

NOTICE TO SHAREHOLDERS

Notice is hereby given that the **Thirty Third** Annual General Meeting of the Members of Nelcast Limited will be held on Thursday, the 6th August 2015 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 Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend for the Financial Year 2014-15.
3. To appoint a Director in the place of Ms. P. Divya (holding DIN 05158352), who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT M/s. REDDY A V & CO (Firm Registration No.003256S), Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office for the term of two years from the conclusion of this Annual General Meeting until the conclusion of the Thirty Fifth Annual General Meeting subject to ratification at every Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to any other approval as may be required, the consent of the Company be and is hereby accorded to the re-appointment of Mr. P. Deepak (holding DIN 02785326) as Managing Director of the Company for a period of three years from 1st July 2015 to 30th June 2018 and for the payment of his remuneration, allowances and perquisites as detailed below and as approved at the meeting of the Board of Directors and recommended by the Nomination & Remuneration Committee."

Period : 3 Years from 01.07.2015 to 30.06.2018

Salary : Basic Salary of ₹ 3,50,000/- per month

Special Allowance of ₹ 1,00,000/- per month

Perquisites:

- (i) Housing: Free furnished residential accommodation, owned or leased out by the Company or House Rent Allowance subject to a ceiling of 50% of the Basic Salary.
- (ii) Medical Expenses for Self & Family both in India & outside India, including medical insurance premium.

- (iii) Personal Accident Insurance: Personal Accident insurance premium shall not exceed ₹ 10,000/- per annum.
- (iv) Contribution to funds: Company's contribution towards Provident Fund and Superannuation Fund will be as per the scheme of the Company. Gratuity as per the rules of the Company, not exceeding half a month's salary for each completed year of service.
- (v) Earned Leave: On full pay and allowances as per rules of the Company, but not exceeding half a month's salary per year.
- (vi) Car shall be provided for use on Company's business and telephone at residence for business purpose.
- (vii) Payment of fees, subscription and other incidental charges to clubs.
A special incentive of ₹ 30 lakhs per annum shall also be paid.
Increment of not more than 25% per annum over the previous year.

Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year, the Managing Director shall be paid a minimum remuneration as specified above and same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013.

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

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

"RESOLVED THAT pursuant to the provisions of 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 ₹ 1,20,000/- (Rupees One lakh Twenty Thousand Only) (apart from re-imbursment 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, 2016, be and is hereby approved and ratified."

By Order of the Board

S.K. Sivakumar

*Head - Group Finance &
Company Secretary*

Place : Chennai
Date : 29th May 2015

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 ₹ 0.70/- per share has been recommended by the Board of Directors for the year ended 31st March, 2015 and 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 1st August 2015 to 6th August 2015 (both days inclusive).
6. The proxy form duly completed should be deposited at the Registered Office of the Company / Office of the Share Transfer Agents not later than 48 hours before the commencement of the meeting.
7. 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 Participant(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.
8. 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.
9. 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.
E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai - 400 072.
Phone: 022 - 40430200 Fax: 022 - 28475207
E-mail: investor@bigshareonline.com

10. Corporate Members / FIs / 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.
11. 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.
12. 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.
13. 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.
14. Pursuant to the provisions of section 205A of the Companies Act, 1956, and 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 either from the Company or from the Fund.
15. Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012, the Company shall provide/host the required details of unclaimed dividend amounts referred to under Section 205C(2) of the Companies Act, 1956 on its website and also Ministry of Corporate Affairs (MCA) website in the relevant form every year. For the financial year ended 31st March, 2014, the information on unclaimed dividend for the years from 2007-08 to 2012-13 was filed with the Ministry of Corporate Affairs and hosted on the website of the Company within the statutory time.
16. Members may also note that the Notice of the 33rd Annual General Meeting and the Annual Report for 2014-15 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.

17. Re-Appointment of Directors:

At the forthcoming Annual General Meeting, Ms. P. Divya, Director retires by rotation and being eligible offers herself for re-appointment. As per the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, the information or details pertaining to her is furnished.

**Details of Director seeking Re-Appointment at the Annual General Meeting
(in pursuance to clause 49 of the Listing Agreement)**

Ms. P. Divya aged about 31 years, holds an MS in Networked Information Systems from Stevens Institute of Technology, USA and has since worked at Deutsche Bank, USA holding various roles in Global Technology & Operations and Global Head of four departments, and mainly specializing in Change Management & Governance.

Details of other Directorships/Committee Memberships held by her:

Directorship	Committee Membership
NC Energy Limited	–
Ponnas Infrastructure Private Limited	–
Dodla Dairy Limited	Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee

Ms. P. Divya holds 16154249 shares in the Company.

18. 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, 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 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 / Postal Ballot Process in a fair and transparent manner.

The instructions for Shareholders for e-Voting are as under:

- A. In case of Shareholders' receiving e-mail from NSDL:
- i. Open e-mail and open PDF file viz., "Nelcast e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-Voting. Please note that the password is an initial password.
 - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>

- iii. Click on Shareholder - Login.
 - iv. Enter the user id and password as initial password noted in step (i) above. Click Login.
 - v. Password change menu appears. Change the password with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. Home page of e-Voting opens. Click on e-Voting: Active e-Voting Cycles.
 - vii. Select “EVEN” of Nelcast Ltd.
 - viii. Now you are ready for e-Voting as Cast Vote Page opens.
 - ix. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - x. Upon confirmation, the message “Vote cast successfully” will be displayed.
 - xi. Once you have voted on the resolutions, you will not be allowed to modify your vote.
 - xii. For the votes to be considered valid, then institutional shareholders (i.e., other than individuals, HUF, NRI, etc.,) are required to send scanned copy (PDF/JPEG Format) of the relevant Board Resolution / Authority Letter etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at scrutinizernelcast@gmail.com with a copy marked to evoting@nsdl.co.in
- B. 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 from S. No. (ii) to S. No. (xii) above, to cast vote.
- C. 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 www.evoting.nsdl.com
- D. 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.
- E. 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.

- F. The e-voting period for e-Voting module commences on 3rd August 2015 @ 9.00 AM and ends on 5th August 2015 @ 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 30th July 2015, 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.
- G. 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 30th July 2015.
- H. Member who have already exercised their voting through Remote e-voting can attend the Annual General Meeting but cannot vote again.
- I. 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., 30th July 2015, 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 www.evoting.nsdl.com or contact NSDL at the following Toll Free no.: 1800-222-990.
- J. The Scrutiniser 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 Scrutiniser'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.
- K. 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 33rd 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 business mentioned under Item No. 5 and 6 of the accompanying Notice dated 29th May 2015.

Item No. 5

Mr. P. Deepak, Managing Director has been holding office since 1st July 2012 and his appointment is being expired on 30th June 2015.

The Nomination & Remuneration Committee at its meeting held on 29th May 2015 and the Board of Directors at its meeting held on 29th May 2015 has re-appointed Mr. P. Deepak as Managing Director for a further period of three years with effect from 1st July 2015 to 30th June 2018 subject to the approval of members at the Annual General Meeting of the Company.

The approval of the members is being sought for the re-appointment of Mr. P. Deepak as Managing Director of the Company for a period of three years effective from 1st July 2015.

Further the members are requested to note that the re-appointment of Mr. P. Deepak as the Managing Director is in compliance with the sections 196, 197, 203 and the Rules made thereunder read with Schedule V of the Companies Act, 2013 and other relevant and applicable provisions if any of the Companies Act, 2013 and subject to the approval of members at the General Meeting of Company. In light of the said provisions, you are requested to accord your approval to the reappointment of Mr. P. Deepak as Managing Director on the above terms and conditions.

Minimum Remuneration:

Notwithstanding anything herein contained, where in any financial year during the period of his office as a Managing Director, the Company has no profits or its profits are inadequate, the Company may, subject to the requisite approvals if any, pay Mr. P. Deepak remuneration by way of salary, allowances, perquisites not exceeding the maximum limits laid down in Section II of Part II of Schedule V of the Companies Act, 2013 as may be agreed to by the Board of Directors and Mr. P. Deepak.

Mr. P. Deepak aged about 30 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 7 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 48595405 shares in the Company. Details other Directorships/Committee Memberships held by him.

Details of other Directorships/Committee Memberships held by him:

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

Copy of the Agreement referred to in the Resolution would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members.

The statement as required under Para A of Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to the Item No. 5 is as follows:

I. General Information:

- (1) Nature of Industry: Manufacturer of Iron Castings.
- (2) Date or expected date of commencement of commercial production: Existing Company already commenced from 1985.
- (3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Existing Company, Not Applicable.
- (4) Financial performance based on given indicators: (₹ in Cr.)

Particulars	2014-15	2013-14	2012-13
Net Sales	544.89	515.16	507.60
PBDT	42.20	49.13	31.81
Depreciation	12.65	12.84	11.11
PBT	29.54	36.29	20.70
Provision for Taxation	7.60	13.80	6.79
PAT	21.94	22.49	13.91

- (5) Foreign Investment of Collaborators, if any: Nil

Information about the Appointee Mr. P. Deepak

(1) Background details:

Mr. P. Deepak aged about 30 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 7 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.

(2) Past remuneration:

Upto to 30th June 2015, Mr. P. Deepak was paid the same salary, perquisite and allowances as proposed now.

(3) Recognition or awards: Nil

(4) Job profile and his suitability:

Mr. P. Deepak is involved in the overall management of the Company as CEO and has key role in running the affairs of the Company including Planning, Budgeting, Marketing, and Liasioning with the Customers, Investors and Corporate affairs. He possess sound technical knowledge of foundry operations and technically very strong. As a Managing Director he has played a prominent role in the growth of the Company.

(5) Remuneration proposed:

As mentioned in the Resolution proposed at Item No. 5 of the Notice.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

The proposed remuneration is comparable with the remuneration drawn by the peers and is necessitated due to complexities of business. Taking in to account the turnover of the Company and responsibilities of Mr. P. Deepak, the proposed remuneration to the appointee is reasonable in the industry.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. P. Deepak is part of promoter group, holding 48595405 shares and related to Ms. P. Divya, Director.

III. Other Information:

- (1) Reasons of loss or inadequate profits: The resolution is being passed to take care of any contingency situation which may arise in the industry due to Economic Downturn, Cyclical slow down in the auto sector, irregular monsoon etc.,
- (2) Steps taken or proposed to be taken for improvement: The necessary steps will be initiated when the situation arises due to above factors.
- (3) Expected increase in productivity and profits in measurable terms: Can be ascertained only when the situation arises.

The terms as set out in the resolution and explanatory statement may be treated as an abstract of the terms and conditions governing the appointment and remuneration and memorandum of interest pursuant to Section 190 of the Companies Act, 2013.

Memorandum of Interest:

None of the Directors and Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the above resolution, except, Mr. P. Deepak, Managing Director and Ms. P. Divya, Director who are related to each other.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 6:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors amounting to ₹ 1,20,000/- per annum, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016.

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 resolution for your approval as set out under Item No. 6.

