, 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 7325 and 8487) at a remuneration of Rs. 80,000/- 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, 2022.

The Board recommends the resolution set out at Item No. 4 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.

## Explanatory Statement (Contd.)

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. 4.

### Item No. 5 of Special Business:

Special Resolution as mentioned in Item No. 5 relate to reappointment of Mr. Chetan M Tamboli (DIN: 00028421) as a Managing Director for a further period of 5 (Five) years with effect from September 1, 2021 in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") (including any statutory modification or re-enactment thereof) read with Schedule V to the Act and the rules framed thereunder and Regulation 17 (6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Articles of Association of the Company.

In view of the nature of duties being discharged by Mr. Chetan M Tamboli and upon the powers vested by the shareholders, the Board of Directors at its meeting held on May 28, 2021, reappointed him as Managing Director for a further period of 5 (Five) years with effect from September 01, 2021, on the terms and conditions including remuneration as recommended

by the Nomination and Remuneration Committee of the Board subject to approval of shareholders at this Meeting.

Considering his rich and wide experience as well as long term association with the Company and taking into account his valuable contribution to the growth of the Company, it is desirable to reappoint Mr. Chetan M Tamboli as Managing Director for a further period of 5 (Five) years from September 01, 2021, in pursuance of the provisions of Companies Act, 2013, as amended subject to approval of shareholders.

The Board of Directors recommends the Resolutions at Item No. 5 of the accompanying Notice for the approval of the Members of the Company as Special Resolution.

Except Mr. Chetan M Tamboli and his relatives including Mr. Rushil C Tamboli a Whole Time Director and Ms. Vidhi C Tamboli Non-Executive Non-Independent Director, none of the other Directors or the 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. 5 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)

Name of the Director	Mr. Chetan M Tamboli (DIN No. 00028421)
Date of Birth	09.12.1959
Nationality	Indian
Date of Appointment on Board	31.08.1991
Qualification	MBA (Finance)
Experience	Mr. Chetan M Tamboli, a Promoter Director, has been appointed as Chairman of the Company on August 09, 2016, with designation as Chairman & Managing Director. Prior to the Chairman, he served as Vice Chairman & Managing Director. He has associated with the Company as a Whole Time Director since September 01, 1991. He has more than 36 years of experience in steel casting. He is also Director of many reputed companies. His areas of expertise comprise Strategic Management & Finance, General Management, Production and Corporate Laws.
Shareholding	He holds 3319420 Equity Shares (16.40%) and also Chetan M Tamboli HUF holds 835320 Equity Shares (4.13%) in the Company as on March 31, 2021.
Terms and conditions of appointment along with details of remuneration	As mentioned at Point No 5 under Special Resolution above.
Remuneration last drawn (during FY 2020 -21)	Rs.33,22,387/-
No. of Meetings of the Board attended during the year	Five meetings attended out of Five meetings applicable to him.
Directorship of other Companies	1. Vadilal Enterprises Limited 2. Rushil Industries Limited 3. Rushil Recycling Private Limited 4. Rushil Enterprise Limited 5. Tamboli Trading LLP
Membership/Chairmanship of Committees of other Companies	Chairman of Audit Committee in Vadilal Enterprises Limited and Member in Stakeholder and Relationship Committee at Vadilal Enterprises Limited
Mr. Chetan M Tamboli is father of Ms. Vidhi C Tamboli and Mr. Rushil C Tamboli.	

**THE INFORMATION REQUIRED UNDER CLAUSE (iv) OF THE SECOND PROVISOR TO SECTION II OF PART - II OF SCHEDULE V OF THE COMPANIES ACT, 2013 IS GIVEN BELOW:**

**I. General Information:**

**1. Nature of Industry:** Foundry (Steel & Alloy Steel Castings manufacturing)

**2. Date or expected date of commencement of commercial production:** 1961 (Commenced as Partnership Firm)

**3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable

## Explanatory Statement (Contd.)

### 4. Financial performance:

(₹ in Lakhs)			
Particulars	2020-21	2019-20	2018-19
Total Income	15,922.00	20,106.64	31,934.03
Profit Before Interest, Depreciation & Tax (EBITDA)	3,305.26	3,780.97	6,015.54
Profit Before Tax	1,564.40	1,703.66	3,505.66
Profit After Tax	1,209.49	781.37	2,492.30
Dividend percentage	27.00	12.00	40.00

### 5. Foreign investments or collaborations, if any: NIL

### II. Information about the appointee:

#### 1. Background details:

Mr. Chetan M Tamboli, a Promoter Director, has been appointed as Chairman of the Company on August 09, 2016, with designation as Chairman & Managing Director. Prior to the Chairman, he served as Vice Chairman & Managing Director. He associated with the Company as a Whole Time Director since September 01, 1991. He has more than 36 years of experience in steel casting. He is also Director of many reputed companies. His areas of expertise comprise Strategic Management & Finance, General Management, Production and Corporate Laws.

#### 2. Past Remuneration:

Mr. Chetan M Tamboli has been associated with the Company since many years. During the financial year 31st March, 2021, he was paid total remuneration of Rs.33,22,387/- by the Company. This amount also includes value of other benefits & perquisites.

#### 3. Recognition or award:

Mr. Chetan M Tamboli was past Chairman of CII Western Region Gujarat and also Chairman Board of Governors, Government Engineering College, Bhavnagar, Gujarat.

#### 4. Job Profile and his suitability:

Subject to the superintendence and guidance of the Board of Directors, Mr. Chetan M Tamboli will have the overall responsibility and authority for day-to-day management of the Company.

#### 5. Job Profile and his suitability:

As stated in the Explanatory Statement of the Notice of the 50th AGM.

#### 6. Job Profile and his suitability:

The remuneration offered to Mr. Chetan M Tamboli is at par with the industry norms considering the nature of industry, profile and position of person.

#### 7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Mr. Chetan M Tamboli is promoter of the Company. He does not have any pecuniary relation with the Company except remuneration for his position.

### III. Other Information:

#### 1. Reasons of loss or inadequate profits: Not Applicable.

Currently, Company's profits are adequate to pay managerial remuneration.

#### 2. Steps taken or proposed to be taken for improvement:

To mitigate the adverse impact and reduce cost and increase realizations, the Company consistently adopt and implement various measures, which has contributed to Company performance and growth to a great extent.

#### 3. Expected increase in productivity and profits in measurable terms:

The Company has made substantial investment in plant for stabilizing the operations & plant capacity and exploring new markets. With the ramp up of operations at increased capacity, substantial contribution in revenue and profitability is expected in the coming years.

## Explanatory Statement (Contd.)

### IV. Disclosures:

1. Details of remuneration being offered are given in the above resolution, which will be provided at appropriate places in the Corporate Governance Report and will be annexed to the Director's Report of the ensuing Annual General Meeting of the Company, to be held for the financial year 2020-21. The disclosures in respect of remuneration package and other details of all the Directors for financial year 2020-21 were provided at appropriate places in the Corporate Governance Report annexed to the Directors' Report of financial year 2020-21.
2. The ceiling for the overall remuneration (inclusive of performance linked incentives) shall be as specified in the aforesaid resolution and may be altered/ revised from time to time within such overall limits approved by the Shareholders.

This Notice along with explanatory statement is and should be considered as an abstract of the terms of the remuneration and remuneration of Mr. Chetan M Tamboli designated as Managing Director of the Company, for a further period of 5 (Five) years effective from 1<sup>st</sup> September, 2021, subject to approval of shareholders, of the Company and a memorandum as to nature of concern or interest of the Directors in the said remuneration.

Place: Bhavnagar  
Date: May 28, 2021

### Item No. 6 of Special Business:

There are various clauses in the Articles of Association of the Company required to be changed on account of changes/amendments in applicable laws. The proposed alterations are consistent with the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and Memorandum of Association.

Existing clauses of Articles of Association nos. 2(5) - 'Directors', 2(7) - 'Members', 2(13) - 'Proxy', 2(23) - 'Key Managerial Personnel' and 58 - 'Reduction of Capital etc., by Company', are revised and amended as mentioned in Resolution.

The approval of the members of the company is required, by way of special resolution pursuant to section 14 of the Companies Act, 2013 and accordingly the Board recommended the relevant resolution for the approval of members.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding in the Company, if any.

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

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

## Board's Report

### Dear Members,

The Directors of your Company are pleased to present the **50<sup>th</sup> Annual Report** together with the Audited Financial Statement for the Financial Year ended on March 31, 2021.

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

Sr. No.	Particulars	2020-21	2019-20
1	Sales	15,772.98	20,058.86
2	Other Income	149.02	47.77
3	<b>Total Income</b>	15,922.00	20,106.64
4	Profit Before Depreciation & Tax (PBDT)	2,946.25	3,308.42
5	Less: Depreciation	1,381.85	1,604.76
6	Profit Before Taxation (PBT)	1,564.40	1,703.66
7	Less: Taxation (all Taxes)	362.28	905.90
8	Profit After Taxation (PAT)	1,202.12	797.75
9	Other comprehensive income	7.37	(16.38)
10	Add: Balance brought forward from last year	2,937.24	2,277.31
11	Amount Available for Appropriation	4,146.73	3,058.68
	<b>Appropriations:</b>		
	(a) Interim Dividend	-	-
	(b) Proposed Dividend	273.24	121.44
	(c) General Reserve	-	-
	(d) Balance to be carried forward	3,873.49	2,937.24

#### 2. STATE OF COMPANY'S AFFAIRS:

The Company has earned revenue from operation of Rs.15,772.98 Lakhs during the year ended on 31<sup>st</sup> March, 2021 as against Rs.20,058.86 Lakhs earned during the previous year ended on 31<sup>st</sup> March, 2020, giving a significant dip of 21.37% as compared to previous year. The Company has also earned other income of Rs.149.02 Lakhs during the year under review as against Rs.47.77 Lakhs earned during the previous year.

The Company earned Profit Before Tax (PBT) of 9.92 % of sales during the year ended on 31<sup>st</sup> March, 2021 against 8.49 % of previous year ended on 31<sup>st</sup> March, 2020.

The Company earned Profit After Tax (PAT) of 7.62% of sales during the year ended on 31<sup>st</sup> March, 2021 against 3.98% of previous year ended on 31<sup>st</sup> March, 2020.

After adding the surplus in the Statement of Profit & Loss of Rs.2,937.24 Lakhs brought forward from the previous year to the profit of Rs.1,209.49 Lakhs earned by the Company during the year under review, the total amount of Rs.4,146.73 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 @ 27% (i.e. Rs 1.35 per share) on full paid up equity shares of Rs. 5.00 each for the financial year ended March 31, 2021, 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. 2020-21, after all appropriation and adjustments was Rs.4,191.71 Lakhs.

**4. COVID-19:** The whole year reeled under the COVID-19 situation. Major period of 1<sup>st</sup> quarter of the year was under lockdown due to COVID-19. Recovery of business started in 2<sup>nd</sup> quarter onwards. The order book started building up from 3<sup>rd</sup> quarter onwards and seemed like recovery will be long-lasting now. Again the last month of the year 2020-21 like last year, came under heavy threat of surging COVID-19 cases. However, amid this entire turbulent scenario & amid drastic reduction in demand from the market, your company could put up a moderate total of turnover. The COVID-19 situation provided an opportunity to control the expenses optimally and this helped your company to put up an improved performance during the year. The Company does not see any medium to long term

## Board's Report (Contd.)

risks in the company's ability to continue as a going concern and in meeting its liabilities as and when they fall due. However, the impact assessment of COVID-19 is a continuing process given its nature and duration. The management will continue to monitor for any material changes to future economic conditions

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:** There is no company or Institution which became or ceased to be Subsidiary, Joint venture or Associate Company during the reporting period.
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 the whole amount of obligation Rs.47.38 Lakhs as per the CSR Rules 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. The Company keep all the employees and stakeholders working in the premises of the Company insured by taking relevant insurance policies and during the year Company had taken special COVID-19 insurance cover for all the employees which were not covered under any other policies.

## 11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

During the period of this report, Mr. Dhimant D Mehta, Independent Director of the company, retired from the Board with effect from July 24, 2020 on completion of his term of appointment. The Board appreciates the valuable services rendered by him during his tenure.

Mr. Hemantbhai D Dholakia, was appointed as Independent Director of the company with effect from June 29, 2020 for a period of 5 (Five) years and shall not be liable to retire by rotation.

Ms. Vidhi C Tamboli, who was appointed as Whole Time Director with effect from November 05, 2019 for a period of 5 (Five) years, resigned from Whole Time Directorship and consented to continue as Non-Independent Non-Executive Director with effect from December 01, 2020.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder, Ms. Vidhi C Tamboli, shall retire by rotation at this Annual General Meeting and being eligible offers herself for re-appointment. The Members are requested to consider her re-appointment.

Necessary resolutions relating to Directors who are seeking appointment / reappointment are included in the Notice of Annual General Meeting. The relevant details of the said Directors are given in the

## Board's Report (Contd.)

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 January 29, 2021 during the year reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Companies Act, 2013 and 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 5 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 and Listing Regulations.

### 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

## Board's Report (Contd.)

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.

**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 31st March, 2021, total employees strength at STEELCAST is over 598 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. Also available on the Company's website at [www.steelcast.net](http://www.steelcast.net).

**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 2020-21, the Secretarial Audit Report for the Financial Year 2020-21 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 2020-21 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.

