

NOTICE TO SHAREHOLDERS

Notice is hereby given that the **Thirty Seventh** Annual General Meeting of the Members of Nelcast Limited will be held on Thursday, the 1st August 2019 at 11.00 AM at P.V.R.Kalyanamandapam, Near R.T.C. Bus Stand, Gudur - 524 101, Andhra Pradesh to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended 31st March 2019, together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend for the financial year 2018-19.
3. To appoint a Director in the place of Mr. P. Deepak (holding DIN: 02785326), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Re-appointment of Mr. D. Sesha Reddy as an Independent Director of the Company for the second term of 5 (five) consecutive years**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Mr. D. Sesha Reddy (DIN 00520448), Independent Director of the Company, who holds office up to 5th August 2019, and being eligible for reappointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for the second term of 5 (five) consecutive years with effect from 6th August 2019 to 5th August 2024.”

5. **Re-appointment of Mr. R. Mohan Reddy as an Independent Director of the Company for the second term of 5 (five) consecutive years**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015, including Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Mr. R. Mohan Reddy (DIN 00841038), Independent Director of the Company, who holds office up to 5th August 2019, and being eligible for reappointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for the second term of 5 (five) consecutive years with effect from 6th August 2019 to 5th August 2024.

6. Re-appointment of Mr. A. Balasubramanian as an Independent Director of the Company for the second term of 5 (five) consecutive years

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Mr. A. Balasubramanian (DIN 00490921), Independent Director of the Company, who holds office up to 5th August 2019, and being eligible for reappointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for the second term of 5 (five) consecutive years with effect from 6th August 2019 to 5th August 2024.

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), payment of remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) (apart from reimbursement of out-of-pocket expenses if any) to M/s. Jayaram & Associates, Cost Auditors for conducting the cost audit of the Company for the financial year ending 31st March 2020, be and is hereby approved and ratified.”

8. Further Issue of Securities

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

“RESOLVED THAT in supersession of the shareholders’ resolution dated 13th August 2018 and pursuant to the provisions of Section 23, Section 42, Section 62(1)(c), Section 71 and other applicable provisions of the Companies Act, 2013, Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, and other applicable provisions, if any (including any amendments, statutory modification(s) and / or reenactment thereof for the time being in force), provisions of the memorandum of association and articles of association of the Company, all other applicable laws, rules and regulations, the Foreign Exchange Management Act, 1999, including any amendments, statutory modification(s) and / or re-enactment thereof, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, including any amendments, statutory modification(s) and / or re-enactment thereof, regulations for qualified institutions placement contained in Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”), and such other statutes, clarifications, the rules, regulations, circulars, notifications, guidelines, if any, as may be applicable, as amended from time to time issued by the Government of India (“**Government of India**”), the Ministry of Corporate Affairs (“**MCA**”), the Reserve Bank of India (“**RBI**”), BSE Limited (“**BSE**”), National Stock Exchange of India Limited (“**NSE**”) and together with BSE, the “**Stock Exchanges**”) where the equity shares of the Company of face value INR [2] (“**Equity Shares**”) are listed, the Securities and Exchange Board of India (“**SEBI**”) including the SEBI ICDR Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI Listing Regulations**”), and any other appropriate authority under any other applicable laws as may be applicable, and in accordance with the provisions of the memorandum of association and articles of association of the Company and / or stipulated in the SEBI Listing Regulations and subject to all other approval(s), consent(s), permission(s) and / or sanction(s) as may be required from various regulatory and statutory authorities, including the Government of India, the RBI, SEBI and the Stock Exchanges (hereinafter referred to as “**Appropriate Authorities**”) as may be required, and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting any such approval, which may be accepted by the board of directors of the Company (hereinafter referred to as the “**Board**”, which term shall be deemed to mean and include any duly constituted committee thereof for the time being exercising the powers conferred by the Board), the approval of the shareholders of the Company be and is hereby accorded to create, issue, offer and allot (including with provisions for reservation on

firm and / or competitive basis, of such part of issue and for such categories of persons as may be permitted) such number of Securities (as defined hereinafter), for cash, in one or more tranches, with or without green shoe option, whether Rupee denominated or denominated in foreign currency, for an aggregate amount up to INR 150 Crores (Rupees One hundred and Fifty Crores only) by way of one or more public and / or private offerings, and / or on preferential allotment basis including qualified institutions placement (“**QIP**”) to qualified institutional buyers as defined in the SEBI ICDR Regulations, by way of an issue of Equity Shares or by way of an issue of any instrument or security including fully / partially convertible debentures or by way of a composite issue of non-convertible debentures and warrants entitling the warrant holder(s) to apply for Equity Shares, global depository receipts, American depository receipts, foreign currency convertible bonds or any other eligible securities (instruments listed above collectively with the Equity Shares to be hereinafter referred to as the “**Securities**”) or any combination of Securities with or without premium, to be subscribed to in Indian and / or any foreign currencies by all eligible investors, including, resident or non-resident / foreign portfolio investors (whether instructions and / or incorporated bodies and / or trusts or otherwise) / foreign portfolio investors / mutual funds / pension funds / venture capital funds / banks / alternate investment funds / India and / or multilateral financial institutions, insurance companies and any other category of persons or entities who are authorised to invest in the Securities of the Company as per extant regulations / guidelines or any combination of the above as may be deemed appropriate by the Board in its absolute discretion and, whether or not such investors are members of the Company (collectively called “**Investors**”), to all or any of them, jointly or severally through an offer / placement document and / or other letter or circular and on private placement basis, on such terms and conditions considering the prevailing market conditions and other relevant factors wherever necessary, including securities premium, or its equivalent amount in such foreign currencies as may be necessary, including securities premium, or its equivalent amount in such foreign currencies as may be necessary inclusive of any premium and green shoe option attached thereto, in one or more tranche or tranches, at such price or prices (whether at prevailing market price(s) or at permissible discount or premium to market price(s) in terms of applicable regulations), and on such terms and conditions as the Board may determine in consultation with the book running lead managers, with authority to retain over subscription up to such percentage as may be permitted by the Appropriate Authorities, including the discretion to determine the categories of Investors, considering the prevailing market conditions and other relevant factors wherever necessary, to whom the offer, issue and allotment of Securities shall be made to the exclusion of others, in such manner, including allotment to stabilizing agent in terms of green shoe option, if any, exercised by the Company, and where necessary in consultation with the book running lead managers and / or underwriters and / or stabilizing agent and / or

other advisors or otherwise on such terms and conditions, including issue of Securities as fully or partly paid, making of calls and manner of appropriation of application money or call money, in respect of different class(es) of investor(s) and / or in respect of different Securities, deciding of other terms and conditions like number of securities to be issued, face value, number of Equity Shares to be allotted on conversion / redemption / extinguishment of debt(s), rights attached to the warrants, period of conversion, fixing of record date or book closure terms if any, as the Board may in its absolute discretion decide, in each case subject to applicable law.”

“RESOLVED FURTHER THAT in case of issue and allotment of Securities by way of QIP in terms of Chapter VI of the SEBI ICDR Regulations (hereinafter referred to as the “**Eligible Securities**”, within the meaning rendered to such term under Regulation 171(a) of the SEBI ICDR Regulations:

1. The allotment of the Eligible Securities, or any combination of the Eligible Securities as may be decided by the Board, shall be completed within 365 days from the date of resolution passed by the shareholders of the Company, or such other time as may be permitted under the SEBI ICDR Regulations.
2. The Equity Shares shall rank pari passu in all respects, including in respect of entitlement to dividend with the existing Equity Shares, as may be provided under the terms of the issue, and in accordance with the provisions of the placement document(s).
3. In the event where Equity Shares are issued, the “relevant date” for the purpose of pricing of the Equity Shares to be issued shall be the date of the meeting in which the Board or the committee thereof decides to open the proposed issue of Equity Shares, subsequent to the receipt of the approval of the shareholders of the Company in accordance with the provisions of the Companies Act, 2013, and such other applicable laws, rules, regulations, and guidelines in relation to the proposed issue of the Equity Shares. If the Eligible Securities issued are eligible convertible securities, the relevant date for the purpose of pricing of the convertible securities to be issued shall be either the date of the meeting which the Board or the committee thereof decides to open the proposed issue, or the date on which the holders of such eligible convertible securities entitled to apply for Equity Shares, as may be determined by the Board.
4. Any issue of Eligible Securities made by way of a QIP shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations (“**QIP Floor Price**”). The Board may, however, at its absolute discretion; issue Equity Shares at a discount of not more than 5% on the QIP Floor Price, or such other discount as may be permitted under applicable regulations.
5. The Equity Shares shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognised stock exchange, or except as may be permitted under the SEBI ICDR Regulations from time to time.

6. The tenure of the convertible or exchangeable eligible securities issued through the QIP shall not exceed sixty months from the date of allotment.

“RESOLVED FURTHER THAT without prejudice to the generality of the above, the Securities may have such features and attributes, or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof, as per prevailing practices and regulations in the capital markets. These include, but are not limited to the terms and conditions in relation to payment of dividend, issue of additional Equity Shares, variation of the conversion price of the Securities or period of conversion of Securities into Equity Shares during the duration of the Securities. The Board be and is hereby authorised, in its absolute discretion, in such manner as it may deem fit, to dispose-off such Securities that are not subscribed.”

“RESOLVED FURTHER THAT the Equity Shares that may be issued by the Company in the proposed QIP shall rank pari passu with the existing Equity Shares of the Company in all respects.”

“RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue, or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the nature of the issuance, terms and conditions for the issuance of Securities including the number of Securities that may be offered in domestic and international markets and proportion thereof, issue price and discounts permitted under applicable law, premium amount on issue / conversion of the Securities, if any, rate of interest, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, entering into and executing arrangements for managing, underwriting, marketing, listing, trading and entering into and executing arrangements with merchant bankers, lead managers, legal advisors, depository, custodian, registrar, stabilizing agent, paying and conversion agent, trustee, escrow agent and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalize, approve and issue any document(s) or agreements including but not limited to the placement document and filing such documents (in draft or final form) with any Indian or foreign regulatory authority or stock exchanges and sign all deeds, documents and writing and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers herein conferred by this resolution to any Committee of Directors, or subject to applicable law to the Director or any one or more executives of the Company to give effect to the above resolution.”

“RESOLVED FURTHER THAT any one of the Directors and/or Company Secretary of the Company jointly or severally is hereby authorised to take such steps and do all such acts, deeds on behalf of the Company and make such filings with the regulatory authorities including Registrar of Companies and things as is considered necessary, expedient, usual, proper or incidental in relation to the said matter and take such actions and give such directions as they may consider necessary or desirable to give effect to this resolution.”

By Order of the Board

S.K. Sivakumar

*Group - Chief Financial Officer &
Company Secretary*

Place: Chennai

Date : 27th May 2019

Registered Office

No. 34, Industrial Estate,
Gudur, Andhra Pradesh - 524 101.
CIN: L27109AP1982PLC003518

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY(S) NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. The dividend of ₹ 1.00 per share has been recommended by the Board of Directors for the year ended 31st March 2019, which is subject to the approval of the shareholders at the ensuing Annual General Meeting.
4. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
5. The Company has notified closure of Register of Members and Share Transfer Books from 27th July 2019 to 1st August 2019 (both days inclusive).
6. The proxy form duly completed should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
7. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 7th May 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting, held on 3rd August 2017.
8. Electronic copy of the Annual Report and the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the above documents are being sent in the permitted mode.
9. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
10. Pursuant to SEBI notification dated 8th June 2018, transfer of shares in physical mode is prohibited and mandates holding in demat except in case of transmission or transposition. Accordingly, Members are requested to convert the physical holding to demat through depository participant. Members may contact the Company for any assistance in the said process of physical to demat of shares.

11. Members are requested to update their preferred e-mail ids with the Depository Participants / Company's Registrar and Transfer Agents, which will be used for the purpose of sending the official documents through e-mail in future. The RTA address is given below:

M/s. Bigshare Services Pvt. Ltd.
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road, Marol,
Andheri (East), Mumbai - 400059
Ph: 022-62638200 Fax: 022-62638299
E-mail: investor@bigshareonline.com
12. Corporate Members / FIIs / Financial Institutions intending to send their authorised representatives to attend the Annual General Meeting are requested to send a duly certified copy of the Board Resolution / such other documents authorising their representatives to attend and vote at the Annual General Meeting well in advance.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.
15. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Sundays, between 11 AM and 1 PM up to the date of the Meeting.
16. Pursuant to the provisions of Section 124 read with Section 125 of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) the amount of dividend remaining unpaid for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF) constituted by the Central Government. Members who have not encashed their dividend are requested to contact the Company's Registrar and Share Transfer Agent for payment in respect of the unclaimed dividend. The amount so transferred cannot be claimed from the Company. Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Companies Act, 2013 and the applicable rules.
17. Pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016, the Company is providing/hosting the required details of unclaimed amount / shares referred to under Sec 124 of the Companies Act, 2013 on its website and also on the website of the Ministry of Corporate Affairs(MCA) viz., www.iepf.gov.in
18. Members may also note that the Notice of the 37th Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website www.nelcast.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.

19. Re-Appointment of Directors:

At the forthcoming Annual General Meeting, Mr. P. Deepak, Director retires by rotation and being eligible offers himself for re-appointment, information or details pertaining to his appointment are furnished.

**Details of Director seeking Re-Appointment at the Annual General Meeting
(Pursuant to Regulation 36(3) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

Mr. P. Deepak aged about 34 years, holds a MBA from the Kellogg School of Management, a MS in Engineering Management, a BS in Manufacturing and Design Engineering and a BS in Materials Science and Engineering from Northwestern University, USA. Mr. P. Deepak has over 11 years of industrial experience in different areas including work experience at M/s. Federal-Mogul Corp., USA as a Manufacturing Engineer, M/s. Nelcast USA Inc. as a Manager - Strategy & Planning and M/s. Deere & Company as a Project Manager. He has been the Managing Director of Nelcast Limited since 2012. He also serves as the Chairman of Corporate Social Responsibility Committee of the Company.

Mr. P. Deepak holds 48855566 shares in the Company.

Details of other Directorships/Committee Memberships held by her:

Directorship	Committee Membership
NC Energy Limited	-
Ponnas Infrastructure Private Limited	-

20. Voting through electronic means:

- In compliance with provisions of Section 108 of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is pleased to offer e-Voting facility to all the Shareholders of the Company. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ('NSDL') for facilitating e-Voting to enable the Shareholders to cast their votes electronically.
- Mr. P. R. Lakshmi Narayanan, Practising Company Secretary, Chennai has been appointed as the Scrutinizer for conducting the e-Voting Process / Ballot Process in a fair and transparent manner.

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1: Log-in to NSDL e-Voting system

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com>
- Once the home page of e-Voting system is launched, click on the icon Login which is available under Shareholder section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL 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 will be as per details given below:
 - a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
 - b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).
 - c) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 110453 then user ID is 110453001***).
5. Your password details are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the initial password which was communicated to you. Once you retrieve your initial password, you need 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, your initial password is communicated to you on your postal address.
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 <https://www.evoting.nsdl.com>
 - b. Physical User Reset Password? (If you are holding shares in physical mode) option available on <https://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 mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, tick on Agree to Terms and Conditions by selecting on the check box.
8. Now, you will have to click on Login button.
9. After you click on the Login button, Home page of e-Voting will open.

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

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

General Guidelines for shareholders:

1. 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 scrutinizernelcast@gmail.com with a copy marked to 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 <https://www.evoting.nsdl.com> to reset the password.

In case of Shareholders' receiving the physical copy of the Notice of AGM:

- i. Initial password is provided as below at the bottom of the Postal Ballot Form.

EVEN	USER ID	PASSWORD/PIN

- ii. Please follow all steps as mentioned in the e-voting process.
- A. In case of any queries with respect to e-Voting, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the Download section of <https://www.evoting.nsdl.com>

- B. If you are already registered with NSDL for e-Voting then you can use your existing User ID and Password / PIN for casting your vote.
- C. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s). Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc from the Company electronically.
- D. The e-Voting period for e-Voting module commences on 28th July 2019 @ 9.00 AM and ends on 31st July 2019 @ 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date (record date) of 25th July 2019, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once, the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- E. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 25th July 2019.
- F. Member who has already exercised their voting through Remote e-Voting can attend the Annual General Meeting but cannot vote again.
- G. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e., 25th July 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on <https://www.evoting.nsdl.com> or contact NSDL at the following Toll Free no.: 1800-222-990.
- H. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- I. The Results declared along with the Scrutinizer's Report shall be placed on the Company's Website www.nelcast.com and on the website of NSDL within 2 days of passing of the Resolutions at the 37th AGM of the company and communicated to the stock exchanges where the shares of the Company are listed.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the Notice.

Item No. 4 to 6:

Mr. D. Sesha Reddy (DIN 00520448), Mr. R. Mohan Reddy, (DIN 00841038) and Mr.A. Balasubramanian (DIN 00490921) were appointed as Independent Directors of the Company in the Annual General Meeting of the Company held on 6th August 2014 for a period of five years and they hold office up to 5th August 2019 ("first term").

It is proposed to re-appoint them as Independent Directors, not liable to retire by rotation, for the second term of 5 (five) consecutive years with effect from 6th August 2019. As per Section 149 of the Companies Act, 2013 (the Act 2013) such re-appointment requires the approval of the shareholders by way of Special Resolution.

Nomination and Remuneration Committee and Board of Directors have recommended the reappointment. Both the Nomination & Remuneration Committee and the Board were of the opinion that, after evaluating their performance, appropriate mix of skills, experience, competency and other attributes, that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors.

All these Independent Directors fulfill the terms and conditions specified under the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors. They meet the criteria of independence as prescribed both under Section 149(6) of the Act and under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015).

The members' approval sought by way of Special Resolution will also be considered as approval in terms of Regulation 17 of SEBI (LODR) Regulations, 2015, duly amended vide Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9th May 2018 for the re-appointment of those Independent Directors who crossed the age of 75 years or who are crossing 75 years of age during their second term.

A brief profile of all Independent Directors, who are proposed to be re-appointed for second term of five years in terms of the applicable provisions of the Act, nature of their expertise in specific functional areas, their other directorships and committee memberships, their shareholding and relationship with other directors in the Company are appended to the notice annexed hereto.

Copy of draft letter of appointment of the Independent Directors setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Notices have been received from members of the Company under Section 160 of the Companies Act, 2013, signifying their intention to propose the candidatures of the aforesaid Independent Directors and to move the resolutions as set out in Item Nos. 4 to 6 of this notice.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Listing Obligation with the Stock Exchange.

The board therefore recommends the Special Resolutions as set out at Item Nos. 4 to 6 of the Notice for approval by the shareholders of the Company.

Memorandum of Interest:

Except Mr. D. Sesha Reddy, Mr. R. Mohan Reddy and Mr. A. Balasubramanian, directors, being appointees, none of the other directors or key managerial personnel of the Company or their relatives is concerned or interested, in their respective resolutions for appointment as set out in Item Nos. 4 to 6 of this notice.

In terms of Regulation 36(3) of SEBI (LODR) Regulations, 2015 read with Secretarial Standards on General Meeting brief profile of the Directors, nature of their expertise in specific functional areas, other directorships and committee memberships, their shareholding and relationship with other Directors of the Company are given below:

1. Mr. D. Sesha Reddy (DIN 00520448)

Mr. D. Sesha Reddy is a Non-Executive Independent Director of the Company. He is the Chairman of the Stakeholders Grievance Committee and member of Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee. He holds "NIL" shares in the Company and is not related to any director or Key Managerial Personnel of the Company. A brief profile of Mr. D. Sesha Reddy is given below:

Mr. D. Sesha Reddy aged about 78 years is a Non-Executive Independent Director of the Company. An arts graduate and one of the leading industrialists in Nellore and has wide experience in Industrial field.

Details of other Directorships/Committee Memberships held by him:

Directorship	Committee Membership
Dodla Dairy Limited	Audit Committee
Dodla Enterprises Private Limited	Nil
Reddy Builders Private Limited	Nil

2. Mr. R. Mohan Reddy (DIN 00841038)

Mr. R. Mohan Reddy is a Non-Executive Independent Director of the Company. He is the Chairman of the Nomination & Remuneration Committee and member of the Audit Committee and Stakeholders Grievance Committee. He holds "NIL" shares in the Company and is not related to any director or Key Managerial Personnel of the Company. A brief profile of Mr. R. Mohan Reddy is given below:

Mr. R. Mohan Reddy, aged about 79 years, holds a bachelor degree in Engineering and has completed his Masters in Business Management from Osmania University. He was a General Manager in Andhra Pradesh Industrial Development Corporation, in charge of project appraisals, revival of sick units, monitoring assisted units etc.; He was also the Managing Director of Hyderabad Allwyn Limited.

Details of other Directorships/Committee Memberships held by him:

Directorship	Committee Membership
Lokesh Machines Limited	Audit Committee Nomination & Remuneration Committee Stakeholders Grievance Committee
M.L.R. Motors Limited	Nil
NC Energy Limited	Audit Committee Nomination & Remuneration Committee

3. Mr. A. Balasubramanian (DIN 00490921)

Mr. A. Balasubramanian is a Non-Executive Independent Director of the Company. He is the Chairman of the Audit Committee and member of the Nomination & Remuneration Committee. He holds “NIL” shares in the Company and is not related to any director or Key Managerial Personnel of the Company. A brief profile of Mr. A. Balasubramanian is given below:

Mr. A. Balasubramanian, aged about 70 years, holds a Bachelor degree in Science and is a Chartered Accountant. He has about 43 years of experience in the areas of Banking, Finance and Management. He worked in Punjab National Bank for about 30 years at various capacities and retired as Chief General Manager. Earlier to that he worked in Tata Group of Companies for about 4 years.

Details of other Directorships/Committee Memberships held by him:

Directorship	Committee Membership
Butterfly Gandhimathi Appliances Limited	Audit Committee Nomination & Remuneration Committee

Item No. 7

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors amounting to ₹ 1,50,000/- per annum, to conduct the audit of the cost records of the Company for the financial year ending 31st March 2020.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors has to be ratified by the Shareholders of the Company and hence the Resolution.