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

By Order of the Board

S.K. Sivakumar

*Head - Group Finance &
Company Secretary*

Place: Chennai
Date : 29th May 2015

Registered Office

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

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

HEAD - GROUP FINANCE & COMPANY SECRETARY

Mr. S.K. Sivakumar

AUDITORS

REDDY A V & CO
(Formerly J.B.REDDY & CO.,)
Chartered Accountants
206, Srinilaya Estates, Ameerpet,
Hyderabad-500 073

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
Phone: 08624-251266/766, Fax: 08624-252066
CIN: L27109AP1982PLC003518

CORPORATE OFFICE

159, T.T.K. Road, Alwarpet, Chennai-600 018
Phone: 044-24983111/4111, Fax: 044-24982111
Email: nelcast@nelcast.com
Website: www.nelcast.com

PLANTS

- 1. Gudur Unit:**
34, Industrial Estate, Gudur-524 101
Phone: 08624-251266/766 Fax: 08624-252066
- 2. Ponneri Unit:**
Madhavaram Village, Amur Post, Ponneri-601 204
Phone: 044-27974165/1506 Fax: 044-27973620



Annual Report 2014 - 15

Annual
Report
2014 - 15

CONTENTS

CONTENTS	Page No.
Directors' Report	3
Annexures to the Directors' Report	9
Report on Corporate Governance	25
Management Discussion and Analysis	35
Independent Auditors' Report	38
Balance Sheet	42
Statement of Profit and Loss	43
Cash Flow Statement	44
Notes Forming Part of Financial Statements	45
Auditors' Report on the Consolidated Financial Statements	61
Consolidated Balance Sheet	63
Consolidated Statement of Profit and Loss	64
Consolidated Cash Flow Statement	65
Notes Forming Part of Consolidated Financial Statements	66

DIRECTORS' REPORT

Your Directors are pleased to present the Thirty Third Annual Report along with the Audited Accounts for the financial year ended 31st March, 2015:

PERFORMANCE	(₹ in Lakhs)	
FINANCIAL RESULTS	<u>2014-15</u>	<u>2013-14</u>
Net Sales	54,488.65	51,516.08
PBIDT	4,688.17	5,099.03
Profit Before Tax (PBT)	2,954.74	3,629.44
<i>Less: Provision for Tax</i>	760.41	1,379.89
Profit After Tax (PAT)	2,194.33	2,249.55
<i>Add: Profit brought forwarded from previous years</i>	4,181.81	4,144.77
Profit Available for Appropriation	6,376.14	6,394.32
Less: Appropriations		
Final Dividend on Equity Shares	609.01	609.01
Distribution Tax on Final Dividend	121.77	103.50
General Reserve	1500.00	1500.00
Surplus Carried to Balance Sheet	4,145.36	4,181.81

DIVIDEND

Your Directors recommend a final dividend of 35% (₹ 0.70 per share) for the financial year 2014-15. Payment of dividend is subject to the approval of shareholders at the ensuing Annual General Meeting.

OPERATIONS

During the year, the Company recorded Net Sales of ₹ 544.89 crores as against ₹ 515.16 crores in 2013-14, an increase of about 5.77%. Profit After Tax made during the year is ₹ 21.94 crores compared with ₹ 22.50 crores in 2013-14, a marginal reduction compared with previous year. The production during the year was 71875 MT, compared to the previous year's 70025 MT.

During the year, the Company has increased its sales marginally due to moderate increase in Medium and Heavy Commercial Vehicle industry. However, there was no significant increase in total sales due to slow down in the Tractor sector during the second half of the year.

OUTLOOK

The automotive industry was growing consistently over the past decade, but with Indian GDP slowing over the couple of years, the auto industry has been going through challenging times with both production and domestic sales declining due to weakening economic sentiments caused by slowing economy. However the outlook for the Indian automobile sector is positive. The sector is expected to resurge in the coming years on the back of revival in demand both from domestic and export markets. Driven by a renewed confidence in the economy and general improvement in sentiments, the demand is expected to rise. India is now a supplier of a range of high value and critical automobile components to global auto market.

DIRECTORS' 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, 2015, in accordance with Accounting Standard 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India. As required by Clause 41 of the Listing Agreement with Stock Exchanges, the audited Consolidated Financial Statements are circulated with the Annual Report.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

In terms of proviso to sub section (3) of Section 129 of the Companies Act, 2013 the salient features of the financial statement 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 the TS 16949 norms, and continuously strives to achieve world class quality by strictly adhering to the quality standards. The Company has been awarded ISO 14001 & 18001 for Environmental Management Systems.

The Company has been receiving continuous support from its OEM customers like Tata Motors, Ashok Leyland, TAFE, Eicher Tractors (TMTL), Mahindra & Mahindra, Volvo-Eicher Commercial Vehicles, SAME Tractors, Escorts Tractors, Sonalika Tractors (ITL), Daimler India, Ashok Leyland John Deere, Caterpillar, etc., from Tier I customers like Automotive Axles, American Axles, Dana, Rane Madras, Rane-TRW, ZF India, Simpson & Co., etc., and export customers like Meritor and ZF Industries. The Company is closely working with all customers in terms of new product development, improvement in quality & delivery performance etc., to meet their expectations.

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, 2015.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Ms. P. Divya, Director is due to retire by rotation and being eligible offers herself for re-appointment.

Mr. P. Deepak, Managing Director was re-appointed as Managing Director by the board of directors at their meeting held on 29th May 2015 for a further period of three years. Your approval is sought for his re-appointment.

Mr. P. Deepak, Managing Director, Mr. P. Vijaya Bhaskar Reddy, Dy. Managing Director & CFO and Mr. S.K. Sivakumar, Head - Group Finance & Company Secretary hold the office of Key Managerial Personnel.

DIRECTORS' REPORT – (Contd.)

Declaration of Independent Directors

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

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

The provisions of Section 178(1) 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 website of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby make the following statement in terms of Section 134 (3)(c) and 134 (5) of the Companies Act, 2013 with respect to Directors' Responsibility.

We confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation 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, 2015 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 Clause 49 of the Listing Agreement with the Stock Exchanges are complied within letter and spirit. A certificate issued by the auditors of the Company regarding compliance of conditions of Corporate Governance is also annexed. The matters relating to Corporate Governance as per the Listing Agreement are attached to this report. A management discussion and analysis report as required by Listing Agreement is also annexed which forms part of this report.

DIRECTORS' REPORT – (Contd.)

RELATED PARTY TRANSACTIONS

All transactions entered by the Company with related parties were in the ordinary course of 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.

BOARD MEETINGS

During the year, five 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 behaviour, 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 for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

REMUNERATION POLICY

The Company has adopted a Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and Clause 49 of the Listing Agreement. The said policy is posted in the website of the Company

PARTICULARS OF EMPLOYEES AND REMUNERATION AND RELATED DISCLOSURES

The information required pursuant to Section 197 read with rule 5 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 of the Act, 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.

In terms of the provisions of Section 197 of the Companies Act, 2013 read with Rules 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Annexure forming part of the Annual Report.

Disclosures pertaining to remuneration and other details as required under Section 197 of the Companies Act, 2013 read with Rule 5 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 provisio 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.

DIRECTORS' REPORT – (Contd.)

AUDITORS

Your Company's Auditors, M/s. REDDY A V & CO (Formerly J.B.REDDY & CO.,) Chartered Accountants, will retire at the conclusion of the forthcoming Annual General Meeting and they have consented to be re-appointed for the further term of two years i.e, till the conclusion of the Thirty Fifth Annual General Meeting subject to ratification of their appointment at every AGM. The Company has received a letter from M/s. REDDY A V & CO stating that their re-appointment as auditors, if made, would be in accordance with Section 139 read with Section 141 of the Companies Act, 2013.

SECRETARIAL AUDITOR

The Company has appointed M/s. L.D.Reddy & Co, Company Secretaries to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended 31st March, 2015 is annexed with this report in Annexure-D.

COST AUDITORS

As per Section 148 read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of your Company has appointed M/s. Jayaram & Associates, Cost Accountants as the Cost Auditors of the Company for the financial year 2015-16 on the recommendations made by the Audit Committee.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Details of the same 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.

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 Commensurating with its size and operations. The risk management includes identifying types of risks and its assessment, risk handling, monitoring and reporting.

DIRECTORS' REPORT – (Contd.)

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 RESPONSIBILITIES (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 EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual 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, HSBC Ltd., Kotak Mahindra Bank Ltd. and HDFC Bank Ltd. for their trust and continued support.

For and on behalf of the Board

D. Sesha Reddy

Chairman

Place: Chennai

Date: 29th May 2015

ANNEXURE A TO THE DIRECTORS' 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 |
| (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 |

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 The Company has been continuously putting effort to develop new products for new applications to Commercial Vehicle & Tractor segments. During the year the Company has developed in excess of 100 new components for these segments. The Company also developed several new products for Heavy Truck, Army, Construction & Mining Applications. During the year, the Company has also made its first entry into the global SUV Market. The Company is doing many research activities in the areas of component weight reduction, core cost reduction, core weight reduction, process design, process improvement, etc.

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

- (a) Market expansion and improved competitive position through significantly improved products for new markets.
- (b) New opportunities in global markets by introducing new range of products.
- (c) Improved competency for designing process & products for global customers.
- (d) Acquiring competency in new areas like Machined Castings & sub-assemblies.
- (e) Reduced product development lead time and improved product quality due to advancement of simulation capabilities.
- (f) Improved surface finish of the products helped to obtain new business opportunities with global customers
- (g) Upgradation of technical skill of employees for higher productivity & more consistent quality.

ANNEXURE A TO THE DIRECTORS' REPORT – (Contd.)

3. Future plan of action:

- (i) Development of optimized methods of melting metal to reduce energy consumption;
- (ii) Expanding market for automotive applications & conversion of components from other processes & materials to Iron Castings.
- (iii) Launch of new products like Differential Carriers & Axle Housings for export customers.
- (iv) New materials development for innovative next generation products like Austempered Ductile Iron applications.
- (v) Development of new production processes to create competitive advantage on certain range of components.
- (vi) Development of new surface coating processes for Iron castings.
- (vii) To co-develop components closely with our customers to improve product performance & manufacturability.

4. Expenditure on R & D:

₹ in Lakhs

Capital expenditure	:	439.21
Revenue expenditure	:	564.25
Total	:	1003.46
Total expenditure as percentage of net sales	:	1.84%

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 : ₹ 367.74 Lakhs
- Total Foreign Exchange Earned : ₹ 272.65 Lakhs

For and on behalf of the Board

Place : Chennai
Date : 29th May 2015

D. Sesa Reddy
Chairman

ANNEXURE B TO THE DIRECTORS' 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 statement of subsidiaries

Part "A" : Subsidiaries

(₹ 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	3315.00
5	Reserves & Surplus	-
6	Total Assets	3334.19
7	Total Liabilities	3334.19
8	Investments	-
9	Turnover	-
10	Profit Before Taxation	-
11	Provision for Taxation	-
12	Profit After Taxation	-
13	Proposed Dividend	-
14	% of shareholding	95.05

- Note: 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.

For and on behalf of the Board

Place : Chennai
 Date : 29th May 2015

D. Sessa Reddy
 Chairman

ANNEXURE C TO THE DIRECTORS' 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 on the Company's website at the web link: http://www.nelcast.com/documents/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	4161.96
Prescribed CSR expenditure 2% of Average Net Profit of the last three financial years	83.24

Details of CSR spent during the financial year 2014-15:

Particulars	(₹ in Lakhs)
Total amount spent during the year	36.54
Amount unspent, if any	46.70

ANNEXURE C TO THE DIRECTORS' REPORT – (Contd.)