## Board's Report (Contd.)

Cost Audit report for the financial year ended March 31, 2020 were filed on August 14, 2020, 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 2019-20, held on 14<sup>th</sup> August, 2020 for five consecutive years starting 2020-21 to 2024-25. 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 five consecutive years subject to ratification at each Annual General Meeting of the Company until the conclusion of 5th Annual General Meeting to be held for the 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,

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. The Company has an Internal Audit monitoring Committee chaired by Chief Financial Officer and attended by Internal Auditor along with other relevant functional head of the Company.

**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, 2021 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, 2021, 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, 2021, 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 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

## Board's Report (Contd.)

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 applicable 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 2020-21 are enclosed herewith at **Annexure-G** under Corporate Governance Report. The Board has accepted all the recommendations and suggestions received from Audit committee.

**33. CHANGE IN REGISTRAR & SHARE TRANSFER AGENT:** The Board of Directors has approved change in Registrar and Share Transfer Agent (RTA) of the Company from MCS Share Transfer Agent Limited ("MCSSTAL") to Bigshare Services Private Limited ("BSSPL").

"MCSSTAL" will continue to act as the RTA of the Company till such time the process of changing RTA is completed including entering into tripartite agreement with "BSSPL", shifting of database and electronic connectivity to "BSSPL" and receipt of requisite confirmations from National Securities Depositories Limited and Central Depository Services India Limited.

The Company will separately notify the effective date of change in Registrar and Share Transfer Agent.

**34. ACKNOWLEDGEMENTS:** Your 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)**

Place: Bhavnagar  
Date: May 28, 2021

Chairman & Managing Director  
DIN: 00028421

## 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 sand sieving and grading carried out on deck type sieving machine without passing through cooler classifier in sand go-down.
  - By replacing 150HP motor as a substitute of 200HP in thermal reclamation dust collector significant power was saved throughout the year.
  - Reduction of overrun period 2.5 hours to 2.0 hours of thermal reclamation equipment for slow cooling at end of operation.
- (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 2020-21.
- (iii) The capital investment on energy conservation equipment:
- The Company has made capital investments amounting to Rs.4.25 Lakhs during financial year 2020-21 on the energy conservation equipment.

### (B) TECHNOLOGY ABSORPTION

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

- 1) The efforts made towards technology absorption:
- a) Study and implementation of fine grade sand to minimize burn in and burn on defect in heavy section casting.
  - b) Development of high alumina castable ladle lining practice to minimize erosion and corrosion due to slag attack in bottom pour ladle.
  - c) Development of high feed safety margin Exothermic Sleeve to enhance feeding efficiency of riser.
  - d) Trial of articulate Ceramic foam filters to trap exogenous inclusion during pouring.
  - e) Study of Metallic Chill size and location on heavy section casting to enhance mechanical properties at interior part of the section.

- f) Implementation of Alkaline Phenolic Olivine Core in place of Poly Urethane nobake Chromite core to avoid metallization issue in Manganese Steel casting.
- g) Development of Environment friendly low emission minimum odor PUNB binder for production.

- 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 Rs.113.30 Lakhs during the year 2020-21.

- 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 fully absorbed: Not Applicable
  - d) If not fully absorbed, areas where absorption has not taken place, reason thereof: Not applicable
- 4) The expenditure incurred on Research and Development:
- a) Capital : Rs.6.63 Lakhs
  - b) Recurring : Rs.203.04 Lakhs
  - c) Total : Rs.209.67 Lakhs
  - d) Total R & D expenditure as a percentage of total turnovers: 1.33%

### (C) FOREIGN EXCHANGE EARNINGS & OUTGO

- a) Foreign Exchange earned: Rs.7,222.62 Lakhs
- b) Foreign Exchange outgo: Rs.210.06 Lakhs

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

Place: Bhavnagar  
Date: May 28, 2021

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

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

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **Brief outline on CSR Policy of the Company:** Company is contributing towards promoting quality of education, health, improvement in living standard and upliftment of communities comprising weaker section in nearby areas.

2. **The Composition of the CSR Committee:**

Name of the Director	Category	Position in the Committee
Mr. Chetan M Tamboli	Executive Director	Chairman
Mr. Rajendra V Gandhi	Independent Director	Member
Mr. Rushil C Tamboli	Executive Director	Member
Ms. Vidhi C Tamboli	Non-Independent Non-Executive Director	Member

3. **The web-link where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:** The Company has framed a CSR Policy in compliance with the provisions of Section 135 of the Companies Act, 2013 and the same is placed on the website of the Company and the web link for the same is at uploaded on website of the company i.e. [www.steelcast.net](http://www.steelcast.net)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies(Corporate Social responsibility Policy)Rules, 2014, if applicable: **Not Applicable.**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy)Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years	Amount available for set-off for the financial year, if any
	2020-2021	Not Applicable	Not Applicable

6. Average net profit of the Company as per Section 135(5):

(Rs. in Lakhs)

Particulars	2017-18	2018-19	2019-20
Net Profit	1,898.23	3,505.66	1,703.66

Average net profit of the Company for last three financial years is at **Rs. 2,369.18 Lakhs**

7. (a) Two percent of average net profit of the Company as per section 135(5): **Rs. 47.38 Lakhs**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**

(c) Amount required to be set off for the financial year, if any: **NIL**

(d) Total CSR obligation for the financial year(7a+7b-7c): **Rs. 47.38 Lakhs**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. In Lakhs)	Amount Unspent (In Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
47.39	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: **NIL**

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

(c) Details of CSR amount spent against, other than ongoing projects, for the financial year:

1 Sr. No	2 Name of the Project	3 Item from the list of activities in schedule VII to the Act	4 Local Area (Yes/No)	5 Location of the Project		6 Amount Spent for the Project (In Rs.)	7 Mode of Implementation Direct (Yes/No)	8 Mode of Implementation through Implementing agency (Yes/No)	
				State	District			Name	CSR Registration Number
1	Donation to Shree Prathna Health and Education Trust	Promoting Health & Education	Yes	Gujarat	Bhavnagar	180,000	Yes	NA	NA
2	Donation to Shree Prathna Health and Education Trust	Promoting Health & Education	Yes	Gujarat	Bhavnagar	242,650	Yes	NA	NA
3	Donation to Ketto	Promoting Health	No	Maharashtra	Mumbai	5,000	Yes	NA	NA
4	Donation to Smt. R. D. Gardi Bhavnagar StreeKelavaniMandal	Promoting Education	Yes	Gujarat	Bhavnagar	10,000	Yes	NA	NA
5	Donation to Shaishav	Promoting Education	Yes	Gujarat	Bhavnagar	50,000	Yes	NA	NA
6	Donation to Parmarth Foundation Bhavnagar	Promoting Health	Yes	Gujarat	Bhavnagar	400,000	Yes	NA	NA
7	Donation to Indian Social Responsibility Network	Promoting Health & Education	No	New Delhi	New Delhi	300,000	Yes	NA	NA
8	Donation to Bhavnagar Blood Bank	Promoting Health	Yes	Gujarat	Bhavnagar	50,000	Yes	NA	NA
9	Donation to Shri Bhavnagar Panjarapole	Promoting Welfare of Society	Yes	Gujarat	Bhavnagar	51,000	Yes	NA	NA
10	Donation to Shree Prathna Health and Education Trust	Promoting Health & Education	Yes	Gujarat	Bhavnagar	200,000	Yes	NA	NA
11	Donation to Mukhya Shikshak Shala No.13	Promoting Education	Yes	Gujarat	Bhavnagar	280,000	Yes	NA	NA
12	Donation to Ishwar Prathana Samaj	Promoting Health	No	Gujarat	Ahmedabad	25,000	Yes	NA	NA
13	Donation to Ravishankar Memorial Dispensary	Promoting Health	No	Gujarat	Ahmedabad	25,000	Yes	NA	NA
14	Donation to The National Indian Association	Promoting Education	No	Gujarat	Ahmedabad	25,000	Yes	NA	NA

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

1	2	3	4	5		6	7	8	
Sr. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Amount Spent for the Project (In Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation through Implementing agency (Yes/No)	
				State	District			Name	CSR Registration Number
15	Donation to Mukhya Shikshak Shala No.13	Promoting Education	Yes	Gujarat	Bhavnagar	60,930	Yes	NA	NA
16	Donation to Creative Arts Fund	Promoting Health & Welfare of Society	No	Gujarat	Ahmedabad	28,00,000	Yes	NA	NA
17	Donation to Smt. R. D. Gardi Bhavnagar Stree Kelavani Mandal	Promoting Education	Yes	Gujarat	Bhavnagar	35,000	Yes	NA	NA

- (d) Amount spent in Administrative Overheads: **Not Applicable**
- (e) Amount spent on Impact Assessment, if applicable: **Not Applicable**
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 47.39 Lakhs**
- (g) Excess amount for set off, if any: **Rs. 0.0158 Lakhs**

Sr. No.	Particulars	Amount (Rs.in Lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5)	47.38
(ii)	Total amount spent for the financial year	47.39
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.01
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial year, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.01

9. (a) Details of Unspent CSR Amount for the preceding three financial years: **NIL**
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**
10. In case of creation or acquisition of capital assets, furnish the details relating to the assets so created or acquired through CSR spent in the financial year: **Not Applicable**
11. Specify the reason(s), if the Company has failed to spend two percent of the net profit as per Section 135 (5): **Not Applicable**

For **STEELCAST LIMITED**

For **STEELCAST LIMITED**

**(Rajendra V Gandhi)**  
MEMBER OF CSR COMMITTEE  
DIN: 00189197

**(Chetan M Tamboli)**  
MANAGING DIRECTOR  
& CHAIRMAN OF CSR COMMITTEE  
DIN: 00028421

Place: Bhavnagar  
Date : May 28, 2021

## 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 arms 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**

Place: Bhavnagar  
Date: May 28, 2021

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

## 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)	1:10.76	2.97%	<b>% Increase from FY 2019-20 to FY 2020-21:</b> Total Income: (20.81)% Profit After Tax: 54.41 % Remuneration of Employees: 5.19% 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)	1:05.42	5.35%	
Ms. Vidhi C Tamboli (Whole Time Director)	1:01.18	-	
Mr. Subhash R Sharma (Chief Financial Officer)	1:5.72	7.03%	
Mr. Mahesh Purohit (Company Secretary)	1:01.31	9.72%	

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:** 5.19%.
- c. **The number of permanent employees on the rolls of Company:** 598.
- d. **The explanation on the relationship between average increase in remuneration and Company performance:** On an average, employees received an annual increase of 5.19%. The individual increments varied from 1% to 16.2%, 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
31.03.2021	139.80	6.16	22.69	28,295.52	55.76
31.03.2020	77.95	3.94	19.78	15,777.08	

- 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 5.19% 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 1.93%. 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.

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.

For and on behalf of the Board of Directors

**STEELCAST LIMITED**

**(Chetan M Tamboli)**

Chairman & Managing Director

DIN: 00028421

Place: Bhavnagar  
Date: May 28, 2021

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

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2021

[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) 2420589 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 [01.04.2020]				No. of Shares held at the end of the year [31.03.2021]				% 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	4,985,340	0	4,985,340	24.64	5,385,340	0	5,385,340	26.61	1.97	
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 [01.04.2020]				No. of Shares held at the end of the year [31.03.2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Bodies Corp.	3,539,200	0	3,539,200	17.49	3,539,200	0	3,539,200	17.49	0.00
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>8,524,540</b>	<b>0</b>	<b>8,524,540</b>	<b>42.11</b>	<b>8,924,540</b>	<b>0</b>	<b>8,924,540</b>	<b>44.09</b>	<b>1.97</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>8,524,540</b>	<b>0</b>	<b>8,524,540</b>	<b>42.11</b>	<b>8,924,540</b>	<b>0</b>	<b>8,924,540</b>	<b>44.09</b>	<b>1.97</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	5,350	400	5,750	0.28	3,500	400	3,900	0.019	0.019
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>5,350</b>	<b>400</b>	<b>5,750</b>	<b>0.28</b>	<b>3,500</b>	<b>400</b>	<b>3,900</b>	<b>0.019</b>	<b>0.01</b>
<b>2. Central Govt/State Govt(s)/POI</b>									
i) Government	260,965	0	260,965	1.28	279,944	0	279,944	1.383	0.01
<b>3. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	1,559,722	11,200	1,570,922	7.76	1,583,581	11,200	1,594,781	7.88	0.12
ii) Overseas	0	400,00	400,000	1.98	0	400,000	400,000	1.98	0.00
<b>b) Individuals</b>									
iii) Individual shareholders holding nominal share capital upto ₹2 lakh	3,867,588	191,704	3,759,292	18.57	3,415,079	168,704	3,583,783	17.70	0.87