The Board of Directors recommends the ordinary resolution for your approval as set out under Item No. 7.

None of the Directors and Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in this resolution.

Item No. 8:

Pursuant to Sections 23, 42, 62(1)(c) and 71 of the Companies Act, 2013, Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, (including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force), SEBI ICDR Regulations and the SEBI Listing Regulations, and any other law for the time being in force, approval of members is required to be obtained by a special resolution for making any further issue of Equity Shares or Securities to any person(s) other than the existing members of the Company.

The special resolution contained at Item No. 8 of the Notice relates to a resolution by the Company enabling the Board to create, issue, offer and allot Equity Shares, global depository receipts, American depository receipts, foreign currency convertible bonds, or such other eligible securities, including by way of a qualified institutions placement as defined under the SEBI ICDR Regulations as stated in the resolution (the “**Securities**”, and such creation, issuance, offer and allotment of the Securities,

the “**Issue**”), to be subscribed by all eligible investors, including, foreign portfolio investors, who are authorised to invest in the Securities of the Company as per extant rules/ regulations / guidelines or any combination of the above as may be deemed appropriate by the Board in its absolute discretion and, whether or not such investors are members of the Company (collectively called “**Investors**”) in accordance with Chapter VI of the SEBI ICDR Regulations in one or more tranches, at such price, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest, etc. as may be deemed appropriate by the Board/ Committee and on such terms and conditions as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the issue, offer, and allotment shall be made considering the prevalent market conditions and other factors and wherever necessary, in consultation with lead manager and other agencies that may be appointed by the Board for the purpose of the Issue.

The Company is engaged in the business of manufacturing ductile iron castings and grey iron castings. The Company requires adequate capital to meet the needs of its growing business. Accordingly, it is thought prudent for the Company to have enabling approvals from the shareholders to raise further capital for meeting the needs of its growing business.

This special resolution enables the Board to raise funds for an aggregate amount of up to INR 150 Crores (Rupees One Hundred and Fifty Crores only) (“**Issue Proceeds**”). The Board shall raise funds pursuant to this special resolution and utilize such Issue Proceeds at its absolute discretion towards, inter alia, for the purpose of capital expenditure, to fund ongoing projects, repayment of loans, general corporate purposes and for such other purposes as may be deemed appropriate by the board of directors of the Company in accordance with applicable laws.

The special resolution also seeks to empower the Board to issue eligible Securities by way of QIP to QIBs in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and rules thereunder, amended from time to time. The pricing of the eligible Securities that may be issued to QIBs pursuant to SEBI ICDR Regulations shall be determined subject to such price not being less than the floor price calculated in accordance with Chapter VI of the SEBI ICDR Regulations (“**QIP Floor Price**”).

Further, the Board may also offer a discount of not more than five percent or such other percentage as permitted on the QIP Floor Price calculated in accordance with the pricing formula provided under SEBI ICDR Regulations. The “Relevant Date” for this purpose will be the date of the meeting in which the Board or the committee thereof decides to open the proposed issue of Equity Shares as eligible Securities and in case eligible Securities are eligible convertible securities, then either the date of the meeting in which the Board or committee thereof decides to open the proposed issue or the date on which holder of eligible Securities become eligible to apply for Equity Shares, as may be determined by the Board.

The allotment of Eligible Securities shall be completed within a period of 12 months from the date on which the shareholders pass this special resolution.

The Board of Directors, at its meeting held on 27th May 2019, has accorded its approval for raising of funds by the Company through issue of Securities, subject to members' approval and such other approvals as may be required under the applicable laws.

The Board of Directors recommends the Special Resolution for your approval as set out under Item No. 8.

The directors or key managerial personnel of the Company or their relatives may be deemed to be concerned or interested in the proposed resolution to the extent of Equity Shares that may be subscribed by the companies / institutions in which they are Directors or members and to the extent of their equity holdings in the Company, if any.

By Order of the Board

S.K. Sivakumar

*Group - Chief Financial Officer &
Company Secretary*

Place: Chennai

Date : 27th May 2019

Registered Office

No. 34, Industrial Estate,
Gudur, Andhra Pradesh - 524 101.
CIN: L27109AP1982PLC003518

ROUTE MAP TO AGM VENUE

AGM VENUE:
P.V.R. KALYANA MANDAPAM,
NEAR R.T.C. BUS STAND,
GUDUR - 524 101,
ANDHRA PRADESH



RTC BUS STAND

HDFC BANK

SAIBABA TEMPLE

TOWARDS GUDUR RAILWAY STATION &
GUDUR TOWN

GUDUR JUNCTION

NELLORE, VIJAYAWADA

NH - 16

CHENNAI

(Map not to scale)

BOARD OF DIRECTORS

Mr. D. Sesha Reddy

Chairman

Mr. P. Deepak

Managing Director

Mr. R. Mohan Reddy

Director

Mr. A. Balasubramanian

Director

Ms. P. Divya

Director

Mr. P. Vijaya Bhaskar Reddy

Dy. Managing Director

GROUP - CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. S.K. Sivakumar

AUDITORS

K NAGARAJU & ASSOCIATES

Chartered Accountants

59, Madhura Nagar, Ameerpet,

Hyderabad - 500 038

BANKERS

State Bank of India

Standard Chartered Bank

HSBC Ltd.

Kotak Mahindra Bank Ltd.

HDFC Bank Ltd.

REGISTERED OFFICE

34, Industrial Estate, Gudur - 524 101

Ph : 08624-251266/766, Fax: 08624-252066

CIN: L27109AP1982PLC003518

CORPORATE OFFICE

159, T.T.K. Road, Alwarpet, Chennai - 600 018

Ph : 044-24983111/4111, Fax: 044-24982111

Email: nelcast@nelcast.com

Website: www.nelcast.com

PLANTS

1. Gudur Unit:

34, Industrial Estate, Gudur - 524 101

Ph : 08624-251266/766, Fax: 08624-252066

2. Ponneri Unit:

Madhavaram Village, Amur Post, Ponneri - 601 204

Ph : 044-27974165/1506, Fax: 044-27973620

3. Pedapariya Unit:

259 to 261, Pedapariya Village,

Ozili Mandal, Nellore - 524 402



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BOARD'S REPORT

Your Directors are pleased to present the Thirty Seventh Annual Report along with the audited financial statements for the financial year ended 31st March 2019:

PERFORMANCE	(₹ in Lakhs)	
FINANCIAL RESULTS	2018-19	2017-18
Total Income	86220.74	76438.16
PBIDT	8181.57	7588.35
Profit Before Tax (PBT)	5771.62	5703.07
Less: Provision for Tax	1927.54	1876.84
Profit After Tax (PAT)	3844.08	3826.23
Add: Profit brought forwarded from previous year	6230.63	5893.00
Other Comprehensive Income	-25.02	-46.19
Total Comprehensive Income available for Appropriation	10049.69	9673.04
Appropriations:		
General Reserve	2500.00	2500.00
Dividend on Equity Shares	870.01	783.01
Distribution Tax on Dividend	178.84	159.40
Surplus Carried to Balance Sheet	6500.84	6230.63

DIVIDEND

Your Directors recommend a dividend of 50% (₹ 1/- per share) for the financial year 2018-19. Payment of dividend is subject to the approval of shareholders at the ensuing Annual General Meeting.

TRANSFER TO RESERVES

Your Directors have recommended a transfer of ₹ 2500 Lakhs to General Reserve for the financial year 2018-19.

OPERATIONS

During the year, the Company recorded Revenue from Operations by way of Net Sales of ₹ 856.27 Crores as against ₹ 744.54 Crores in 2017-18, an increase of about 15%. Our Exports business registered a growth of 54% compared with previous year and stood at ₹ 89.96 Crores. Profit After Tax made during the year is ₹ 38.44 Crores as against ₹ 38.26 Crores in 2017-18, a marginal increase compared with previous year. The production during the year was 92,533 MT, compared to the previous year's 86,098 MT.

OUTLOOK

During the year the Commercial Vehicle industry registered a strong growth in the first half of the year, however the growth rate in the second half of the year moderated mainly due to revised axle load norms, liquidity crunch and political uncertainty leading up to the elections. The Commercial Vehicle sector is expecting to grow in the year 2019-20 due to pre-buying in the 2nd and 3rd quarter of the year ahead of the implementation of BSVI norms from 1st April 2020. The Tractor industry witnessed a double digit growth for the third consecutive year, but the pace was slowest in the last three years due to deficient northeast monsoon, uneven rainfall distribution and dry conditions. The growth was marred due to weak sentiment in the later part of the year as sales slipped to negative in the 4th quarter of the year. The Tractor industry expects a flat to moderate growth in the year 2019-20 with the indication of normal monsoon. The long term outlook remains positive for the Automotive Industry with most major global players having a base in India for manufacturing, global sourcing and engineering.

BOARD'S REPORT - (Contd.)

CONSOLIDATED FINANCIAL STATEMENTS

The Company has prepared Consolidated Financial Statements of Nelcast Limited and its subsidiary NC Energy Limited as at 31st March 2019, in accordance with the provisions of Section 129(3) of the Companies Act, 2013, SEBI Listing Regulations and the Indian Accounting Standards prescribed by the Institute of Chartered Accountants of India. As required by the Listing Regulations, the audited Consolidated Financial Statements are circulated with the Annual Report.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

In terms of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the salient features of the financial statements of subsidiary company is set out in the prescribed form AOC-1, which is annexed with this report as Annexure-B. The Company will make available the audited annual accounts and related information of its subsidiary, upon request by any of its shareholders. The annual accounts of the subsidiary company will also be kept for inspection, by any member at the Registered Office of the Company and its subsidiary company. The consolidated financial statements presented by the Company, which form part of this annual report, include financial results of its subsidiary company.

QUALITY AND CUSTOMER SATISFACTION

The Company adheres to IATF 16949 quality standards and continuously strives to achieve world class quality by strictly adhering to the quality norms. The Company has also been awarded ISO 14001 & OSHAS 18001 certifications for implementing Health, Safety & Environmental Management Systems.

The Company is a supplier to several leading OEM customers like Tata Motors, Ashok Leyland, TAFE, Eicher Tractors (TMTL), Volvo-Eicher Commercial Vehicles, SAME Tractors, Escorts Tractors, Daimler India, Caterpillar, etc., Tier I customers like Automotive Axles, American Axles, Dana, Rane Madras, Rane-TRW, ZF India, Simpson & Co., etc., and Export customers like Meritor, American Axles, Daimler, Dana, Comer, ZF Industries etc., the Company is closely working with several of our customers in terms of new product development, improvement in quality, etc. to improve our products.

DEPOSITS

The Company has not accepted any public deposits during the year and as such, no amount on account of principal or interest on deposits from public was outstanding as at 31st March 2019.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In compliance with the provisions of Section 149 read with Schedule IV of the Act, Mr.D.Sesha Reddy, Mr. R. Mohan Reddy and Mr. A. Balasubramanian have been recommended to be re-appointed as Independent Directors of the Company for the second term of 5 (five) consecutive years not liable to retire by rotation by the Nomination and Remuneration Committee and Board of Directors at their respective meetings held on 27th May 2019, with effect from 6th August 2019. In the opinion of the Board, they fulfill the conditions specified in the Act and the Rules made there under for re-appointment as Independent Directors for the second term and are independent of the management. Details of the proposal for appointment of independent directors are mentioned in the Explanatory statement under sec 102 of the Companies Act, 2013 of the Notice of the 37th Annual General Meeting.

BOARD'S REPORT - (Contd.)

Mr. P. Deepak, Director is due to retire by rotation and being eligible offers himself for reappointment. Mr. P. Deepak, Managing Director, Mr. P. Vijaya Bhaskar Reddy, Dy. Managing Director & CFO and Mr. S.K. Sivakumar, Group - Chief Financial Officer & Company Secretary hold the office of Key Managerial Personnel.

Declaration of Independent Directors

The Independent Directors have fulfilled the criteria of Independence as defined under Section 149(6) and requisite declarations in terms of Section 149(7) of the Companies Act, 2013 have been received.

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) of the Companies Act, 2013 relating to constitution of Nomination and Remuneration Committee are applicable to the Company and hence, the Company has devised a policy relating to appointment of Directors, payment of managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013. The said policy is posted in the Company's website www.nelcast.com

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2019 and of the profit of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

The Company has been pro-active in following the principles and practices of good Corporate Governance. The Company has taken adequate steps to ensure that the conditions of Corporate Governance as stipulated in the Listing Regulations are complied with letter and spirit. A certificate issued by the auditors of the Company regarding compliance of conditions of Corporate Governance is also annexed to this report. The matters relating to Corporate Governance as per the Listing Regulations are attached to this report. The management's discussion and analysis report as required by the Listing Regulations is also annexed which forms part of this report.

BOARD'S REPORT - (Contd.)

RELATED PARTY TRANSACTIONS

All transactions entered by the Company with related parties were in the ordinary course of the business and at Arm's Length basis. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. The details of the transactions with related parties are given in the financial statements. The Related Party Transaction Policy is posted in the website of the Company.

BOARD MEETINGS

During the year, four meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report which is attached to this report.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee.

REMUNERATION POLICY OF THE COMPANY

The Company has adopted a Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to Section 178(3) of the Companies Act, 2013 and as per the Listing Regulations. The Company affirms remuneration is as per the remuneration policy of the Company. The said policy is posted in the website www.nelcast.com of the Company.

PARTICULARS OF EMPLOYEES RELATED DISCLOSURES

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136(1) of the Companies Act, 2013, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the Company during business hours on working days of the Company up to the date of ensuing Annual General Meeting.

The Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure forming part of the Annual Report.

Having regard to the provisions of Section 136(1) read with its relevant provision of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee and free of cost.

AUDITORS

At the Annual General Meeting of the Company held on 3rd August 2017, M/s. K.Nagaraju & Associates, Chartered Accountants (Firm Registration No.002270S) were appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years from conclusion of 35th Annual General Meeting till the conclusion of the 40th Annual General Meeting. They have confirmed that their appointment is in accordance with Section 139 read with Section 141 of the Companies Act, 2013.

BOARD'S REPORT - (Contd.)

SECRETARIAL AUDITOR

The Company has appointed M/s. L.D. Reddy & Co., Practicing Company Secretaries to conduct Secretarial Audit for the year 2018-19. The Secretarial Audit Report for the financial year ended 31st March 2019 is annexed with this report in Annexure-D.

COST AUDITORS

As per Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit & Auditors) Rules, 2014, the Board of Directors of your Company has appointed M/s. Jayaram & Associates, Cost Accountants as the Cost Auditors of the Company for the year 2019-20 on the recommendations made by the Audit Committee.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details are provided in the Management Discussion and Analysis Report attached to this report. The Internal Auditors reviews the efficiency and effectiveness of the systems and procedures. The Audit Committee approves and reviews the internal audit plan for the year.

SECRETARIAL STANDARDS

The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems were adequate and operating effectively.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed with this report in Annexure-E.

INDUSTRIAL RELATIONS

The employee relations have remained cordial throughout the year and industrial harmony was maintained. Measures for the safety, training and development of the employees continued to receive top priority. The Directors wish to place on record their appreciation of the valuable contribution made by the employees of the Company at all levels towards the performance and growth of the Company.

RISK MANAGEMENT POLICY

The Company has an adequate Risk Management Policy commensurate with its size and operations. Risk Management is an essential element in achieving business goals and deriving benefits from market opportunities. The Risk Management includes identifying types of risks and its assessment, risk handling, monitoring and reporting.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013. The details of the investments made by Company are given in the financial statements.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Policy of the Company and details about the initiatives taken by the Company on CSR during the year as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been disclosed as part of this report in Annexure-C. Further details of composition of the Corporate Social Responsibility Committee and other details are provided in the Corporate Governance Report which forms part of this report.

BOARD'S REPORT - (Contd.)

INTERNAL COMPLAINTS COMMITTEE

The Company has in place a policy for prevention, prohibition and redressal against sexual harassment of women at the workplace to protect women employees and enable them to report sexual harassment at the workplace. An Internal Complaints Committee has also been constituted for this purpose. No complaints were received during the year.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and under regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings.

Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole. The Nomination and Remuneration Committee also reviewed the performance of the Board, its Committees and of the Directors.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, research and development, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in the Annexure-A forming part of this Report.

ACKNOWLEDGEMENTS

The Directors place on record their sincere appreciation for the dedicated efforts of the employees and co-operation of associates, suppliers and customers. We also express our sincere thanks to Company's Bankers namely State Bank of India, Standard Chartered Bank, The Hongkong and Shanghai Banking Corporation Ltd., Kotak Mahindra Bank Ltd. and HDFC Bank Ltd. for their trust and continued support.

Place: Chennai
Date : 27th May 2019

For and on behalf of the Board
D. Sesa Reddy
Chairman

ANNEXURE A TO THE BOARD'S REPORT

[Pursuant to Section 134(3)(m) of The Companies Act, 2013
read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY:

- | | |
|---|--|
| (a) Energy conservation measures undertaken | The Company continues its efforts to improve energy conservation based on recommendations arising out of the Energy Audit. The Company has also certified for ISO 50001. |
| (b) Additional investments and proposals, if any being implemented for the reduction of consumption of energy | Investment is being made to improve Power Factor |
| (c) Impact of measures at (a) and (b) above for the reduction of energy consumption and consequent impact on the cost | Energy Savings |
| (d) Total energy consumption and Energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto | Not Applicable |
| (e) The Company has utilized power generated through wind as alternative source. | |

B. TECHNOLOGICAL ABSORPTION:

Research & Development (R & D)

1. Specific areas in which R & D is carried out by The Company.

Existing activities:

The Company has been continuously putting effort to develop new products for new applications to Commercial Vehicle, Tractor and Off-highway segments. The Company is committed to introducing new products and improving existing products to have better performance levels. During the year the Company has developed in excess of 30 new components for these segments. The Company also developed new products for Army, Construction & Mining Applications. The Company is doing many research activities in the areas of new material development, component weight reduction, yield improvement, core weight reduction, process design, process improvement etc.,

ANNEXURE A TO THE BOARD'S REPORT - (Contd.)

2. Benefits derived as a result of R & D:

- (a) Improved market penetration of new platforms and models creating critical momentum for further growth.
- (b) New opportunities in global markets by through the new capabilities developed.
- (c) Improved competency for designing process & products for global customers.
- (d) Reduced product development lead time and improved product quality due to advancement of simulation capabilities.
- (e) Improvement of existing products to achieve higher yield, better productivity & more consistent quality.

3. Future plan of action:

- (i) Continued expansion of the product range to serve the local and global market needs.
- (ii) Expanding market for Automotive applications & conversion of components from other processes & materials to Iron Castings.
- (iii) New materials development for innovative next generation products like Austempered Ductile Iron applications.
- (iv) Develop new processes technologies to improve the product quality and performance.
- (vi) To co-develop components closely with our customers to improve product performance & manufacturability.

4. Expenditure on R & D:

₹ in Lakhs

Capital expenditure	:	117.57
Revenue expenditure	:	900.76
Total	:	1018.33
Total expenditure as percentage of net sales	:	1.19%

C. FOREIGN EXCHANGE EARNING AND OUTGO :

a) Activities relating to export initiatives taken to increase, development of new export markets	:	Ongoing marketing campaign in the USA and Europe is expected to yield results in the coming years
b) Total Foreign Exchange Used	:	₹ 3568.69 Lakhs
Total Foreign Exchange Earned	:	₹ 8845.24 Lakhs

Place: Chennai
Date : 27th May 2019

For and on behalf of the Board
D. Sesha Reddy
Chairman

ANNEXURE B TO THE BOARD'S REPORT

FORM NO. AOC-1

**[Statement pursuant to Section 129(3) of the Companies Act, 2013
read with Rule 5 of Companies (Accounts) Rules, 2014]**

Statement containing salient features of the financial statements of subsidiary

Part "A": Subsidiary

₹ in Lakhs

S. No.	Particulars	
1	Name of the Subsidiary	NC Energy Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA
4	Share Capital	4131.00
5	Other Equity	-
6	Total Assets	4131.81
7	Total Equity and Liabilities	4131.81
8	Investments	-
9	Turnover	-
10	Profit Before Taxation	-
11	Provision for Taxation	-
12	Profit After Taxation	-
13	Proposed Dividend	-
14	% of shareholding	93.44

Notes:

1. NC Energy Limited has not commenced its commercial operations.
2. Reporting period and reporting currency of the above subsidiary is same as that of the Company.

Place: Chennai
Date : 27th May 2019

For and on behalf of the Board
D. Sessa Reddy
Chairman

ANNEXURE C TO THE BOARD'S REPORT

CORPORATE SOCIAL RESPONSIBILITY

1. Corporate Social Responsibility Policy Overview

The Company has framed its CSR policy in compliance with the provisions of the Companies Act, 2013 and the same is placed in the Company's website at the web link: http://nelcast.com/wp-content/uploads/2018/08/csr_policy_nelcast_ltd.pdf. The policy is duly approved by the Board of Directors.

2. Approach to CSR

- I. The guiding principles of CSR programmes are "sustainability" and "impact through empowerment". These guiding principles shall run through all the approved CSR projects, within the broad framework of Schedule VII of the Act.
- II. Existing CSR activities viz. promotion of education and employability including creation of skill.

3. Composition of CSR Committee

1. Mr. P. Deepak - Chairman
2. Mr. D. Sessa Reddy - Member
3. Ms. P. Divya - Member
4. Mr. P. Vijaya Bhaskar Reddy - Member

4. Average Net Profit and prescribed CSR expenditure:

The average net profit and prescribed CSR expenditure is as detailed below:

Particulars	₹ in Lakhs
Average Net Profit for last three financial years	5080.83
Prescribed CSR expenditure 2% of Average Net Profit of the last three financial years	101.62

Details of CSR spent during the financial year 2018-19:

Particulars	₹ in Lakhs
Total amount spent during the year	103.57
Amount unspent, if any	Nil

ANNEXURE C TO THE BOARD'S REPORT - (Contd.)