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

S.No	CSR Project or activity identified	Sector in which the project is covered	Locations	Amount Spent on the Project or Programms (₹ in Lakhs)	Cumulative Expenditure upto reporting period (₹ in Lakhs)	Amount 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	1.73	1.73	Direct
2	Vocational training to unemployed youth, school dropouts, placement linked skills development training to unemployed youth	Vocational Training	Gudur	13.16	13.16	Direct
3	Health Camps, Medical help to Underprivileged, Malnutrition reduction etc,	Healthcare	Gudur & Ponneri	12.25	12.25	Direct
4	Providing safe drinking water to community	Sanitation Drinking Water	Gudur	3.34	3.34	Direct
5	Support to Education – Infrastructure improvement – Repair and painting of school buildings run by Government of Tamil Nadu	Education	Middle school run by Government of Tamil Nadu, Amoor village, Ponneri Taluk, Thiruvallur District.	2.90	2.90	Direct
6	Support for victims of natural calamities	Community Organisation	Gudur	1.76	1.76	Direct
7	Rural Road construction as per community needs	Transportation Infrastructure	Gudur	1.40	1.40	Direct
Total				36.54	36.54	

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.	Since some of the projects undertaken by the Company are ongoing projects, where the Company will have a continuing engagement over next few years, such projects will be completed in the coming years.
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 : 29th May 2015

P. Deepak
 Chairman
 CSR Committee

ANNEXURE D TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule 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**. 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, returns filed, 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, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Nelcast Limited ("the Company")** for the financial year ended on 31st March, 2015 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the Rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made 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 to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (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) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (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;

ANNEXURE D TO THE DIRECTORS' REPORT – (Contd.)

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (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, 2008;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2008;
- (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) Employers State Insurance Act, 1948;
- (xi) The Payment of Bonus Act, 1965;
- (xii) The Environment (Protection) Act, 1986;
- (xiii) Electricity Act, 2003;
- (xiv) Indian Stamp Act, 1999;
- (xv) Income Tax Act, 1961 and Indirect Tax Laws;
- (xvi) Negotiable Instrument Act, 1881;
- (xvii) The Payment of Gratuity Act, 1972;
- (xviii) The Apprentices Act, 1961;
- (xix) Service tax;
- (xx) Andhra Pradesh Value Added Tax Act, 2005 and Tamil Nadu Value Added Tax Act, 2006;
- (xxi) Water (Prevention & Control of Pollution) Act, 1974 and rules there under;
- (xxii) Air (Prevention & Control of Pollution) Act, 1981 and rules there under;
- (xxiii) Customs Act, 1962;
- (xxiv) Weekly Holidays Act, 1942;
- (xxv) Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008;
- (xxvi) Newspaper Publications;
- (xxvii) Central Excise Act, 1944
- (xxviii) The Insurance Act, 1938 [as amended by insurance (Amendment) Act, 2002];
- (xxix) The Industrial employment (Standing orders) Act, 1946;
- (xxx) Registration Act, 1908;
- (xxxi) The Tamil Nadu Factory Rules, 1950;

ANNEXURE D TO THE DIRECTORS' REPORT – (Contd.)

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

(xxxii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited, and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards etc., mentioned above subject to the following observations:

- A separate meeting of Independent Director 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.

2. We further report that the Company has, in our opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:

- 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;
- The meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- The 32nd Annual General Meeting held on 6th August 2014;
- 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;
- Constitution of the Board of Directors/Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-Time Directors;
- Payment of remuneration to Directors including the Managing Director and Whole-Time Directors;
- Appointment and remuneration of Statutory Auditors;
- Transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
- Declaration and payment of dividends;

ANNEXURE D TO THE DIRECTORS' REPORT – (Contd.)

- 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;
 - Borrowings and registration, modification and satisfaction of charges wherever applicable;
 - 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 the Companies Act, 2013;
 - Report of the Board of Directors;
 - Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes;
 - 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;
- 3. We further report that:**
- The Company has complied with the requirements under the Equity Listing Agreements entered into with Bombay Stock Exchange Limited, National Stock Exchange of India Limited;
 - There was no prosecution initiated and no fines or penalties were imposed during the year under review under the 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.
- 4. 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.
- 5. We further report that** the Company is regular in paying all statutory dues like PF, ESI, Sales tax, VAT, Service tax, Central Excise Tax, etc.,
- 6. 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. Dhananjay Reddy
(Proprietor)
CP No.: 3752
M. No.: 13104

Place: Hyderabad
Date: 25th May 2015

ANNEXURE E TO THE DIRECTORS' REPORT

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
For the Financial Year Ended 31st March, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and
Rule 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: 08624-25206**
- (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.
E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai - 400 072.
Phone: 022 - 40430200 Fax: 022 - 28475207
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	27310	100

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS	CIN / GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% of Shares held	Applicable Section
1	NC Energy Limited	U40108TN2010PLC078456	Subsidiary	95.05	2(87)

ANNEXURE E TO THE DIRECTORS' REPORT – (Contd.)

IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Share Holding

S.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	
(1)	A. Promoters									
	Indian									
	(a) Individual / HUF	64749654	0	64749654	74.42	64749654	0	64749654	74.42	0
	(b) Central Govt									
	(c) State Govt (s)									
	(d) Bodies Corp.									
	(e) Banks / FI									
	(f) Any Other									
	Sub-total (A) (1) :-	64749654	0	64749654	74.42	64749654	0	64749654	74.42	0
(1)	Foreign									
	(a) NRIs – Individuals									
	(b) Other Individuals									
	(c) Bodies Corp.									
	(d) Banks / FI									
	(e) Any Other									
	Sub-total (A) (2) :-									
	Total shareholding of Promoter (A) = (A) (1) + (A) (2)	64749654	0	64749654	74.42	64749654	0	64749654	74.42	0
(1)	B. Public Shareholding									
	Institutions									
	(a) Mutual Funds									
	(b) Banks / FI									
	(c) Central Govt									
	(d) State Govt (s)									
	(e) Venture Capital Funds									
	(f) Insurance Companies									
	(g) FIs	0	0	0	0.00	59470	0	59470	0.07	0.07
	(h) Foreign Venture Capital Funds									
	(i) Trusts	2468962	0	2468962	2.84	2468852	0	2468852	2.84	0
	(j) Others (specify)									
	Sub-total (B) (1) :-	2468962	0	2468962	2.84	2528322	0	2528322	2.91	0.07

ANNEXURE E TO THE DIRECTORS' REPORT – (Contd.)

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

(i) Category-wise Share Holding

S.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)	B. Public Shareholding Non-Institutions									
	(a) Bodies Corp.									
	(i) Indian	2594846	0	2594846	2.98	2776733	0	2776733	3.19	0.21
	(ii) Overseas									
	(b) Individuals									
	(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	9732027	15	9732042	11.19	8686581	15	8686596	9.98	(1.21)
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4670440	0	4670440	5.37	5634297	0	5634297	6.48	1.11
	(c) Others									
	Clearing Member	39995	0	39995	0.05	33340	0	33340	0.04	(0.01)
	Directors	1891970	0	1891970	2.17	1891970	0	1891970	2.17	0
	Employees	462500	0	462500	0.53	347309	0	347309	0.40	(0.13)
	NRIs	390791	0	390791	0.45	352979	0	352979	0.41	(0.04)
	(d) Foreign Collaborators									
	Sub-total (B) (2) :-	19782569	15	19782584	22.74	19723209	15	19723224	22.67	(0.07)
	Total Public shareholding (B) = (B) (1) + (B) (2)	22251531	15	22251546	25.58	22251531	15	22251546	25.58	0
	C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	87001185	15	87001200	100	87001185	15	87001200	100.00	0

(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	34245905	39.36	0	34245905	39.36	0	0
2	P DEEPAK (HUF)	14349500	16.49	0	14349500	16.49	0	0
3	P DIVYA	16154249	18.57	0	16154249	18.57	0	0
	Total	64749654	74.42	0	64749654	74.42	0	0

(iii) Change in Promoters' Shareholding : NO CHANGE

ANNEXURE E TO THE DIRECTORS' REPORT – (Contd.)

**(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 Company	No. of Shares	% of total shares of Company
1	Y SANJEEVA REDDY				
	At the beginning of the year	250,000	0.29	250,000	0.29
	Add: Purchases during the year	-	0.00	250,000	0.29
	(Less): Sales during the year	-	0.00	250,000	0.29
	At the end of the year			250,000	0.29
2	KOMMAREDDI JAYASHREE				
	At the beginning of the year	250,000	0.29	250,000	0.29
	Add: Purchases during the year	-	0.00	250,000	0.29
	(Less): Sales during the year	-	0.00	250,000	0.29
	At the end of the year			250,000	0.29
3	HEALTHY INVESTMENTS LTD				
	At the beginning of the year	1,115,745	1.28	1,115,745	1.28
	Add: Purchases during the year	-	0.00	1,115,745	1.28
	(Less): Sales during the year	-	0.00	1,115,745	1.28
	At the end of the year			1,115,745	1.28
4	KANURI FAMILY TRUST				
	At the beginning of the year	2,468,852	2.84	2,468,852	2.84
	Add: Purchases during the year	-	0.00	2,468,852	2.84
	(Less): Sales during the year	-	0.00	2,468,852	2.84
	At the end of the year			2,468,852	2.84
5	PROTON INVESTMENTS PRIVATE LIMITED				
	At the beginning of the year	248,885	0.29	248,885	0.29
	Add: Purchases during the year	-	0.00	248,885	0.29
	(Less): Sales during the year	(248,885)	(0.29)	-	0.00
	At the end of the year			-	0.00
6	P VIRAJA				
	At the beginning of the year	333,328	0.38	333,328	0.38
	Add: Purchases during the year	-	0.00	333,328	0.38
	(Less): Sales during the year	(120,000)	(0.14)	213,328	0.25
	At the end of the year			213,328	0.25
7	P VEENA				
	At the beginning of the year	1,130,015	1.30	1,130,015	1.30
	Add: Purchases during the year	-	0.00	1,130,015	1.30
	(Less): Sales during the year	-	0.00	1,130,015	1.30
	At the end of the year			1,130,015	1.30