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

Category of Shareholder	No. of Shares held at the beginning of the year [01.04.2020]				No. of Shares held at the end of the year [31.03.2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
iv) Individual shareholders Holding nominal share capital in excess of ₹2 lakh	3,645,784	0	3,645,784	18.01	3,280,360	0	3,280,360	16.20	1.81
<b>c) Others (specify)</b>									
i) NRI	1,642,025	29,200	1,671,225	8.25	1,732,192	28,400	1,760,592	8.69	0.44
ii) HUF	400,122	400	400,522	1.97	410,700	400	411,100	2.03	0.06
iii) Trust	1,000	0	1,000	0.004	1,000	0	1,000	0.004	0.004
<b>Sub-total (B)(2):</b>	<b>11,077,206</b>	<b>632,504</b>	<b>11,709,710</b>	<b>57.82</b>	<b>10,702,856</b>	<b>608,704</b>	<b>11,311,560</b>	<b>55.91</b>	<b>1.91</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>11,082,556</b>	<b>632,904</b>	<b>11,715,460</b>	<b>57.87</b>	<b>10,706,356</b>	<b>609,104</b>	<b>11,315,460</b>	<b>55.92</b>	<b>1.95</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>19,607,096</b>	<b>632,904</b>	<b>20,240,000</b>	<b>100.00</b>	<b>19,630,896</b>	<b>609,104</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 [01.04.2020]			Shareholding at the end of the year [31.03.2021]			% 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	3,119,420	15.41	Nil	3,319,420	16.40	Nil	0.99
2	M/s. Rushil Industries Ltd	1,576,000	7.78	Nil	1,576,000	7.78	Nil	0.00
3	M/s. Tamboli Trading 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	1,229,480	6.07	Nil	0.98
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>8,524,540</b>	<b>42.12</b>		<b>8,924,540</b>	<b>44.09</b>		

### iii. CHANGE IN PROMOTERS' SHAREHOLDING:

Sr. No.	Particulars	Shareholding at the beginning of the year [01.04.2020]		Cumulative Shareholding during the year [01.04.2020 to 31.03.2021]	
		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	8,524,540	42.21	8,524,540	42.12
2	Decrease/ Increase in Shareholding during the year a) 14.09.2020	0	0	400,000	1.97
3	At the end of the year	8,524,540	42.21	8,924,540	44.09

## 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 [01.04.2020]		Cumulative Shareholding during the year [01.04.2020 to 31.03.2021]	
		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	789,568	3.90	789,568	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>M/s Meenakshi Mercantiles Ltd.</b>				
	At the beginning of the year	183,000	0.90	183,000	0.90
	Increase/ Decrease in Shareholding during the year	0	0	256,500	1.27
	At the end of the year			439,500	2.17
<b>3</b>	<b>Mr. Nrupesh C. Shah</b>				
	At the beginning of the year	506,00	2.5	506,000	2.5
	Increase/ Decrease in Shareholding during the year	0	0	1,00,000	0.5
	At the end of the year			406,000	2.00
<b>4</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>5</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>6</b>	<b>Mr. Rajiv B. Doshi</b>				
	At the beginning of the year	299,359	1.48	299,359	1.59
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			299,359	1.59
<b>7</b>	<b>Investor Education &amp; Protection Fund Authority (Ministry of Corporate Affairs)</b>				
	At the beginning of the year	260,965	1.28	260,965	1.28
	Increase/ Decrease in Shareholding during the year	0	0	18,979	0.10
	At the end of the year			279,944	1.38
<b>8</b>	<b>Mrs. Kusum B. Doshi</b>				
	At the beginning of the year	268,767	1.33	268,767	1.33
	Increase in Shareholding during the year	0	0	60,000	0.30
	At the end of the year			208,767	1.63
<b>9</b>	<b>Ranjit Dongre (HUF)</b>				
	At the beginning of the year	165,000	0.82	165,000	0.81
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			165,000	0.81
<b>10</b>	<b>Mr. Vibha Abhay Doshi</b>				
	At the beginning of the year	158,646	0.78	158,646	0.78
	Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			158,646	0.78

## 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	3,119,420	15.41	3,119,420	15.41
	Increase/ Decrease in Shareholding during the year	0	0	200,000	0.99
	At the end of the year	3,119,420	15.41	3,319,420	16.40
<b>2</b>	<b>Mr. Rajendra V Gandhi (Director)</b>				
	At the beginning of the year	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>3</b>	<b>Mr. Dhimant D Mehta (Director) (Retired w.e.f. 24.07.2020)</b>				
	At the beginning of the years	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>4</b>	<b>Mr. Apurva R Shah (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. Hemantbhai D Dholakia</b>				
	At the beginning of the year	1,000	0.01	1,000	0.01
	Increase/Decrease in Shareholding during the year	0	0	0	0
	At the end of the year	0	0	1,000	0.01
<b>6</b>	<b>Ms. Vidhi C Tamboli (Director)</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)</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	2,733.23	-	-	2,733.23
ii) Interest due but not paid	20.93	-	-	20.93
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,754.16</b>	<b>-</b>	<b>-</b>	<b>2,754.16</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	907.25	-	-	907.25
Reduction	1,873.87	-	-	1,873.87
Net Change	(966.62)	-	-	(966.62)
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	1,811.02	-	-	1,811.02
Tata Charges/TDS & Unamortise Loan Processing Charges	(10.83)	-	-	(10.83)
ii) Interest due but not paid	5.92	-	-	5.92
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,816.94</b>	<b>-</b>	<b>-</b>	<b>1,816.94</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	71.11*	32.80*	3.65	<b>107.56</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.18	-	-	<b>1.18</b>
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	<b>-</b>
<b>2</b>	<b>Stock Option</b>	-	-	-	<b>-</b>
<b>3</b>	<b>Sweat Equity</b>	-	-	-	<b>-</b>
<b>4</b>	<b>Commission</b>				
	- as % of profit	2.24%	1.00%	-	<b>3.24%</b>
	- Others, specify...				
<b>5</b>	<b>Others: Contribution to PF</b>	-	-	-	<b>-</b>
	<b>Total (A)</b>	<b>72.29</b>	<b>32.80</b>	<b>3.65</b>	<b>108.74</b>

Ceiling as per the Act ₹163.65 Lakhs (being 10% of Net Profit of the Company calculated as per section 198 of Companies Act, 2013).

\*Includes Commission payable

## 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	Mr. Hemantbhai D Dholakia	
1	- Fee for attending board / committee meetings	170,000	290,000	80,000	270,000	810,000
	- Commission	0	0	0	0	0
	- Others, please specify	0	0	0	0	0
	<b>Total (1)</b>	<b>170,000</b>	<b>290,000</b>	<b>80,000</b>	<b>270,000</b>	<b>810,000</b>

#### 2. Other Non-Executive Directors

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount in INR
		Ms. Vidhi C Tamboli		
1	- Fee for attending board / committee meetings	30,000		30,000
	- Commission	0		0
	- Others, please specify	0		0
	<b>Total (2)</b>	<b>30,000</b>		<b>30,000</b>
<b>Total (B)=(1+2)</b>				<b>840,000</b>

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount in INR
		Mr. Mahesh Purohit, Company Secretary	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	4.04	17.67	21.71
	(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>4.04</b>	<b>17.67</b>	<b>21.71</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)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board of Directors

**STEELCAST LIMITED**

**(Chetan M Tamboli)**

Chairman & Managing Director  
DIN: 00028421

Place: Bhavnagar

Date: May 28, 2021

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

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2021

[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, 2021 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, 2021 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 thereunder,
- (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: May 24, 2021  
UDIN: F008064C000360768

**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 1' 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, 2021 and the documents/information required were provided through electronic Mode.

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

Place: Anand  
Date: May 24, 2021  
UDIN: F008064C000360768

**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 31st March, 2021 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 Non-Executive Non-Independent 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 24<sup>th</sup> July, 2020 Mr. Dhimant D Mehta, ceased from directorship due to expiry of term. Mr. Hemantbhai D Dholakia appointed as an Additional Independent director with effect from 29<sup>th</sup> June, 2020. Ms. Vidhi C Tamboli has been appointed Non-Independent Non-Executive director with effect from 1<sup>st</sup> December, 2020.

#### 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 5 (Five) meetings held in 2020-21	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 Director	3	Yes	2	2	1
2	Mr. Apurva R Shah	Independent Director	5	Yes	3	3	2
3	Mr. Dhimant D Mehta (ceased being a director w.e.f. 24.07.2020)	Independent Director	1	N.A.	-	-	-
4	Mr. Rushil C Tamboli	Whole Time Director (Promoter)	5	Yes	1	1	-
5	Mr. Hemantbhai D. Dholakia (Appointed w.e.f. 29.06.2020)	Independent Director	4	Yes	1	2	-
6	Ms. Vidhi C Tamboli#	Non-Independent Non-Executive (Promoter)	4	Yes	1	-	-
7	Mr. Chetan M Tamboli	Managing Director (Promoter)	5	Yes	2	2	1

\* 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.

# Ms. Vidhi C Tamboli appointed as Non-Independent Non-Executive Director w.e.f. 01.12.2020.

## 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 Enterprises Limited	Independent Director
2	Mr. Apurva R Shah	1. Steel Cast Limited	Independent Director
		2. Asian Star Company Limited	Independent Director
		3. Fine-Line Circuits Limited	Independent Director
3	Mr. Rajendra V Gandhi	1. GRP Limited	Managing Director
		2. Steel Cast Limited	Independent Director
4	Mr. Dhimant Dhirajlal Mehta*	1. Steel Cast Limited	Independent Director
5	Mr. Hemantbhai D Dholakia**	1. Steel Cast Limited	Independent Director
6	Mr. Rushil Chetanbhai Tamboli	1. Steel Cast Limited	Whole Time Director
7	Ms. Vidhi Chetanbhai Tamboli#	1. Steel Cast Limited	Non-Independent Non-Executive Director

\* Mr. Dhimant D Mehta ceased being a director w.e.f. 24.07.2020.

\*\* Mr. Hemantbhai D Dholakia appointed w.e.f. 29.06.2020.

# Ms. Vidhi C Tamboli appointed as Non-Independent Non-Executive Director w.e.f. 01.12.2020

### Skills / expertise / competencies of Directors

As per the Listing Regulations, the Board of Directors of the Company have identified the below mentioned skills/ expertise / competencies in the context of the business and the sector in which the Company is operating, for the Company to function effectively:

Sr. No.	Name of the Director	Expertise in specific functional areas
1	Mr. Chetan M Tamboli	He has more than 36 years of experience in steel casting. He is also Director of many reputed companies. His areas of expertise comprise Strategic Management & Finance, General Management, Production, Marketing and Corporate Laws.
2	Mr. Rajendra V Gandhi	He is having experience in Accounting, strategy planning, business administration and management.
3	Mr. Apurva R Shah	He has experience in Audit, Income Tax, Costing, International accounting & Finance and Commercial Laws.
4	Mr. Hemantbhai D Dholakia	He has long experience as an entrepreneur and brand building in India and overseas.
5	Mr. Rushil C Tamboli	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.
6	Ms. Vidhi C Tamboli	Having experience of over three years as Psychological and Career Counselor in various Organizations in India and abroad.

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

- c. No. of Board Meetings held during the Financial Year 2020-21 and dates on which held:** The Board held Five (5) meetings during the Financial Year 2020-21 through Video Conferencing i.e. on :

Sr. No.	Date of Board Meetings	Place
1	June 29, 2020	Bhavnagar
2	August 14, 2020	Bhavnagar
3	September 08, 2020	Bhavnagar
4	November 06, 2020	Bhavnagar
5	January 29, 2021	Bhavnagar

- d. Relationship between Directors:** Mr. Chetan M Tamboli is the father of Mr. Rushil C Tamboli and Ms. Vidhi C 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 January 29, 2021, 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 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 Regulations 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 Regulations. 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.

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

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 2020-21
1	Mr. Rajendra V Gandhi	Independent Director	Chairman	2
2	Mr. Apurva R Shah	Independent Director	Member	4
3	Mr. Dhimant D Mehta*	Independent Director	Member	1
4	Mr. Hemantbhai D Dholakia**	Independent Director	Member	3

\*Mr. Dhimant D Mehta ceased being a director w.e.f. 24.07.2020.

\*\*Mr. Hemantbhai D Dholakia appointed w.e.f. 29.06.2020.

During the financial year 2020-21, Four (4) meetings of the Audit Committee were held through Video Conferencing as per details given below:

Sr. No.	Date of Audit Committee Meetings	Place
1	June 29, 2020	Bhavnagar
2	August 14, 2020	Bhavnagar
3	November 06, 2020	Bhavnagar
4	January 29, 2021	Bhavnagar

#### 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).

- 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 Two (2) meetings held during the year 2020-21
1	Mr. Dhimant D Mehta*	Independent Director	Chairman	1
2	Mr. Apurva R Shah	Independent Director	Member	2
3	Mr. Rajendra V Gandhi	Independent Director	Member	2
4	Mr. Hemantbhai D Dholakia	Independent Director	Member	1

\*Due to cessation of Mr. Dhimant D Mehta being a director, Mr. Apurva R Shah was appointed as Chairman w.e.f. 14.08.2020.

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

During the financial year 2020-21, Two (2) meetings of the Nomination and Remuneration Committee were held through videoconferencing as per details given below:

Sr. No.	Date of Nomination and Remuneration Committee Meetings	Place
1	June 29, 2020	Bhavnagar
2	September 08, 2020	Bhavnagar

**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.

**d. Details of Remuneration to all the Directors:** The Details of remuneration/sitting fees paid/payable to the Directors for the financial year 2020-21 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>Whole Time Directors</b>					
Mr. Chetan M Tamboli*	33.22	32.32	-	-	-
Mr. Rushil C Tamboli*	16.75	16.36	-	-	-
Ms. Vidhi C Tamboli	3.65	-	-	-	-
<b>Non-Executive Directors</b>					
Mr. Rajendra V Gandhi	-	-	-	-	1.70
Mr. Apurva R Shah	-	-	-	-	2.90
Mr. Dhimant D Mehta <sup>®</sup>	-	-	-	-	0.80
Mr. Hemantbhai D.Dholakia <sup>§</sup>	-	-	-	-	2.70
Ms. Vidhi C Tamboli <sup>#</sup>	-	-	-	-	0.30

@ Mr. Dhimant D Mehta ceased being a director w.e.f. 24.07.2020.