5. Manner in which the amount spent during the financial year 2018-19 is detailed below:

S. No.	CSR Project or activity identified	Sector in which the project is covered	Locations	Amount Spent on the Project or Programs (₹ in Lakhs)	Cumulative Expenditure upto reporting period (₹ in Lakhs)	Amt. spent Directly or through implementing Agency
1	Educational, Scholarship, Education, Tuition Support, Book Provisioning, setting up library and providing educational aid to Govt. Schools	Literacy	Gudur & Ponneri	3.30	3.30	Direct
2	Vocational training to unemployed youth, school dropouts, placement linked skills development training to unemployed youth Vocational Training	Vocational Training	Gudur & Ponneri	71.50	71.50	Direct
3	Health Camps, Medical help to Underprivileged, Malnutrition reduction etc.,	Healthcare	Gudur & Ponneri	21.47	21.47	Direct
4	Contribution towards Remote area development	Infrastructure Development	Gudur	1.58	1.58	Direct
5	Providing safe drinking water to community	Sanitation Drinking Water	Gudur	5.72	5.72	Direct
				103.57	103.57	

6	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.	Not Applicable
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.	The implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

Place: Chennai
Date : 27th May 2019

P. Deepak
 Chairman
 CSR Committee

ANNEXURE D TO THE BOARD'S REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2019

[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 BOARD OF DIRECTORS OF
NELCAST LIMITED**

We have conducted the secretarial audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Nelcast Limited, CIN: L27109AP1982PLC003518** (the "Company"). Secretarial Audit was conducted 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 books, papers, minute books, 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 ended on 31st March 2019, complied with the statutory provisions listed hereunder and also that the Company has proper broad-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Nelcast Limited** for the financial year ended on 31st March 2019 according to the provisions of:
 - i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
 - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
 - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

ANNEXURE D TO THE BOARD'S REPORT - (Contd.)

- f. 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;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi) The Factories Act, 1948;
- vii) The Payment of Wages Act, 1936;
- viii) The Minimum Wages Act, 1948;
- ix) Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- x) Employees State Insurance Act, 1948;
- xi) The payment of Bonus Act, 1965;
- xii) Workmen's Compensation Act, 1923;
- xiii) Contract Labour (Regulation & Abolition) Act, 1970;
- xiv) The Environment (Protection) Act, 1986;
- xv) Electricity Act, 2003;
- xvi) Income Tax Act, 1961 and Indirect Tax Laws;
- xvii) The Payment of Gratuity Act, 1972;
- xviii) Service Tax (Finance Act, 1994);
- xix) Value Added Tax Act, 2005 and Tamil Nadu Value Added Tax Act, 2006;
- xx) The Goods and Services Tax Act, 2017;
- xxi) Customs Act, 1962;
- xxii) Central Excise Act, 1944;
- xxiii) Water (Prevention & Control of Pollution) Act, 1974 and rules thereunder;
- xxiv) Air (Prevention & Control of Pollution) Act, 1981 and rules thereunder;
- xxv) Weekly Holidays Act, 1942;
- xxvi) Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008;
- xxvii) Newspaper Publications;
- xxviii) The Insurance Act, 1938 (as amended by Insurance (Amendment) Act, 2002);
- xxix) The Industrial Employment (Standing Orders) Act, 1946;
- xxx) The Tamil Nadu Factory Rules, 1950;
- xxxi) The Petroleum Act, 1934 and Petroleum Rules, 2002;
- xxxii) Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;
- xxxiii) The Apprentices Act, 1961;
- xxxiv) The Tamil Nadu Labour Welfare Fund Act;
- xxxv) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

ANNEXURE D TO THE BOARD'S REPORT - (Contd.)

2. We have also examined compliance with the applicable clauses of the Secretarial standards issued by The Institute of Company Secretaries of India and the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 as amended entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.
3. We further report that the Company has, in our opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
 - A separate meeting of Independent Directors was held during the year as per the provisions of Companies Act, 2013;
 - Maintenance of various statutory registers and documents and making necessary entries therein has been done as per Companies Act, 2013;
 - Closure of the Register of Members;
 - Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 - Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
 - Adequate notice is given to all 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;
 - 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;
 - Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 - Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
 - Declaration and payment of dividends;
 - Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
 - Investment of the Company's funds including investments and loans to others;
 - Format of Balance Sheet and statement of profit and loss is as per Schedule III of the Companies Act, 2013 read with Companies (Indian Accounting Standard (Ind AS) Rules, 2015;
 - Report of the Board of Directors;
 - The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

ANNEXURE D TO THE BOARD'S REPORT - (Contd.)

4. We further report that:
 - The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited;
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013; including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding;
 - There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
5. We further Report that
 - The company is regular in paying all statutory dues like PF, ESI, Sales tax, Income Tax, VAT, Service tax, Central Excise Tax, Goods and Services Tax, Wealth Tax, etc.,
 - The Company has filed return as per The Factories Act, 1948;
 - The company is regular in publishing Audited and Unaudited Financial Results;
 - The Company is paying bonus to all employees as per the provisions of The Payment of Bonus Act, 1965;
6. We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
7. We further Report that during the audit Period the Company has
 - No Public /Right/Preferential Issue of Shares/Debentures/Sweat Equity etc.,
 - No Redemption/Buy-back of Securities;
 - No major Decision taken by the members in pursuance of Section 180 of the companies Act, 2013;
 - No Merger/Amalgamation/Reconstruction, etc.,
 - No Foreign Technical Collaborations;

For L.D.Reddy & Co
Company Secretaries

L. Dhanamjaya Reddy
(Proprietor)

CP. No.: 3752

M. No.: 13104

Place: Hyderabad

Date : 25th April 2019

ANNEXURE E TO THE BOARD'S REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

For the Financial Year Ended 31st March 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and
Rule No. 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

- (i) CIN : **L27109AP1982PLC003518**
- (ii) Registration Date : **07.06.1982**
- (iii) Name of the Company : **NELCAST LIMITED**
- (iv) Category / Sub-Category of the Company : **PUBLIC LIMITED COMPANY**
- (v) Address of the Registered Office and contact details : **34, Industrial Estate
Gudur, Andhra Pradesh - 524 101
Ph: 08624-251266/766
Fax: 08624-252066**
- (vi) Whether Listed Company Yes / No : **Yes**
- (vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : **M/s. Bigshare Services Pvt. Ltd.
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis,
Makwana Road, Marol,
Andheri (East), Mumbai - 400059
Ph: 022-62638200 Fax: 022-62638299
E-mail: investor@bigshareonline.com**

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:

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Iron Castings	24319	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

Sl. No	NAME AND ADDRESS	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of Shares held	Applicable Section
1	NC Energy Limited	U40108TN2010PLC078456	Subsidiary	93.44	2(87)

ANNEXURE E TO THE BOARD'S REPORT - (Contd.)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	A. Promoters									
(1)	Indian									
	(a) Individual/HUF	48737668	-	48737668	56.019	48855566	-	48855566	56.155	0.136
	(b) Central Government	-	-	-	-	-	-	-	-	-
	(c) State Government(s)	-	-	-	-	-	-	-	-	-
	(d) Bodies Corporate	-	-	-	-	-	-	-	-	-
	(e) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
	(f) Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1):	48737668	-	48737668	56.019	48855566	-	48855566	56.155	0.136
(2)	Foreign									
	(a) NRIs/Foreign Individuals	16154249	-	16154249	18.568	16154249	-	16154249	18.568	-
	(b) Other Individuals	-	-	-	-	-	-	-	-	-
	(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
	(d) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
	(e) Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter (A)=(A)(1)+(A)(2)	64891917	-	64891917	74.587	65009815	-	65009815	74.723	0.136
	B. Public Shareholding Institutions									
(1)	(a) Mutual Funds	495994	-	495994	0.570	-	-	-	-	(0.570)
	(b) Banks/Financial Institutions	34539	-	34539	0.040	39420	-	39420	0.045	0.005
	(c) Central Government	-	-	-	-	-	-	-	-	-
	(d) State Government(s)	-	-	-	-	-	-	-	-	-
	(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	(f) Insurance Companies	-	-	-	-	-	-	-	-	-
	(g) Foreign Institutional Investors / Foreign Portfolio Investors	134500	-	134500	0.155	-	-	-	-	(0.155)
	(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	(i) Trusts	-	-	-	-	-	-	-	-	-
	(j) Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1):	665033	-	665033	0.765	39420	-	39420	0.045	(0.720)

ANNEXURE E TO THE BOARD'S REPORT - (Contd.)

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	Non-Institutions									
	(a) Bodies Corp.									
	(i) Indian	2941976	-	2941976	3.382	2974728	-	2974728	3.419	0.038
	(ii) Overseas	-	-	-	-	-	-	-	-	-
	(b) Individuals									
	(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	8660853	15	8660868	9.955	9101884	15	9101899	10.462	0.507
	(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	3368171	-	3368171	3.872	3351345	-	3351345	3.852	(0.019)
	(c) Others									
	(i) Clearing Member	215119	-	215119	0.247	171973	-	171973	0.198	(0.050)
	(ii) Director or Director's Relatives	3248059	-	3248059	3.733	3316793	-	3316793	3.812	0.079
	(iii) Employees	3016	-	3016	0.003	3016	-	3016	0.003	-
	(iv) NRIs	415967	-	415967	0.478	438377	-	438377	0.504	0.026
	(v) IEPF	8,921	-	8,921	0.010	12,681	-	12,681	0.015	0.004
	(vi) Trusts	2582153	-	2582153	2.968	2581153	-	2581153	2.967	(0.001)
	(d) Foreign Collaborators	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2):	21444235	15	21444250	24.648	21951950	15	21951965	25.232	0.584
	Total Public shareholding (B)=(B)(1)+(B)(2)	22109268	15	22109283	25.413	21991370	15	21991385	25.277	(0.136)
	C. Shares held by Custodian for GDRs & ADRs									
	Grand Total (A+B+C)	87001185	15	87001200	100.000	87001185	15	87001200	100.000	-

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	P. Deepak	34295905	39.420	0	34363803	39.498	0	0.078
2	P. Deepak (HUF)	14441763	16.599	0	14491763	16.657	0	0.058
3	P. Divya	16154249	18.568	0	16154249	18.568	0	0.000
	Total	64891917	74.587	0	65009815	74.723	0	0.136

ANNEXURE E TO THE BOARD'S REPORT - (Contd.)

(iii) Change in Promoters' Shareholding:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	P. Deepak At the beginning of the year At the end of the year	34295905	39.420	34295905 34363803	39.420 39.498
2	P. Deepak (HUF) At the beginning of the year At the end of the year	14441763	16.599	14441763 14491763	16.599 16.657
3	P. Divya At the beginning of the year At the end of the year	16154249	18.568	16154249 16154249	18.568 18.568

**(iv) Shareholding Pattern of top ten Shareholders
(other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	KANURI FAMILY TRUST At the beginning of the year Add: Purchases during the year (Less): Sales during the year At the end of the year	2533488 0 0	2.912 - -	2533488 2533488 2533488 2533488	2.912 2.912 2.912 2.912
2	P VEENA At the beginning of the year Add: Purchases during the year (Less): Sales during the year At the end of the year	1205429 25646 0	1.386 0.029 -	1205429 1231075 1231075 1231075	1.386 1.415 1.415 1.415
3	HEALTHY INVESTMENTS LTD At the beginning of the year Add: Purchases during the year (Less): Sales during the year At the end of the year	1115745 0 0	1.282 - -	1115745 1115745 1115745 1115745	1.282 1.282 1.282 1.282

ANNEXURE E TO THE BOARD'S REPORT - (Contd.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
4	P VIRAJA At the beginning of the year Add: Purchases during the year (Less): Sales during the year At the end of the year	1042630 43088 0	1.198 0.050 -	1042630 1085718 1085718 1085718	1.198 1.248 1.248 1.248
5	F L DADABHOY At the beginning of the year Add: Purchases during the year (Less): Sales during the year At the end of the year	468000 0 -21600	0.538 - (0.025)	468000 468000 446400 446400	0.538 0.538 0.513 0.513
6	BHUPESH KUMAR LODHA AND SONS HUF At the beginning of the year Add: Purchases during the year (Less): Sales during the year At the end of the year	0 390000 0	- 0.448 -	0 390000 390000 390000	- 0.448 0.448 0.448
7	P F DADABHOY At the beginning of the year Add: Purchases during the year (Less): Sales during the year At the end of the year	360000 0 -20400	0.414 - (0.023)	360000 360000 339600 339600	0.414 0.414 0.390 0.390
8	N F DADABHOY At the beginning of the year Add: Purchases during the year (Less): Sales during the year At the end of the year	330000 0 -20400	0.379 - (0.023)	330000 330000 309600 309600	0.379 0.379 0.356 0.356
9	R F DADABHOY At the beginning of the year Add: Purchases during the year (Less): Sales during the year At the end of the year	330000 0 -20400	0.379 - (0.023)	330000 330000 309600 309600	0.379 0.379 0.356 0.356
10	SHIRIN WATWANI At the beginning of the year Add: Purchases during the year (Less): Sales during the year At the end of the year	330000 0 -20400	0.379 - (0.023)	330000 330000 309600 309600	0.379 0.379 0.356 0.356

ANNEXURE E TO THE BOARD'S REPORT - (Contd.)

(v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	P. Deepak At the beginning of the year At the end of the year	34295905	39.420	34295905 34363803	39.420 39.498
2	P. Deepak (HUF) At the beginning of the year At the end of the year	14441763	16.599	14441763 14491763	16.599 16.657
3	P. Divya At the beginning of the year At the end of the year	16154249	18.568	16154249 16154249	18.568 18.568
4	P. Vijaya Bhaskar Reddy At the beginning of the year At the end of the year	1000000	1.149	1000000 1000000	1.149 1.149
5	S.K. Sivakumar At the beginning of the year At the end of the year	100	0.000	100 100	0.000 0.000

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	9782.24	-	-	9782.24
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	9782.24	-	-	9782.24
Change in Indebtedness during the financial year				
• Addition	10196.31	-	-	10196.31
• Reduction	-	-	-	-
Net Change	10196.31	-	-	10196.31
Indebtedness at the end of in the financial year				
(i) Principal Amount	19978.55	-	-	19978.55
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	19978.55	-	-	19978.55

ANNEXURE E TO THE BOARD'S REPORT - (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Remuneration paid to Whole-time Directors & Non-Executive Directors are provided in the Corporate Governance Report which forms part of Directors Report.

In terms of Section 136(1) of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on Remuneration of Directors and Key Managerial Personnel particulars in the extract of annual return MGT-9, which is available for inspection by the members at the Registered office of the Company during business hours on working days of the Company up to the date of ensuing Annual General Meeting.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made, if any (give details)
A. COMPANY Penalty Punishment Compounding			NIL		
B. DIRECTORS Penalty Punishment Compounding					
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding					

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The fundamental principle of Corporate Governance is achieving sustained growth ethically and in the best interest of all stakeholders. The Company has a strong legacy of fair, transparent and ethical governance practices and it believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhance stakeholders' value. The Company always believes to achieve optimum performance at all levels in adopting good corporate performance. As a good corporate citizen, the Company lays great emphasis on a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business. The Company believes that corporate governance begins with Company's continuous review of its internal procedures and practices encompassing all its business areas in the most appropriate manner, which would spell fairness and transparency.

2. BOARD OF DIRECTORS

The Board of Directors of the Company is the highest governance authority within the management structure of the Company. The Board of Directors of the Company is totally committed to the best practices for effective Corporate Governance. The Board of Directors of the Company has an optimum combination of executive and non-executive directors having rich knowledge and experience in general corporate management, finance and other allied fields for providing guidance and direction to the Company. The Board reviews strategic business plans, budgets, setting up goals and evaluation performance and investment decision.

Composition of the Board of Directors:

The Composition of Board of Directors is in conformity with the Corporate Governance Code, [the Companies Act, 2013 and the Listing Regulations].

The Board comprises of two executive directors and four non-executive directors, out of which three are independent directors. All non-executive independent directors are persons of eminence and bring a wide range of expertise and experience to the Board.

Board Meetings:

During the financial year, meetings of the Board of Directors were held on 18th May 2018, 26th July 2018, 29th October 2018 and 12th February 2019.

The details of attendance of Directors at the Board Meetings and the last Annual General Meeting:

Name of the Director	Board Meetings	Annual General Meeting
Mr. D. Sessa Reddy	4	Attended
Mr. R. Mohan Reddy	4	Attended
Mr. A. Balasubramanian	4	Attended
Mr. P. Deepak	4	Attended
Ms. P. Divya	4	Attended
Mr. P. Vijaya Bhaskar Reddy	4	Attended

REPORT ON CORPORATE GOVERNANCE - (Contd.)

Directors' Membership as on 31st March 2019 in other Boards or Committees thereof:

Name of the Director	Other Boards	Other Board Committees	Directorship in other Listed Entities		
			Number of Listed Entity	Name of the Listed Entity	Category of Directorship in the Listed Entity
Mr. D. Sesha Reddy	3	1	-	-	-
Mr. R. Mohan Reddy	3	5	1	Lokesh Machines Limited	Independent Director
Mr. A. Balasubramanian	1	2	1	Butterfly Gandhimathi Appliances Limited	Independent Director
Mr. P. Deepak	2	None	-	-	-
Ms. P. Divya	3	1	-	-	-
Mr. P. Vijaya Bhaskar Reddy	2	2	-	-	-

3. AUDIT COMMITTEE

The broad terms of reference of the Audit Committee are as follows:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Compliance with Accounting Standards and changes in accounting policies and practices.
- Review of Quarterly results of the Company and auditor's report thereon before submission to the board for approval.
- Review of the Company's accounting policies, internal accounting and financial controls, risk management policies and such other matters.
- Discussing the nature and scope of Internal Audit and the Internal Controls.
- Reviewing the adequacy of internal audit functions and systems, structure, reporting process, audit coverage and frequency of internal audit.
- Review of risk management policies and practices.
- Evaluate internal financial controls and risk management systems.
- Recommend appointment of Statutory Auditors.
- Review of Related Party Transactions.
- Other matters as set out in the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015).

The Audit Committee comprises Mr. A. Balasubramanian (Independent Director), Chairman, Mr. R. Mohan Reddy (Independent Director), Mr. D. Sesha Reddy (Independent Director) and Mr. P. Vijaya Bhaskar Reddy (Non-Independent Director), Members. The dates of the meetings are as follows:

18th May 2018, 26th July 2018, 29th October 2018 and 12th February 2019.

REPORT ON CORPORATE GOVERNANCE - (Contd.)

Name of the Member	No. of Audit Committee Meetings attended
Mr. A. Balasubramanian	4
Mr. R. Mohan Reddy	4
Mr. D. Sesha Reddy	4
Mr. P. Vijaya Bhaskar Reddy	4

4. NOMINATION & REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee constituted pursuant to the provisions of the Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, which decides the Remuneration of all the directors and senior management members of the Company. The Committee comprises Mr. R. Mohan Reddy (Independent Director), Chairman, Mr. D. Sesha Reddy (Independent Director) and Mr. A. Balasubramanian (Independent Director), Members. During the year under review, two meetings of the Nomination and Remuneration Committee held on 18th May 2018 and 12th February 2019.

The broad terms of reference of the Nomination & Remuneration Committee are as follows:

- Formulation of the criteria for determining 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;
- Recommend to the Board the setup and composition of the Board, including formulation of the criteria for determining qualifications, positive attributes and independence of a Director.
- Support the Board in matters related to the setup, review and refresh of the Committees.
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Evaluating the performance of every director, committees of the board and the board as a whole;
- Devising a policy on Board Diversity.

The Company has adopted a Remuneration Policy for the Directors, Key Managerial Personnel and other employees. The said policy is posted in the website www.nelcast.com of the Company.

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board has set up a Corporate Social Responsibility Committee for the Company which decides CSR Policies and activities of the Company. The Committee comprises Mr. P. Deepak, Chairman, Mr. D. Sesha Reddy, Ms. P. Divya, and Mr. P. Vijaya Bhaskar Reddy, Members. There was one meeting held on 18th May 2018. The committee formulates and recommend to the Board, a CSR policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Act. The committee also monitors and reviews the CSR policy periodically and attends to such other matters and functions as may be prescribed from time to time.

6. RISK MANAGEMENT POLICY

The Company has in place a policy on risk assessment and minimization procedure to reduce or prevent undesirable incidents or unexpected loss. The policy is reviewed periodically.

REPORT ON CORPORATE GOVERNANCE - (Contd.)

7. INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on 11th February 2019, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Executive and Non-Executive Directors;
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting.

8. FAMILIARISATION PROGRAMME

The Company follows a structured orientation and familiarisation programme through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. The Company also has an ongoing familiarization programme for its Independent Directors, with the objective of familiarizing them with the Company, its operations and business model, nature of the industry and environment in which it operates, the regulatory environment applicable to it, the CSR projects undertaken by the Company and the roles, rights and responsibilities of Independent Directors. The details of familiarisation programme have been posted in the website www.nelcast.com of the Company.

9. SKILLS, EXPERTISE AND COMPETENCIES OF THE BOARD

The Board of Directors has, based on the recommendations of the Nomination and Remuneration Committee ('NRC'), identified the following core skills/ expertise/competencies of Directors as required in the context of business of the Company for its effective functioning:

- Leadership experience in managing companies and associations including general management
- Experience in finance, tax, legal compliance and corporate governance
- Experience in human resources and communication
- Experience and knowledge in the matters of safety, community and values

The Board as a whole possesses the identified skills, expertise and competencies as are required in the context of business of the Company.

10. PARTICULARS OF SITTING FEE / REMUNERATION PAID TO DIRECTORS DURING THE FINANCIAL YEAR 2018-19

Particulars of Sitting Fee paid to Non-Executive Directors:

Name of the Non-Executive Directors	Sitting Fee (₹)
Mr. D. Sessa Reddy	3,70,000
Mr. R. Mohan Reddy	3,70,000
Mr. A. Balasubramanian	3,50,000

Remuneration paid to Whole-time Directors:

Details	Managing Director (₹)	Whole-Time Director (₹)
Remuneration	1,77,49,154	73,94,880

REPORT ON CORPORATE GOVERNANCE - (Contd.)

11. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholder's Relationship Committee has been constituted pursuant to Section 178 of the Companies Act, 2013 and as per the requirements under the Listing Regulations, to look into all types of grievances from shareholders and redress them expeditiously. The committee comprises of Mr. D. Sessa Reddy (Independent Director), Chairman, Mr. R. Mohan Reddy (Independent Director) and Mr. P. Vijaya Bhaskar Reddy (Non-Independent Director), Members. The Company Secretary is the Compliance Officer of the committee. During the year the committee met on 29th October 2018.

Number of pending share transfers:

As on 31st March 2019, there were no share transfers pending. Share Transfers have been effected during the year well within the time prescribed by the Stock Exchanges and a certificate to this effect duly signed by a Practicing Company Secretary has been furnished to Stock Exchanges.

Compliance Officer:

S.K. Sivakumar

Group - Chief Financial Officer & Company Secretary

159, TTK Road, Alwarpet, Chennai - 600 018

Ph: 044-24983111 Fax: 044-24982111

E-mail: sivakumar@nelcast.com

Number of Shareholder complaints received & resolved during the year 2018-19: 1

No. of pending complaints as on 31st March 2019: - Nil -

12. GENERAL BODY MEETINGS

i. Location and time of last 3 Annual General Meetings were:

Year	Location	Date	Time
2017-18	P.V.R. Kalyanamandapam, Near R.T.C. Bus Stand, Gudur - 524 101	13.08.2018	11.00 AM
2016-17	P.V.R. Kalyanamandapam, Near R.T.C. Bus Stand, Gudur - 524 101	03.08.2017	11.00 AM
2015-16	P.V.R. Kalyanamandapam, Near R.T.C. Bus Stand, Gudur - 524 101	04.08.2016	11.00 AM

ii. Special Resolutions passed in the previous 3 Annual General Meetings:

Year	Subject Matter of Special Resolution	Date of AGM
2017-18	Increase in borrowing limits of the Company, Increase in limits for creation of charges on the assets of the Company, Adoption of new Memorandum of Association of the Company, Adoption of new Articles of Association of the Company and Further Issue of Securities	13.08.2018
2016-17	- Nil -	03.08.2017
2015-16	- Nil -	04.08.2016

REPORT ON CORPORATE GOVERNANCE - (Contd.)

iii. Postal Ballot:

The details of the postal ballot conducted during the year is given below:

Year	Subject Matter of Special Resolution	Date of Passing Resolution
2018-19	To continue the appointment of Mr. D. Sesha Reddy and Mr. R. Mohan Reddy, Independent Directors for the remaining period of the term.	23.03.2019

Brief particulars of the postal ballot and e-voting are provided below:

- The Board of Directors of the Company appointed Mr. P. R. Lakshmi Narayanan, Practising Company Secretary, as the Scrutinizer for scrutinizing the postal ballot and e-voting process;
- Despatch of the Postal Ballot Notice dated 12th February 2019, along with the Explanatory Statement and Postal Ballot Form, to the Members of the Company was completed on 21st February 2019;
- Voting through postal ballot and e-voting commenced on 22nd February 2019 and ended on 23rd March 2019;
- Based on the Scrutinizer's Report, the results of the postal ballot and e-voting were declared on 23rd March 2019 at the Registered Office of the Company.
- No special resolution requiring postal ballot is being proposed for the ensuing AGM.

13. DISCLOSURES

The related party transactions during the financial year 2018-19 are disclosed in the report as required under Indian Accounting Standard 24 (Ind AS 24) notified vide the Companies (Indian Accounting Standard) Rules, 2015. There are no materially significant related party transactions made by the Company with its promoters and subsidiaries.

There was neither non-compliance by the Company nor there were any penalties, strictures imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

The Company had issued formal letters of appointment to Independent Directors in the manner as provided in the Companies Act, 2013. The terms and conditions of appointment are disclosed in the website of the Company. The Company has formulated a policy to familiarise the Independent Directors.

All Independent Directors of the Company shall be bound by duties of Independent Directors as set out in the Companies Act, 2013 read with the Schedules and Rules thereunder.

Disclosure of Accounting Treatment

The financial statements for the year 2018-19 have been prepared in compliance with Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Companies Act, 2013.

The Company has fully complied with the applicable mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

REPORT ON CORPORATE GOVERNANCE - (Contd.)

14. MEANS OF COMMUNICATION

- The Quarterly / Half-yearly financial results published in one National Edition (English Language) and one in Regional Edition.
- The quarterly shareholding pattern is posted in BSE & NSE websites and in Company website www.nelcast.com

15. GENERAL SHAREHOLDER INFORMATION

Registered Office	34, Industrial Estate, Gudur - 524 101, Andhra Pradesh. Ph: 08624-251266/766, Fax: 08624-252066	
Annual General Meeting	Date and Time: 1 st August 2019 & 11.00 AM. Venue: P.V.R. Kalyanamandapam, Near R.T.C. Bus Stand, Gudur - 524 101, Andhra Pradesh.	
Financial Year	1 st April to 31 st March	
Financial Calendar (Tentative)	<ul style="list-style-type: none"> • Results for the quarter ending 30th June 2019 - 1st week of August 2019. • Results for the quarter and half year ending 30th Sep 2019 - 2nd week of November 2019. • Results for the quarter and nine months ending 31st Dec 2019 - 2nd week of February 2020. • Results for the year ending 31st March 2020 - by May 2020. 	
Date of Book Closure	27 th July 2019 to 1 st August 2019 (both days inclusive)	
Dividend Payment Date	Within 30 days from 1 st August 2019.	
Listing of Stock Exchanges	Name of Exchange	Stock Code
	1. Bombay Stock Exchange Limited (BSE), P J Towers, Dalal Street, Mumbai - 400 001.	532864
	2. National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051.	NELCAST
ISIN	INE189I01024	
Payment of Listing Fees	The Company has paid in advance the Listing Fees to both stock exchanges above for the financial year 2019-20.	
Credit Rating	ICRA has given the credit rating of ICRA A+/- Stable for long term fund and ICRA A1+ for short term fund based facilities.	

REPORT ON CORPORATE GOVERNANCE - (Contd.)

Market price data: High, Low during each month in the financial year 2018-19:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr'18	96.90	80.00	97.00	83.25
May'18	105.65	87.45	105.75	86.40
Jun'18	90.50	77.00	90.65	76.80
Jul'18	92.20	68.55	91.90	73.30
Aug'18	93.00	82.65	93.00	82.60
Sep'18	89.00	70.00	91.90	70.20
Oct'18	83.50	63.20	83.70	64.10
Nov'18	83.95	72.50	82.50	72.30
Dec'18	85.30	67.80	85.70	66.15
Jan'19	86.50	70.15	86.35	72.10
Feb'19	76.00	61.20	76.00	60.85
Mar'19	81.50	68.55	80.80	68.15

Share Price Performance in comparison to broad based indices – BSE Sensex:

Month	BSE		BSE Sensex	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr'18	96.90	80.00	35213.30	32972.56
May'18	105.65	87.45	35993.53	34302.89
Jun'18	90.50	77.00	35877.41	34784.68
Jul'18	92.20	68.55	37644.59	35106.57
Aug'18	93.00	82.65	38989.65	37128.99
Sep'18	89.00	70.00	38934.35	35985.63
Oct'18	83.50	63.20	36616.64	33291.58
Nov'18	83.95	72.50	36389.22	34303.38
Dec'18	85.30	67.80	36554.99	34426.29
Jan'19	86.50	70.15	36701.03	35375.51
Feb'19	76.00	61.20	37172.18	35287.16
Mar'19	81.50	68.55	38748.54	35926.94

REPORT ON CORPORATE GOVERNANCE - (Contd.)

Registrar and Share Transfer Agents:

M/s. Bigshare Services Pvt. Ltd.
 1st Floor, Bharat Tin Works Building,
 Opp. Vasant Oasis, Makwana Road,
 Marol, Andheri (East), Mumbai - 400059
 Ph: 022-62638200 Fax: 022-62638299
 E-mail: investor@bigshareonline.com

Share Transfer System:

All the transfers in physical form are processed and approved by the Stakeholder's Relationship Committee. The Company's Registrar's and Share Transfer Agent M/s. Bigshare Services Pvt. Ltd. have adequate infrastructure to process the share transfers. The Committee approves the transfers etc., as required from time to time.

Distribution of shareholding within various categories as on 31st March 2019:

No. of Equity Shares held	No. of Shareholders	% of Share Holders	No. of Shares	% of Share holding
1 - 500	17560	83.42	2827894	3.25
501 - 1000	2017	9.58	1635267	1.88
1001 - 2000	735	3.50	1122709	1.30
2001 - 3000	263	1.25	676177	0.78
3001 - 4000	102	0.48	369568	0.42
4001 - 5000	99	0.47	472639	0.54
5001 - 10000	145	0.69	1081886	1.24
10001 and above	129	0.61	78815060	90.59
Total	21050	100.00	87001200	100.00

Shareholding Pattern as on 31st March 2019:

Category	No. of Shares held	% to Total
Promoter & Promoter Group	65009815	74.72
Bodies Corporate	2974728	3.42
Individuals	12453244	14.32
Directors/Relatives	3316793	3.81
Clearing Members	171973	0.20
Trust	2581153	2.97
Foreign Individuals/NRI	438377	0.50
Employees	3016	0.00
IEPF Authority	12681	0.01
Financial Institutions/Banks	39420	0.05
Total	87001200	100.00

REPORT ON CORPORATE GOVERNANCE - (Contd.)

Dematerialization of Shares and liquidity:

Shares of the Company can be held and traded in electronic form.

100% of the total equity capital is held in dematerialized form with NSDL & CDSL as on 31st March 2019.

Plant Locations:

Gudur Unit

No. 34, Industrial Estate,
Gudur, Andhra Pradesh - 524 101
Ph: 08624-251266/766
Fax: 08624-252066

Ponneri Unit

Madhavaram Village, Amur Post,
Ponneri, Tamil Nadu - 601 204
Ph: 044-27974165/1506
Fax: 044-27973620

Pedapariya Unit

S. No. 259 to 261, Pedapariya Village,
Ozili Mandal, Andhra Pradesh - 524 402

Address for Correspondence:

159, TTK Road, Alwarpet, Chennai - 600 018
Ph: 044-24983111/4111
Fax: 044-24982111
E-mail: nelcast@nelcast.com
Website: www.nelcast.com

16. NON-MANDATORY REQUIREMENTS

a. The Company does not maintain a separate Chairman's Office.

b. Publication of half yearly results:

The half yearly results of the Company are published in an English Daily having a wide circulation and in a Telugu Daily. The results are not sent to the shareholders individually. However, the Company is displaying the financial results in its web site.

17. CEO/CFO CERTIFICATION

Mr. P. Deepak, CEO & Managing Director and Mr. P. Vijaya Bhaskar Reddy, CFO have furnished the certificate as per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

18. COMPLIANCE CERTIFICATE OF THE AUDITORS ON CORPORATE GOVERNANCE

The Company has obtained a Certificate from the Statutory Auditors confirming compliance of Conditions of the Code of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DECLARATION - CODE OF CONDUCT

As provided under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, all Board Members and Senior Management personnel have affirmed compliance with the applicable Code of Conduct.

Place: Chennai

Date : 27th May 2019

P. Deepak
Managing Director

REPORT ON CORPORATE GOVERNANCE - (Contd.)

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF
CONDITIONS OF CORPORATE GOVERNANCE**

**To THE MEMBERS OF
NELCAST LIMITED**

We have examined the compliance of conditions of Corporate Governance by Nelcast Limited for the year ended 31st March 2019 stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

The Compliance of condition of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company to ensure Compliance with the condition of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has fully complied with all the mandatory conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Registrar and Share Transfer Agent.

We further state that such compliance 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.

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn. No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

Place: Chennai

Date: 27th May 2019

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and in compliance with Companies (Indian Accounting Standards) Rules, 2015. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Domestic Medium & Heavy Commercial Vehicle industry grew at about 14.66% for the year in spite of a very slow second half. The Tractor industry grew at about 10.24% in the year, though there was a reasonably good monsoon. The expected pickup in the economy and an increase in Government expenditure on road construction, infrastructure and smart cities is likely to lead to an overall growth in demand for Auto industry.

OPPORTUNITIES AND THREATS

The Company supplies castings for Commercial Vehicles, Tractors, Off-Highway Vehicles and Railways. The Company enjoys the confidence from its valued customers for providing quality products. In the medium to long term, the projected growth of domestic auto industry and ambitious export plans are likely to benefit the Company. The Company continually reviews its business plan and draws out action plans to leverage on its opportunities and counter any threats. The Company's main strength is the ability to make a very large range of castings required by most of our customers. The main threat to which the industry is exposed to is volatility of commodity prices affecting the input costs structure. Volatility and seasonality have a significant impact on capacity utilisations in the industry which would result in stiff price competition during lean periods. However, the Company strives to create sustainable profitable growth by continuing to focus on technology and quality while offering wide range of products to diversified segments and customers, which will give us a competitive edge in the market.

SEGMENT WISE PERFORMANCE

The Company deals in only one segment i.e., Iron Castings. Therefore, segment wise performance is not applicable for our Company.

OUTLOOK

During the year the Commercial Vehicle industry registered a strong growth in the first half of the year, however the growth rate in the second half of the year moderated mainly due to revised axle norms, liquidity crunch and political scenario. The tipper segment remained resilient due to increased demand from infrastructure and mining sector. However, the commercial vehicle sector expecting to grow in the year 2019-20 due to pre-buying in the 2nd and 3rd quarter of the year due to implementation of BS VI norms from April 2020. The Tractor industry witnessed a double digit growth for the third consecutive year, but the pace was slowest in the last three years due to deficient northeast monsoon and dry conditions. The growth was marred due to weak sentiment in the later part of the year as sales slipped to negative in the 4th quarter of the year. However, the tractor industry expects a modest growth in the year 2019-20 with the indication of normal monsoon. The long term outlook remains positive for the Automotive Industry with most major global players having a base in India for manufacturing, global sourcing and engineering.

MANAGEMENT DISCUSSION AND ANALYSIS - (Contd.)

RISKS AND CONCERNS

Economy and Market Risk:

The Company's growth is linked to that of the Commercial Vehicle and Tractor industries, which are cyclical in nature. This cyclical nature might affect the demand. Since the Automotive industry plays a major role in enabling economic growth, any slowdown in the overall economy will affect demand. However, the Company has been developing its exports and products in other segments viz. off-highway, railways etc to counter this risk.

Input Cost Risk:

Our profitability and cost effectiveness may be affected due to change in the prices of raw materials, power and other input costs. Some of the risks that are potentially significant in nature and need careful monitoring are raw material prices, availability and cost of power, etc.

Currency Risk:

Since, the Company's exposure on foreign currency is limited, hence, the fluctuation in foreign exchange currency may not impact the Company significantly.

Interest Rate Risk:

The Company has judiciously managed the debt-equity ratio. It has been using a mix of debt and internal cash accruals. The Company has endeavored to manage the working capital requirements to reduce the overall interest cost.

Capacity Expansion:

The Company is adding capacity to meet the projected demand of customers. The Company has completed first phase of its capacity expansion and in the process of setting up the second phase at Pedapariya in Andhra Pradesh. The Company closely monitors the progress of customer volumes & projections and appropriately deploys the assets to target optimal utilisation to meet the demand. However, sudden swings in the market are challenging to handle.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use. The Company's internal controls are supplemented by an extensive programme of internal audit, review by management and documented policies, systems support, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial information and other data.

The Audit Committee reviews all the reports as prescribed under the regulations and compliance systems and suggests better internal control systems, policies and procedures as and when required. It also reviews Company's financial reporting processes, disclosure of financial information, related party transactions, etc.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year, the Company recorded Revenue from Operations by way of Net Sales of ₹ 856.27 Crores as against ₹ 744.54 Crores in 2017-18, an increase of about 15%. Our Exports business registered a growth of 54% compared with previous year and stood at ₹ 89.96 Crores. Profit After Tax

MANAGEMENT DISCUSSION AND ANALYSIS - (Contd.)

made during the year is ₹ 38.44 Crores as against ₹ 38.26 Crores in 2017-18, a marginal increase compared with previous year. The production during the year was 92,533 MT, compared to the previous year's 86,098 MT.

KEY FINANCIAL RATIOS

Sl. No.	Particulars	2018-19	2017-18
(i)	Debtors Turnover	7.18	7.87
(ii)	Inventory Turnover	6.78	7.41
(iii)	Interest Coverage Ratio	9.71	20.51
(iv)	Current Ratio	1.43	1.60
(v)	Debt Equity Ratio	0.43	0.27
(vi)	Operating Profit Margin (%)	9.53	10.13
(vii)	Net Profit Margin (%)	4.46	5.11
(viii)	Return on Net Worth (%)	9.73	10.41

1. Interest coverage ratio was at 9.71 compared to 20.51 of previous year. The reduction is due to higher borrowings for the expansion project that the company is undertaking. The current Interest Coverage Ratio still indicates stronger financial health and capability of meeting interest obligations.
2. Debt equity ratio was at 0.43 as compared to 0.27 of previous year. The increase is due to higher borrowings for the expansion project that the company is undertaking. The current Debt-Equity ratio is well within the industry norms for a company with strong ability to repay its debt obligations.

HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT

Human Resource is a continuous and ever evolving function at our Company. The Company believes that human resources enable The Company to consistently meet customer requirements and deliver exceptional performance for growth. The Company continues to maintain its record on cordial industrial relations. The Company believes that human resources are its most valuable assets and is thus committed to the welfare of its employees and their families. The Company continues to invest in people through various initiatives viz. training programmes, upgradation of knowledge etc which enable the work force to meet out the challenges. As on 31st March 2019, the employee strength of the Company was 1089.

HEALTH, SAFETY AND ENVIRONMENT

The Company is fully committed to the ultimate goal of employee safety. Safety management is integrated with the overall Environment, Health and Safety (EHS). The Company has been certified under Integrated Management System (IMS) which consists of Energy (EnMS), Occupational Health & Safety (OHSAS) and Environmental (EMS) Management System to meet the compliances of the standards ISO 50001:2011, OHSAS 18001:2007 and ISO 14001:2015 respectively. The Company aims to be a preferred organization for all stake holders through the scaling performance of Energy, Safety, Health and Environment.

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" and based on certain assumptions/expectations and current scenario and the input available. Actual results might differ substantially or materially to those expressed or implied. Important developments including global or domestic trends, political and economic environment in India or Overseas might affect the Company's operations.

AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of **Nelcast Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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 accounting principles generally accepted in India including Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at 31st March 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit 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 independent requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter Description	Response to Key Audit Matter
A. Revenue Recognition Reference may be made to the significant accounting policies and to the notes forming part of standalone financial statements of the Company.	<u>Principal Audit Procedures</u> Our audit procedures relating to revenue comprised of test of controls and substantive procedures including the following:

AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS - (Contd.)

Key Audit Matter Description	Response to Key Audit Matter
<p>During the year, on account of adoption of new revenue standard Ind AS 115 - Revenue from contracts with customer, there have been changes in revenue recognition policy with regards to timing of recognition and related disclosures.</p> <p>Revenue recognition is inherently an area of audit risk, which we have substantially focused on mainly covering the aspects of cut off.</p> <p>Considering the above impact of Ind AS 115 and cut-off are key audit matters.</p>	<p>i. We assessed whether the policy of recognizing revenue was in line with Ind AS - 115.</p> <p>ii. We performed procedures to assess the design and internal controls established by the management and tested the operating effectiveness of relevant controls related to the recognition of revenue.</p> <p>iii. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re performance and inspection of evidence in respect of operation of these controls.</p> <p>iv. We have tested, on a sample basis, whether specific revenue transactions around the reporting date has been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentation.</p> <p>v. We have also validated subsequent credit notes and sales returns up to the date of this Report to ensure the appropriateness and accuracy of the revenue recognition.</p> <p>vi. We tested journal entries on a sample basis to identify any unusual or irregular items.</p> <p>vii. We also considered the adequacy of the disclosures in Company's financial statements in relation to Ind AS 115 and were satisfied they meet the disclosure requirements.</p> <p><u>Conclusion</u></p> <p>Based on the procedures performed above, we did not find any material exceptions with regards to adoption of Ind AS 115 and timing of revenue recognition.</p>

AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS - (Contd.)

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 Annual Report, 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 in the 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 is also 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 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.

AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS - (Contd.)

As part of an audit in accordance with Standards on Auditing, 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.

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

AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS - (Contd.)

2. As required by Section 143(3) of the Act, 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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-B".
 - (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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn. No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

Place : Chennai
Date : 27th May 2019

AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS - (Contd.)

ANNEXURE A REFERRED TO IN OUR INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE COMPANY ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019, WE REPORT THAT:

- i. (a). The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b). The Company has a policy of physically verifying its Fixed assets once in a year which in our opinion reasonable having regard to the size of the Company and the nature of its business. During the year Fixed Assets have been verified by the management at the year end and no discrepancies were noticed on such verification.
- (c). The title deeds of immovable properties are held in the name of the Company.
- ii. According to information and explanations given to us, the management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed on physical verification during the year.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv. According to information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security.
- v. The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at 31st March 2019 and therefore, the provisions of the clause 3 (v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government under Section 148(1) of the Act and are opinion that prima facie the prescribed accounts and cost records have been made and maintained.
- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and any other statutory dues, as applicable, with the appropriate authorities and no dues were in arrears as at 31st March 2019 for a period of more than six months form the date they became payable.
- (b). According to the records of the Company and on the basis of information and explanations given to us, there are no dues of income-tax, sales-tax, service tax, duty of customs, goods and services tax and which have not been deposited on account of any disputes. However, according to information and explanations given to us, the following dues of value added tax, and duty of excise have not been deposited by the Company on account of disputes:

AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS - (Contd.)