ANNEXURE E TO THE DIRECTORS' 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 Company	No. of Shares	% of total shares of Company
8	VIJAYA BHASKAR REDDY				
	At the beginning of the year	1,891,970	2.17	1,891,970	2.17
	Add: Purchases during the year	-	0.00	1,891,970	2.17
	(Less): Sales during the year	-	0.00	1,891,970	2.17
	At the end of the year			1,891,970	2.17
9	R F DADABHOY				
	At the beginning of the year	226,500	0.26	226,500	0.26
	Add: Purchases during the year	130,500	0.15	357,000	0.41
	(Less): Sales during the year	-	0.00	357,000	0.41
	At the end of the year			357,000	0.41
10	P F DADABHOY				
	At the beginning of the year	226,500	0.26	226,500	0.26
	Add: Purchases during the year	160,039	0.18	386,539	0.44
	(Less): Sales during the year	-	0.00	386,539	0.44
	At the end of the year			386,539	0.44
11	SHIRIN WATWANI				
	At the beginning of the year	189,000	0.22	189,000	0.22
	Add: Purchases during the year	168,000	0.19	357,000	0.41
	(Less): Sales during the year	-	0.00	357,000	0.41
	At the end of the year			357,000	0.41
12	F L DADABHOY				
	At the beginning of the year	240,000	0.28	240,000	0.28
	Add: Purchases during the year	238,500	0.27	478,500	0.55
	(Less): Sales during the year	-	0.00	478,500	0.55
	At the end of the year			478,500	0.55
13	N F DADABHOY				
	At the beginning of the year	225,000	0.26	225,000	0.26
	Add: Purchases during the year	130,500	0.15	355,500	0.41
	(Less): Sales during the year	-	0.00	355,500	0.41
	At the end of the year			355,500	0.41
14	JATINDER JAGDISHRAI AGARWAL				
	At the beginning of the year	375,000	0.43	375,000	0.43
	Add: Purchases during the year	153,267	0.18	528,267	0.61
	(Less): Sales during the year	(528,267)	(0.61)	-	0.00
	At the end of the year			-	0.00
15	JATINDER AGARWAL				
	At the beginning of the year	-	0.00	-	0.00
	Add: Purchases during the year	528,267	0.61	528,267	0.61
	(Less): Sales during the year	-	0.00	528,267	0.61
	At the end of the year			528,267	0.61

ANNEXURE E TO THE DIRECTORS' 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	
		Shares	% of total shares of company	Shares	% of total shares of company
1	P. Deepak				
	At the beginning of the year	34245905	39.36	34245905	39.36
	At the end of the year			34245905	39.36
2	P. Deepak (HUF)				
	At the beginning of the year	14349500	16.49	14349500	16.49
	At the end of the year			14349500	16.49
3	P. Divya				
	At the beginning of the year	16154249	18.57	16154249	18.57
	At the end of the year			16154249	18.57
4	P. Vijaya Bhaskar Reddy				
	At the beginning of the year	1891970	2.17	1891970	2.17
	At the end of the year			1891970	2.17
5	S.K. Sivakumar				
	At the beginning of the year	100	0	100	0
	At the end of the year			100	0

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	8,741.75	–	177.64	8,919.39
(ii) Interest due but not paid	–	–	–	–
(iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	8,741.75	–	177.64	8,919.39
Change in Indebtedness during the financial year				
• Addition	2,634.89	–	–	2,634.89
• Reduction	(1,626.24)	–	(177.64)	(1,803.88)
Net Change	1,008.65	–	(177.64)	831.01
Indebtedness at the end of the financial year				
(i) Principal Amount	9,750.40	–	–	9,750.40
(ii) Interest due but not paid	–	–	–	–
(iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	9,750.40	–	–	9,750.40

ANNEXURE E TO THE DIRECTORS' 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 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					
B. DIRECTORS Penalty Punishment Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding					

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company has always focused on corporate governance as a means to optimize its performance and maximize the long-term stakeholders' value through sustained growth and value creation. The Company believes in ensuring corporate fairness, transparency, professionalism, accountability and propriety in total functioning of the Company. The Company always believes to achieve optimum performance at all levels in adopting good corporate performance. 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 has an optimum combination of executive and non-executive directors having rich knowledge and experience in the industry for providing guidance and direction to the Company. The Board of Directors along with its Committees provides leadership and guidance to the management, thereby enhancing stakeholders' value. 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 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 22nd April 2014, 24th May 2014, 6th August 2014, 14th November 2014 and 9th February 2015.

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	5	Attended
Mr. R. Mohan Reddy	5	Attended
Mr. A. Balasubramanian	5	Attended
Mr. P. Deepak	5	Attended
Ms. P. Divya	5	Attended
Mr. P. Vijaya Bhaskar Reddy	5	Attended

REPORT ON CORPORATE GOVERNANCE – (Contd.)

Directors' Membership as on 31st March, 2015 in the other Boards or Committees thereof:

Name of the Director	Other Boards	Other Board Committees
Mr. D. Sesha Reddy	3	1
Mr. R. Mohan Reddy	3	5
Mr. A. Balasubramanian	2	4
Mr. P. Deepak	2	None
Ms. P. Divya	3	3
Mr. P. Vijaya Bhaskar Reddy	2	1

3. AUDIT COMMITTEE

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

- Review of the Company's financial reporting process and its financial statements.
- Compliance with Accounting Standards and changes in accounting policies and practices.
- Quarterly Results of the Company.
- 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 the Audit Report/Work of External Auditors.
- Review of risk management policies and practices.
- Recommend appointment of Statutory Auditors.
- Review of Related Party Transactions.
- Other matters as set out in the Listing Agreement.

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:

24th May 2014, 6th August 2014, 14th November 2014 and 9th February 2015.

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

REPORT ON CORPORATE GOVERNANCE – (Contd.)

4. NOMINATION & REMUNERATION COMMITTEE

The Board has set up a Nomination & Remuneration committee for the Company 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. Sessa Reddy (Independent Director) and Mr. A. Balasubramanian (Independent Director), Members. There was one meeting held on 24th May 2014.

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;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board Diversity

The Company has adopted a Remuneration Policy for the Directors, Key Managerial Personnel and other employees and the same is posted in the website 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, (Non-Independent Director), Chairman, Mr. D. Sessa Reddy, (Independent Director), Ms. P. Divya, (Non-Independent Director), Mr. P. Vijaya Bhaskar Reddy, (Non-Independent Director), Members.

6. RISK MANAGEMENT POLICY

The Company devised a policy on risk assessment and minimization procedure to reduce or prevent undesirable incidents or unexpected losses.

7. INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on 8th February 2015, 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 details of familiarisation programme have been posted in the website of the Company.

REPORT ON CORPORATE GOVERNANCE – (Contd.)

9. PARTICULARS OF SITTING FEE/REMUNERATION PAID TO DIRECTORS DURING THE FINANCIAL YEAR 2013-14

Particulars of Sitting Fee paid to Non-Executive Directors:

Name of the Non-Executive Director	Sitting Fee (₹)
Mr. R. Mohan Reddy	1,60,000
Mr. D. Sesha Reddy	1,60,000
Mr. A. Balasubramanian	1,50,000

Remuneration paid to Whole-Time Directors:

Details	Managing Director (₹)	Whole-Time Directors (₹)
Remuneration	1,12,10,923	96,12,641

10. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholder's Relationship Committee has been constituted pursuant to Sec 178 of the Companies Act, 2013 and as per the requirements under clause 49 of the Listing Agreement, to look into all types of grievances from shareholders and redress them expeditiously. The committee comprises of Mr. D. Sesha Reddy (Independent Director), Chairman, Mr. R. Mohan Reddy (Independent Director) and Mr. P. Vijaya Bhaskar Reddy (Non-Independent Director), Members. The Committee Secretary is the compliance officer of the committee. During the year the committee met on 14th November 2014.

Number of pending share transfers:

As on 31st March, 2015, 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
 Head - Group Finance & Company Secretary
 159, TTK Road, Alwarpet, Chennai - 600 018
 Phone: 044 - 24983111 Fax: 044 - 24982111
 E-mail: sivakumar@nelcast.com

Number of Shareholder complaints received & received during the year 2014-15: **11**

No. of pending complaints as on 31st March, 2015: - **Nil** -

REPORT ON CORPORATE GOVERNANCE – (Contd.)

11. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2013-14	P.V.R. Kalyanamandapam, Near R.T.C. Bus Stand, Gudur – 524 101	06.08.2014	11.00 AM
2012-13	P.V.R. Kalyanamandapam, Near R.T.C. Bus Stand, Gudur – 524 101	01.08.2013	11.00 AM
2011-12	P.V.R. Kalyanamandapam, Near R.T.C. Bus Stand, Gudur – 524 101	30.07.2012	11.00 AM

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

Year	Subject Matter of Special Resolution	Date
2013-14	Re-appointment of Dy. Managing Director, Borrowing Power, Charge Creation	06.08.2014
2012-13	Waiver of recovery of Excess Remuneration	01.08.2013
2011-12	Nil	30.07.2012

iii. Postal Ballot:

None of the subjects placed before the shareholders in the last/ensuing Annual General Meeting required/requires approval by a postal ballot.

12. DISCLOSURES

The related party transactions during the financial year 2014-15 are disclosed in the report as required under Accounting Standard 18 “Related Party Disclosures” issued by the Institute of Chartered Accountants of India. There are no materially significant related party transactions made by the Company with its promoters and subsidiaries. The Register of Contracts with Directors is being maintained by the Company.

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.

In the preparation of financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act.

The Company has fully complied with the applicable mandatory requirements of Clause 49 of the Listing Agreement.

REPORT ON CORPORATE GOVERNANCE – (Contd.)

13. 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

14. GENERAL SHAREHOLDER INFORMATION

Registered Office	34, Industrial Estate, Gudur - 524 101, Andhra Pradesh. Phone: 08624 - 251266/766, Fax: 08624 - 252066	
Annual General Meeting	Date and Time: 6 th August 2015 & 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 2015 - 1st week of August 2015. • Results for the quarter and half year ending 30th September 2015 - 1st week of November 2015. • Results for the quarter and nine months ending 31st December 2015 - 2nd week of February 2016. • Results for the year ending 31st March 2016 - by May 2016. 	
<u>Record Date:</u>		
Date of Book Closure	1 st August 2015 to 6 th August 2015 (both days inclusive).	
Dividend Payment Date	Within 30 days from 6 th August 2015.	
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 2015-16.	

REPORT ON CORPORATE GOVERNANCE – (Contd.)

Market price data: High, Low during each month in the financial year 2014-15:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr'14	25.00	19.75	24.70	19.40
May'14	28.65	20.25	28.70	20.05
Jun'14	41.75	25.50	41.80	25.00
Jul'14	36.90	27.30	36.00	27.05
Aug'14	32.20	25.80	32.00	26.25
Sep'14	38.00	28.70	37.75	28.25
Oct'14	35.85	28.50	35.90	28.25
Nov'14	40.90	32.30	40.80	33.00
Dec'14	38.75	29.80	38.75	32.10
Jan'15	47.50	33.80	47.90	33.70
Feb'15	45.70	35.00	45.75	35.00
Mar'15	36.55	29.00	36.45	29.15

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

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr'14	25.00	19.75	22939.31	22197.51
May'14	28.65	20.25	25375.63	22277.04
Jun'14	41.75	25.50	25725.12	24270.20
Jul'14	36.90	27.30	26300.17	24892.00
Aug'14	32.20	25.80	26674.38	25232.82
Sep'14	38.00	28.70	27354.99	26220.49
Oct'14	35.85	28.50	27894.32	25910.77
Nov'14	40.90	32.30	28822.37	27739.56
Dec'14	38.75	29.80	28809.64	26469.42
Jan'15	47.50	33.80	29844.16	26776.12
Feb'15	45.70	35.00	29560.32	28044.49
Mar'15	36.55	29.00	30024.74	27248.45

REPORT ON CORPORATE GOVERNANCE – (Contd.)