§ Mr. Hemantbhai D Dholakia appointed w.e.f. 29.06.2020.

# Ms. Vidhi C Tamboli appointed as Non-Independent Non-Executive Director w.e.f. 01.12.2020 from Whole Time Director.

**(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.)

No Director is related to any other Director on the Board, except Mr. Chetan M Tamboli father of Mr. Rushil C Tamboli and Ms. Vidhi 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 2020-21
1	Mr. Apurva R Shah	Independent Director	Chairman	2
2	Mr. Rajendra V Gandhi	Independent Director	Member	1
3	Mr. Dhimant D Mehta <sup>#</sup>	Independent Director	Member	1
4	Mr. Chetan M Tamboli	Executive Director	Member	2
5	Mr. Rushil C Tamboli	Executive Director	Member	2
6	Mr. Hemantbhai D Dholakia <sup>#</sup>	Independent Director	Member	1

# Mr. Hemantbhai Dholakia appointed w.e.f. 14.08.2020 and Mr. Dhimant D Mehta ceased being a director w.e.f. 24.07.2020.

During the financial year 2020-21, 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	June 29, 2020	Bhavnagar
2	January 29, 2021	Bhavnagar

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

The details of investors' complaints received and resolved during the Financial Year 2020-21 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)

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

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 Two (2) meeting held during the year 2020-21
1	Mr. Chetan M Tamboli	Executive Director	Chairman	2
2	Mr. Rushil C Tamboli	Executive Director	Member	2
3	Mr. Rajendra V Gandhi	Independent Director	Member	1
4	Ms. Vidhi C Tamboli	Non-Independent Non-Executive Director	Member	2

During the financial year 2020-21, two (2) 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	June 29, 2020	Bhavnagar
2	January 29, 2021	Bhavnagar

**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
2019-20	AGM	Through Video Conference ("VC")/Other Audio Visual Means ("OAVM")	August 14, 2020	1600 Hours
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

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

Financial Year	AGM held on	Special Resolutions passed
2019-20	August 14, 2020	1. For appointment of Ms. Vidhi C Tamboli as Whole Time Director of the Company. 2. For re-appointment of Mr. Hemantbhai D Dholakia as Independent Non-Executive Director.
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. Rushil 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.

**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, 2021. 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

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

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, noncompliance 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 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, 2021. 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 31<sup>st</sup> March, 2021.

**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 May 28, 2021 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 Regulations 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 atleast 1 English language National Daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the Company situated 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 where the Company's securities are listed, immediately after these

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

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 2020-21 are as below:

Name of the Related Party	Nature of Transaction	Amount ₹ in Lakhs
Mr. Chetan M Tamboli	Remuneration	33.22
	Commission paid for Financial Year 2019-20	48.95
	Medical Expenses Reimbursement	1.18
	Medical Exp. Reimbursement	2.57

### 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 2020-21 is as under:

- |                                    |                     |
|------------------------------------|---------------------|
| a. Fee paid for audit services:    | ₹ 4.80 Lakhs        |
| b. Fee paid for Non-Audit Service: | ₹ 3.28 Lakhs        |
| <b>Total fee paid:</b>             | <b>₹ 8.08 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 ratings for the following CREDIT facilities sanctioned by banks, carried out by CARE Ratings Limited and intimated vide their letter no. CARE/ARO/RL/2020-21/1572 dated August 5<sup>th</sup>, 2020:

Sr. No.	Credit Facilities	Rating
1.	Long-Term Bank Facilities	CARE BBB+; Stable (Triple B Plus; Outlook: Negative)
2.	Short-Term Bank Facilities	CARE A2 (A Two)
3.	Long-Term / Short-Term Bank Facilities	CARE BBB+; Negative/ CARE A2 (Triple B ; Outlook: Negative / A Two)

### Rating Action: Reasoning by Rating Agency for Outlook revised from Positive to Negative:

The outlook on the long term rating of SCL has been revised from 'Stable' to 'Negative' due to expectation of further moderation in its scale of operations in FY21 on account of likely slowdown in demand from its key end-user industries which may be exacerbated by the outbreak of the COVID-19 pandemic. Slowdown in demand is also expected to have an adverse impact on its profitability margins, debt coverage indicators and working capital cycle in the near to medium term.

### Note: Revision of Ratings

Post Balance Sheet date CARE Ratings Ltd. has revised Credit Ratings of the Company vide their letter no. CARE/ARO/RL/2021-22/1405 dated 29<sup>th</sup> June, 2021 as under:

Sr. No.	Credit Facilities	Rating
1.	Long-Term Bank Facilities	CARE BBB+; Stable (Triple B Plus; Outlook: Stable)
2.	Short-Term Bank Facilities	CARE A2 (A Two)
3.	Long-Term / Short-Term Bank Facilities	CARE BBB+; Stable/ CARE A2 (Triple B ; Outlook: Stable / A Two)

The outlook on the long-term rating of SCL has been revised from 'Negative' to 'Stable' on the back of faster than anticipated recovery in demand from its key end-user industries during H2FY21 resulting in improved profitability, debt coverage indicators and its liquidity.

### 19. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

- number of complaints filed during the financial year: NIL
- number of complaints disposed of during the financial year: NIL
- number of complaints pending as on end of the financial year: NIL

### 20. 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 23/05/2021 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) 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 31st March, 2021 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. Hemantbhai Devendrabhai Dholakia	00147408	29/06/2020
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.

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

**Dineshkumar G. Bhimani**

Company Secretary

Membership No.: F-8064

C P No.: 6628

Place: Anand

Date: May 23, 2021

UDIN: F008064C000359382

**21. 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.)

### 22. 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)	<b>Date</b>	<b>Time</b>	<b>Venue</b>		
		09.08.2021	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)	<b>From</b>	<b>To</b>	<b>Dividend Payment Date</b>		
		04.08.2021	09.08.2021	on or before 06.09.2021		
4	Listing on Stock Exchange (s)	<b>Name of Stock Exchange</b>		<b>Stock Code</b>	<b>ISIN</b>	<b>Listing Fees paid upto</b>
		BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001		513517	INE124E01020	March 31, 2022
5	Address for Correspondence	<b>Name of contact person</b>		<b>Address</b>	<b>Telephone</b>	<b>e-mail</b>
		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 Financial Year 2020-21)

Month	Share Price at BSE (₹)		BSE Sensex	
	High	Low	High	Low
Apr, 2020	94.95	68.00	33,887.25	27,500.79
May, 2020	87.00	65.00	32,845.48	29,968.45
Jun, 2020	85.90	63.00	35,706.55	32,348.10
Jul, 2020	98.95	82.10	38,617.03	34,927.20
Aug, 2020	109.95	80.00	40,010.17	36,911.23
Sep, 2020	107.70	91.05	39,359.51	36,495.98
Oct, 2020	105.40	87.00	41,048.05	38,410.20
Nov, 2020	111.90	92.10	44,825.37	39,334.92
Dec, 2020	137.00	100.00	47,896.97	44,118.10
Jan, 2021	156.95	121.00	50,184.01	46,160.46
Feb, 2021	154.75	125.00	52,516.76	46,433.65
Mar, 2021	146.00	126.65	51,821.84	48,236.35

#### 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. Board of Director has approved change is Registrar and Share Transfer Agent from MCS Share Transfer Agent Limited to Bigshare Services Private Limited. We are under process to change in connectivity. Once it is done same will be communicated to stockexchange.

#### 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, 2021:

No. of equity shares	No of share-holders	% of share-holders	No of shares held	% of share-holding
1 to 500	2,319	68.95	555,620	2.74
501 to 1,000	238	7.07	192,724	0.95
1,001 to 2,000	286	8.50	428,263	2.11
2,001 to 3,000	123	3.65	312,602	1.54
3,001 to 4,000	74	2.01	265,104	1.30
4,001 to 5,000	58	1.72	264,240	1.30
5,001 to 10,000	106	3.10	769,570	3.80
10,001 to 50,000	113	3.36	2,466,589	12.18
50,001 to 100,000	22	0.65	1,648,362	8.14
100,001 & above	24	0.71	13,336,926	65.89
<b>Total</b>	<b>3,363</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, 2021:

Sr. No.	Category of shareholder	Number of Shareholders	Number of shares held	Number of shares held in dematerialised form	% of shareholding	% of shareholders
<b>1.0</b>	<b>Shareholding of Promoter and Promoter Group</b>	<b>6</b>	<b>8,924,540</b>	<b>8,924,540</b>	<b>44.09</b>	<b>0.17</b>
<b>2.0</b>	<b>Public Shareholding</b>					
2.1	Institutions-FPI	2	3,900	3,500	0.01	0.05
2.2	Central government / IEPF Suspense Account	1	279,944	279,944	1.38	0.02
2.3	Bodies Corporate	91	1,594,781	1,583,581	7.87	2.71
2.4	Individuals	3,010	6,864,143	6,695,439	33.90	89.53
2.5	NRI	128	1,760,592	1,732,192	8.60	3.80
2.6	Foreign Company	1	400,000	-	1.98	0.02
2.7	HUF	122	411,100	410,700	2.03	3.62
2.8	Trust	1	1,000	1,000	0.004	0.02
	<b>Total Public Shareholding</b>	<b>3,356</b>	<b>11,315,460</b>	<b>10,706,356</b>	<b>55.78</b>	<b>99.83</b>
	<b>Grand Total (1.0) + (2.0)</b>	<b>3,362</b>	<b>20,240,000</b>	<b>19,630,896</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, 19,630,896 equity shares have been dematerialized, representing 96.99% 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, 279,944 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 quarterly / half yearly 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 its website at [www.steelcast.net](http://www.steelcast.net), and also submitted with BSE.

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

Place: Bhavnagar  
Date: May 28, 2021

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

## 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, 2021.

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

Place: Bhavnagar  
Date : May 28, 2021

**(Chetan M Tamboli)**  
Chairman & Managing Director

### 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, 2021 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  
Place: Bhavnagar  
Date: May 28, 2021

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, 2021, 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, 2021.

#### **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: May 28, 2021  
UDIN: 21106804AAAAAT6809

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

### MANAGEMENT DISCUSSION AND ANALYSIS

#### Company overview

Steelcast Ltd is a well-known name in the Steel & Alloy-steel castings industry. It manufactures cast products using No-Bake and Shell Molding processes. With the improvement in market conditions during FY 2018-19, the company achieved its record turnover and looked like the company is making a steady progress. FY 2019-20 marked with economic tussle between China and USA tail ended with beginning of COVID-19. FY 2020-21 began with complete lockdown in the country due to COVID-19. The company could dispatch in 1st Quarter the goods which were ready as all business establishments were shut for almost full quarter. Lockdown started lifting slowly world over and business activities began to pick up in 2nd Quarter and during the 3<sup>rd</sup> quarter it looked like rough phase is over. The 4<sup>th</sup> Quarter turned out to be an opportunity to recoup the lost sales. The impact of pandemic felt throughout the year and was never off the minds of the people. The company coped with the situation by keeping the cost under control to maintain the margins. Drastic cost control measures were taken and the positive effects can be seen in the financial results of the company.

The company continued catering to its main sectors like earth moving equipment, mining & mineral processing, construction, railways, steel plants, cement, locomotive etc. The company is looking for further opportunities in other industrial segments and products. The company managed to put up a moderate financial performance despite all lockdowns & uncertainties. The global developments play a significant role in performance of the company. The domestic sale for FY 2020-21 were higher compared to export sales due to COVID-19 situation was worse in USA and European countries and business disruption period persisted throughout the year. FY 2020-21 was badly impacted by pandemic and situation further worsened at the close of the year.

The surge in COVID-19 cases in the beginning of the current year FY 2021-22 has raised an alarm and seems the lock down & COVID-19 curfews will stay longer this time. Current times are very uncertain and 2nd wave seems very deadly. Saving of human lives is top priority. However, so far projections for the current year are quite optimistic and will be better than previous two years, provided the 2nd wave impact is limited and controlled at the earliest possible time.

#### Industry Structure and Developments:

**1.0 Mining Industry:** Mining Industry is expected to show a good growth in the coming year.

For Domestic sector against we expect a growth of @ 66% in FY 2021-22 as compared to FY 2020-21.

For Export sector against a sales of Rs. 1,495 Lacs in FY 2020-21, FY 2021-22 expected sales is Rs. 3,642 Lacs; meaning an expected growth of @ 143% on YoY basis.

**2.0 Earth Moving Equipment:** In line with Mining Machinery Industry; Earthmoving Industry is also expected to show similar rise in FY 2021-22.

Against sales of Rs. 3,510 Lacs in FY 2020-21, expected sales in FY 2021-22 is likely to be Rs. 5,107 Lacs, meaning more than 45% YoY growth.

In a similar fashion, in Export Sector against Sales of Rs. 4,756 Lacs in FY 2020-21, FY 2021-22 expected Sales is Rs. 8,346 Lacs which means growth of @ 75% on YoY basis.