Name of Statute	Nature of Dues	Amount Involved (₹ in Lakhs)	Period to which the Amount Relates	Forum where Dispute is pending
Central Excise Act, 1944	CENVAT-INPUT SERVICES	223.11	2009-10 to 2012-13	CESTAT
Central Excise Act, 1944	CENVAT-INPUT SERVICES	12.13	2014-15	Commissioner, Appeals, Guntur
Central Excise Act, 1944	CENVAT-INPUT SERVICES	33.53	2014-15 & 2015-16	Commissioner, Appeals, Vizag
Central Excise Act, 1944	CENVAT-INPUTS	1.25	2014-15 & 2015-16	Commissioner, Appeals, Vizag
Central Excise Act, 1944	CENVAT-INPUTS	0.45	2014-15	Commissioner, Appeals, Vizag
Central Excise Act, 1944	CENVAT-INPUT SERVICES	72.49	2015-16 & 2016-17	Commissioner, Appeals, Guntur
Central Sales Tax	CST	15.34	2009-10	Commissioner, Appeals, Vizag
Value Added Tax	VAT	1.77	2016-17	Commissioner, (Appeals) (CT)
Central Excise Act, 1944	CENVAT-INPUT SERVICES	28.57	Apr 10 to Jun13	CESTAT

- viii. The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) but the Company has availed a term loan from Bank during the year. The moneys' raised by way of term loans were applied for the purpose for which those were raised.
- x. We have not noticed or reported any fraud by the Company or any fraud on the Company by its officers/ employees during the year.
- xi. The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. Clause 3 (xii) of the Order is not applicable as the Company is not a Nidhi Company.
- xiii. According to information and explanations given to us, all transactions with the related parties are in compliance with the provisions of sections 177 and 188 of the Act, where ever applicable and the details have been disclosed in the Standalone financial Statements etc., 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, accordingly the provisions of clause 3 (xiv) of the Order is not applicable to the Company.
- xv. According to information and explanations given to us, the Company has not entered in to any non-cash transactions with directors or persons connected with him, accordingly the provisions of clause 3 (xv) of the Order is not applicable to the Company.
- xvi. Clause 3 (xvi) of the Order is not applicable as the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn. No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

Place : Chennai
Date : 27th May 2019

AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS - (Contd.)

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NELCAST LIMITED

REPORT ON THE INTERNAL FINANCIAL CONTROLS 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 Nelcast Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone 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 Act.

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") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, 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 auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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.

AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS - (Contd.)

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 standalone 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

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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
3. 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 standalone 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 31st March 2019, 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 K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn. No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

Place : Chennai

Date : 27th May 2019

STANDALONE BALANCE SHEET AS AT

PARTICULARS	Note No.	31 st March 2019 (₹ in lakhs)	31 st March 2018 (₹ in lakhs)
I. ASSETS			
A Non-Current Assets			
Property, Plant and Equipment	2	29068.27	23724.95
Capital Work-in-Progress	-	9071.06	3589.53
Other Intangible Assets	2	79.34	30.31
Financial Assets:			
(i) Investments	3	3892.13	3914.07
Other Non-Current Assets	4	690.38	676.88
Total Non-Current Assets		42801.18	31935.74
B Current Assets			
Inventories	5	14158.70	11116.16
Financial Assets:			
(i) Trade Receivables	6	12116.78	11723.03
(ii) Cash and Cash Equivalents	7	5857.19	5535.52
(iii) Bank balances other than (ii) above	8	12.09	13.42
Other Current Assets	9	2961.33	3351.25
Total Current Assets		35106.09	31739.38
Total Assets		77907.27	63675.12
II. EQUITY AND LIABILITIES			
A Equity			
Equity Share Capital	10	1740.02	1740.02
Other Equity	11	37774.97	35004.76
Total Equity		39514.99	36744.78
B Liabilities			
1 Non-Current Liabilities			
Financial Liabilities:			
(i) Borrowings	12	9087.50	3000.00
Deferred Tax Liabilities (Net)	13	4692.96	4094.94
Total Non-Current Liabilities		13780.46	7094.94
2 Current Liabilities			
Financial Liabilities:			
(i) Borrowings	14	7761.55	6782.24
(ii) Trade Payables	15		
- Total outstanding dues of Micro & Small Enterprises		662.12	150.39
- Total outstanding dues of Otherthan Micro & Small Enterprises		9967.30	9289.64
Other Current Liabilities	16	5751.77	3270.97
Provisions	17	469.08	342.16
Total Current Liabilities		24611.82	19835.40
Total Liabilities		38392.28	26930.34
Total Equity and Liabilities		77907.27	63675.12
Significant Accounting Policies	1		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

D. Sessa Reddy

Chairman
DIN: 00520448

A. Balasubramanian

Director
DIN: 00490921

For and on behalf of the Board

P. Deepak

Managing Director
DIN: 02785326

P. Vijaya Bhaskar Reddy

Dy. Managing Director & CFO
DIN: 00020592

Place : Chennai
Date : 27th May 2019

S. K. Sivakumar
Group - Chief Financial Officer &
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

PARTICULARS	Note No.	31 st March 2019 (₹ in lakhs)	31 st March 2018 (₹ in lakhs)
Income:			
I Revenue from Operations	18	85626.71	76006.57
II Other Income	19	594.03	431.59
III Total Income (I+II)		86220.74	76438.16
IV Expenses:			
Cost of Materials Consumed	20	44721.53	35139.95
Changes in Inventories of Finished Goods & Work-in-Progress	21	-4858.55	-164.29
Excise Duty	-	-	1552.53
Employee Benefits Expense	22	5175.73	4615.04
Finance Costs	23	662.88	292.35
Depreciation & Amortisation Expense	24	1747.07	1592.93
Other Expenses	25	33000.46	27706.58
Total Expenses		80449.12	70735.09
V Profit Before Exceptional Items and Tax (III-IV)		5771.62	5703.07
VI Exceptional Items		-	-
VII Profit before Tax (V-VI)		5771.62	5703.07
VIII Tax Expenses:			
(1). Current Tax	26	1316.09	1783.90
(2). Deffered Tax		611.45	92.94
		1927.54	1876.84
IX Profit for the Period (VII-VIII)		3844.08	3826.23
X Other Comprehensive Income			
A. (i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		38.46	70.64
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-13.44	-24.45
B. (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
XI Total Other Comprehensive Income, net of taxes		25.02	46.19
XI Total Comprehensive Income for the period (IX-X)		3819.06	3780.04
XII Earnings per Equity Share:	27		
(1). Basic		4.42	4.40
(2). Diluted		4.42	4.40
Significant Accounting Policies	1		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

D. Sesha Reddy

Chairman
DIN: 00520448

A. Balasubramanian

Director
DIN: 00490921

For and on behalf of the Board

P. Deepak

Managing Director
DIN: 02785326

P. Vijaya Bhaskar Reddy

Dy. Managing Director & CFO
DIN: 00020592

S. K. Sivakumar

Group - Chief Financial Officer &
Company Secretary

Place : Chennai

Date : 27th May 2019

STANDALONE CASH FLOW STATEMENT

PARTICULARS	31 st March 2019 (₹ in lakhs)	31 st March 2018 (₹ in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	5771.62	5703.07
Adjustments for:		
Depreciation & Amortisation Expense	1747.07	1592.93
Interest Income	-97.81	-87.93
(Profit)/Loss on sale of assets	-1.15	-
(Profit)/Loss on sale of investments	-0.09	-
Interest Paid	662.88	292.35
Remeasurement of Defined Benefit Plans	-38.46	-
	2272.44	1726.71
Operating Profit before Working Capital Changes	8044.06	7429.78
Adjustment for:		
Inventories	-3042.54	-1711.16
Trade Receivables	-393.75	-4126.10
Other Current Assets	389.92	332.73
Other Non-Current Assets	-13.50	-656.76
Trade Payables	1189.39	2504.12
Other Current Liabilities	2480.81	1155.94
Provisions	126.92	180.54
	737.25	-2320.69
Cash generated from Operations	8781.31	5109.09
Taxes Paid / Provision for Tax	-1316.09	-1783.90
Cash flow before Prior-period Items	7465.22	3325.19
Prior Period Items	-	-
Net Cash from Operating Activities	TOTAL A 7465.22	3325.19
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	-7150.77	-879.70
Sale of Property, Plant and Equipment	12.50	-
(Increase)/Decrease in Capital Work-In-Progress	-5481.53	-3493.82
(Increase)/Decrease in Investments	21.94	-51.95
(Increase)/Decrease in Unpaid Dividend A/cs	1.33	1.83
Profit on sale of Investments	0.09	-
Interest Income	97.81	87.93
Net Cash from / (used in) in Investing Activities	TOTAL B -12498.63	-4335.71

STANDALONE CASH FLOW STATEMENT

PARTICULARS	31 st March 2019 (₹ in lakhs)	31 st March 2018 (₹ in lakhs)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Borrowings	6087.50	3000.00
Issue of Share Capital	-	-
Interest paid	-662.88	-292.35
Dividend Paid (Including Dividend Tax)	-1048.85	-942.41
Net Cash from / (used in) Financing Activities TOTAL C	4375.77	1765.24
Net Increase / (Decrease) in Cash and Cash equivalents A+B+C	-657.64	754.72
Cash and Cash equivalents at the beginning of the year		
Cash and Bank Balances	5535.52	5339.08
Cash Credit Balance	-6782.24	-7340.52
	-1246.72	-2001.44
Cash and Cash Equivalents at the end of the year		
Cash and Bank Balances	5857.19	5535.52
Cash Credit Balance	-7761.55	-6782.24
	-1904.36	-1246.72

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

Place : Chennai

Date : 27th May 2019

For and on behalf of the Board

D. Sessa Reddy

Chairman
DIN: 00520448

A. Balasubramanian

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Group - Chief Financial Officer &
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

I. Equity Share Capital	Note	No. of Shares	₹ in Lakhs
Equity Shares of ₹ 2/- each issued, subscribed and fully paid up			
Balance as at 1 st April 2017	10	87001200	1740.02
Changes in Equity Share Capital during the year		-	-
Balance as at 31st March 2018	10	87001200	1740.02
Changes in Equity Share Capital during the year		-	-
Balance as at 31st March 2019	10	87001200	1740.02

II. Other Equity	Note	Securities Premium Account	General Reserve	Retained Earnings	Total ₹ in Lakhs
Balance as at 1 st April 2017	11	8774.13	17500.00	5893.00	32167.13
Profit for the period		0.00	0.00	3826.23	3826.23
Other Comprehensive Income		0.00	0.00	-46.19	-46.19
Transfer (to) / from Reserves		0.00	2500.00	-2500.00	0.00
Transactions with owners in their capacity as owners:					
Dividend paid including dividend distribution tax		0.00	0.00	-942.41	-942.41
Balance as at 31st March 2018	11	8774.13	20000.00	6230.63	35004.76
Profit for the period		0.00	0.00	3844.08	3844.08
Other Comprehensive Income		0.00	0.00	-25.02	-25.02
Transfer (to) / from Reserves		0.00	2500.00	-2500.00	0.00
Transactions with owners in their capacity as owners:					
Dividend paid including dividend distribution tax		0.00	0.00	-1048.85	-1048.85
Balance as at 31st March 2019	11	8774.13	22500.00	6500.84	37774.97

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

Place : Chennai

Date : 27th May 2019

For and on behalf of the Board

D. Sesha Reddy

Chairman
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DIN: 00020592

S. K. Sivakumar

Group - Chief Financial Officer &
Company Secretary

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

GENERAL INFORMATION

Nelcast Limited ("the Company") is engaged in the manufacture of Iron Castings. The Company has manufacturing plants at Gudur and Pedapariya in Andhra Pradesh, and at Ponneri in Tamil Nadu. The Company is a public limited Company and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 ("the Act"), the Companies (Indian Accounting Standard) Rules, 2015 and other relevant provisions of the Act.

The financial statements is prepared on historical cost convention, except in case of certain financial instruments which are recognised at fair value at the end of the reporting period and on an accrual basis as a going concern.

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the part I of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current, non-current classification of assets and liabilities.

1.2 USE OF ESTIMATES

The preparation of the financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenue and expenses for the year and disclosure of contingent liabilities and contingent assets as of the date of Balance Sheet. The estimates and assumptions used in these financial statements are based on management's evaluation of the relevant facts and circumstances as of the date of the financial statements. The actual amounts may differ from the estimates used in the preparation of the financial statements and the difference between actual results and the estimates are recognised in the period in which the results are known / materialise.

1.3 FAIR VALUE MEASUREMENT

The Company measures financial instruments at fair value at each balance sheet 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Non-Derivative Financial Instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest where the fair value differs from the Transaction Price. Where the fair value does not differ, materially, from Transaction Price, the financial liabilities are stated at transaction price only.

Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

1.4 PROPERTY, PLANT AND EQUIPMENT

Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are recorded at cost less accumulated depreciation. The cost of acquisition of property, plant and equipment is net of duty or tax credit availed and includes purchase cost or its construction cost, inward freight and other expenses incidental to acquisition or installation and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

intended for its use. Cost of spares relating to specific item of an asset is capitalized. For major projects, interest and other costs incurred on / related to borrowings attributable to such projects / fixed assets during construction period and related pre-operative expenses are capitalized as part of the cost of respective assets. Cost of assets not ready to use before such date are disclosed under “Capital Work-in-Progress”.

The residual values, useful live and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation is provided using the Straight Line Method as per the useful lives of the assets at the rates prescribed under Schedule II of the Companies Act, 2013.

1.5 INTANGIBLE ASSETS

Intangible assets are carried at cost less any accumulated amortization and accumulated impairment loss.

Costs incurred towards purchase of computer software are amortized using the straight line method over a period based on management’s estimate of useful lives of such software or over the license period of the software, whichever is shorter.

1.6 IMPAIRMENT OF ASSETS

All assets other than Inventories and Investments are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount of those assets may not be fully recoverable, in such cases the carrying amount of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to the Statement of Profit and Loss.

If at the Balance sheet date there is an indication that the previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

1.7 INVESTMENTS

All Investments are carried at fair value. Investments, which at the inception, have been designated to be held for a long term capital appreciation, the changes in the fair value are considered through Other Comprehensive Income. All other investments are valued at fair value and the gains or losses being recognised in Statement of Profit and Loss.

1.8 INVENTORIES

Inventories are valued at the lower of cost and net realizable value.

Cost is ascertained on a moving weighted average basis. Cost includes cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

1.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

1.10 LEASES

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Lease where the Lessor retains substantially all the risks and rewards incidental to the ownership is classified as an operating lease. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on straight-line basis over the lease term.

1.11 SEGMENT INFORMATION

The Company is principally engaged only in the business of manufacture of Iron Castings and there are no other reportable segments.

1.12 CONTRIBUTED EQUITY

Equity Shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

1.13 DIVIDEND

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as liability on the date of declaration by the Board.

1.14 GOVERNMENT GRANTS AND SUBSIDIES

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

1.15 REVENUE RECOGNITION

The Company has applied Ind AS 115 'Revenue from Contracts with Customers' with effect from 1st April 2018. The performance obligations under all sales contracts are satisfied at a point of time. Ind AS 115 did not have a material impact on the amount or timing of recognition of reported revenue.

Sale of Goods : The Company derives revenues primarily from sale of Iron Castings. Revenue is measured based on the consideration specified in a contract with a customer. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the probable consideration expected to be received in exchange for those products or services. Claims on the Company for price revision are accounted when facts and circumstances indicate that a price reduction is probable and the amount is can be reasonably estimated. The claims by the Company are recorded when it is accepted and it is reasonably certain that the amounts will be collected.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Interest Income: Interest Income is recognised on effective interest method taking into account the amount outstanding and the rate applicable.

Profit on sale of investments: Profit on sale of investments is recognised only at the time when the investments are realized.

Export benefits, incentives and licenses: Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

1.16 FOREIGN CURRENCY TRANSACTION

Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition:

As 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. All monetary assets and liabilities in foreign currency are restated at the end of the accounting period. Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

1.17 BORROWING COSTS

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 capitalized as part of the cost of an asset. Where specific borrowings are identified to assets, the Company uses the interest rates applicable to that specific borrowing as the capitalization rate. Where borrowings cannot be specifically identified to assets, the capitalization rate applied is the weighted average of the interest rates applicable to all borrowings of the Company.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

1.18 TAXES

Income tax expense comprises of current and deferred tax. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Indian Income Tax Act, 1961. The tax rate and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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 utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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 relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

1.19 EMPLOYEE BENEFITS

a. Defined Contribution Plans

- i) **Provident Fund:** The Company makes monthly Provident fund contributions at specified percentage of specified salary in accordance with the provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the contributions are charged to Statement of Profit and Loss.
- ii) **Superannuation Fund:** The Company makes annual Superannuation fund contributions to defined contribution plan, administered by the Life Insurance Corporation of India, for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of specified salary to fund the benefits. The contributions are charged to the Statement of Profit and Loss.

b. Defined Benefit Plan

Gratuity: The Company provides for Gratuity, a defined benefit retirement plan covering eligible employees as per the provisions of the Payment of Gratuity Act, 1972. The plan provides for a payment to vested employees at retirement, death while in employment or on termination of employment, an amount equivalent to fifteen days salary payable for each year of completed service subject to maximum amount as may be prescribed. Vesting occurs upon completion of five years of service, except in case of death while in employment in which case the legal heirs would receive the Gratuity.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

The cost of providing benefits determined using the projected unit credit method, which actuarial valuation being carried out at each Balance Sheet date. The retirement benefit obligation recognised as expenditure represents the present value of defined benefit obligation as reduced by the fair value of scheme assets. The Company makes contribution to Life Insurance Corporation of India to administer the fund. The changes in the actuarial assumptions are accounted through Other Comprehensive Income.

1.20 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. There are no diluted earnings per share as there are no dilutive potential equity shares.

1.21 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Current Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent Assets are neither recognised nor disclosed in the financial statements.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

2. PROPERTY, PLANT & EQUIPMENT

Year ended 31st March 2019

(₹ in Lakhs)

Particulars	Gross Carrying Amount			Depreciation / Amortisation				Net Carrying Amount		
	As at 1 st April 2018	Additions	Disposals	As at 31 st March 2019	Upto 31 st March 2018	Charge during the year	Disposals	Upto 31 st March 2019	As at 31 st March 2019	As at 31 st March 2018
(i). Tangible Assets										
Freehold Land	3377.84	32.79	-	3410.63	-	-	-	-	3410.63	3377.84
Freehold Buildings	4170.64	1697.68	-	5868.32	492.62	278.85	-	771.47	5096.85	3678.02
Plant and Equipment	18726.04	5188.91	-	23914.95	2221.83	1364.21	-	3586.04	20328.91	16504.21
Office Equipment	49.29	34.19	-	83.48	11.87	9.47	-	21.34	62.14	37.42
Vehicles	168.65	67.14	34.98	200.81	107.25	50.01	23.63	133.63	67.18	61.40
Furniture and Fittings	82.86	41.50	-	124.36	38.58	15.36	-	53.94	70.42	44.28
Computers	41.40	25.97	-	67.37	19.62	15.61	-	35.23	32.14	21.78
	26616.72	7088.18	34.98	33669.92	2891.77	1733.51	23.63	4601.65	29068.27	23724.95
(ii). Other Intangible Assets										
Computer Software	63.65	62.59	-	126.24	33.34	13.56	-	46.90	79.34	30.31
TOTAL	26680.37	7150.77	34.98	33796.16	2925.11	1747.07	23.63	4648.55	29147.61	23755.26

1. Capital work-in-progress as on 31st March 2019: ₹ 9071.06 Lakhs (31st March 2018: ₹ 3589.53 Lakhs)
2. Borrowing costs capitalized during the year for the assets held under Capital Work-in-progress is ₹ 343.74 Lakhs (31st March 2018: ₹ 76.82 Lakhs)
3. Details of security of property, plant and equipment subject to charge to secured borrowings is given in Note No. 29
4. Details of capital expenditure on research and development is given in Note No. 33

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	31 st March 2019 (₹ in lakhs)	31 st March 2018 (₹ in lakhs)
3. INVESTMENTS		
Trade, Unquoted - At Cost - Fully Paid-Up		
Investment in Equity Instruments:		
Subsidiaries :		
- NC Energy Limited	3860.00	3860.00
3,86,00,000 (P.Y. 3,86,00,000)		
Equity shares of ₹ 10/- each		
Others:		
- Suzlon Engitech Ltd	5.99	5.99
59,903 Equity shares of ₹ 10/- each		
- OPG Power Generation Pvt Ltd		
38,100 (P.Y. 56,800) Equity shares of ₹ 10/- each	4.24	6.30
- Watsun Infrabuild Pvt Ltd		
2,00,000 (P.Y. 4,17,836) Equity shares of ₹ 10/- each	20.00	41.78
- Atria Wind Power Pvt Ltd		
1,900 Equity shares of ₹ 100/- each	1.90	-
Total	3892.13	3914.07
4. OTHER NON-CURRENT ASSETS		
(Unsecured, Considered Good)		
Capital Advances	690.38	676.88
Total	690.38	676.88
5. INVENTORIES		
Raw Materials	1521.85	3337.45
Work-in-progress	2894.67	2898.85
Finished Goods	7594.01	2731.28
Stores and Spares	378.37	316.23
Loose Tools	1563.30	1565.91
Moulding Boxes & Patterns	206.50	266.44
Total	14158.70	11116.16
> Valued at lower of cost and net realisable value		
6. TRADE RECEIVABLES		
Unsecured, Considered Good	12116.78	11723.03
Total	12116.78	11723.03