Registrar and Share Transfer Agents : M/s. Bigshare Services Pvt. Ltd.
 E-2/3, Ansa Industrial Estate,
 Saki Vihar Road, Saki Naka,
 Andheri (East), Mumbai - 400 072.
 Phone: 022 - 40430200 Fax: 022 - 28475207
 E-mail: investor@bigshareonline.com

Share Transfer System : All the transfers in physical form are processed and approved by the Share Transfer and Stakeholders Relationship Committee. The Company's Registrar 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 2015:

No. of Equity Shares held	No. of Shareholders	% of Share Holders	No. of Shares held	% of Share holding
1 – 500	10,203	73.45	23,42,095	2.69
501 – 1000	2,253	16.22	17,75,650	2.04
1001 – 2000	675	4.86	10,24,010	1.18
2001 – 3000	280	2.01	7,09,752	0.81
3001 – 4000	112	0.81	4,08,607	0.47
4001 – 5000	108	0.78	5,21,769	0.60
5001 – 10000	130	0.93	9,53,479	1.10
10001 and above	131	0.94	7,92,65,838	91.11
Total	13,892	100.00	8,70,01,200	100.00

Shareholding Pattern as on 31st March 2015:

Category	No. of Shares held	% to Total
Promoter & Promoter Group	6,47,49,654	74.42
Bodies Corporate	27,76,733	3.19
Individuals	1,43,20,893	16.46
Directors	18,91,970	2.17
Clearing Members	33,340	0.04
Trust	24,68,852	2.84
NRI	3,52,979	0.41
Employees	3,47,309	0.40
FIs	59,470	0.07
Total	8,70,01,200	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 31 st March 2015.
Plant Locations :	Gudur Unit No. 34, Industrial Estate, Gudur, Andhra Pradesh - 524 101 Phone: 08624 - 251266/766 Fax: 08624 - 252066 Ponneri Unit Madhavaram Village, Amur Post, Ponneri - 601 204 Phone: 044 - 27974165/1506 Fax: 044 - 27973620
Address for Correspondence :	159, T.T.K. Road, Alwarpet, Chennai - 600 018 Phone: 044 - 24983111 Fax: 044 - 24982111 E-mail: nelcast@nelcast.com Website: www.nelcast.com

15. 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 website.

16. CEO/CFO CERTIFICATION

Mr. P. Deepak, Managing Director and Mr. P. Vijaya Bhaskar Reddy, CFO have furnished the certificate as per the requirement of Clause 49 (V) of the Listing Agreement.

17. COMPLIANCE CERTIFICATE OF THE AUDITORS

The Company has obtained a Certificate from the Statutory Auditors confirming compliance of Conditions of the Code of Corporate Governance as stipulated in Clause 49 and the same is annexed.

DECLARATION – CODE OF CONDUCT

As per Clause 49 of the Listing Agreement with the Stock Exchanges, all Board Members and Senior Management personnel have affirmed compliance with the applicable Code of Conduct.

Place : Chennai
 Date : 29th May 2015

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 the conditions of Corporate Governance by Nelcast Limited for the year ended 31st March 2015, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of 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 complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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 REDDY A V & CO
(Formerly J.B.REDDY & CO.,)
Chartered Accountants

A.V. REDDY
Partner
Membership No. 23983
Firm Regn. No. 003256S

Place: Chennai
Date : 29th May 2015

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. 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

In the Indian economy, automotive industry occupies a prominent place and has a strong multiplier effect and is capable of being the driver of economic growth. India has distinct global advantage of being the high quality, low cost producer of auto components. As a result, India is seen as a major sourcing hub for auto components by developed economies. Therefore the growth potential for the Indian auto component industry is tremendous. The Medium and Heavy Commercial Vehicle market grew by about 17.37% in the year 2014-15 while the tractor industry declined by about 10% in the same period. However, considering the potential for growth of these segments in India and the attractiveness of several of these components for overseas markets, the potential for long term growth is very high and the Company is in a strong position to leverage these opportunities.

OPPORTUNITIES AND THREATS

The Company caters to requirements of the commercial vehicle segment and the tractor segment. The Company enjoys an unstinted confidence from its valued customers for providing superior quality products. India's economic growth will present tremendous opportunities for growth in automobile and non-automobile segment. The Company has got excellent potential for growth, both in domestic and export markets and intends to expand its product base, to cater to other segments such as the off-highway vehicles, passenger cars and the railways. The Company faces stiff competition with an excess of capacity in the current market scenario, new foundries being established and with the players in the un-organized sector. Further instability in the prices of raw materials, power, freight and other input costs are perceived as a threat. However, the Company strives to create sustainable profitable growth by using superior technology and maintaining product quality and offering wide range of products to different segments, 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

The automotive industry which had been growing consistently over the past decade, has faced challenging times over the couple of years with both production and domestic sales declining due to weakening economic sentiments caused by slowing economy. However, the outlook for the Indian automobile sector is positive. The sector is expected to resurge in the coming years on the back of revival in demand both from domestic and export markets. Driven by a renewed confidence in the economy and general improvement in sentiments, the demand is expected to rise. India is now a supplier of a range of high value and critical automobile components to global auto market.

MANAGEMENT DISCUSSION AND ANALYSIS – (Contd.)

RISKS AND CONCERNS

Economy and Market Risk:

The Company's growth is linked to that of the automotive industry, which is cyclical in nature. The cyclical nature of the Indian commercial vehicle industry and tractor industry might affect the demand. Since automotive industry, plays a major role in determining the economic growth, any slowdown in the overall economy will affect Commercial Vehicle industry. Increasing competition across all segments may put some pressure on market share.

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 of Power etc. Currently, the power is a scarce resource, but it is available through inter/intra state open access at higher cost. The price is highly volatile; hence it will affect the profitability.

Currency Risk:

Since, the Company's exposure on foreign currency is very limited, 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.

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.

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 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 Net Sales of ₹ 544.89 crores as against ₹ 515.16 crores in 2013-14, an increase of about 5.77%. Profit After Tax made during the year was ₹ 21.94 crores compared with ₹ 22.50 Crores in 2013-14, a marginal reduction compared with previous year. The production during the year was 71875 MT, compared to the previous year's 70025 MT.

During the year, the Company has increased its sales marginally due to moderate increase in Medium and Heavy Commercial Vehicle industry. However, there was no significant increase in total sales due to slow down in the Tractor sector during the second half of the year.

MANAGEMENT DISCUSSION AND ANALYSIS – (Contd.)

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 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 which enable the work force to meet out the challenges. As on 31st March, 2015, the employee strength of the Company was 1056.

HEALTH, SAFETY AND ENVIRONMENT

Safety management is integrated with the overall Environment, Health and Safety (EHS) management system. The Company has been certified for ISO 14001 & 18001 for Environmental Management System. The Company ensures protection and up-gradation of the environment by adopting safe processes and by eliminating hazardous operations. The Company adheres to applicable environmental regulations and practices.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NELCAST LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **Nelcast Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place and adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NELCAST LIMITED – (Contd.)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act; and
 - (f) in our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For REDDY A V & CO
(Formerly J.B.REDDY & CO.,)
Chartered Accountants

A.V. REDDY
Partner
Membership No. 23983
Firm Regn. No. 003256S

Place: Chennai
Date : 29th May 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NELCAST LIMITED – (Contd.)

The Annexure referred to in our independent auditors report to the members of the Company on the standalone financial statements for the year ended 31st March, 2015, 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 and no discrepancies were noticed on such verification.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year;
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 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. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weaknesses have been noticed or reported.
- v. The Company has not accepted any deposits from the public.
- 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, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities in India.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, cess and any other statutory dues were in arrears as at 31st March, 2015 for a period of more than six months from 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, wealth tax, service tax, duty of customs and cess which have not been deposited on account of any disputes. However, according to information and explanations given to us, the following dues of sales-tax, value added tax, and duty of excise have not been deposited by the Company on account of disputes:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NELCAST LIMITED – (Contd.)

Name of Statue	Nature of Dues	Amount Involved (₹ In Lakhs)	Period to which the Amount Relates	Forum where Dispute is pending
Central Excise Act, 1944	CENVAT-INPUTS	51.23	2012-13	Commissioner, Appeals, Guntur
Central Excise Act, 1944	CENVAT-INPUT SERVICES	56.91	2012-13	Commissioner, Appeals, Guntur
Central Excise Act, 1944	CENVAT-INPUT SERVICES	223.11	2009-10 to 2012-13	CESTAT, Bangalore
Central Excise Act, 1944	CENVAT-INPUTS	0.42	2013-14	Commissioner, Appeals, Guntur
Central Sales Tax	CST	23.90	2009-10	Appeal "Remanded", matter pending with CTO, Gudur
Value Added Tax	VAT	2.40	2009-10	Appeal "Remanded", matter pending with CTO, Gudur

- (c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Act and rules made thereunder has been transferred to such fund within time.
- viii. The Company has no accumulated losses as at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix. The Company has not defaulted in repayment of dues to the financial institutions or banks or debenture holders.
- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Bankers or Financial Institutions.
- xi. Based on the information and explanations given to us, term loans were applied for the purpose for which the said loans were obtained.
- xii. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For REDDY A V & CO
(Formerly J.B.REDDY & CO.,)
Chartered Accountants

A.V. REDDY
Partner
Membership No. 23983
Firm Regn. No. 003256S

Place: Chennai
Date : 29th May 2015

BALANCE SHEET AS AT

PARTICULARS	Note No.	31 st March 2015 (₹ in Lakhs)	31 st March 2014 (₹ in Lakhs)
I EQUITY & LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	1,740.02	1,740.02
(b) Reserves and Surplus	3	26,419.50	24,955.96
Sub-Total		28,159.52	26,695.98
2 Non-Current Liabilities			
(a) Long-Term Borrowings	4	2,250.93	4,355.69
(b) Deferred Tax Liability (Net)	5	3,439.08	3,155.20
Sub-Total		5,690.01	7,510.89
3 Current Liabilities			
(a) Short-Term Borrowings	6	5,894.71	3,259.82
(b) Trade Payables	7	4,605.01	4,798.96
(c) Other Current Liabilities	8	3,257.94	2,820.40
(d) Short-Term Provisions	9	898.66	836.24
Sub-Total		14,656.32	11,715.42
TOTAL		48,505.85	45,922.29
II ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	23,160.41	23,215.57
(ii) Intangible Assets	10	46.86	99.06
(iii) Capital Work-in-Progress	-	469.85	191.30
(b) Non-Current Investments	11	3,156.99	2,556.99
(c) Long-Term Loans and Advances	12	239.47	23.21
Sub-Total		27,073.58	26,086.13
2 Current Assets			
(a) Inventories	13	5,578.71	4,495.40
(b) Trade Receivables	14	7,040.60	6,907.88
(c) Cash and Cash Equivalents	15	5,200.41	5,215.26
(d) Short-Term Loans and Advances	16	3,420.63	3,015.06
(e) Other Current Assets	17	191.92	202.56
Sub-Total		21,432.27	19,836.16
TOTAL		48,505.85	45,922.29
Significant Accounting Policies	1		

As per our report of even date

For and on behalf of the Board

For REDDY A V & CO
(Formerly J.B.REDDY & CO.,)
Chartered Accountants

A.V. REDDY
Partner
Membership No. 23983
Firm Regn. No. 003256S
Place: Chennai
Date : 29th May 2015

D. Sessa Reddy
Chairman

P. Vijaya Bhaskar Reddy
Dy. Managing Director & CFO

P. Deepak
Managing Director

A. Balasubramanian
Director

S.K. Sivakumar
Head - Group Finance &
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