**3.0 Construction Equipment:** This industry is also showing promising trend in FY 2021-22 as compared to FY 2020-21.

Domestic Sector is also showing good growth in FY 2021-22. Against sales of Rs. 3,664 Lacs in FY 2020-21, expected sales in FY 2021-22 is to the tune of Rs. 6,066 Lacs which means YoY growth of more than 65%.

Export Sector is expected to grow @ 80% on YoY basis with Sales of Rs. 743 Lacs in FY 2021-22 as compared to Sales of Rs. 412 Lacs in FY 2020-21.

**4.0 Locomotive & Railways:** With new customers and parts under development in this fiscal year and also expected Pilot lot orders coming towards end of FY 2021-22, this sector shows good growth.

Against actual sales of Rs. 429 Lacs in FY 2020-21, expected sales in FY 2021-22 is Rs. 2,069 Lacs. This shows significant growth in coming years.

**5.0 Cement & Steel Sector:** These are expected to more or less remain steady in FY 2021-22 with moderate growth. In FY 2020-21 we did sales of Rs. 717 Lacs and in FY 2021-22, this sector shows expected sales of Rs. 732 Lacs.

**6.0 Ground Engaging Tools (GET):** We expect a significant improvement in this sector in the coming year with development of new customers and new parts.

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

**7.0 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:

#### Scene of Indian Economy

The Economic Survey of India underlined that the year 2020 was dominated by the COVID-19 pandemic and the ensuing global economic downturn, the most severe one since the Global Financial Crisis. The lockdowns and social distancing norms brought the already slowing global economy to a standstill. Global economic output is estimated to fall by 3.5 percent in 2020 (IMF January 2021 estimates).

A palpable V-shaped recovery in industrial production was observed over the year. Manufacturing rebounded and industrial value started to normalize.

The following indicators suggest silver lining in the current situation:

- V-Shaped Economic Recovery due to Mega Vaccination Drive, Robust Recovery in the Services Sector and Robust Growth in Consumption and Investment.
- V-Shaped Recovery is due to Resurgence in High Frequency Indicators Such as Power Demand, Rail Freight, E-Way Bills, GST Collection, Steel Consumption, Etc
- India to become the Fastest Growing Economy in Next Two Years as Per IMF
- India to Have a Current Account Surplus of 2 Per Cent of GDP in FY21, A Historic High After 17 Years
- Net FPI Inflows Recorded an All-Time Monthly High of 9.8 Billion Dollars in November 2020
- India's foreign exchange reserves continuous on rise.
- Chief executives around the world expect a return to strong economic growth over the next two years, as per Gartner's 2021 CEO Survey of the 465 CEOs and other senior business executives polled, around 60 per cent expect an economic boom in 2021 and 2022.

Some of the initiatives and developments undertaken by the Government during the year are listed below:

- The Govt of India announced various economic packages worth of around Rs 20 trillion (US\$ 283.73 billion) and being almost 10% of India's GDP.

- World Bank and Government of India signed a US\$ 750 million agreement for 'Emergency Response Programme' for MSMEs.
- ADB & India signed US\$ 500 million loan for the 'Delhi-Meerut Regional Rapid Transit System (RRTS) Corridor' to improve regional connectivity and mobility in India's national capital region (NCR).
- The Government of India, Government of Himachal Pradesh and World Bank signed a US\$ 82 million loan to implement the Himachal Pradesh State Roads Transformation Project, to improve the condition, safety, resilience, and engineering standards of state road network.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is going to increase public health spending to 2.5% of the GDP by 2025.
- In the mid-term review of Foreign Trade Policy (FTP) 2015-20, the Ministry of Commerce and Industry enhanced the scope of Merchandise Exports from India Scheme (MEIS) and Service Exports from India Scheme (SEIS), increased MEIS incentive for ready-made garments and made-ups by 2%, SEIS incentive by 2% and increased the validity of Duty Credit Scrips from 18 months to 24 months. In April 2020, Government extended FTP for one more year (up to March 31, 2021).
- India's GDP is expected to reach US\$ 5 trillion by FY25 and achieve upper-middle income status on the back of digitization, globalization, favorable demographics, and reforms.
- India is also focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30%, and have plans to increase its renewable energy capacity from to 175 gigawatt (GW) by 2022.

#### Position of the company in Foundry Market

The Foundry industry in India has been growing steadily over the past several years despite economic slowdown dented its demand from the end user industry i.e. engineering and auto component sectors. Generally, moving in tandem with the growth of the country's economy, the Indian foundry industry has surpassed India's GDP growth with a wider margin. Over the last 5 years the Coal Mining activity is showing an upward trend with many private players entering in to this apart from the government controlled "Coal India"

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

Since the company has enjoyed a good track record in the Mining & Earth Moving industry, the market share from the products being sold to these industries have always dominated in the company's sales performance. To insulate against possible drop in sales due to recession in these industries the company has developed many new parts for the existing and new customers from these Industries.

The company's manufacturing capabilities are designed to cater to other sectors too. Hence, the company has developed newer products to enter into other markets. This is likely to expand the company's customer base and to meet with the competition, both domestic as well as international.

The industry is witnessing high level of competition from both India and abroad but there are few competitors when it comes to technologically advanced companies manufacturing highly intricate Steel castings. In India, there are small and unorganized players involved in manufacturing Steel castings and the industry is quite fragmented.

The company enjoys premier position in terms of production capability, product mix, number of parts developed and high quality standards. It is a fact that, in this industry entry barriers are quite high since it is a capacity based and quality based industry. The company is able to leverage all these aspects along with economies of scale to meet the competition.

### Impact of Second Covid-19 wave on growth recovery

S&P Global Ratings has cautioned that the second Covid-19 wave is likely to hit India's near-term economic recovery and could push growth for the current fiscal below 10 per cent. S&P Asia Pacific chief economist Shaun Roache further warned that the longer India takes to regain control, the greater will be the permanent damage. The average of the first quarter is likely to carry on through the rest of the year and the impact on the GDP could be around one to three percentage points, he added.

S&P Global Ratings is continuously revising & stating that the second Covid-19 wave may derail the recovery in the economy and credit conditions. The agency further stated that a rebound in economic activity is expected in the September 2021 quarter onward, assuming restrictions can ease somewhat over that timeframe.

UBS India's economic activity index entered a negative terrain in April 2021 with a seven percentage points fall to 95 as the second wave of the Covid-19 pandemic and resultant localized lockdowns pulled down economic activity during

the month. UBS expects the activity levels to sequentially weaken further in May 2021 as most states have extended mobility restrictions to flatten the virus curve, thus adversely impacting real GDP growth in the June 2021 quarter.

Crisil Ratings has warned that the second Covid-19 wave threatens the economic growth of India. Stating that risks to its 11 per cent growth forecast for current fiscal are firmly tilted downwards.

Amid the entire given situation, the following points indicate good opportunities in the coming year(s):

- Various sectors of the Industry like mining, real estate, construction, etc. are on recovery phase, hence, good opportunities to utilize unused capacity
- Diversification into newer sectors
- Global economy is reviving from slowdown and offers huge export potential
- Stable Government in the country
- Government of India has laid emphasize on infrastructure development which would raise demand from Construction & Mining Equipment Industry
- India, a preferred destination after China
- Huge potential for India to enter into Global Supply Chain.

### Financial Performance snapshot:

(₹ in Lakhs)

Particulars	2020-21	2019-20
Sales/Income from Operations	15,772.98	20,058.88
Other Income	149.02	47.77
<b>Sub-Total</b>	<b>15,922.00</b>	<b>20,106.64</b>
Total Expenditure (before Interest & Depreciation)	12,616.74	16,325.68
Operating Profit (EBIDTA)	3,305.25	3,780.95
Operating Margin %	20.76%	18.80%
Profit/(loss) After Tax	1,202.12	797.75
Return on Capital Employed % (EBIT) (ROCE=Total Equity + LT Borrowings)	13.09%	14.99%
No. of months Receivables (Receivables/Sales 12)	3.91	1.69
Current Ratio (Current Assets/Current Liabilities)	1.93	1.53
Debt Equity Ratio (Long Term Borrowings/Net Worth)	0.14	0.23
Production (in MT)	7,586	8,614

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

### 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	39.33	Significant reduction of long term debts and increase in Net-Worth
2	Inventory Turnover Ratio	(29.36)	The major reason being the decrease in turnover substantially due to pandemic.
3	Debtors Turnover Ratio	(56.63)	Debtors at the close of year increased substantially over the previous year.
4	PAT Margin %	91.63	Overall cost reduction coupled with tax expense drastically reduced due to favourable deferred tax liability.
5	Return on Investment %	37.96	Betterment of PAT as well as Net-Worth.
6	Current Ratio	26.02	Current Liabilities has significantly reduced compared to current assets.
7	Working Capital Turnover Ratio	(46.54)	Net working capital increased coupled with significant decrease in turnover.

#### 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 2020-21, we undertook following initiatives to further strengthen our quality parameters:

- Design and development of Hot air blower for pre-heating of mold before pouring to minimize moisture related defect in high humid conditions.
- To minimize welding related defect a systematic approach implemented in fettling for repair welding called welding process layer audit to comply with well-defined welding process parameter and technique.
- By accurate defect interpretation through NDT quantum of defect excavation minimized leads to reduce overall weldment and post weld heat treatment.
- Development of appropriate size and location of Cooling Fins/Ribs to avoid solidification crack in complex geometry casting.
- Development of appropriate pouring practice to enhance pouring rate to minimize scabbing, cold laps and wrinkles on cope surface of heavy section castings.
- Development of appropriate gating system for long travel metal stream movement of metal flow to minimize temperature loss.
- Study of Ferro alloy size for complete dissolution during ladle treatment to minimize slag related defects.
- Development of special Welding alloy to enhance mechanical properties like hardness, Ultimate Tensile Strength of weldment in Low Alloy High Strength Steel.

#### 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 to simulate Solidification behavior of casting and Role of process parameters in Heat treatment is being utilized for New product development. 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.

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

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

- a) Development of Ceramic Whirl gating system to trap exogenous inclusion.
- b) Development of High Alumina Neutral lining material to enhance lining life of the furnace.
- c) Study and Investigation of compatibility of Desert sand with PUNB and shell sand practice.
- d) Development of Suitable Post Weld Heat treatment technology for cosmetic repairing and TIG welding.

### 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 598 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 been enjoying a leadership position in the steel casting business for many years. During the last one decade the company was mainly focusing mining industry and also had a strong customer base. However, growth was impacted due to sluggish economy and slowdown in mining industry. Such a market environment led to the conservative mind-set of mining customers for capital investment, against

the backdrop of sluggish commodity prices.

### Rationalization Measures - Strategy

The management of the company took stock of the situation and have prepared a comprehensive business plan to not only come out of the dependency in mining sector but also to scale up the turnover in next five years. The business plan comprises of

- i) Product development
- ii) Business development

In order to execute the above business plan, the company has already initiated a rationalization plan since last 2 years. The highlights of both these measures are as follows:

- (A) Rationalization Plan
  - a. Reduced manpower by increasing productivity. There will be major long term benefits of it.
  - b. Periodical evaluation of power demand to ensure saving in fixed cost.
  - c. Purchasing of power through open market access.
  - d. Reduced consumption norms of few key materials.
  - e. Reduction in internal rejection..
  - f. Reduction in throughput time for processing of castings.
- (B) Forward Looking Plan
  - a. Introduction of newer products for existing customers
  - b. Entering into newer sectors
  - c. Developing newer products for newer customers

For each of the new segments to be developed, the company has identified the potential customers and potential parts to be sold to them.