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	31 st March 2019 (₹ in lakhs)	31 st March 2018 (₹ in lakhs)
7. CASH AND CASH EQUIVALENTS		
Balances with Banks:		
- In Current Accounts	380.41	233.15
- Short Term Fixed Deposits	5474.99	5297.30
Cash on Hand	1.79	5.07
Total	5857.19	5535.52
8. BANK BALANCES OTHER THAN (7) ABOVE		
Unpaid Dividend Accounts	12.09	13.42
Total	12.09	13.42
9. OTHER CURRENT ASSETS (Unsecured, Considered Good)		
Deposits / Advances with Govt. Authorities and Companies	2279.57	2775.96
Advances for Supplies & Services	476.99	380.04
Advances given to Employees	11.30	21.55
Rental Advance	66.00	66.00
Accrued Interest on Fixed Deposits	127.47	107.70
Total	2961.33	3351.25

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

10. EQUITY SHARE CAPITAL

	Number of Shares	₹ in Lakhs
Authorised:		
Equity Share of ₹ 2/- each		
As at 1st April 2017	125000000	2500.00
Increase during the year	-	-
As at 31st March 2018	125000000	2500.00
Increase during the year	-	-
As at 31st March 2019	125000000	2500.00
Issued, Subscribed and Paidup:		
Equity Share of ₹ 2/- each		
As at 1st April 2017	87001200	1740.02
Increase during the year	-	-
As at 31st March 2018	87001200	1740.02
Increase during the year	-	-
As at 31st March 2019	87001200	1740.02
Movements in Equity Share Capital:		
As at 1st April 2017	87001200	1740.02
As at 31st March 2018	87001200	1740.02
As at 31st March 2019	87001200	1740.02

- The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share.
- The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.
- For the year ended 31st March 2019, the amount of dividend per share declared as distributions to equity shareholders was ₹ 1.00 (31st March 2018: ₹ 1.00). Refer note 11 for details of dividend declared/recognised in financial statements.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of equity shareholders holding more than 5% :

Name of the shareholder	As at 31.03.2019		As at 31.03.2018	
	No. of shares	%	No. of shares	%
P. Deepak	34363803	39.50	34295905	39.42
P. Deepak (HUF)	14491763	16.66	14441763	16.60
P. Divya	16154249	18.57	16154249	18.57
	65009815	74.73	64891917	74.59

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	31 st March 2019 (₹ in lakhs)	31 st March 2018 (₹ in lakhs)
11. OTHER EQUITY		
Securities Premium Account	8774.13	8774.13
General Reserve	22500.00	20000.00
Retained Earnings	6500.84	6230.63
Total Reserves and Surplus	37774.97	35004.76
Securities Premium Account		
Opening Balance	8774.13	8774.13
Additions during the year	-	-
(Deductions) / (Adjustments) during the year	-	-
Closing Balance	8774.13	8774.13
General Reserve		
Opening Balance	20000.00	17500.00
Additions during the year	2500.00	2500.00
(Deductions) / (Adjustments) during the year	-	-
Closing Balance	22500.00	20000.00
Retained Earnings		
Opening Balance	6230.63	5893.00
Total Comprehensive Income for the period	3819.06	3780.04
Amount available for Appropriation	10049.69	9673.04
Appropriations:		
- General Reserve	2500.00	2500.00
- Dividend on Equity Shares	870.01	783.01
- Dividend Distribution Tax on above	178.84	159.40
Closing Balance	6500.84	6230.63
12. BORROWINGS - NON CURRENT		
Term Loan from Banks (Refer Note No.29)	9087.50	3000.00
Total	9087.50	3000.00
13. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability - Property, Plant and Equipment	4735.77	4120.10
Deferred Tax Asset - Employee benefits	-42.81	-25.16
Total	4692.96	4094.94

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	31 st March 2019 (₹ in lakhs)	31 st March 2018 (₹ in lakhs)
14. BORROWINGS - CURRENT		
Secured Loans Repayable on Demand to Banks:		
- Working Capital Loans (Refer Note No.29)	7761.55	6782.24
Total	7761.55	6782.24
15. TRADE PAYABLES		
Trade Payables:		
Total outstanding dues of Micro and Small Enterprises (Refer Note No.34)	662.12	150.39
Total outstanding dues of creditors other than Micro and Small Enterprises	9967.30	9289.64
Total	10629.42	9440.03
16. OTHER CURRENT LIABILITIES		
Current Maturities of Long-Term Debt:		
- Term Loans from Banks (Refer Note No.29)	1512.50	-
- Others : Buyers Credit	1617.00	-
Unpaid Dividends	12.09	13.42
Statutory Dues	1263.80	1782.84
Advances received from Customers	183.35	211.03
Outstanding Expenses	1163.03	1263.68
Total	5751.77	3270.97
17. PROVISIONS		
Provision for Employee Benefits:		
- Gratuity	40.13	71.86
- Bonus	164.65	151.52
Provision for Income Tax (Net of TDS / Advance Tax / MAT Credit)	264.30	118.78
Total	469.08	342.16

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	31 st March 2019 (₹ in lakhs)	31 st March 2018 (₹ in lakhs)
18. REVENUE FROM OPERATIONS		
Sale of Products - Iron Castings	85626.71	76006.57
Total	85626.71	76006.57
19. OTHER INCOME		
Interest Income	97.81	87.93
Gain on Foreign Currency Transaction (Net)	98.69	180.73
Gain on sale of assets	1.15	-
Gain on sale of investments	0.09	-
Export Incentive	396.29	162.93
Total	594.03	431.59
20. COST OF MATERIALS CONSUMED		
Raw Materials at the beginning of the year	3337.45	1988.55
Add: Purchases	42905.93	36488.85
(Less): Raw Materials at the end of the year	-1521.85	-3337.45
Cost of Materials Consumed	44721.53	35139.95
21. CHANGES IN INVENTORIES OF FINISHED GOODS (FG) & WORK-IN-PROGRESS (WIP)		
Closing Stock		
Finished Goods	7594.01	2731.28
Work-in-Progress	2894.67	2898.85
	10488.68	5630.13
Opening Stock		
Finished Goods	2731.28	3802.36
Work-in-Progress	2898.85	1663.48
	5630.15	5465.84
Changes in Inventories of FG & WIP	-4858.55	-164.29
22. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	4295.94	3815.47
Contribution to Provident and Other Funds	335.97	298.18
Staff Welfare Expenses	543.82	501.39
Total	5175.73	4615.04

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	31 st March 2019 (₹ in lakhs)	31 st March 2018 (₹ in lakhs)
23. FINANCE COSTS		
Interest Expense	600.29	334.05
Other Borrowing Costs	334.06	220.98
	934.35	555.03
Interest on Short Term Deposits	-271.47	-262.68
Total	662.88	292.35
24. DEPRECIATION & AMORTISATION EXPENSE		
Property, Plant and Equipment	1733.51	1584.08
Other Intangible Assets	13.56	8.85
Total	1747.07	1592.93
25. OTHER EXPENSES		
Consumption of Stores and Spares	3151.40	2629.19
Fettling and Other Manufacturing Expenses	12318.69	8994.12
Power and Fuel	11207.92	10585.98
Freight and Forwarding Charges	2913.57	2485.10
Repairs and Maintenance:		
- Plant and Machinery	1979.25	1677.80
- Buildings	141.78	183.88
Rent	156.39	154.23
Insurance	96.31	86.78
Rates and taxes	17.83	24.31
Printing and Stationery	40.12	35.27
Travelling and Conveyance	394.56	355.12
CSR Expenses (Refer Note No. 30)	103.57	84.48
Advertisement	3.97	3.45
Legal and Professional Charges	116.23	135.01
Communication Charges	32.64	33.50
Payment to Auditors:		
- Audit Fee	13.00	13.00
- Tax Audit Fee	2.00	2.00
Sitting Fee to Directors	10.90	4.10
Books, Periodicals & Subscriptions	11.18	7.97
Vehicle and Office Maintenance	98.43	104.35
Selling Expenses	180.05	98.47
Miscellaneous Expenses	10.67	8.47
Total	33000.46	27706.58

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

26. INCOME TAX

The major components of Income Tax are given below:

₹ in lakhs

Particulars	31 st March 2019	31 st March 2018
Profit or Loss:		
Current Tax:		
Current Income Tax Charge	1271.67	1787.44
Adjustment of current tax of previous year	44.42	-3.54
Total	1316.09	1783.90
Deferred Tax:		
Relating to the origination and reversal of temporary differences	611.45	92.94
Income tax expense reported in the Statement of Profit and Loss	1927.54	1876.84
Other Comprehensive Income:		
Current Tax:		
Tax related to items recognised in other comprehensive income during the year:		
Remeasurement of Defined Benefit Plans	-13.44	-24.45
Income tax charged to Other Comprehensive Income	-13.44	-24.45

Reconciliation of tax expense and the accounting profit multiplied by India's Domestic Tax rate for 31st March 2019 and 31st March 2018:

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of company tax in India as follows:

₹ in lakhs

Particulars	31 st March 2019	31 st March 2018
Accounting Profit before income tax	5771.62	5703.07
Enacted tax rate in India	34.944%	34.608%
Profit before income tax multiplied by enacted tax rate	2016.83	1973.72
Effects of:		
Additional deduction on Research and Development Expenses	-215.23	-212.79
Additional deduction under Income Tax Act based on capital investment	-584.84	-18.54
Disallowances	54.91	45.05
Adjustment of current tax of previous year	44.42	-3.54
Net effective Income Tax	1316.09	1783.90

During the year ended 31st March 2019 and 31st March 2018, the Company has paid Dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence, DDT paid is charged to Equity.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

27. EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity Shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity Shares outstanding during the year plus the weighted average number of Equity Shares that would be issued on conversion of all the dilutive potential Equity Shares in to Equity Shares.

The Basic and Diluted EPS calculations are given below:

Particulars	31 st March 2019	31 st March 2018
Profit after tax (₹ in Lakhs)	3844.08	3826.23
Weighted average number of shares in Lakhs		
- Basic	870.01	870.01
- Diluted	870.01	870.01
Earnings per share of ₹ 2/- each		
- Basic	4.42	4.40
- Diluted	4.42	4.40

28. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, 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.

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 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.

Defined employee benefit plans (Gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation 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. Further details about defined benefit gratuity plan are given in Note No. 36.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

29. (i). Term Loans from Banks are secured by equitable mortgage of land, building and hypothecation of plant and machinery present and future. Working Capital Loans repayable on demand is fully secured by hypothecation of raw materials, stocks in process, finished goods, stores and book debts.

- (ii). Terms of Repayment

Loan Description

Term Loan - Banks

Repayment Terms

Quarterly Installment

30. DETAILS OF CSR EXPENDITURE

(₹ in lakhs)

Particulars	31 st March 2019	31 st March 2018
a. Gross amount required to be spent by the Company during the year as per Section 135 of the Companies Act, 2013 read with Schedule VII	101.62	83.16
b. Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) Purposes other than (i) above	103.57	84.48

31. COMMITMENTS

(₹ in lakhs)

Particulars	31 st March 2019	31 st March 2018
Estimated amount of contracts remaining to be executed and not provided for in these accounts (net of advances) in respect of acquisition of assets.	3135.67	3595.49

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

32. CONTINGENT LIABILITIES

(₹ in lakhs)

Particulars	31 st March 2019	31 st March 2018
Bank Guarantees / Letters of Credit	589.04	81.05
Claims against the company not acknowledged as debts primarily towards (net of amount paid to statutory authorities):		
i) towards central excise	371.53	363.52
ii) towards sales tax	17.11	1.77

Claims against the company not acknowledged as debts represent demands raised by central excise and sales tax authorities, as reduced by the amounts paid by the company. Against these demands the company has already filed appeals with concerned appellate authorities. As per the experts' opinion these disputed matters are likely to be decided in company's favour and as such the management believes the ultimate outcome of the proceedings will not have a material adverse effect on the company's financial position and results of operations.

33. RESEARCH AND DEVELOPMENT EXPENSES

a). Details of Research and Development expenses incurred during the year, debited under various heads of Statement of Profit and Loss is given below:

(₹ in lakhs)

Particulars	31 st March 2019	31 st March 2018
Material and stores & spares consumption	390.54	333.55
Power and fuel	132.59	125.90
Repairs and maintenance	26.50	45.03
Employee benefit expenses	335.84	287.40
Depreciation	2.80	3.82
Others	12.49	7.27
Total	900.76	802.97

a). Details of capital expenditure incurred for Research and Development are given below:

(₹ in lakhs)

Particulars	31 st March 2019	31 st March 2018
Buildings	-	-
Plant and Machinery	117.57	148.17
Total	117.57	148.17

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

- 34.** The information regarding Micro and Small Enterprises which is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company. The amount of principal and interest outstanding is given below:

(₹ in lakhs)

Particulars	31 st March 2019	31 st March 2018
i. The principal amount (2018-19: 658.18, 2017-18: 150.39) and the interest due (2018-19: 3.94, 2017-18: Nil) thereon remaining unpaid to suppliers at the end of each accounting year.	662.12	150.39
ii. The amount of interest paid by the buyer as per section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year.	3.94	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure.	3.94	-

35. SEGMENT REPORTING UNDER IND AS 108

The Company operates in a single primary business segment namely Manufacture of Iron Castings. The following are the information relating to geographical segment:

(₹ in Lakhs)

Year ended	India	Others	Total
31 st March 2019	76630.46	8996.26	85626.72
31 st March 2018	70170.47	5836.10	76006.57

Out of the above said revenue two customers represent more than 10% of the gross revenue and in total contribute 33.41% of the gross revenue.

36. EMPLOYEE BENEFITS

- (i) The Company provides Gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous services for a period of five years are eligible for Gratuity. The amount of Gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for fifteen days salary multiplied for the number of years of service. The Gratuity plan is a funded plan and maintained with Life Insurance Corporation of India.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Present Value of Obligation	Fair Value of Plan Assets	Total
1st April 2017	566.65	-594.56	-27.91
Current Service Cost	47.76	-	47.76
Past Service Cost	-	-	-
Interest Expense / (Income)	45.33	-47.53	-2.20
Total amount recognised in Statement of Profit and Loss	93.09	-47.53	45.56
Re-measurements			
- Return on plan assets, excluding amounts included in Interest Expense / (Income)	-	-	-
- (Gain)/Loss from change in demographic assumptions	70.64	-	70.64
- (Gain)/Loss from change in financial assumptions	-	-	-
- Experience (Gains)/Losses	-	-	-
- Changes in asset ceiling excluding amounts included in interest expense	-	-	-
Total amount recognised in other comprehensive income	70.64	-	70.64
- Employer Contributions	-	-16.43	-16.43
- Benefit Payments	-40.87	40.87	-
31st March 2018	689.51	-617.65	71.86

(₹ in Lakhs)

Particulars	Present Value of Obligation	Fair Value of Plan Assets	Total
1st April 2018	689.51	-617.65	71.86
Current Service Cost	55.86	-	55.86
Past Service Cost	-	-	-
Interest Expense / (Income)	55.16	-57.49	-2.33
Total amount recognised in Statement of Profit and Loss	111.02	-57.49	53.53
Re-measurements			
- Return on plan assets, excluding amounts included in Interest Expense / (Income)	-	-	-
- (Gain)/Loss from change in demographic assumptions	38.46	-	38.46
- (Gain)/Loss from change in financial assumptions	-	-	-
- Experience (Gains)/Losses	-	-	-
- Changes in asset ceiling excluding amounts included in interest expense	-	-	-
Total amount recognised in other comprehensive income	38.46	-	38.46
- Employer Contributions	-	-123.72	-123.72
- Benefit Payments	-20.87	20.87	-
31st March 2019	818.12	-777.99	40.13

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(ii) The Net Liability/ (Asset) disclosed above relates to funded and unfunded plans as follows:
(₹ in Lakhs)

Particulars	31 st March 2019	31 st March 2018
Present value of funded obligations	818.12	689.51
Fair value of plan assets	-777.99	-617.65
Deficit/(Excess) of Funded Plan	40.13	71.86
Unfunded plans	-	-
Deficit/(Excess) of Gratuity Plan	40.13	71.86

(iii) Significant Estimates: Actuarial assumptions and sensitivity

Particulars	31 st March 2019	31 st March 2018
Discount Rate	7.50%	7.50%
Expected return on Plan Assets	7.50%	7.50%
Salary Growth Rate	7.00%	7.00%
Attrition Rate (depend on age)	1% to 3%	1% to 3%

37. FAIR VALUES

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, management has assessed the fair value of the borrowings approximate their current value largely since they are carried at floating rate of interest.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

38. 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. The primary objective of the Company's capital management is to maximise the shareholder value.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings, trade and other payable. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents derived directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk (including input cost risk, interest rate risk and foreign currency risk), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company. The Company does not enter into or trade financial instruments for speculative purposes.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

a. 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. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, loans and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

b. Liquidity Risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

c. Market Risk:

The Company's growth is linked to that of the commercial vehicle and Tractor industries, which are cyclical in nature. The cyclical nature might affect the demand. Since the automotive industry plays a major role in enabling economic growth, any slowdown in the overall economy will affect demand. However, the company has been delveloping its exports and products in other segments viz. off - highway, railways etc. to counter this risk.

Input Cost Risk:

Our profitability and cost effectiveness may be affected due to change in the prices of raw materials, power and other input costs. Some of the risks that are potentially significant in nature and need careful monitoring are Raw Materials prices, availability and cost of Power etc.

Interest Rate Risk:

The Company has judiciously managed the debt-equity ratio. It has been using a mix of loans and internal cash accruals. The Company has well managed the working capital to reduce the overall interest cost.

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).

The majority of the Company's revenue and expenses are in Indian Rupees with the remainder denominated in US Dollars and Euros. The fluctuation in foreign exchange currency may not impact the Company much. However, if any foreign currency risk on the liability side, it is fully hedged.

Unhedged foreign Currency

As at the Balance Sheet date, the Company's net foreign currency exposure that is unhedged is as follows:

(₹ in Lakhs)		
Particulars	31 st March 2019	31 st March 2018
Trade Receivables	4029.79	1879.76

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

40. RELATED PARTY DISCLOSURE

Related parties under Ind AS 24 with whom transactions have taken place during the year:

Subsidiary Company: NC Energy Limited

Key Management Personnel (KMP):

1. Mr. P. Deepak, Managing Director
2. Ms. P. Divya, Director
3. Mr. P. Vijaya Bhaskar Reddy, Dy. Managing Director & CFO
4. Mr. S.K. Sivakumar, Group - Chief Financial Officer & Company Secretary

Relatives to Key Management Personnel (KMP):

1. Mrs. P. Jamuna
2. Mrs. P. Viraja

a) Transactions with related parties (2018-19) (₹ in Lakhs)

Nature of Transactions	Subsidiary Company	KMP	Relatives to KMP
Remuneration	-	309.54	-
Rental Payments	-	12.00	146.52
Investment in Shares:			
Amount of investment during the year	-	-	-
Closing Balance as on 31 st March 2019	3,860.00	-	-

b) Transactions with related parties (2017-18) (₹ in Lakhs)

Nature of Transactions	Subsidiary Company	KMP	Relatives to KMP
Remuneration	-	244.88	-
Rental Payments	-	12.00	146.52
Investment in Shares:			
Amount of investment during the year	9.00	-	-
Closing Balance as on 31 st March 2018	3,860.00	-	-

41. Previous year's figures have been regrouped and reclassified wherever necessary to conform to this year's classification.

As per our report of even date

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

Place : Chennai
Date : 27th May 2019

For and on behalf of the Board

D. Sessa Reddy

Chairman
DIN: 00520448

A. Balasubramanian

Director
DIN: 00490921

P. Deepak

Managing Director
DIN: 02785326

P. Vijaya Bhaskar Reddy

Dy. Managing Director & CFO
DIN: 00020592

S. K. Sivakumar

Group - Chief Financial Officer &
Company Secretary

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of **Nelcast Limited** ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 accounting principles generally accepted in India including Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the consolidated state of affairs of the Group as at 31st March 2019, consolidated profit and consolidated total comprehensive income, consolidated changes in equity and the consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independent requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules 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 opinion on the consolidated 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS - (Contd.)

Key Audit Matter Description	Response to Key Audit Matter
<p>A. Revenue Recognition</p> <p>Reference may be made to the significant accounting policies and to the notes forming part of consolidated financial statements of the Company.</p> <p>During the year, on account of adoption of new revenue standard Ind AS 115 - Revenue from contracts with customer, there have been changes in revenue recognition policy with regards to timing of recognition and related disclosures.</p> <p>Revenue recognition is inherently an area of audit risk, which we have substantially focused on mainly covering the aspects of cut off.</p> <p>Considering the above impact of Ind AS 115 and cut-off are key audit matters.</p>	<p><u>Principal Audit Procedures</u></p> <p>Our audit procedures relating to revenue comprised of test of controls and substantive procedures including the following:</p> <ul style="list-style-type: none"> i. We assessed whether the policy of recognizing revenue was in line with Ind AS - 115. ii. We performed procedures to assess the design and internal controls established by the management and tested the operating effectiveness of relevant controls related to the recognition of revenue. iii. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re performance and inspection of evidence in respect of operation of these controls. iv. We have tested, on a sample basis, whether specific revenue transactions around the reporting date has been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentation. v. We have also validated subsequent credit notes and sales returns up to the date of this Report to ensure the appropriateness and accuracy of the revenue recognition. vi. We tested journal entries on a sample basis to identify any unusual or irregular items. vii. We also considered the adequacy of the disclosures in Group's financial statements in relation to Ind AS 115 and were satisfied they meet the disclosure requirements. <p><u>Conclusion</u></p> <p>Based on the procedures performed above, we did not find any material exceptions with regards to adoption of Ind AS 115 and timing of revenue recognition.</p>

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS - (Contd.)

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS - (Contd.)

- 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matters

We did not audit the financial statements / financial information of subsidiary, whose financial statements / financial information reflect total assets of ₹ 4131.81 Lakhs as at 31st March 2019, total comprehensive income of ₹ Nil and net cash flows amounting to ₹ -1.07 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of ₹ Nil for the year ended 31st March 2019, as considered in the financial statements, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Sections 143(3) and 143(11) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS - (Contd.)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn. No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

Place : Chennai
Date : 27th May 2019

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS - (Contd.)