PARTICULARS	Note No.	31 st March 2015 (₹ in Lakhs)	31 st March 2014 (₹ in Lakhs)
I. Revenue from Operations (Gross)	18	60,658.85	57,500.97
Less : Excise Duty		6,170.20	5,984.89
Revenue from Operations (Net)		54,488.65	51,516.08
II. Other Income	19	172.58	243.33
III. Total Revenue (I+II)		54,661.23	51,759.41
IV. Expenses:			
Cost of Materials Consumed	20	30,784.37	26,833.73
Changes in Inventories of FG & WIP	21	(1,415.71)	391.67
Employee Benefits Expense	22	3,562.61	3,482.53
Finance Costs	23	468.40	185.18
Depreciation	10	1,265.03	1,284.41
Other Expenses	24	17,041.79	15,952.45
Total Expenses		51,706.49	48,129.97
V. Profit Before Exceptional and Extra-ordinary Items and Tax (III-IV)		2,954.74	3,629.44
VI. Exceptional Items		-	-
VII. Profit Before Extra-ordinary Items and Tax (V-VI)		2,954.74	3,629.44
VIII. Extra-ordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		2,954.74	3,629.44
X. Tax Expenses:			
(1) Current Tax		626.53	770.53
(2) Previous Year Tax		-	13.35
(3) MAT Credit Entitlement		(149.99)	(110.64)
(4) Deferred Tax		283.87	706.65
XI. Profit for the Year (IX-X)		2,194.33	2,249.55
XII. Earnings per Equity Share:			
(1) Basic		2.52	2.59
(2) Diluted		2.52	2.59
Significant Accounting Policies	1		

As per our report of even date

For and on behalf of the Board

For REDDY A V & CO
 (Formerly J.B.REDDY & CO.,)
 Chartered Accountants
A.V. REDDY
 Partner
 Membership No. 23983
 Firm Regn. No. 003256S
 Place: Chennai
 Date : 29th May 2015

D. Sessa Reddy
 Chairman

P. Vijaya Bhaskar Reddy
 Dy. Managing Director & CFO

P. Deepak
 Managing Director

A. Balasubramanian
 Director

S.K. Sivakumar
 Head - Group Finance &
 Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED

PARTICULARS	31 st March 2015 (₹ in Lakhs)	31 st March 2014 (₹ in Lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	2,954.74	3,629.44
Adjustments for:		
Depreciation	1,265.03	1,284.41
Interest Income	(94.35)	(109.55)
(Profit)/Loss on disposal of assets	0.62	0.10
Interest Paid	468.40	185.18
Operating Profit before Working Capital changes	1,639.70	1,360.14
Adjustments for:		
Inventories	(1,083.30)	(37.75)
Trade Receivables	(132.72)	(715.83)
Long-Term Loans & Advances	(216.26)	40.23
Short-Term Loans & Advances	(405.57)	200.86
Other Current Assets	10.64	(56.64)
Trade Payables	(193.95)	(864.45)
Other Current Liabilities	437.54	1,345.63
Short-Term Provisions	62.42	46.50
	(1,521.20)	(41.45)
Cash generated from Operations	3,073.24	4,948.13
Taxes Paid / Provision for Tax	(476.54)	(673.23)
Cash flow before Prior Period Items	2,596.70	4,274.90
Prior Period Items	-	-
Net Cash from Operating Activities	2,596.70	4,274.90
TOTAL A	2,596.70	4,274.90
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,158.30)	(5,895.34)
Sale of Fixed Assets	-	-
(Increase)/Decrease in Capital Work-in-Progress	(278.55)	4,160.02
(Increase)/Decrease in Investments	(600.00)	(503.49)
(Increase)/Decrease in Unpaid Dividend A/cs	(1.46)	(1.32)
Interest Income	94.35	109.55
Net Cash from / (used in) Investing Activities	(1,943.96)	(2,130.58)
TOTAL B	(1,943.96)	(2,130.58)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Long-Term Borrowings	(2,104.76)	218.75
Increase/(Decrease) in Short-Term Borrowings	2,634.89	(1,073.36)
Interest paid	(468.40)	(185.18)
Dividend Paid (Including DDT)	(730.78)	(712.51)
Net Cash from/(used in) Financing Activities	(669.05)	(1,752.30)
TOTAL C	(669.05)	(1,752.30)
Net increase in Cash and Cash Equivalents	(16.31)	392.02
Cash and Cash Equivalents (Opening Balance)	5,201.69	4,809.67
Cash and Cash Equivalents (Closing Balance)	5,185.38	5,201.69
Reconciliation of Cash and Cash Equivalents with the Balance Sheet :		
Cash and cash equivalents as per Balance Sheet (Refer Note No.15)	5,200.41	5,215.26
Less: Bank balances not considered as Cash and Cash Equivalents (as defined in AS 3 Cash Flow Statements)		
- Unpaid Dividend Accounts	15.03	13.57
Cash and Cash Equivalents at the end of the year	5,185.38	5,201.69

As per our Report of even date
For REDDY A V & CO
 (Formerly J.B.REDDY & CO.,)
 Chartered Accountants
A.V. REDDY
 Partner
 Membership No. 23983
 Firm Regn. No. 003256S
 Place: Chennai
 Date : 29th May 2015

D. Sesa Reddy
 Chairman

P. Vijaya Bhaskar Reddy
 Dy. Managing Director & CFO

P. Deepak
 Managing Director

For and on behalf of the Board
A. Balasubramanian
 Director

S.K. Sivakumar
 Head - Group Finance &
 Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in India. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the financial statements are consistent with those of previous year.

1.2 USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring adjustments to the carrying amounts of assets or liabilities in future periods.

1.3 FIXED ASSETS AND DEPRECIATION

Fixed Assets are recorded at cost less accumulated depreciation. Cost of fixed assets is net of eligible credits under CENVAT/VAT scheme. The Company capitalizes all costs relating to acquisition and installation of fixed assets. Cost of spares relating to specific item of fixed assets is capitalized. Interest and other related costs, attributable to major projects are capitalized as part of the cost of respective assets. Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as "Capital Advances" under Long-Term Loans and Advances and cost of fixed assets not ready to use before such date are disclosed under "Capital Work-in-Progress".

Depreciation has been provided based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.

1.4 IMPAIRMENT OF ASSETS

The Company determines whether there is any indication of impairment of the carrying amount of its assets. If any such indication exists, the recoverable amount of such assets is estimated and impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount. During the year there is no such impairment of assets.

1.5 LEASES

Leases, where the Lessor retains substantially all the risks and rewards incidental to the ownership are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on straight-line basis over the lease term.

NOTES FORMING PART OF FINANCIAL STATEMENTS – (Contd.)

1.6 BORROWING COSTS

The Company capitalizes interest and other costs incurred by it in connection with funds borrowed for the acquisition of fixed assets. Where specific borrowings are identified to a fixed asset, the Company uses the interest rates applicable to that specific borrowing as the capitalisation rate. Where borrowings cannot be specifically identified to fixed assets, the capitalisation rate applied is the weighted average of the interest rates applicable to all borrowings of the Company. Capitalisation of borrowing costs ceases when all the activities necessary to prepare the fixed assets for their intended use are substantially complete.

1.7 INVESTMENTS

Investments, which are Long-term in nature, are stated at cost after providing for decline in value, if any, other than temporary. On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the 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. Cost of finished goods includes excise duty.

1.9 REVENUE RECOGNITION

Income of the Company is derived from sale of products including excise duty but excluding sales tax and net of sales returns. The revenue and expenditure are accounted on a going concern basis.

1.10 FOREIGN CURRENCY TRANSACTION

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. The difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of current assets and current liabilities at the end of the year is recognised as income or expense as the case may be.

1.11 EMPLOYEE BENEFITS

(i) Defined Contribution Plan

- (a) Company's contribution to Employees Provident fund and Employees State Insurance are made under a Defined Contribution Plan, and are accounted for at actual cost in the year of accrual.
- (b) Company's contribution to the superannuation fund in respect of employees who are members are made under a defined contribution plan, being administrated by the Life Insurance Corporation of India and are charged to the Statement of Profit and Loss in the year in which employee has rendered service.

(ii) Defined Benefit Plan

Company's liability to Gratuity on retirement of its eligible employees is funded and is being administrated by the Life Insurance Corporation of India. The incremental expense thereon for each year is arrived at as per actuarial valuation is recognised and charged to the Statement of Profit and Loss in the year in which the employee has rendered service. (Refer to Note No.31)

NOTES FORMING PART OF FINANCIAL STATEMENTS – (Contd.)

1.12 INCOME TAXES

Tax expenses comprise current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

1.13 SEGMENT INFORMATION

The Company is principally engaged only in the business of manufacture and sale of Iron Castings, there are no reportable segments as per Accounting Standard No.17 “Segmental Reporting” issued by The Institute of Chartered Accountants of India.

1.14 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 is no diluted earnings per share as there are no dilutive potential equity shares.

1.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognised, but are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the financial statements.

NOTES FORMING PART OF FINANCIAL STATEMENTS – (Contd.)

	As at 31 st March 2015 (₹ in Lakhs)	As at 31 st March 2014 (₹ in Lakhs)
2. SHARE CAPITAL		
Authorised:		
12,50,00,000 Equity Shares of ₹ 2/- each (Previous Year: 12,50,00,000 Equity Shares of ₹ 2/- each)	2,500.00	2,500.00
Issued, Subscribed and Paidup:		
8,70,01,200 Equity Shares of ₹ 2/- each (Previous Year: 8,70,01,200 Equity Shares of ₹ 2/- each)	1,740.02	1,740.02
Total	1,740.02	1,740.02

The Company has only one class of shares referred to as equity shares having par value of ₹ 2/- each. There is no change in the amount of Share Capital as at 31st March, 2015 as compared to the Share Capital at the beginning of the year.

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 st March 2015		As at 31 st March 2014	
	No. of Shares in Lakhs	₹ in Lakhs	No. of Shares in Lakhs	₹ in Lakhs
(a) At the beginning of the period (₹ 2/- each)	870.01	1,740.02	870.01	1,740.02
(b) Changes during the year	–	–	–	–
(c) At the closing of the period (₹ 2/- each)	870.01	1,740.02	870.01	1,740.02

Details of Equity Shareholders holding more than 5%:

Name of the shareholder	As at 31 st March 2015		As at 31 st March 2014	
	No. of shares	%	No. of shares	%
P. Deepak	3,42,45,905	39.36	3,42,45,905	39.36
P. Deepak (HUF)	1,43,49,500	16.49	1,43,49,500	16.49
P. Divya	1,61,54,249	18.57	1,61,54,249	18.57

NOTES FORMING PART OF FINANCIAL STATEMENTS – (Contd.)