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**

Place: Bhavnagar  
 Date: May 28, 2021

**(Chetan M Tamboli)**  
 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, 2021, 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, 2021, 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 Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

## Independent Auditors' Report (Contd.)

- (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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 **S S M & Co,**  
Chartered Accountants  
FRN: 129198W

Place: Bhavnagar  
Date: 28th May 2021  
UDIN: 21106804AAAAAS7853

**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, 2021 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 –

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 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
- 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, 2021, 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 **S S M & Co,**  
 Chartered Accountants  
 FRN : 129198W

Place: Bhavnagar  
 Date: 28th May 2021  
 UDIN :21106804AAAAAS7853

**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: 28th May 2021  
UDIN: 21106804AAAAAS7853

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

## Balance Sheet as at March 31, 2021

(₹ in Lakhs)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	3	9,706.84	10,509.18
Capital Work-in-Progress	3	84.59	2.03
Intangible Assets	4	114.60	168.88
Financial Assets:			
Investments	5	8.85	8.63
Loans	6	2.18	14.41
Tax Assets (Net)	7	-	188.03
Other Assets	8	1,010.10	1,010.10
<b>Total Non Current Assets</b>		<b>10,927.15</b>	<b>11,901.26</b>
<b>Current Assets</b>			
Inventories	9	2,563.35	2,302.86
Financial Assets:			
Trade Receivables	10	5,137.00	2,833.39
Cash and Cash Equivalents	11	6.61	28.21
Other Bank Balances	12	139.45	139.34
Loans	13	10.53	1,512.07
Other Financial Assets	14	1.22	19.13
Other Assets	15	439.80	842.75
<b>Total</b>		<b>8,297.95</b>	<b>7,677.75</b>
Assets Classified as held for Sale	16	0.18	150.29
<b>Total Current Assets</b>		<b>8,298.13</b>	<b>7,828.04</b>
<b>Total Assets</b>		<b>19,225.28</b>	<b>19,729.30</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	17	1,012.00	1,012.00
Other Equity	18	11,865.37	10,777.31
<b>Total Equity</b>		<b>12,877.37</b>	<b>11,789.31</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities:			
Borrowings	19	883.98	1,248.68
Provisions	20	125.39	107.57
Deferred Tax Liabilities (Net)	21	838.99	1,019.16
Other Liabilities	22	203.26	457.12
<b>Total Non Current Liabilities</b>		<b>2,051.61</b>	<b>2,832.53</b>
<b>Current Liabilities</b>			
Financial Liabilities:			
Borrowings	23	499.99	1,720.76
Trade Payable:	24	-	-
(a) Total outstanding dues of Micro Enterprises and Small Enterprises; and (b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises.		1,401.49	1,044.67
Other Financial Liabilities	25	1,717.25	1,984.47
Provisions	26	92.60	94.76
Other Liabilities	27	583.97	262.81
<b>Total</b>		<b>4,295.31</b>	<b>5,107.46</b>
Liabilities directly associated with Assets Classified as held for Sale	28	1.00	-
<b>Total Current Liabilities</b>		<b>4,296.31</b>	<b>5,107.46</b>
<b>Total Liabilities</b>		<b>6,347.92</b>	<b>7,939.99</b>
<b>Total Equity and Liabilities</b>		<b>19,225.28</b>	<b>19,729.30</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: May 28, 2021

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: May 28, 2021

**Mahesh Purohit**

Company Secretary

**Chetan M Tamboli**

Chairman & Managing Director

DIN: 00028421

## Statement of Profit & Loss for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>INCOME:</b>			
Revenue from Operations	29	15,772.98	20,058.88
Other Income	30	149.02	47.77
<b>Total Income</b>		<b>15,922.00</b>	<b>20,106.64</b>
<b>EXPENSES:</b>			
Cost of Materials Consumed	31	3,629.19	4,631.47
Changes in Inventories of Finished Goods and Work-in-Progress	32	(233.65)	40.64
Employee Benefits Expenses	33	1,985.44	2,277.37
Finance Costs	34	359.01	472.55
Depreciation and Amortization Expenses		1,381.85	1,604.76
Other Expenses	35	7,235.75	9,376.20
<b>Total Expenses</b>		<b>14,357.60</b>	<b>18,402.99</b>
<b>Profit/(Loss) Before Exceptional Items and Tax</b>		<b>1,564.40</b>	<b>1,703.66</b>
Exceptional Items	36	-	-
<b>Profit/(Loss) Before Tax</b>		<b>1,564.40</b>	<b>1,703.66</b>
<b>Tax Expenses:</b>			
Current Tax		538.14	693.83
MAT Credit Entitlement		44.98	-
Short/(Excess) Provision of Tax of Earlier Years		6.74	(19.29)
Deferred Tax		(227.58)	231.37
<b>Profit/(Loss) for the Year</b>		<b>1,202.12</b>	<b>797.75</b>
<b>Other Comprehensive Income:</b>			
Items that will not be reclassified to Profit or Loss			
Re-Measurement Gains/(Losses) on Defined Benefit Plans		9.61	(23.11)
Income Tax Effect		(2.42)	6.73
Net Gain/(Loss) on FVOCI Equity Instruments		0.18	-
Income Tax Effect		-	-
<b>Total Other Comprehensive Income for the Year, Net of Tax</b>		<b>7.37</b>	<b>(16.38)</b>
<b>Total Comprehensive Income for the Year (Comprising Profit and Other Comprehensive Income for the Year)</b>		<b>1,209.49</b>	<b>781.37</b>
<b>Earnings per Equity Share:</b>			
Face Value Per Equity Share		5.00	5.00
Basic and Diluted Earnings Per Share (INR)	37	5.94	3.94

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

For **STEELCAST LIMITED**

**Subhash Sharma**

Chief Financial Officer

**Mahesh Purohit**

Company Secretary

For and on behalf of the Board of Directors

**Rushil C Tamboli**

Whole Time Director

DIN: 07807971

Place: Bhavnagar

Date: May 28, 2021

**Chetan M Tamboli**

Chairman & Managing Director

DIN: 00028421

**CA Sarju Mehta**

Partner

M. No. 106804

Place: Bhavnagar

Date: May 28, 2021

## Statement of Cash Flow for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit Before Taxation		1,564.40		1,703.66
<b>Adjustments for-</b>				
Bad Debts recovered	31.40		-	
Depreciation and Amortisation	1,381.85		1,604.76	
(Profit)/Loss on sale of Property, Plant & Equipment	(48.34)		(2.19)	
Interest Expenses (net)	277.17	1,642.07	432.20	2,034.77
<b>Operating Profit Before Working Capital Changes</b>		<b>3,206.47</b>		<b>3,738.42</b>
<b>Adjustments for-</b>				
Trade Receivables	(2,303.61)		2,830.13	
Inventories	(260.49)		95.91	
Other Financial and Non Financial Assets	1,935.52		(1,743.11)	
Non Current/Current Financial and Other Liabilities/Provisions	(31.36)	(659.95)	(508.23)	674.70
<b>Cash Generated From Operations</b>		<b>2,546.52</b>		<b>4,413.12</b>
Direct Taxes (Payment)/Refund		(174.25)		(974.30)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>2,372.27</b>		<b>3,438.82</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Property, Plant & Equipment		(576.65)		(621.28)
(Purchase)/Sale of Investments (net)		(0.22)		0.07
Sale of Property, Plant & Equipment (including Held for Sale)		167.06		14.59
Interest Received		59.21		27.09
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(350.59)</b>		<b>(579.54)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds/(Repayment) from Long Term Borrowings		(364.70)		(1,514.16)
Interest Paid		(336.38)		(459.29)
Dividend Paid		(121.44)		(488.01)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(822.52)</b>		<b>(2,461.46)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>1,199.16</b>		<b>397.83</b>
Cash and Cash Equivalents as at Beginning of the Year		(1,692.54)		(2,090.37)
Cash and Cash Equivalents as at End of the Year		<b>(493.38)</b>		<b>(1,692.54)</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 2021		31 March 2020
Cash and Cash Equivalents (Refer Note 11)		6.61		28.21
Working Capital Finance from Banks (Refer Note 23)		499.99		1,720.76
<b>Balance as per Cash Flow Statement</b>		<b>(493.38)</b>		<b>(1,692.54)</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: May 28, 2021

For **STEELCAST LIMITED**  
**Subhash Sharma**  
Chief Financial Officer

**Mahesh Purohit**  
Company Secretary

For and on behalf of the Board of Directors

**Rushil C Tamboli**  
Whole Time Director  
DIN: 07807971  
Place: Bhavnagar  
Date: May 28, 2021

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

## Statement of Changes in Equity for the year ended March 31, 2021

### A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

At March 31, 2019	1,012.00
Changes in Equity Share Capital	-
At 31 March 2020	1,012.00
Changes in Equity Share Capital	-
<b>At March 31, 2021</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, 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)
Total Comprehensive Income	-	-	-	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>
Net Profit for the period	-	-	-	1,202.12	1,202.12
Other Comprehensive Income	-	-	-	7.37	7.37
Total Comprehensive Income	-	-	-	1,209.49	1,209.49
Final Dividend	-	-	-	(121.44)	(121.44)
Dividend Distribution Tax	-	-	-	-	-
<b>As At March 31, 2021</b>	<b>1,916.18</b>	<b>4.67</b>	<b>5,797.79</b>	<b>4,146.74</b>	<b>11,865.37</b>

## Notes to Financial Statements for the year ended March 31, 2021

### NOTE:1 CORPORATE INFORMATION

The financial statements are of Steelcast Limited ('the Company') for the year ended 31 March 2021. 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 28 May 2021.

### 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

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

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.

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;

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

- Finished and semi-finished goods – at material cost plus direct expenses and appropriate value of overheads; cost of finished goods.

### 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

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

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 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

Accumulated compensated absences (Regarding leave) 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

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

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.

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).

### N. 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

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

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 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.

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

### (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.

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

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently 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, 2021 (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, 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>14,515.14</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>
Additions	353.67	-	71.77	56.05	-	0.15	9.22	490.86	82.82
Deductions	-	-	114.54	14.76	8.96	-	3.41	141.68	0.26
Reversal of Assets classified as held for Sale in previous period	-	-	156.13	-	-	-	-	-	-
Deduction of Assets Classified as held for Sale	-	-	1.66	-	-	-	-	1.66	-
Exchange Differences Capitalised	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>1,035.44</b>	<b>454.97</b>	<b>3,251.19</b>	<b>10,421.09</b>	<b>225.17</b>	<b>83.11</b>	<b>71.63</b>	<b>15,542.61</b>	<b>84.59</b>
<b>Accumulated Depreciation and Impairment Losses</b>									
<b>As at March 31, 2019</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>	-
Depreciation for the Year	-	21.88	119.13	1,344.00	31.27	11.00	11.39	1,538.67	-
Deduction	-	-	-	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>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>	-
Depreciation for the Year	-	21.18	119.23	1,132.37	29.14	9.46	13.22	1,324.60	-
Deductions	-	-	2.87	8.34	8.51	-	3.24	22.96	-
Reversal of Assets classified as held for Sale in previous period	-	-	5.84	-	-	-	-	-	-
Depreciation of Assets Classified as held for Sale	-	-	1.48	-	-	-	-	1.48	-
<b>As at March 31, 2021</b>	-	<b>103.40</b>	<b>539.21</b>	<b>5,046.75</b>	<b>66.13</b>	<b>47.79</b>	<b>32.50</b>	<b>5,835.78</b>	-
<b>Net Block</b>									
<b>As at March 31, 2021</b>	<b>1,035.44</b>	<b>351.57</b>	<b>2,711.99</b>	<b>5,374.35</b>	<b>159.04</b>	<b>35.32</b>	<b>39.13</b>	<b>9,706.84</b>	<b>84.59</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>

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 customers. 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, 2021 (Contd.)

### 4 INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Software
<b>Cost or Deemed Cost (Gross Carrying Amount)</b>	
<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>
Additions	2.96
Deductions	-
<b>As at March 31, 2021</b>	<b>398.25</b>
<b>Accumulated Amortisation and Impairment Losses</b>	
<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>
Depreciation for the Year	57.25
Deductions	-
<b>As at March 31, 2021</b>	<b>283.65</b>
<b>Net Block</b>	
<b>As at March 31, 2021</b>	<b>114.60</b>
<b>As at March 31, 2020</b>	<b>168.88</b>

### 5 INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Investment in Equity Instruments (Quoted)</b>		
500 Equity Shares of Ausom Enterprise Limited of Rs.43.55 each (FV Rs. 10 per share)	0.22	-
<b>Investment in Equity Instruments (Unquoted)</b>		
43000 Equity Shares of Bhadreshwar Vidyut Private Limited of Rs. 0.19 each	0.08	0.08
<b>Investment in Gold Sovereign Bonds</b>	8.55	8.55
<b>Total</b>	<b>8.85</b>	<b>8.63</b>

### 6 LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured Considered Good</b>		
Loans to Employees	-	8.88
Security Deposits	2.18	5.54
<b>Total</b>	<b>2.18</b>	<b>14.41</b>

### 7 TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Tax Paid in Advance (Net of Provision)	-	188.03
<b>Total</b>	<b>-</b>	<b>188.03</b>

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

### 8 OTHER ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advances	1,010.10	1,010.10
<b>Total</b>	<b>1,010.10</b>	<b>1,010.10</b>

### 9 INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Inventories (At lower of Cost and Net Realisable Value)</b>		
Raw Materials	280.45	218.61
Work-in-Progress	1,645.69	1,172.90
Finished Goods	94.57	333.72
Stores and Spares	542.63	577.63
<b>Total</b>	<b>2,563.35</b>	<b>2,302.86</b>

### 10 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Trade Receivables considered good - Secured;	-	-
(b) Trade Receivables considered good - Unsecured;	5,137.00	2,833.39
(c) Trade Receivables which have significant increase in Credit Risk; and	-	-
(d) Trade Receivables - Credit Impaired	-	-
<b>Total</b>	<b>5,137.00</b>	<b>2,833.39</b>

### 11 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with Bank		
In Current Account	0.82	12.57
In Deposit Account (with Original Maturity upto 3 Months)	-	-
Cash on Hand	5.79	15.63
<b>Total</b>	<b>6.61</b>	<b>28.21</b>

### 12 OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits with Original Maturity of more than 12 Mths	-	-
Unpaid Dividend Accounts	11.19	16.30
Margin Money Deposits	128.26	123.05
<b>Total</b>	<b>139.45</b>	<b>139.34</b>

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

### 13 LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Loans Receivables considered good – Secured;	-	-
(b) Loans Receivables considered good – Unsecured;	10.53	1,512.07
(c) Loans Receivables which have significant increase in Credit Risk; and	-	-
(d) Loans Receivables – Credit Impaired	-	-
<b>Total</b>	<b>10.53</b>	<b>1,512.07</b>

### 14 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Receivable Accrued but Not Due	1.22	5.04
Other Financial Assets	-	14.09
<b>Total</b>	<b>1.22</b>	<b>19.13</b>

### 15 OTHER ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Government Authorities	114.54	675.24
DEPB and Duty Drawback Claim Receivable	153.70	40.36
Trade Advance to Suppliers	127.28	45.19
Prepaid Expenses	42.19	79.20
Advances to Staff	1.77	1.53
Other Current Assets	0.32	1.23
<b>Total</b>	<b>439.80</b>	<b>842.75</b>

### 16 ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Buildings	0.18	150.29
<b>Total</b>	<b>0.18</b>	<b>150.29</b>

Assets classified as held for sale as on 31 March 2021 includes residential 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.