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NELCAST LIMITED

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2019, we have audited the internal financial controls over financial reporting of Nelcast Limited ("the Holding Company") and its subsidiary Company, which is incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary Company, which is incorporated in India, are 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 the respective 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 Act.

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") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS - (Contd.)

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 consolidated 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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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
3. 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 consolidated 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 Holding Company, its subsidiary Company, which is incorporated in India, have, 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 31st March 2019, 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.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary Company which is incorporated in India, is based on the corresponding reports of the auditors of such Company incorporated in India.

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn. No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

Place : Chennai

Date : 27th May 2019

CONSOLIDATED BALANCE SHEET AS AT

PARTICULARS	Note No.	31 st March 2019 (₹ in lakhs)	31 st March 2018 (₹ in lakhs)
I. ASSETS			
A Non-Current Assets			
Property, Plant and Equipment	2	31749.44	26406.08
Capital Work-in-Progress	-	10308.85	4826.29
Other Intangible Assets	2	79.34	30.31
Financial Assets:			
(i) Investments	3	32.13	54.07
Other Non-Current Assets	4	895.38	881.88
Total Non-Current Assets		43065.14	32198.63
B Current Assets			
Inventories	5	14158.70	11116.16
Financial Assets:			
(i) Trade Receivables	6	12116.78	11723.03
(ii) Cash and Cash Equivalents	7	5865.04	5544.44
(iii) Bank balances other than (ii) above	8	12.09	13.42
Other Current Assets	9	2961.33	3351.25
Total Current Assets		35113.94	31748.30
Total Assets		78179.08	63946.93
II. EQUITY AND LIABILITIES			
A Equity			
Equity Share Capital	10	1740.02	1740.02
Other Equity	11	37774.97	35004.76
Non-Controlling Interest	-	271.00	271.00
Total Equity		39785.99	37015.78
B Liabilities			
1 Non-Current Liabilities			
Financial Liabilities:			
(i) Borrowings	12	9087.50	3000.00
Deferred Tax Liabilities (Net)	13	4692.96	4094.94
Total Non-Current Liabilities		13780.46	7094.94
2 Current Liabilities			
Financial Liabilities:			
(i) Borrowings	14	7761.55	6782.24
(ii) Trade Payables	15		
-Total outstanding dues of Micro & Small Enterprises		662.12	150.39
-Total outstanding dues of Otherthan Micro & Small Enterprises		9967.30	9289.64
Other Current Liabilities	16	5752.58	3271.78
Provisions	17	469.08	342.16
Total Current Liabilities		24612.63	19836.21
Total Liabilities		38393.09	26931.15
Total Equity and Liabilities		78179.08	63946.93
Significant Accounting Policies	1		

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

For K NAGARAJU & ASSOCIATES
Chartered Accountants
Firm Regn No. 002270S

K. NAGARAJU
Partner
Membership No. 024344

Place : Chennai
Date : 27th May 2019

For and on behalf of the Board

D. Sessa Reddy
Chairman
DIN: 00520448

A. Balasubramanian
Director
DIN: 00490921

P. Deepak
Managing Director
DIN: 02785326

P. Vijaya Bhaskar Reddy
Dy. Managing Director & CFO
DIN: 00020592

S. K. Sivakumar
Group - Chief Financial Officer &
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

PARTICULARS	Note No.	31 st March 2019 (₹ in lakhs)	31 st March 2018 (₹ in lakhs)
Income:			
I Revenue from Operations	18	85626.71	76006.57
II Other Income	19	594.03	431.59
III Total Income (I+II)		86220.74	76438.16
IV Expenses:			
Cost of Materials Consumed	20	44721.53	35139.95
Changes in Inventories of Finished Goods & Work-in-Progress	21	-4858.55	-164.29
Excise Duty	-	-	1552.53
Employee Benefits Expense	22	5175.73	4615.04
Finance Costs	23	662.88	292.35
Depreciation & Amortisation Expense	24	1747.07	1592.93
Other Expenses	25	33000.46	27706.58
Total Expenses		80449.12	70735.09
V Profit Before Exceptional Items and Tax (III-IV)		5771.62	5703.07
VI Exceptional Items		-	-
VII Profit before Tax (V-VI)		5771.62	5703.07
VIII Tax Expenses:			
(1). Current Tax	26	1316.09	1783.90
(2). Deffered Tax		611.45	92.94
		1927.54	1876.84
IX Profit for the Period (VII-VIII)		3844.08	3826.23
X Other Comprehensive Income			
A. (i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		38.46	70.64
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-13.44	-24.45
B. (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
Total Other Comprehensive Income, net of taxes		25.02	46.19
XI Total Comprehensive Income for the period (IX-X)		3819.06	3780.04
XII Earnings per Equity Share:	27		
(1). Basic		4.42	4.40
(2). Diluted		4.42	4.40
Significant Accounting Policies	1		

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn No. 002270S

K. NAGARAJU

Partner
Membership No. 024344
Place : Chennai
Date : 27th May 2019

D. Sessa Reddy

Chairman
DIN: 00520448

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Director
DIN: 00490921

For and on behalf of the Board

P. Deepak

Managing Director
DIN: 02785326

P. Vijaya Bhaskar Reddy

Dy. Managing Director & CFO
DIN: 00020592

S. K. Sivakumar

Group - Chief Financial Officer &
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

PARTICULARS	31 st March 2019 (₹ in lakhs)	31 st March 2018 (₹ in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	5771.62	5703.07
Adjustments for:		
Depreciation & Amortisation Expense	1747.07	1592.93
Interest Income	-97.81	-87.93
(Profit)/Loss on sale of assets	-1.15	-
(Profit)/Loss on sale of investments	-0.09	-
Interest Paid	662.88	292.35
Remeasurement of Defined Benefit Plans	-38.46	-70.64
Operating Profit before Working Capital Changes	8044.06	7429.78
Adjustment for:		
Inventories	-3042.54	-1711.16
Trade Receivables	-393.75	-4126.10
Other Current Assets	389.92	332.72
Other Non-Current Assets	-13.50	-672.16
Trade Payables	1189.39	2504.12
Other Current Liabilities	2480.81	1154.02
Provisions	126.92	180.54
Cash generated from Operations	8781.31	5091.76
Taxes Paid / Provision for Tax	-1316.09	-1783.90
Cash flow before Prior-period Items	7465.22	3307.86
Prior Period Items	-	-
Net Cash from Operating Activities	7465.22	3307.86
TOTAL A		
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	-7150.81	-880.57
Sale of Property, Plant and Equipment	12.50	-
(Increase)/Decrease in Capital Work-In-Progress	-5482.56	-3587.82
(Increase)/Decrease in Investments	21.94	-42.95
(Increase)/Decrease in Unpaid Dividend A/cs	1.33	1.83
Profit on sale of Investments	0.09	-
Interest Income	97.81	87.93
Net Cash from / (used in) in Investing Activities	-12499.70	-4421.58
TOTAL B		

CONSOLIDATED CASH FLOW STATEMENT

PARTICULARS	31 st March 2019 (₹ in lakhs)	31 st March 2018 (₹ in lakhs)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Borrowings	6087.50	3000.00
Issue of Share Capital	-	107.00
Interest paid	-662.88	-292.35
Dividend Paid (Including Dividend Tax)	-1048.85	-942.41
Net Cash from / (used in) Financing Activities TOTAL C	4375.77	1872.24
 Net increase / (Decrease) in Cash and Cash equivalents A+B+C	 -658.71	 758.52
Cash and Cash equivalents at the beginning of the year		
Cash and Bank Balances	5544.44	5344.20
Cash Credit Balance	-6782.24	-7340.52
	-1237.80	-1996.32
 Cash and Cash Equivalents at the end of the year		
Cash and Bank Balances	5865.04	5544.44
Cash Credit Balance	-7761.55	-6782.24
	-1896.51	-1237.80

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

Place : Chennai

Date : 27th May 2019

For and on behalf of the Board

D. Sessa Reddy

Chairman
DIN: 00520448

A. Balasubramanian

Director
DIN: 00490921

P. Deepak

Managing Director
DIN: 02785326

P. Vijaya Bhaskar Reddy

Dy. Managing Director & CFO
DIN: 00020592

S. K. Sivakumar

Group - Chief Financial Officer &
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019

I. Equity Share Capital	Note	No. of Shares	₹ in Lakhs
Equity Shares of ₹ 2/- each issued, subscribed and fully paid up			
Balance as at 1 st April 2017	10	87001200	1740.02
Changes in Equity Share Capital during the year		-	-
Balance as at 31st March 2018	10	87001200	1740.02
Changes in Equity Share Capital during the year		-	-
Balance as at 31st March 2019	10	87001200	1740.02

II. Other Equity	Note	Securities Premium Account	General Reserve	Retained Earnings	Total ₹ in Lakhs
Balance as at 1 st April 2017	11	8774.13	17500.00	5893.00	32167.13
Profit for the period		0.00	0.00	3826.23	3826.23
Other Comprehensive Income		0.00	0.00	-46.19	-46.19
Transfer (to) / from Reserves		0.00	2500.00	-2500.00	0.00
Transactions with owners in their capacity as owners:					
Dividend paid including dividend distribution tax		0.00	0.00	-942.41	-942.41
Balance as at 31st March 2018	11	8774.13	20000.00	6230.63	35004.76
Profit for the period		-	-	3844.08	3844.08
Other Comprehensive Income		-	-	-25.02	-25.02
Transfer (to) / from Reserves		-	2500.00	-2500.00	-
Transactions with owners in their capacity as owners:					
Dividend paid including dividend distribution tax		-	-	-1048.85	-1048.85
Balance as at 31st March 2019	11	8774.13	22500.00	6500.84	37774.97

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

Place : Chennai

Date : 27th May 2019

For and on behalf of the Board

D. Sessa Reddy

Chairman
DIN: 00520448

A. Balasubramanian

Director
DIN: 00490921

P. Deepak

Managing Director
DIN: 02785326

P. Vijaya Bhaskar Reddy

Dy. Managing Director & CFO
DIN: 00020592

S. K. Sivakumar

Group - Chief Financial Officer &
Company Secretary

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

Nelcast Limited (“the Holding Company”) or (“Nelcast”) is engaged in the manufacture of Iron Castings. The Holding Company has manufacturing plants at Gudur and at Pedapariya in Andhra Pradesh and Ponneri in Tamil Nadu. The Holding Company is a public limited Company and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Holding Company has a Subsidiary Company. The Holding Company together with its subsidiary is hereinafter referred to as the “Group”.

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 (the Act), the Companies (Indian Accounting Standard) Rules, 2015 and other relevant provisions of the Act.

The financial statements is prepared on historical cost convention, except in case of certain financial instruments which are recognised at fair value at the end of the reporting period and on an accrual basis as a going concern.

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the part I of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current, non-current classification of assets and liabilities.

1.2 BASIS OF CONSOLIDATION

The consolidated financial statements of the Group incorporate the financial statements of the Holding Company and its subsidiary. The Holding Company has control over the subsidiary as it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect its returns through its power over the subsidiary.

Consolidation of a subsidiary begins when the Holding Company obtains control over the subsidiary and ceases when the Holding Company losses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statement of profit and loss and other comprehensive income from the date the Holding Company gains control, the date when the Holding Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Holding Company and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the owners of the Holding Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company i.e., year ended 31st March.

The Consolidated Financial Statements have been prepared on the basis of the financial statements of its subsidiary as detailed below:

Name of the Subsidiary	Country of Incorporation	Nature of Interest	% of Interest	Accounting year
NC Energy Limited	India	Subsidiary	93.44%	31 st March

1.3 FAIR VALUE MEASUREMENT

The Company measures financial instruments at fair value at each balance sheet 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Non-Derivative Financial Instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest where the fair value differs from the Transaction Price. Where the fair value does not differ, materially, from Transaction Price, the financial liabilities are stated at transaction price only.

Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

1.4 PROPERTY, PLANT AND EQUIPMENT

Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are recorded at cost less accumulated depreciation. The cost of acquisition of property, plant and equipment is net of duty or tax credit availed and includes purchase cost or its construction cost, inward freight and other expenses incidental to acquisition or installation and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. Cost of spares relating to specific item of an asset is capitalized. For major projects, interest and other costs incurred on / related to borrowings attributable to such projects / fixed assets during construction period and related pre-operative expenses are capitalized as part of the cost of respective assets. Cost of assets not ready to use before such date are disclosed under "Capital Work-in-Progress".

The residual values, useful live and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation is provided using the Straight Line Method as per the useful lives of the assets at the rates prescribed under Schedule II of the Companies Act, 2013

1.5 INTANGIBLE ASSETS

Intangible assets are carried at cost less any accumulated amortization and accumulated impairment loss.

Costs incurred towards purchase of computer software are amortized using the straight line method over a period based on management's estimate of useful lives of such software or over the license period of the software, whichever is shorter.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1.6 IMPAIRMENT OF ASSETS

All assets other than Inventories and Investments are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount of those assets may not be fully recoverable, in such cases the carrying amount of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to the Statement of Profit and Loss.

If at the Balance sheet date there is an indication that the previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

1.7 INVESTMENTS

All Investments are carried at fair value. Investments, which at the inception, have been designated to be held for a long term capital appreciation, the changes in the fair value are considered through Other Comprehensive Income. All other investments are valued at fair value and the gains or losses being recognised in Statement of Profit and Loss.

1.8 INVENTORIES

Inventories are valued at the lower of cost and net realizable value.

Cost is ascertained on a moving weighted average basis. Cost includes cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

1.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.10 LEASES

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Lease where the Lessor retains substantially all the risks and rewards incidental to the ownership is classified as an operating lease. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on straight-line basis over the lease term.

1.11 SEGMENT INFORMATION

The Holding Company is principally engaged only in the business of manufacture of Iron Castings and the Subsidiary Company has not commenced its commercial operations and hence, there are no other reportable segments.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1.12 CONTRIBUTED EQUITY

Equity Shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

1.13 DIVIDEND

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as liability on the date of declaration by the Board.

1.14 GOVERNMENT GRANTS AND SUBSIDIES

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

1.15 REVENUE RECOGNITION

The Company has applied Ind AS 115 'Revenue from Contracts with Customers' with effect from 1st April 2018. The performance obligations under all sales contracts are satisfied at a point of time. Ind AS 115 did not have a material impact on the amount or timing of recognition of reported revenue.

Sale of Goods : The Company derives revenues primarily from sale of Iron Castings. Revenue is measured based on the consideration specified in a contract with a customer. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the probable consideration expected to be received in exchange for those products or services. Claims on the Company for price revision are accounted when facts and circumstances indicate that a price reduction is probable and the amount is can be reasonably estimated. The claims by the Company are recorded when it is accepted and it is reasonably certain that the amounts will be collected.

Interest Income: Interest Income is recognised on effective interest method taking into account the amount outstanding and the rate applicable.

Profit on sale of investments: Profit on sale of investments is recognised only at the time when the investments are realized.

Export benefits, incentives and licenses: Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

1.16 FOREIGN CURRENCY TRANSACTION

Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Subsequent Recognition:

As 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. All monetary assets and liabilities in foreign currency are restated at the end of the accounting period. Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

1.17 BORROWING COSTS

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 capitalized as part of the cost of an asset. Where specific borrowings are identified to assets, the Company uses the interest rates applicable to that specific borrowing as the capitalization rate. Where borrowings cannot be specifically identified to assets, the capitalization rate applied is the weighted average of the interest rates applicable to all borrowings of the Company.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

1.18 TAXES

Income tax expense comprises of current and deferred tax. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Indian Income Tax Act, 1961. The tax rate and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

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.

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 utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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 relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

1.19 EMPLOYEE BENEFITS

a. Defined Contribution Plans

i) Provident Fund: The Company makes monthly Provident fund contributions at specified percentage of specified salary in accordance with the provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the contributions are charged to Statement of Profit and Loss.

ii) Superannuation Fund: The Company makes annual Superannuation fund contributions to defined contribution plan, administered by the Life Insurance Corporation of India, for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of specified salary to fund the benefits. The contributions are charged to the Statement of Profit and Loss.

b. Defined Benefit Plan

Gratuity: The Company provides for Gratuity, a defined benefit retirement plan covering eligible employees as per the provisions of the Payment of Gratuity Act, 1972. The plan provides for a payment to vested employees at retirement, death while in employment or on termination of employment, an amount equivalent to fifteen days salary payable for each year of completed service subject to maximum amount as may be prescribed. Vesting occurs upon completion of five years of service, except in case of death while in employment in which case the legal heirs would receive the Gratuity.

The cost of providing benefits determined using the projected unit credit method, which actuarial valuation being carried out at each Balance Sheet date. The retirement benefit obligation recognised as expenditure represents the present value of defined benefit obligation as reduced by the fair value of scheme assets. The Company makes contribution to Life Insurance Corporation of India to administer the fund. The changes in the actuarial assumptions are accounted through Other Comprehensive Income.

1.20 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. There are no diluted earnings per share as there are no dilutive potential equity shares.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1.21 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Current Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent Assets are neither recognised nor disclosed in the financial statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2. PROPERTY, PLANT & EQUIPMENT
 Year ended 31st March 2019 (₹ in Lakhs)

Particulars	Gross Carrying Amount			Depreciation / Amortisation				Net Carrying Amount	
	As at 1 st April 2018	Additions	Disposals	As at 31 st March 2019	Upto 31 st March 2018	Charge during the year	Disposals	Upto 31 st March 2019	As at 31 st March 2019
(i). Tangible Assets									
Freehold Land	6057.14	32.83	-	6089.97	-	-	-	-	6089.97
Freehold Buildings	4170.64	1697.68	-	5868.32	492.62	278.85	-	771.47	5096.85
Plant and Equipment	18726.04	5188.91	-	23914.95	2221.83	1364.21	-	3586.04	20328.91
Office Equipment	49.63	34.19	-	83.82	11.87	9.47	-	21.34	62.48
Vehicles	168.65	67.14	34.98	200.81	107.25	50.01	23.63	133.63	67.18
Furniture and Fittings	83.89	41.50	-	125.39	38.58	15.36	-	53.94	71.45
Computers	41.86	25.97	-	67.83	19.62	15.61	-	35.23	32.60
	29297.85	7088.22	34.98	36351.09	2891.77	1733.51	23.63	4601.65	31749.44
(ii). Other Intangible Assets									
Computer Software	63.65	62.59	-	126.24	33.34	13.56	-	46.90	79.34
TOTAL	29361.50	7150.81	34.98	36477.33	2925.11	1747.07	23.63	4648.55	31828.78
									26436.39

- Capital work-in-progress as on 31st March 2019: ₹ 10308.85 Lakhs (31st March 2018: ₹ 4826.29 Lakhs)
- Borrowing costs capitalized during the year for the assets held under Capital Work-in-progress is ₹ 343.74 Lakhs (31st March 2018: ₹ 76.82 Lakhs)
- Details of security of property, plant and equipment subject to charge to secured borrowings is given in Note No. 29
- Details of capital expenditure on research and development is given in Note No. 33

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	31 st March 2019 (₹ in lakhs)	31 st March 2018 (₹ in lakhs)
3. INVESTMENTS		
Trade, Unquoted - At Cost - Fully Paid-Up		
Investment in Equity Instruments:		
Others:		
- Suzlon Engitech Ltd	5.99	5.99
59,903 Equity shares of ₹ 10/- each		
- OPG Power Generation Pvt Ltd		
38,100 (P.Y. 56,800) Equity shares of ₹ 10/- each	4.24	6.30
- Watsun Infrabuild Pvt Ltd		
2,00,000 (P.Y. 4,17,836) Equity shares of ₹ 10/- each	20.00	41.78
- Atria Wind Power Pvt Ltd		
1,900 Equity shares of ₹ 100/- each	1.90	-
Total	32.13	54.07
4. OTHER NON-CURRENT ASSETS (Unsecured, Considered Good)		
Capital Advances	895.38	881.88
Total	895.38	881.88
5. INVENTORIES		
Raw Materials	1521.85	3337.45
Work-in-progress	2894.67	2898.85
Finished Goods	7594.01	2731.28
Stores and Spares	378.37	316.23
Loose Tools	1563.30	1565.91
Moulding Boxes & Patterns	206.50	266.44
Total	14158.70	11116.16
> Valued at lower of cost and net realisable value		
6. TRADE RECEIVABLES		
Unsecured, Considered Good	12116.78	11723.03
Total	12116.78	11723.03

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	31 st March 2019 (₹ in lakhs)	31 st March 2018 (₹ in lakhs)
7. CASH AND CASH EQUIVALENTS		
Balances with Banks:		
- In Current Accounts	388.05	241.83
- Short Term Fixed Deposits	5474.99	5297.30
Cash on Hand	2.00	5.31
Total	5865.04	5544.44
8. BANK BALANCES OTHER THAN (7) ABOVE		
Unpaid Dividend Accounts	12.09	13.42
Total	12.09	13.42
9. OTHER CURRENT ASSETS		
Deposits / Advances with Govt. Authorities and Companies	2279.57	2775.96
Advances for Supplies & Services	476.99	380.04
Advances given to Employees	11.30	21.55
Rental Advance	66.00	66.00
Accrued Interest on Fixed Deposits	127.47	107.70
Total	2961.33	3351.25

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

10. EQUITY SHARE CAPITAL

	Number of Shares	₹ in Lakhs
Authorised:		
Equity Share of ₹ 2/- each		
As at 1st April 2017	125000000	2500.00
Increase during the year	-	-
As at 31st March 2018	125000000	2500.00
Increase during the year	-	-
As at 31st March 2019	125000000	2500.00
Issued, Subscribed and Paidup:		
Equity Share of ₹ 2/- each		
As at 1st April 2017	87001200	1740.02
Increase during the year	-	-
As at 31st March 2018	87001200	1740.02
Increase during the year	-	-
As at 31st March 2019	87001200	1740.02
Movements in Equity Share Capital:		
As at 1st April 2017	87001200	1740.02
As at 31st March 2018	87001200	1740.02
As at 31st March 2019	87001200	1740.02