	As at 31 st March 2015 (₹ in Lakhs)	As at 31 st March 2014 (₹ in Lakhs)
3. RESERVES & SURPLUS		
<i>Securities Premium Account</i>		
Opening Balance	8,774.13	8,774.13
Add: Received during the year	–	–
Sub-Total (a)	8,774.13	8,774.13
<i>General Reserve</i>		
Opening Balance	12,000.00	10,500.00
Add: Current Year Appropriation	1,500.00	1,500.00
Sub-Total (b)	13,500.00	12,000.00
<i>Surplus</i>		
Opening Balance	4,181.81	4,144.77
Add: Net profit after tax transferred from Statement of P & L	2,194.33	2,249.55
Profit available for Appropriation	6,376.14	6,394.32
Appropriations:		
– General Reserve	1,500.00	1,500.00
– Final Dividend	609.01	609.01
– Distribution Tax on Final Dividend	121.77	103.50
Closing Balance (c)	4,145.36	4,181.81
Total (a+b+c)	26,419.50	24,955.96
4. LONG-TERM BORROWINGS		
Term Loans from Banks	2,250.93	4,355.69
Total	2,250.93	4,355.69
5. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability	3,439.43	3,155.81
Deferred Tax Asset	(0.35)	(0.61)
Total	3,439.08	3,155.20

NOTES FORMING PART OF FINANCIAL STATEMENTS – (Contd.)

	As at 31 st March 2015 (₹ in Lakhs)	As at 31 st March 2014 (₹ in Lakhs)
6. SHORT-TERM BORROWINGS		
Secured Loans Repayable on Demand to Banks:		
– Working Capital Loans	5,894.71	3,259.82
Total	5,894.71	3,259.82
7. TRADE PAYABLES		
Trade Payables (Refer Note No.32)	4,605.01	4,798.96
Total	4,605.01	4,798.96
8. OTHER CURRENT LIABILITIES		
Current Maturities of Long-Term Debt:		
– Term Loans from Banks	1,604.76	1,126.24
– Public Deposits	–	177.64
Unpaid Dividends	15.03	13.57
Statutory Dues	381.73	340.39
Advances received from Customers	241.52	237.03
Outstanding Expenses	1,014.90	925.53
Total	3,257.94	2,820.40
9. SHORT-TERM PROVISIONS		
Provision for Employee Benefits:		
– Gratuity	10.72	12.44
– Bonus	88.39	89.21
Provision for Dividend	609.01	609.01
Provision for Dividend Distribution Tax	121.77	103.50
Provision for Income Tax & Wealth Tax (Net of TDS & Advance Tax)	68.77	22.08
Total	898.66	836.24

NOTES FORMING PART OF FINANCIAL STATEMENTS – (Contd.)

(₹ in Lakhs)

10. FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost upto 31.03.2014	Additions	Disposal	Cost upto 31.03.2015	Upto 31.03.2014	For the year 2014-15	Accu. Depn. on Disposal	Upto 31.03.2015	As on 31.03.2015	As on 31.03.2014
(i) Tangible Assets:										
Land	3,020.82	4.62	-	3,025.44	-	-	-	-	3,025.44	3,020.82
Buildings	5,077.09	316.45	-	5,393.54	1,200.16	221.64	-	1,421.80	3,971.74	3,876.93
Plant & Machinery	22,928.45	814.89	-	23,743.34	7,100.75	847.59	-	7,948.34	15,795.00	15,827.70
Office Equipment	53.60	10.00	1.04	62.56	17.82	11.92	0.42	29.32	33.24	35.78
Vehicles	412.59	-	-	412.59	120.48	60.37	-	180.85	231.74	292.11
Furniture & Fittings	178.30	4.12	-	182.42	81.49	17.50	-	98.99	83.43	96.81
Computers	217.75	8.22	-	225.97	152.34	53.81	-	206.15	19.82	65.42
	31,888.60	1,158.30	1.04	33,045.86	8,673.04	1,212.83	0.42	9,885.45	23,160.41	23,215.57
(ii) Intangible Assets:										
Computer Software	217.89	-	-	217.89	118.83	52.20	-	171.03	46.86	99.06
Total	32,106.49	1,158.30	1.04	33,263.75	8,791.87	1,265.03	0.42	10,056.48	23,207.27	23,314.63

NOTES FORMING PART OF FINANCIAL STATEMENTS – (Contd.)

	As at 31 st March 2015 (₹ in Lakhs)	As at 31 st March 2014 (₹ in Lakhs)
11. NON-CURRENT INVESTMENTS		
Trade, Unquoted - At Cost - Fully Paid-Up		
Investment in Equity Instruments:		
Subsidiary:		
– NC Energy Limited	3,151.00	2,551.00
3,15,10,000 Equity Shares of ₹ 10/-each (P.Y. 2,55,10,000 Equity Shares of ₹ 10/-each)		
Others:		
– Suzlon Engitech Ltd	5.99	5.99
59,903 Equity shares of ₹ 10/- each		
Total	3,156.99	2,556.99
12. LONG-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Capital Advances	239.47	23.21
Total	239.47	23.21
13. INVENTORIES		
Raw Materials	1,240.00	1,756.95
Work-in-Progress	1,382.83	511.11
Finished Goods	1,687.56	1,143.57
Stores and Spares	274.06	254.73
Loose Tools	673.75	526.29
Moulding Boxes & Patterns	320.51	302.75
Total	5,578.71	4,495.40
– Finished Goods, Work-in-Progress and Raw Materials are valued at lower of the cost and net realisable value.		
– Moulding Boxes, Patterns, Loose Tools and Stores & Spares are valued at lower of cost (estimated) and net realisable value.		
14. TRADE RECEIVABLES		
Unsecured, Considered Good	7,040.60	6,907.88
Total	7,040.60	6,907.88
Trade Receivables include an amount of ₹ 39.27 Lakhs (Previous Year: ₹ 32.18 Lakhs), outstanding for a period exceeding six months from the due date.		

NOTES FORMING PART OF FINANCIAL STATEMENTS – (Contd.)

	As at 31 st March 2015 (₹ in Lakhs)	As at 31 st March 2014 (₹ in Lakhs)
15. CASH AND CASH EQUIVALENTS		
Balances with Banks:		
– In Current Accounts	87.00	83.73
– Short Term Fixed Deposits	5,092.62	5,110.54
– Unpaid Dividend Accounts	15.03	13.57
Cash on Hand	5.76	7.42
Total	5,200.41	5,215.26
Of the above, the balances that meet the definition of Cash & Cash Equivalents as per AS 3 Cash Flow Statements is:	5,185.38	5,201.69
16. SHORT-TERM LOANS & ADVANCES (Unsecured, Considered Good)		
Deposits with / Receivables from Statutory / Govt. Authorities	1,342.06	1,275.87
Call Deposits with Companies	1,365.77	1,157.43
Advances for Supplies & Services	363.95	380.21
Advances given to Employees	20.42	23.11
Rental Advance	67.80	67.80
MAT Credit Entitlement	260.63	110.64
Total	3,420.63	3,015.06
17. OTHER CURRENT ASSETS		
Accrued Interest on Fixed Deposits	191.92	202.56
Total	191.92	202.56

NOTES FORMING PART OF FINANCIAL STATEMENTS – (Contd.)

	Year Ended 31 st March 2015 (₹ in Lakhs)	Year Ended 31 st March 2014 (₹ in Lakhs)
18. REVENUE FROM OPERATIONS		
Sale of Products - Iron Castings	60,658.85	57,500.97
Less: Excise Duty	6,170.20	5,984.89
Total	54,488.65	51,516.08
19. OTHER INCOME		
Interest Income	94.35	109.55
Gain on Foreign Currency Transaction (Net)	–	18.19
Export Incentive	7.74	5.74
Sales Tax Incentive	70.49	109.85
Total	172.58	243.33
20. COST OF MATERIALS CONSUMED		
Steel Scrap	21,108.76	18,439.98
Others	9,675.61	8,393.75
Total	30,784.37	26,833.73
Others include other raw materials and production consumables, none of which individually accounts for more than 10% of the total consumption.		
21. CHANGES IN INVENTORIES OF FINISHED GOODS (FG) & WORK-IN-PROGRESS (WIP)		
Closing Stock		
Finished Goods	1,687.56	1,143.57
Work-in-Progress	1,382.83	511.11
	3,070.39	1,654.68
Opening Stock		
Finished Goods	1,143.57	1,162.16
Work-in-Progress	511.11	884.19
	1,654.68	2,046.35
Changes in Inventories of FG & WIP	(1,415.71)	391.67
22. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	2,837.02	2,748.77
Contribution to Provident and Other Funds	230.05	257.32
Staff Welfare Expenses	495.54	476.44
Total	3,562.61	3,482.53

NOTES FORMING PART OF FINANCIAL STATEMENTS – (Contd.)

	Year Ended 31 st March 2015 (₹ in Lakhs)	Year Ended 31 st March 2014 (₹ in Lakhs)
23. FINANCE COSTS		
Interest Expense	821.11	625.31
Other Borrowing Costs	146.61	35.17
	967.72	660.48
Interest on Short Term Deposits	(499.32)	(475.30)
Total	468.40	185.18
24. OTHER EXPENSES		
Consumption of Stores and Spares	1,813.15	1,348.50
Fettling and Other Manufacturing Expenses	3,835.92	3,433.24
Power and Fuel	7,923.51	8,378.37
Freight and Forwarding Charges	1,251.08	960.77
Repairs and Maintenance:		
– Plant and Machinery	1,167.46	925.51
– Buildings	122.44	94.87
Rent	117.58	110.75
Insurance	42.01	37.89
Rates and Taxes	26.32	15.10
Printing and Stationery	31.04	30.59
Travelling and Conveyance	322.05	356.76
CSR Expenses	36.54	–
Advertisement	3.07	2.89
Legal and Professional Charges	126.93	95.14
Communication Charges	36.43	36.74
Payment to Auditors:		
– Audit Fee	11.00	9.00
– Tax Audit Fee	2.00	2.00
Sitting Fee to Directors	4.70	4.40
Books, Periodicals & Subscriptions	4.61	4.82
Vehicle and Office Maintenance	71.11	56.91
Selling Expenses	79.44	40.75
Sales Commission	1.88	2.76
Loss on Foreign Currency Transaction (Net)	2.95	–
Loss on Disposal of Assets	0.62	0.10
Miscellaneous Expenses	7.95	4.59
Total	17,041.79	15,952.45

NOTES FORMING PART OF FINANCIAL STATEMENTS – (Contd.)

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

26. COMMITMENTS (₹ in Lakhs)

Particulars	31 st March 2015	31 st March 2014
Estimated amount of contracts remaining to be executed and not provided for in these accounts (net of advances) in respect of purchase of Tangible Fixed Assets.	949.12	106.72

27. CONTINGENT LIABILITIES (₹ in Lakhs)

Particulars	31 st March 2015	31 st March 2014
Bank Guarantees	194.02	242.64
Claims against the company not acknowledged as debts primarily towards (net of amount paid to statutory authorities):		
(i) Central Excise	331.67	–
(ii) Sales Tax	26.30	–

Claims against the Company not acknowledged as debts represent demands raised by central excise and sales tax authorities during the financial year 2014-15, 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 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.

28. EXCISE DUTY

Excise Duty on Sales has been disclosed as reduction from the turnover.

29. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS CONSUMED AND THEIR PERCENTAGE TO CONSUMPTION

Particulars	2014-15		2013-14	
	₹ in Lakhs	%	₹ in Lakhs	%
Imported	198.44	0.64	43.28	0.16
Indigenous	30,585.93	99.36	26,790.45	99.84
Total	30,784.37	100.00	26,833.73	100.00

NOTES FORMING PART OF FINANCIAL STATEMENTS – (Contd.)