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Break up of Financial Assets carried at Amortised Cost</b>		
Investment in Gold Sovereign Bond (Note 5)	8.55	8.55
Investment in Equity Instruments (Unquoted)(Note 5)	0.08	0.08
Investment in Equity Instruments (Quoted)(Note 5)	0.22	-
Loans (Refer Note 6 & 13)	12.70	1,526.48
Trade Receivables (Note 10)	5,137.00	2,833.39
Cash and Cash Equivalents (Note 11)	6.61	28.21
Other Bank Balances (Note 12)	139.45	139.34
Other Financial Assets (Note 14)	1.22	19.13
<b>Total</b>	<b>5,305.83</b>	<b>4,555.18</b>

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

### 17 EQUITY SHARE CAPITAL

#### A Authorised Share Capital

(₹ in Lakhs)

Particulars	Equity shares of ₹ 5 each	
	No. of shares	Amount
<b>As at March 31, 2019</b>	<b>3,00,00,000</b>	<b>1,500.00</b>
Increase / (Decrease) during the year	-	-
<b>As at March 31, 2020</b>	<b>3,00,00,000</b>	<b>1,500.00</b>
Increase / (Decrease) during the year	-	-
<b>As at March 31, 2021</b>	<b>3,00,00,000</b>	<b>1,500.00</b>

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

The Company has one class of shares referred to as Equity Shares having a par value of INR 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
<b>As at March 31, 2019</b>	<b>2,02,40,000</b>	<b>1,012.00</b>
Changes during the year	-	-
<b>As at March 31, 2020</b>	<b>2,02,40,000</b>	<b>1,012.00</b>
Changes during the year	-	-
<b>As at March 31, 2021</b>	<b>2,02,40,000</b>	<b>1,012.00</b>

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

(₹ in Lakhs)

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Mr. Chetan M Tamboli	33,19,420	16.40%	31,19,420	15.41%
Mrs. Manali C Tamboli	12,29,480	6.07%	10,29,480	5.09%
Tamboli Trading Pvt. Ltd.	19,63,200	9.70%	19,63,200	9.70%
Rushil Industries Limited	15,76,000	7.79%	15,76,000	7.79%

F During the year ended 31st March 2021, the Company paid the final dividend of INR 12,144,000 (INR 0.60 per Equity Share) for the year ended 31st March 2020.

G On 28 May 2021, the Board of Directors has recommended the final dividend of INR 1.35 per Equity Share on the Fully Paid Share Capital for the year ended 31st March 2021 subject to approval from Shareholders. On approval, the total dividend payment based on number of shares outstanding as on 31st March 2021 is expected to be INR 273.24 Lacs.

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

### 18 OTHER EQUITY

(₹ in Lakhs)

<b>Securities Premium:</b>	
<b>As at March 31, 2020</b>	<b>1,916.18</b>
Increase/(Decrease) During the year	-
<b>As at March 31, 2021</b>	<b>1,916.18</b>
<b>Capital Reserve:</b>	
<b>As at March 31, 2020</b>	4.67
Increase / (Decrease) During the year	-
<b>As at March 31, 2021</b>	<b>4.67</b>
<b>General Reserve:</b>	
<b>As at March 31, 2020</b>	<b>5,797.79</b>
Increase / (Decrease) During the year	-
<b>As at March 31, 2021</b>	<b>5,797.79</b>
<b>Retained Earnings:</b>	
<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>
Add / (Less): Profit / (Loss) during the Year	1,202.12
Add / (Less): Other Comprehensive Income	7.37
(Less): Appropriations	
Dividend on Equity Shares	(121.44)
<b>As at March 31, 2021</b>	<b>4,146.74</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, 2021	As at March 31, 2020
<b>Secured</b>		
Term Loans:		
From Banks (Foreign Currency Accounts)	-	-
From Banks (Indian Rupee Accounts)	883.98	-
From Financial Institutions (Indian Rupee Accounts)	927.05	2,732.86
<b>Unsecured</b>		
Intercompany Loan	-	-
Loan from Promoters	-	-
<b>Total</b>	<b>1,811.02</b>	<b>2,732.86</b>

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

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

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<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)*	927.05	1,484.18
	<b>927.05</b>	<b>1,484.18</b>
<b>Total Non-Current Borrowings</b>	<b>883.98</b>	<b>1,248.68</b>
<b>The above amount includes-</b>		
Secured Borrowings	883.98	1,248.68
Unsecured Borrowings	-	-

\* Note: Rs.6.45 Lacs (Previous Year Rs.14.39 Lacs) pertaining to Unamortise Loan Processing Charge is net from term loans due within 1 Year.

#### Notes:

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

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	Rate of Interest	Repayment Term for Loans Outstanding as on March 31, 2021
<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	153.32	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	0.00	166.67	5.25% pa	Repayable in 17 EQIs starting from period ranging from October 2017 to April 2018
c. Term Loan-III	289.19	867.56	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.
Standard Chartered Bank	18.90	-	7.5% p a Fixed interest	1 Year Moratorium period and Repayable in 48 Equal Monthly Instalments (EMIs) starting from period ranging from March 2022 to February 2026.
Aditya Birla Finance Limited	472.09	157.14	Long Term Lending Rate less 6.60% pa	Repayment is preponed and now term loan rescheduled to be repayable in 12 EMIs starting from period ranging from Apr 2021.

#### 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.
- Working capital term loans under the Emergency Credit Line Guarantee Scheme (ECLGS 2.0) from Standard Chartered Bank are secured against second pari passu charge on gross block of the fixed assets (excluding Plant & Machinery charged to Caterpillar India Pvt. Ltd & residential flats of the company) and on current assets of the Company.

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

### 20 NON-CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for Employee Benefits</b>		
Provision for Leave Encashment	109.71	107.57
Provision for Gratuity	15.68	-
<b>Total</b>	<b>125.39</b>	<b>107.57</b>

### 21 DEFERRED TAX LIABILITIES (NET)

The major components of Income Tax expense for the years ended 31 March 2021 and 31 March 2020 are:

#### Statement of Profit and Loss:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Profit or Loss Section</b>		
<b>Current Income Tax:</b>		
Current Income Tax Charge	538.14	693.83
Adjustments in respect of Current Income Tax of Previous Year	6.74	(19.29)
<b>Deferred Tax:</b>		
Relating to origination and reversal of temporary differences	(227.58)	231.37
Relating to changes in tax rates	-	-
<b>Income Tax Expense reported in Profit or Loss Section</b>	<b>317.30</b>	<b>905.90</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	(2.42)	6.73

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

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance as of 1 April	1,064.14	839.50
Tax (Income)/Expense during the period recognised in Profit or Loss	(227.58)	231.37
Tax (Income)/Expense during the period recognised in OCI	2.42	(6.73)
<b>Closing balance as at March 31</b>	<b>838.99</b>	<b>1,064.14</b>

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liabilities (Net)	838.99	1,064.14
MAT Credit Entitlement Receivable*	-	(44.98)
<b>Total</b>	<b>838.99</b>	<b>1,019.16</b>

Pursuant to The Taxation Laws (Amendment) Act, 2019 dated December 02, 2019, the Company has decided to avail the option under section 115BAA of lower rate of income tax @ 22.00 % (Basic Income Tax rate 22.00 % + Surcharge 10.00 % + Health & education cess 4.00 %, total gross rate 25.168 %) from the financial year 2020-21.

\* During the year the Company written off MAT credit entitlement receivable amount INR 44.98 Lakhs i.e. closing balance of previous year.

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

### 22 OTHER LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances from Customers	203.26	457.12
<b>Total</b>	<b>203.26</b>	<b>457.12</b>

### 23 SHORT-TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured Loans Repayable on Demand</b>		
Working Capital Finance from Banks (in Rupee Accounts) <sup>(1)</sup>	499.99	1,720.76
<b>Total</b>	<b>499.99</b>	<b>1,720.76</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 Directors. These loans are repayable on demand. These working capital borrowings carry interest rate ranging from 2.40% (considering interest subvention/subsidy) to 9.75%.

### 24 TRADE PAYABLE

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Trade Payable</b>		
(a) Total outstanding dues of Micro Enterprises and Small Enterprises; and	-	-
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises.	1,401.49	1,044.67
<b>Total</b>	<b>1,401.49</b>	<b>1,044.67</b>

#### Notes:

##### Dues to Micro and Small Enterprises

The Company does not have dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). There are no disclosures pursuant to the said MSMED Act to mention herein.

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.

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

### 25 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long-Term Borrowings (Refer Note 19)	927.05	1,484.18
Interest Accrued but not due on Borrowings	5.92	26.94
Payable to Employees	211.80	217.39
Unclaimed Dividend	11.19	16.30
Payable for Capital Goods	144.59	77.98
Directors Commission Payable	51.68	67.32
Other Financial Liabilities	365.01	94.35
<b>Total</b>	<b>1,717.25</b>	<b>1,984.47</b>

### 26 CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for Employee Benefits</b>		
Provision for Leave Encashment	15.86	22.69
Provision for Gratuity	76.74	72.07
<b>Total</b>	<b>92.60</b>	<b>94.76</b>

### 27 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances from Customers	451.70	198.02
Statutory Liabilities	101.04	42.97
Others Liabilities	31.22	21.82
<b>Total</b>	<b>583.97</b>	<b>262.81</b>

#### Break up of Financial Liabilities carried at Amortised Cost

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings (Refer Note 19 & 23)	1,383.97	2,969.43
Trade Payable (Refer Note 24)	1,401.49	1,044.67
Other Financial Liabilities (excluding Derivative Instruments) (Note 25)	1,717.25	1,984.47
<b>Total</b>	<b>4,502.71</b>	<b>5,998.57</b>

### 28 LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance received against Assets Classified as Held for Sale	1.00	-
<b>Total</b>	<b>1.00</b>	<b>-</b>

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

### 29 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Sale of Goods</b>		
Export Sales	7,212.43	11,248.56
Domestic Sales	8,086.14	7,899.07
<b>Other Operating Income</b>		
Export Incentives & Credits	438.70	600.02
Foreign Currency Fluctuation Gain/(Loss)	35.71	311.23
<b>Total</b>	<b>15,772.98</b>	<b>20,058.88</b>

### 30 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend income from Investments measured at FVTOCI	-	-
Interest Receipts	59.21	27.09
Insurance Claim Receipts	0.20	1.06
Profit on Sale of Fixed Assets (Net)	48.34	2.19
Income from Other Investments	-	12.41
Sundry Balances Written Back	9.87	5.02
Bad Debts Recovered	31.40	-
<b>Total</b>	<b>149.02</b>	<b>47.77</b>

### 31 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Raw Materials Consumed</b>		
Stock at the beginning of the Year	218.61	207.80
<b>Add : Purchases and Direct Expenses*</b>	3,691.03	4,642.28
	3,909.64	4,850.08
<b>Less : Stock at the end of the Year</b>	280.45	218.61
<b>Total</b>	<b>3,629.19</b>	<b>4,631.47</b>

#### Notes:

\* The sales proceeds received from miscellaneous sales are adjusted in purchase cost of raw materials & stores & spares expenses as applicable.

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

### 32 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Stock at the beginning 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>Stock at the end of the Year</b>		
Finished Goods	94.57	333.72
Work-in-Progress	1,645.69	1,172.90
<b>Total</b>	<b>1,740.27</b>	<b>1,506.62</b>
<b>Net Total</b>	<b>(233.65)</b>	<b>40.64</b>

### 33 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, Wages, Allowances and Bonus	1,752.76	2,013.19
Contribution to Employee Benefit Funds	112.25	131.86
Gratuity Expenses	44.96	42.77
Staff Welfare Expenses	75.48	89.55
<b>Total</b>	<b>1,985.44</b>	<b>2,277.37</b>

### 34 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Interest Expenses on:</b>		
Working Capital Finance	102.54	164.58
Term Loan	233.08	294.66
Others	0.76	0.05
Other Borrowing Cost	22.63	13.26
<b>Total</b>	<b>359.01</b>	<b>472.55</b>

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

### 35 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Manufacturing Expenses</b>	<b>6,554.95</b>	<b>8,223.01</b>
Power, Fuel & Water Charges	2,521.28	3,141.45
Machinery Repairs and Maintenance	97.63	124.22
Stores & Spares Consumption	2,074.92	2,932.73
Other Manufacturing Expenses	1,861.11	2,024.62
<b>Selling &amp; Distribution Expenses</b>	<b>373.11</b>	<b>664.87</b>
Sales Commission	49.99	237.87
Export Freight & Insurance	65.14	72.64
Sales Promotion Expenses	9.05	11.68
Export Market Development Expenses	-	32.86
Other Selling Expenses	248.93	309.81
<b>Administrative Expenses</b>	<b>307.70</b>	<b>488.32</b>
Travelling Expenses	12.19	44.30
Rates & Taxes	16.92	17.73
Insurance Premium	27.39	23.09
Building and Other Repairs	20.46	70.58
Advertisement Expenses	1.40	9.95
Directors' Setting Fees	8.40	8.80
Legal & Professional Fees	73.98	83.72
Payment to Auditors	8.08	7.85
Bank Discount, Commission and Other Charges	21.23	29.55
Donations	1.00	8.41
Sundry Balances Written Off	(0.64)	-
Corporate Social Responsibility Expenses	50.84	39.00
Provision for Impairment of Trade Receivables	(26.67)	4.11
General Expenses	93.12	141.23
<b>Total</b>	<b>7,325.75</b>	<b>9,376.20</b>
<b>Payments to the Statutory Auditor:</b>		
Audit Fees	4.80	4.80
In other capacity (Including Quarterly Limited Review Fees, Tax Audit fees & various certificates)	3.28	3.05
<b>Total</b>	<b>8.08</b>	<b>7.85</b>

### 36 EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
No item to report under this category	-	-

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

### 37 EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
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)	1,202.12	797.75
Basic and Diluted Earnings Per Share (₹)	<b>5.94</b>	<b>3.94</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.