- The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share.
- The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.
- For the year ended 31st March 2019, the amount of dividend per share declared as distributions to equity shareholders was ₹ 1.00 (31st March 2018: ₹ 1.00). Refer note 11 for details of dividend declared/recognised in financial statements.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of equity shareholders holding more than 5% :

Name of the shareholder	As at 31.03.2019		As at 31.03.2018	
	No. of shares	%	No. of shares	%
P. Deepak	34363803	39.50	34295905	39.42
P. Deepak (HUF)	14491763	16.66	14441763	16.60
P. Divya	16154249	18.57	16154249	18.57
	65009815	74.73	64891917	74.59

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	31 st March 2019 (₹ in lakhs)	31 st March 2018 (₹ in lakhs)
11. OTHER EQUITY		
Securities Premium Account	8774.13	8774.13
General Reserve	22500.00	20000.00
Retained Earnings	6500.84	6230.63
Total Reserves and Surplus	37774.97	35004.76
Securities Premium Account		
Opening Balance	8774.13	8774.13
Additions during the year	-	-
(Deductions) / (Adjustments) during the year	-	-
Closing Balance	8774.13	8774.13
General Reserve		
Opening Balance	20000.00	17500.00
Additions during the year	2500.00	2500.00
(Deductions) / (Adjustments) during the year	-	-
Closing Balance	22500.00	20000.00
Retained Earnings		
Opening Balance	6230.63	5893.00
Total comprehensive Income for the period	3819.06	3780.04
Amount available for Appropriation	10049.69	9673.04
Appropriations:		
- General Reserve	2500.00	2500.00
- Dividend on Equity Shares	870.01	783.01
- Dividend Distribution Tax on above	178.84	159.40
Closing Balance	6500.84	6230.63
12. BORROWINGS - NON CURRENT		
Term Loan from Banks	9087.50	3000.00
(Refer Note No.29)		
Total	9087.50	3000.00
13. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability - Property, Plant and Equipment	4735.77	4120.10
Deferred Tax Asset - Employee benefits	-42.81	-25.16
Total	4692.96	4094.94

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	31 st March 2019 (₹ in lakhs)	31 st March 2018 (₹ in lakhs)
14. BORROWINGS - CURRENT		
Secured Loans Repayable on Demand to Banks:		
- Working Capital Loans (Refer Note No.29)	7761.55	6782.24
Total	7761.55	6782.24
15. TRADE PAYABLES		
Trade Payables:		
Total outstanding dues of Micro & Small Enterprises (Refer Note No.34)	662.12	150.39
Total outstanding dues of creditors other than Micro & Small Enterprises	9967.30	9289.64
Total	10629.42	9440.03
16. OTHER CURRENT LIABILITIES		
Current Maturities of Long-Term Debt:		
- Term Loans from Banks (Refer Note No.29)	1512.50	-
- Others : Buyers Credit	1617.00	-
Unpaid Dividends	12.09	13.42
Statutory Dues	1263.80	1782.84
Advances received from Customers	183.35	211.03
Outstanding Expenses	1163.84	1264.49
Total	5752.58	3271.78
17. PROVISIONS		
Provision for Employee Benefits:		
- Gratuity	40.13	71.86
- Bonus	164.65	151.52
Provision for Income Tax (Net of TDS / Advance Tax / MAT Credit)	264.30	118.78
Total	469.08	342.16

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	31 st March 2019 (₹ in lakhs)	31 st March 2018 (₹ in lakhs)
18. REVENUE FROM OPERATIONS		
Sale of Products - Iron Castings	85626.71	76006.57
Total	85626.71	76006.57
19. OTHER INCOME		
Interest Income	97.81	87.93
Gain on Foreign Currency Transaction (Net)	98.69	180.73
Gain on sale of assets	1.15	-
Gain on sale of investments	0.09	-
Export Incentive	396.29	162.93
Total	594.03	431.59
20. COST OF MATERIALS CONSUMED		
Raw Materials at the beginning of the year	3337.45	1988.55
Add: Purchases	42905.93	36488.85
(Less): Raw Materials at the end of the year	-1521.85	-3337.45
Cost of Materials Consumed	44721.53	35139.95
21. CHANGES IN INVENTORIES OF FINISHED GOODS (FG) & WORK-IN-PROGRESS (WIP)		
Closing Stock		
Finished Goods	7594.01	2731.28
Work-in-Progress	2894.67	2898.85
	10488.68	5630.13
Opening Stock		
Finished Goods	2731.28	3802.36
Work-in-Progress	2898.85	1663.48
	5630.13	5465.84
Changes in Inventories of FG & WIP	-4858.55	-164.29
22. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	4295.94	3815.47
Contribution to Provident and Other Funds	335.97	298.18
Staff Welfare Expenses	543.82	501.39
Total	5175.73	4615.04

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	31 st March 2019 (₹ in lakhs)	31 st March 2018 (₹ in lakhs)
23. FINANCE COSTS		
Interest Expense	600.29	334.05
Other Borrowing Costs	334.06	220.98
	934.35	555.03
Interest on Short Term Deposits	-271.47	-262.68
Total	662.88	292.35
24. DEPRECIATION & AMORTISATION EXPENSE		
Property, Plant and Equipment	1733.51	1584.08
Other Intangible Assets	13.56	8.85
Total	1747.07	1592.93
25. OTHER EXPENSES		
Consumption of Stores and Spares	3151.40	2629.19
Fettling and Other Manufacturing Expenses	12318.69	8994.12
Power and Fuel	11207.92	10585.98
Freight and Forwarding Charges	2913.57	2485.10
Repairs and Maintenance:		
- Plant and Machinery	1979.25	1677.80
- Buildings	141.78	183.88
Rent	156.39	154.23
Insurance	96.31	86.78
Rates and taxes	17.83	24.31
Printing and Stationery	40.12	35.27
Travelling and Conveyance	394.56	355.12
CSR Expenses (Refer Note No. 30)	103.57	84.48
Advertisement	3.97	3.45
Legal and Professional Charges	116.23	135.01
Communication Charges	32.64	33.50
Payment to Auditors:		
- Audit Fee	13.00	13.00
- Tax Audit Fee	2.00	2.00
Sitting Fee to Directors	10.90	4.10
Books, Periodicals & Subscriptions	11.18	7.97
Vehicle and Office Maintenance	98.43	104.35
Selling Expenses	180.05	98.47
Miscellaneous Expenses	10.67	8.47
Total	33000.46	27706.58

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

26. INCOME TAX

The major components of Income Tax are given below:

₹ in lakhs

Particulars	31 st March 2019	31 st March 2018
Profit or Loss:		
Current Tax:		
Current Income Tax Charge	1271.67	1787.44
Adjustment of current tax of previous year	44.42	-3.54
Total	1316.09	1783.90
Deferred Tax:		
Relating to the origination and reversal of temporary differences	611.45	92.94
Income tax expense reported in the Statement of Profit and Loss	1927.54	1876.84
Other Comprehensive Income:		
Current Tax:		
Tax related to items recognised in other comprehensive income during the year:		
Remeasurement of Defined Benefit Plans	-13.44	-24.45
Income tax charged to Other Comprehensive Income	-13.44	-24.45

Reconciliation of tax expense and the accounting profit multiplied by India's Domestic Tax rate for 31st March 2019 and 31st March 2018:

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of company tax in India as follows:

₹ in lakhs

Particulars	31 st March 2019	31 st March 2018
Accounting Profit before income tax	5771.62	5703.07
Enacted tax rate in India	34.944%	34.608%
Profit before income tax multiplied by enacted tax rate	2016.83	1973.72
Effects of:		
Additional deduction on Research and Development Expenses	-215.23	-212.79
Additional deduction under Income Tax Act based on capital investment	-584.84	-18.54
Disallowances	54.91	45.05
Adjustment of current tax of previous year	44.42	-3.54
Net effective Income Tax	1316.09	1783.90

During the year ended 31st March 2019 and 31st March 2018, the Company has paid Dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence, DDT paid is charged to Equity.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

27. EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity Shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity Shares outstanding during the year plus the weighted average number of Equity Shares that would be issued on conversion of all the dilutive potential Equity Shares in to Equity Shares.

The Basic and Diluted EPS calculations are given below:

Particulars	31 st March 2019	31 st March 2018
Profit after tax (₹ in Lakhs)	3844.08	3826.23
Weighted average number of shares in Lakhs		
- Basic	870.01	870.01
- Diluted	870.01	870.01
Earnings per share of ₹ 2/- each		
- Basic	4.42	4.40
- Diluted	4.42	4.40

28. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, 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.

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 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.

Defined employee benefit plans (Gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation 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. Further details about defined benefit gratuity plan are given in Note No. 36.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

- 29.** (i). Term Loans from Banks are secured by equitable mortgage of land, building and hypothecation of plant and machinery present and future. Working Capital Loans repayable on demand is fully secured by hypothecation of raw materials, stocks in process, finished goods, stores and book debts.

(ii). Terms of Repayment

Loan Description

Term Loan - Banks

Repayment Terms

Quarterly Installment

30. DETAILS OF CSR EXPENDITURE

(₹ in lakhs)

Particulars	31 st March 2019	31 st March 2018
a. Gross amount required to be spent by the Company during the year as per Section 135 of the Companies Act, 2013 read with Schedule VII	101.62	83.16
b. Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) Purposes other than (i) above	103.57	84.48

31. COMMITMENTS

(₹ in Lakhs)

Particulars	31 st March 2019	31 st March 2018
Estimated amount of contracts remaining to be executed and not provided for in these accounts (net of advances) in respect of acquisition of assets.	3135.67	3595.49

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

32. CONTINGENT LIABILITIES

(₹ in Lakhs)

Particulars	31 st March 2019	31 st March 2018
Bank Guarantees / Letter of Credit	589.04	81.05
Claims against the company not acknowledged as debts primarily towards (net of amount paid to statutory authorities):		
i) towards central excise	371.53	363.52
ii) towards sales tax	17.11	1.77

Claims against the company not acknowledged as debts represent demands raised by central excise and sales tax authorities, as reduced by the amounts paid by the company. Against these demands the company has already filed appeals with concerned appellate authorities. As per the experts' opinion these disputed matters are likely to be decided in company's favour and as such the management believes the ultimate outcome of the proceedings will not have a material adverse effect on the company's financial position and results of operations.

33. RESEARCH AND DEVELOPMENT EXPENSES

- a). Details of Research and Development expenses incurred during the year, debited under various heads of Statement of Profit and Loss is given below:

(₹ in Lakhs)

Particulars	31 st March 2019	31 st March 2018
Material and stores & spares consumption	390.54	333.55
Power and fuel	132.59	125.90
Repairs and maintenance	26.50	45.03
Employee benefit expenses	335.84	287.40
Depreciation	2.80	3.82
Others	12.49	7.27
Total	900.76	802.97

- b). Details of capital expenditure incurred for Research and Development are given below:

Particulars	31 st March 2019	31 st March 2018
Buildings	-	-
Plant and Machinery	117.57	148.17
Total	117.57	148.17

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- 34.** The information regarding Micro and Small Enterprises which is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company. The amount of principal and interest outstanding is given below:

(₹ in lakhs)

Particulars	31 st March 2019	31 st March 2018
i. The principal amount (2018-19: 658.18, 2017-18: 150.39) and the interest due (2018-19: 3.94, 2017-18: Nil) thereon remaining unpaid to suppliers at the end of each accounting year.	662.12	150.39
ii. The amount of interest paid by the buyer as per section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year.	3.94	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure.	3.94	-

35. SEGMENT REPORTING UNDER IND AS 108

The Company operates in a single primary business segment namely Manufacture of Iron Castings. The following are the information relating to geographical segment:

(₹ in Lakhs)

Year ended	India	Others	Total
31 st March 2019	76630.46	8996.26	85626.72
31 st March 2018	70170.47	5836.10	76006.57

Out of the above said revenue two customers represent more than 10% of the gross revenue and in total contribute 33.41% of the gross revenue.

36. EMPLOYEE BENEFITS

- (i) The Company provides Gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous services for a period of five years are eligible for Gratuity. The amount of Gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for fifteen days salary multiplied for the number of years of service. The Gratuity plan is a funded plan and maintained with Life Insurance Corporation of India.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Present Value of Obligation	Fair Value of Plan Assets	Total
1st April 2017	566.65	-594.56	-27.91
Current Service Cost	47.76	-	47.76
Past Service Cost	-	-	-
Interest Expense / (Income)	45.33	-47.53	-2.20
Total amount recognised in Statement of Profit and Loss	93.09	-47.53	45.56
Re-measurements			
- Return on plan assets, excluding amounts included in Interest Expense / (Income)	-	-	-
- (Gain)/Loss from change in demographic assumptions	70.64	-	70.64
- (Gain)/Loss from change in financial assumptions	-	-	-
- Experience (Gains)/Losses	-	-	-
- Changes in asset ceiling excluding amounts included in interest expense	-	-	-
Total amount recognised in other comprehensive income	70.64	-	70.64
- Employer Contributions	-	-16.43	-16.43
- Benefit Payments	-40.87	40.87	-
31st March 2018	689.51	-617.65	71.86

(₹ in Lakhs)

Particulars	Present Value of Obligation	Fair Value of Plan Assets	Total
1st April 2018	689.51	-617.65	71.86
Current Service Cost	55.86	-	55.86
Past Service Cost	-	-	-
Interest Expense / (Income)	55.16	-57.49	-2.33
Total amount recognised in Statement of Profit and Loss	111.02	-57.49	53.53
Re-measurements			
- Return on plan assets, excluding amounts included in Interest Expense / (Income)	-	-	-
- (Gain)/Loss from change in demographic assumptions	38.46	-	38.46
- (Gain)/Loss from change in financial assumptions	-	-	-
- Experience (Gains)/Losses	-	-	-
- Changes in asset ceiling excluding amounts included in interest expense	-	-	-
Total amount recognised in other comprehensive income	38.46	-	38.46
- Employer Contributions	-	-123.72	-123.72
- Benefit Payments	-20.87	20.87	-
31st March 2019	818.12	-777.99	40.13

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(ii) The Net Liability/ (Asset) disclosed above relates to funded and unfunded plans as follows:
 (₹ in Lakhs)

Particulars	31 st March 2019	31 st March 2018
Present value of funded obligations	818.12	689.51
Fair value of plan assets	-777.99	-617.65
Deficit/(Excess) of Funded Plan	40.13	71.86
Unfunded plans	-	-
Deficit/(Excess) of Gratuity Plan	40.13	71.86

(iii) Significant Estimates: Actuarial assumptions and sensitivity

Particulars	31 st March 2019	31 st March 2018
Discount Rate	7.50%	7.50%
Expected return on Plan Assets	7.50%	7.50%
Salary Growth Rate	7.00%	7.00%
Attrition Rate (depend on age)	1% to 3%	1% to 3%

37. FAIR VALUES

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, management has assessed the fair value of the borrowings approximate their current value largely since they are carried at floating rate of interest.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

38. 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. The primary objective of the Company's capital management is to maximise the shareholder value.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings, trade and other payable. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents derived directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk (including input cost risk, interest rate risk and foreign currency risk), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company. The Company does not enter into or trade financial instruments for speculative purposes.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

a. 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. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, loans and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

b. Liquidity Risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

c. Market Risk:

The Company's growth is linked to that of the Commercial Vehicle and Tractor industries, which are cyclical in nature. This cyclical nature might affect the demand. Since the Automotive industry plays a major role in enabling economic growth, any slowdown in the overall economy will affect demand. However, the Company has been developing its exports and products in other segments viz. off-highway, railways etc. to counter this risk.

Input Cost Risk:

Our profitability and cost effectiveness may be affected due to change in the prices of raw materials, power and other input costs. Some of the risks that are potentially significant in nature and need careful monitoring are Raw Materials prices, availability and cost of Power etc.

Interest Rate Risk:

The Company has judiciously managed the debt-equity ratio. It has been using a mix of loans and internal cash accruals. The Company has well managed the working capital to reduce the overall interest cost.

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).

The majority of the Company's revenue and expenses are in Indian Rupees with the remainder denominated in US Dollars and Euros. The fluctuation in foreign exchange currency may not impact the Company much. However, if any foreign currency risk on the liability side, it is fully hedged.

Unhedged foreign Currency

As at the Balance Sheet date, the Company's net foreign currency exposure that is unhedged is as follows:

(₹ in Lakhs)

Particulars	31 st March 2019	31 st March 2018
Trade Receivables	4029.79	1879.76

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

40. ADDITIONAL INFORMATION AS PER SCHEDULE III TO THE COMPANIES ACT, 2013

Name of the Entity	Net assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive (Income)/Loss		Share in Total Comprehensive Income	
	As a % of Consolidated net assets	₹ in Lakhs	As a % of Consolidated Profit or Loss	₹ in Lakhs	As a % of Consolidated Other Comprehensive Income	₹ in Lakhs	As a % of Total Comprehensive Income	₹ in Lakhs
Parent								
Nelcast Limited	99.32%	39514.99	100.00%	3844.08	100.00%	25.02	100.00%	3819.06
Subsidiary								
NC Energy Limited	0.68%	271.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
Total	100.00%	39785.99	100.00%	3844.08	100.00%	25.02	100.00%	3819.06

41. RELATED PARTY DISCLOSURE

Related parties under Ind AS 24 with whom transactions have taken place during the year:

Key Management Personnel (KMP):

1. Mr. P. Deepak, Managing Director
2. Ms. P. Divya, Director
3. Mr. P. Vijaya Bhaskar Reddy, Dy. Managing Director & CFO
4. Mr. S.K. Sivakumar, Group - Chief Financial Officer & Company Secretary

Relatives to Key Management Personnel (KMP):

1. Mrs. P. Jamuna
2. Mrs. P. Viraja

a) Transactions with related parties (2018-19) (₹ in Lakhs)

Nature of Transactions	KMP	Relatives to KMP
Remuneration	309.54	-
Rental Payments	12.00	146.52

b) Transactions with related parties (2017-18)

Nature of Transactions	KMP	Relatives to KMP
Remuneration	335.87	-
Rental Payments	12.00	146.52

42. Previous year's figures have been regrouped and reclassified wherever necessary to conform to this year's classification.

As per our report of even date

For K NAGARAJU & ASSOCIATES

Chartered Accountants
Firm Regn No. 002270S

K. NAGARAJU

Partner
Membership No. 024344

Place : Chennai

Date : 27th May 2019

For and on behalf of the Board

D. Sessa Reddy

Chairman
DIN: 00520448

A. Balasubramanian

Director
DIN: 00490921

P. Deepak

Managing Director
DIN: 02785326

P. Vijaya Bhaskar Reddy

Dy. Managing Director & CFO
DIN: 00020592

S. K. Sivakumar

Group - Chief Financial Officer &
Company Secretary



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NOTES

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CIN: L27109AP1982PLC003518
Regd. Office: 34, Industrial Estate, Gudur - 524 101
www.nelcast.com

THIRTY SEVENTH ANNUAL GENERAL MEETING - 1st AUGUST 2019
ATTENDANCE SLIP

To be handed over at the entrance of the meeting hall

I hereby record my presence at the 37th Annual General Meeting (AGM) of the Company held on **Thursday, 1st August 2019 at 11.00 AM at P.V.R. Kalyanamandapam, Near R.T.C. Bus Stand, Gudur - 524 101, Andhra Pradesh.**

.....

Name (in block letters)

.....

Signature of Shareholder(s)/Proxy

Notes:

1. Please complete the Folio / DP ID - Client ID No. and Name, Sign this Attendance Slip and hand over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Electronic copy of the Annual Report 2018-19 and Notice of the 37st AGM along with Attendance Slip and Proxy Form is being sent to all the Members whose email address is registered with the Company/ Depository Participant unless any Member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can carry a print of this Attendance Slip.
3. Physical copy of the Annual Report 2018-19 and Notice of the 37st AGM along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.



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THIRTY SEVENTH ANNUAL GENERAL MEETING - 1st AUGUST 2019
E-VOTING PARTICULARS

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN
110906		

Note: Please read instructions given in the Notice of the 37st AGM carefully before voting electronically.



CIN: L27109AP1982PLC003518
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THIRTY SEVENTH ANNUAL GENERAL MEETING - 1st AUGUST 2019
PROXY FORM (FORM NO. MGT-11)

[Pursuant to Section 105(6) of the Companies Act, 2013 and
Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

I/We, being the member(s) of **Nelcast Limited** holding _____ shares, hereby appoint

1. _____ of _____ having e-mail ID _____ or failing him
2. _____ of _____ having e-mail ID _____ or failing him
3. _____ of _____ having e-mail ID _____

and whose signature(s) are appended below as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **37th Annual General Meeting** of the Company, to be held on **Thursday, 1st August 2019 at 11.00 AM at P.V.R. Kalyanamandapam, Near R.T.C. Bus Stand, Gudur - 524 101, Andhra Pradesh** and at any adjournment thereof in respect of such resolutions as are indicated below:

* I wish my/our above Proxy to vote in the manner as indicated in the box below:

Sl. No.	Resolutions	For	Against
1	To Receive, Consider and Adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company, Auditors Report & Directors Report for the year ended 31 st March, 2019		
2	To declare Dividend for the financial year 2018-19		
3	To re-appoint Mr. P. Deepak, Director, who retires by rotation		
4	To re-appoint Mr. D. Sesha Reddy as an Independent Director of the Company for the second term of 5 (five) consecutive years		
5	To re-appoint Mr. R. Mohan Reddy as an Independent Director of the Company for the second term of 5 (five) consecutive years		
6	To re-appoint Mr. A. Balasubramanian as an Independent Director of the Company for the second term of 5 (five) consecutive years		
7	To ratify the Remuneration paid to Cost Auditors of the Company		
8	To approve further issue of Securities		

Signed this day of 2019

Signature of Shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

* This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Notes:

1. **This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before commencement of the Meeting.**
2. **A Proxy need not be a member of the Company.**
3. A person can act as a Proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total Share Capital of the Company carrying voting rights. A member holding more than 10% of the total Share Capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as a Proxy for any other person or shareholder.
4. Appointing a Proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
5. In the case of Joint holders, the signature of any one holder will be sufficient.