- **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 impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Estimated impairment allowance on trade receivables is based on the ageing of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not to be collectible.

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

### 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, 2021	For the year ended March 31, 2020
<b>(a) Gratuity Cost Recognised in the Statement of Profit and Loss</b>		
Current Service Cost	40.04	39.02
Net Interest Cost	32.77	33.65
Net Gratuity Cost Recognised in the Statement of Profit and Loss	<b>72.81</b>	<b>72.67</b>
<b>(b) Gratuity Cost Recognised in the Other Comprehensive Income (OCI)</b>		
Return on Plan Assets, excluding Interest Income	2.60	3.90
Actuarial changes arising from experience adjustments	(28.83)	3.30
Actuarial changes arising from changes in financial assumptions	16.61	17.23
Actuarial changes arising from changes in demographic assumptions	-	(1.32)
Net (Income)/ Expense for the period recognised in OCI	<b>(9.61)</b>	<b>23.11</b>
<b>(c) Movements in the Present Value of the Defined Benefit Obligation</b>		
Obligation at the beginning of the year	480.51	432.55
Current Service Cost	40.04	39.02
Interest Cost	32.77	33.65
Benefits Paid	(56.23)	(43.92)
Experience Adjustments	(28.83)	3.30
Actuarial changes arising from changes in financial assumptions	16.61	17.23
Actuarial changes arising from changes in demographic assumptions	-	(1.32)
Obligation at the end of the year	<b>484.89</b>	<b>480.51</b>
<b>(d) Movements in the Fair Value of the Plan Assets</b>		
Plan Assets at the beginning of the Year, at Fair Value	408.44	385.35
Interest Income	27.86	29.98
Contributions by the Employer	15.00	40.92
Benefits Paid	(56.23)	(43.92)
Return on Plan Assets, excluding Interest Income	(2.60)	(3.90)
Plan Assets at the end of the Year, at Fair Value	<b>392.47</b>	<b>408.44</b>
Actual Return on Plan Assets	25.25	26.09
Plan Asset / (Liability)	<b>(92.42)</b>	<b>(72.07)</b>

The major categories of plan assets of the fair value of the total plan assets are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
	%	%
Insurance Fund	100.00	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

### 39 EMPLOYEE BENEFIT (CONTD.)

The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Company's plans are shown below:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
	%	%
Discount Rate	6.82	6.82
Salary Escalation	3.75	7.00
Attrition Rate	1.00	1.00

#### Sensitivity Analysis :

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Projected Benefit Obligation on Current Assumptions	484.89	480.51
Delta Effect of +1% Change in Rate of Discounting	(39.80)	(37.86)
Delta Effect of -1% Change in Rate of Discounting	47.88	45.83
Delta Effect of +1% Change in Rate of Salary Increase	47.48	45.50
Delta Effect of -1% Change in Rate of Salary Increase	(40.21)	(38.30)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.67)	(1.27)
Delta Effect of -1% Change in Rate of Employee Turnover	0.72	1.39

#### Projected Benefits Payable (from fund) in Future Years From the Date of Reporting:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
1st Following Year	125.58	124.17
2nd Following Year	17.95	36.94
3rd Following Year	18.69	29.49
4th Following Year	22.06	16.81
5th Following Year	30.88	18.68
Sum of Years 6 To 10	144.63	133.30
Sum of Years 11 and above	792.91	756.33

The average duration of the Projected Benefit Obligation at the end of the reporting period is 11 years (31 March 2020: 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 345.35 Lakhs, (2019-20: INR 0.94 lakhs).

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

### 40 COMMITMENTS AND CONTINGENCIES (CONTD.)

#### c. Contingent Liabilities

(to the extent not provided for)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Renewal Power Purchase Obligation <sup>(Note No. iii)</sup>	37.83	72.54
Disputed Income Tax Liabilities	-	-
In respect of Land Revenue Charges	-	-
In respect of Other Matters	1.80	1.80
<b>Total</b>	<b>39.63</b>	<b>74.34</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 obligation to purchase Renewable Energy Certificate (REC) 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 37.83 Lacs is arrived at with the method prescribed in the regulations till 31 March 2021. The amount is revised downward due to The Central Electricity Regulatory Commission (CERC) vide its order dated 17th June, 2020 has fixed forbearance price and floor price for Renewable Energy Certificates (REC). The said prices are effective till 30th June 2021.

### 41 RELATED PARTY TRANSACTIONS

#### A. Name of Related Parties

##### Relation

#### 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

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

### 41 RELATED PARTY TRANSACTIONS (CONTD.)

#### B. Transactions with Related Parties

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Remuneration</b>		
<b>Key Managerial Personnel</b>		
Shri Chetan M Tamboli	33.22	42.89
Shri Rushil C Tamboli	16.75	18.09
Ms. Vidhi C Tamboli	3.65	2.69
Shri Subhash R Sharma	17.67	17.43
Shri Vishal K Sondagar	-	0.42
Shri Mahesh Purohit	4.04	2.99
<b>Commission</b>		
<b>Key Managerial Personnel</b>		
Shri Chetan M Tamboli	35.32	48.95
Shri Rushil C Tamboli	16.36	18.37
<b>Sitting Fees</b>		
<b>Key Managerial Personnel</b>		
Mrs. Manali C Tamboli	-	0.90
Ms. Vidhi C Tamboli	0.30	-
<b>Medical Exp. Reimbursement</b>		
<b>Key Managerial Personnel</b>		
Shri Chetan M Tamboli	1.18	1.13
<b>Leave Travel Concession Reimbursement</b>		
<b>Key Managerial Personnel</b>		
Shri Chetan M Tamboli	2.57	-

\* Resigned from the Company w.e.f. November 5, 2019.

@ change in Directorship from Whole Time Director to Non-Executive Non-Independent Director w.e.f December 1, 2020.

# Resigned from the Company w.e.f May 11, 2019.

#### Balance payable at Year End

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Remuneration and Commission Payable</b>		
<b>Key Managerial Personnel</b>		
Shri Chetan M Tamboli	35.90	41.56
Shri Rushil C Tamboli	17.66	19.42
Shri Subhash R Sharma	0.56	0.96
Ms. Vidhi C Tamboli	-	0.41
Shri Mahesh L Purohit	0.38	0.31

#### 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.

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

### 41 RELATED PARTY TRANSACTIONS (CONTD.)

#### Compensation of Key Management Personnel of the Company

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Short-Term Employee Benefits	0.00	0.00
Post-Employment Benefits Plans ***	4.92	4.86
<b>Total</b>	<b>4.92</b>	<b>4.86</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, 2021	For the year ended March 31, 2020
India	8,086.14	7,899.07
Outside India	7,686.84	12,159.80
<b>Total</b>	<b>15,772.98</b>	<b>20,058.88</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, 2021	For the year ended March 31, 2020
Customer 1	5,411.92	5,089.90
Customer 2	3,878.52	7,765.92
Customer 3	3,668.75	3,312.04

### 43 FAIR VALUES

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, 2021 (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 2021 and 31 March 2020.

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 2021 and 31 March 2020.

#### 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 2021</b>	+50	(16.16)
	-50	16.16
<b>As at 31 March 2020</b>	+50	(22.27)
	-50	22.27

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 2021 and 31 March 2020.

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

### 44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

#### a) Forward Contracts Outstanding as at the Reporting Date (in respective currency)

The company did not execute any forward contracts during the FY 2020-21. (previous year: INR Nil lakhs).

#### b) Particulars of Unhedged Foreign Currency Exposure as at the Reporting Date

##### Amount as at 31 March 2021

Particulars of Transactions	Currency	Foreign Currency	(₹ in Lakhs)
Export Trade Receivable	USD	24,86,600	1,824.67
Export Trade Receivable	EURO	2,56,253	220.30
Import Payment	USD	-	-
Foreign Currency Borrowings	EURO	-	-

##### 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	-	-

#### 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
31 March 2021	+5%	91.23
	-5%	(91.23)
31 March 2020	+5%	62.30
	-5%	(62.30)

(₹ in Lakhs)

	Change in EURO rate	Effect on profit before tax
31 March 2021	+5%	(11.01)
	-5%	11.01
31 March 2020	+5%	(2.74)
	-5%	2.74

#### 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.

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

### 44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

#### 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, 2021	For the year ended March 31, 2020
Opening Balance	26.71	22.60
Changes in Loss Allowance:		
Impairment Allowance based on ECL	(26.67)	4.11
Utilised during the Year	-	-
<b>Closing Balance</b>	<b>0.04</b>	<b>26.71</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 2021</b>			
Borrowings including current maturities (Note 19 & 25)	1,427.04	883.98	2,311.02
Trade Payable (Note 24)	0.01	-	0.01
Derivative Instruments (Note 25)	-	-	-
Other financial liabilities (Note 25)	790.20	-	790.20
<b>Total</b>	<b>2,217.26</b>	<b>883.98</b>	<b>3,101.23</b>

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (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 2020</b>			
Borrowings including current maturities (Note 19 & 25)	3,204.94	1,248.68	4,453.61
Trade Payable (Note 24)	0.01	-	0.01
Other Financial Liabilities (Note 25)	500.29	-	500.29
<b>Total</b>	<b>3,705.23</b>	<b>1,248.68</b>	<b>4,953.91</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, 2021	As at March 31, 2020
Borrowings including Current Maturities (Note 19, 23 & 25)	2,311.02	4,453.61
Trade Payable (Note 24)	0.01	0.01
Less: Cash and Cash Equivalents (Note 11)	(6.61)	(28.21)
Less: Other Bank Balances (Note 12)	(139.45)	(139.34)
<b>Net Debt</b>	<b>2,164.97</b>	<b>4,286.07</b>

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Equity	12,877.37	11,789.31
Total Capital	12,877.37	11,789.31
<b>Capital and Net Debt</b>	<b>15,042.34</b>	<b>16,075.38</b>
Gearing Ratio	14.39%	26.66%

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 2021 and 31 March 2020.

## Notes to the Financial Statements as at and for the year ended March 31, 2021 (Contd.)

### 46 RESEARCH & DEVELOPMENT EXPENDITURE

The total amount of Research & Development Expenditure charged to profit and loss during the year is INR 203.04 lakhs (previous year: INR 151.81 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 47.38 lakhs (previous year: INR 38.87 lakhs).

### 48 IND AS UPDATION (NEW/AMENDMENTS)

The Ministry of Corporate Affairs(MCA) did not issue any new Ind AS during the FY 2020-21. Further, the company evaluated the impact of amendments of various Ind ASs issued by MCA during the year and there is no impact thereof.

### 49 IMPACT OF COVID-19

FY 2019-20 marked with economic tussle between China and USA tail ended with beginning of COVID-19. FY 2020-21 began with complete lockdown in the country due to COVID-19. The company could dispatch in 1st Quarter the goods which were ready as all business establishments were shut for almost full quarter. Lockdown started lifting slowly world over and business activities began to pick up in 2nd Quarter and during the 3rd quarter it looked like rough phase is over. The 4th Quarter turned out to be an opportunity to recoup the lost sales. The impact of pandemic felt throughout the year and was never off the minds of the people. The company coped with the situation by keeping the cost under control to maintain the margins. Drastic cost control measures were taken and the positive effects can be seen in the financial results of the company.

In view of the unprecedented COVID 19 pandemic, the management made an assessment of its position as at the balance sheet date. In assessing, the management has taken into consideration external and internal information upto to the date of preparation of these financial statements. The management assessed its liquidity and profitability and concluded that there has been material impact to its operation and its financial position. Due to lockdowns world over, the demand dropped drastically and company could not achieve even its previous year turnover. However, the impact assessment of COVID 19 is a continuing process given its nature and duration. The management will continue to monitor for any material changes to future economic conditions.

50 According to the management's evaluation of events subsequent to the balance sheet date, the unprecedented surge in the COVID-19 cases due to second wave has raised alarms for the current year FY 2020-21 various rating agencies world over down grading ratings of economies of all countries including India. There were no significant adjusting events that occurred other than those disclosed / given effect to, in these financial statements as of 28th May 2021.

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: May 28, 2021

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: May 28, 2021

**Mahesh Purohit**

Company Secretary

**Chetan M Tamboli**

Chairman & Managing Director

DIN: 00028421







**STEELCAST LIMITED**

**Registered Office & Works**

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