30. FOREIGN CURRENCY TRANSACTIONS

(₹ in Lakhs)

Particulars	31 st March 2015	31 st March 2014
(a) Value of Imports on C.I.F. Basis:		
Capital Goods	23.54	142.96
Raw Materials	198.44	43.28
Spares & Others	3.52	10.74
(b) Expenditure in Foreign Currency:		
On account of Travel	11.13	14.36
On account of Interest Payments	73.00	94.01
On account of Other Matters	58.11	43.48
(c) Earnings in Foreign Exchange:		
F.O.B. Value of Exports	272.65	330.56

31. EMPLOYEE BENEFITS

The Company has a defined benefit gratuity plan covering eligible employees. The following table summarizes the components of net benefit expenses recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet.

NOTES FORMING PART OF FINANCIAL STATEMENTS – (Contd.)

	<u>2014-15</u>	<u>2013-14</u>
	(₹)	(₹)
1. Table Showing changes in present value of obligation as on 31st March, 2015		
Present value of obligations as at beginning of the year	4,01,77,537	3,32,29,248
Interest cost	32,14,203	26,58,340
Current Service Cost	36,40,873	33,74,882
Benefits Paid	(24,18,932)	(8,19,249)
Actuarial (gain)/ loss on obligations	(11,58,532)	17,34,316
Present value of obligations as at end of the year	4,34,55,149	4,01,77,537
2. Table showing changes in the fair value of plan assets as on 31st March, 2015		
Fair value of plan assets at beginning of the year	3,89,33,470	3,38,45,469
Expected return on plan assets	35,33,350	31,48,589
Contributions	23,35,108	27,58,661
Benefits Paid	(24,18,932)	(8,19,249)
Actuarial gain/(loss) on plan assets	NIL	NIL
Fair value of plan assets at end of the year	4,23,82,996	3,89,33,470
3. Table showing fair value of plan assets		
Fair value of plan assets at beginning of the year	3,89,33,470	3,38,45,469
Actual return on plan assets (Expected Return + Actuarial Return)	35,33,350	31,48,589
Contributions	23,35,108	27,58,661
Benefits Paid	(24,18,932)	(8,19,249)
Fair value of plan assets at end of the year	4,23,82,996	3,89,33,470
Funded status	(10,72,153)	(12,44,067)
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31 st March)	NIL	NIL
4. Actuarial (Gain)/Loss recognized as on 31st March, 2015		
Actuarial (gain)/ loss on benefit obligations	11,58,532	(17,34,316)
Actuarial (gain)/ loss for the year - plan assets	NIL	NIL
Actuarial (gain)/ loss on obligations	(11,58,532)	17,34,316
Actuarial (gain)/ loss recognized in the year	(11,58,532)	17,34,316
5. The amounts to be recognized in the balance sheet:		
Present value of benefit obligations as at end of the year	4,34,55,149	4,01,77,537
Fair value of plan assets as at end of the year	4,23,82,996	3,89,33,470
Funded status	(10,72,153)	(12,44,067)
Net asset/(liability) recognized in balance sheet	(10,72,153)	(12,44,067)
6. Expenses Recognised in the Statement of Profit and Loss:		
Current Service cost	36,40,873	33,74,882
Interest Cost	32,14,203	26,58,340
Expected return on plan assets	(35,33,350)	(31,48,589)
Net Actuarial (gain)/ loss recognized in the year	(11,58,532)	17,34,316
Expenses recognised in the Statement of Profit and Loss	21,63,194	46,18,949
7. Actuarial Assumptions		
Discount Rate	8.00%	8.00%
Salary Escalation Rate per Unit	7.00%	7.00%
Mortality Rate	LIC 1994-96	LIC 1994-96
Expected Rate of Return	8.00%	8.00%

NOTES FORMING PART OF FINANCIAL STATEMENTS – (Contd.)

32. Amount payable to Micro, Small and Medium Enterprises (MSMEs) as defined under the Micro Small and Medium Enterprises Development Act, 2006 is ₹ 153.97 Lakhs as on 31st March, 2015 (Previous Year: ₹ 153.22 Lakhs) and there is no overdue amount.

33. INTERIM FINANCIAL REPORTING

The Quarterly financial results are published in accordance with the requirements of Listing Agreement with Stock Exchanges.

34. 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 2015
Material and stores & spares consumption	218.74
Power and fuel	77.98
Repairs and maintenance	16.35
Employee benefit expenses	200.81
Depreciation	1.44
Others	48.93
Total	564.25

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

	(₹ in Lakhs)
Particulars	31 st March 2015
Building	104.44
Plant & Machinery	334.77
Total	439.21

NOTES FORMING PART OF FINANCIAL STATEMENTS – (Contd.)

35. RELATED PARTY DISCLOSURE

As identified by the Management and relied upon by the auditors

(a) List of Related Parties (2014-15)

Subsidiary Company:- NC Energy Limited

Associate Company:- Nelcast USA INC

Key Management Personnel:- 1. Mr. P. Deepak, Managing Director
2. Ms. P. Divya, Director*
3. Mr. P. Vijaya Bhaskar Reddy, Dy. Managing Director & CFO

Transactions with Related Parties (2014-15) (₹ in Lakhs)

Nature of Transactions	Subsidiary Company	Associate Company	Key Management Personnel	Relatives to KMP
Managerial Remuneration	–	–	208.24	–
Other Payments	–	–	12.00	145.27
Investment in Shares:				
Amount of Investment during the year	600.00	–	–	–
Closing Balance as on 31 st March, 2015	3,151.00	–	–	–

* Ms. P. Divya resigned as Whole-time Director with effect from 16.05.2014

(b) List of Related Parties (2013-14)

Subsidiary Company:- NC Energy Limited

Associate Company:- Nelcast USA INC

Key Management Personnel:- 1. Mr. P. Deepak, Managing Director
2. Ms. P. Divya, Whole-Time Director
3. Mr. P. Vijaya Bhaskar Reddy, Dy. Managing Director

Transactions with Related Parties (2013-14) (₹ in Lakhs)

Nature of Transactions	Subsidiary Company	Associate Company	Key Management Personnel
Managerial Remuneration	–	–	275.49
Investment in Shares:			
Amount of investment during the year	500.00	–	–
Closing Balance as on 31 st March, 2014	2,551.00	–	–

36. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date

For and on behalf of the Board

For REDDY A V & CO
(Formerly J.B.REDDY & CO.,)
Chartered Accountants

D. Sesa Reddy
Chairman

P. Deepak
Managing Director

A. Balasubramanian
Director

A.V. REDDY
Partner
Membership No. 23983
Firm Regn. No. 003256S
Place: Chennai
Date : 29th May 2015

P. Vijaya Bhaskar Reddy
Dy. Managing Director & CFO

S.K. Sivakumar
Head - Group Finance &
Company Secretary



AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF
NELCAST LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **Nelcast Limited** ("the Company") and its subsidiary, which comprise the consolidated balance sheet as at 31st March, 2015, the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The 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 and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the standards of auditing specified under Section 143(10) of the Companies Act, 2013. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

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

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;
- (b) in the case of the consolidated Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For REDDY A V & CO
(Formerly J.B.REDDY & CO.,)
Chartered Accountants

A.V. REDDY
Partner
Membership No. 23983
Firm Regn. No. 003256S

Place: Chennai
Date : 29th May 2015

CONSOLIDATED BALANCE SHEET AS AT

PARTICULARS	Note No.	31 st March 2015 (₹ in Lakhs)	31 st March 2014 (₹ in Lakhs)
I. EQUITY & LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	1,740.02	1,740.02
(b) Reserves and Surplus	3	26,419.50	24,955.96
Sub-Total		28,159.52	26,695.98
2 Minority Interest			
		164.00	64.00
3 Non-Current Liabilities			
(a) Long-Term Borrowings	4	2,250.93	4,355.69
(b) Deferred Tax Liability (Net)	5	3,439.08	3,155.20
Sub-Total		5,690.01	7,510.89
4. Current Liabilities			
(a) Short-Term Borrowings	6	5,894.71	3,259.82
(b) Trade Payables	7	4,605.01	4,798.96
(c) Other Current Liabilities	8	3,277.13	2,822.78
(d) Short-Term Provisions	9	898.66	836.24
Sub-Total		14,675.51	11,717.80
TOTAL		48,689.04	45,988.67
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	25,396.48	24,888.99
(ii) Intangible Assets	10	46.86	99.06
(iii) Capital Work-in-Progress	-	1,177.85	629.10
(b) Non-Current Investments	11	5.99	5.99
(c) Long-Term Loans and Advances	12	582.11	367.65
Sub-Total		27,209.29	25,990.79
2 Current Assets			
(a) Inventories	13	5,578.71	4,495.40
(b) Trade Receivables	14	7,040.60	6,907.88
(c) Cash and Cash Equivalents	15	5,247.89	5,376.98
(d) Short-Term Loans and Advances	16	3,420.63	3,015.06
(e) Other Current Assets	17	191.92	202.56
Sub-Total		21,479.75	19,997.88
TOTAL		48,689.04	45,988.67
Significant Accounting Policies	1		

As per our report of even date

For and on behalf of the Board

For REDDY A V & CO
(Formerly J.B.REDDY & CO.,)
Chartered Accountants

A.V. REDDY
Partner
Membership No. 23983
Firm Regn. No. 003256S
Place: Chennai
Date : 29th May 2015

D. Sessa Reddy
Chairman

P. Vijaya Bhaskar Reddy
Dy. Managing Director & CFO

P. Deepak
Managing Director

A. Balasubramanian
Director

S.K. Sivakumar
Head - Group Finance &
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

PARTICULARS	Note No.	31 st March 2015 (₹ in Lakhs)	31 st March 2014 (₹ in Lakhs)
I. Revenue from Operations (Gross)	18	60,658.85	57,500.97
Less : Excise Duty		6,170.20	5,984.89
Revenue from Operations (Net)		54,488.65	51,516.08
II. Other Income	19	172.58	243.33
III. Total Revenue (I+II)		54,661.23	51,759.41
IV. Expenses:			
Cost of Materials Consumed	20	30,784.37	26,833.73
Changes in Inventories of FG & WIP	21	(1,415.71)	391.67
Employee Benefits Expense	22	3,562.61	3,482.53
Finance Costs	23	468.40	185.18
Depreciation	10	1,265.03	1,284.41
Other Expenses	24	17,041.79	15,952.45
Total Expenses		51,706.49	48,129.97
V. Profit Before Exceptional and Extra-ordinary Items and Tax (III-IV)		2,954.74	3,629.44
VI. Exceptional Items		-	-
VII. Profit Before Extra-ordinary Items and Tax (V-VI)		2,954.74	3,629.44
VIII. Extra-ordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		2,954.74	3,629.44
X. Tax Expenses:			
(1) Current Tax		626.53	770.53
(2) Previous Year Tax		-	13.35
(3) MAT Credit Entitlement		(149.99)	(110.64)
(4) Defferred Tax		283.87	706.65
XI. Profit for the Year (IX-X)		2,194.33	2,249.55
XII. Earnings per Equity Share:			
(1) Basic		2.52	2.59
(2) Diluted		2.52	2.59
Significant Accounting Policies	1		

As per our report of even date

For and on behalf of the Board

For REDDY A V & CO
(Formerly J.B.REDDY & CO.,)
Chartered Accountants

D. Sesha Reddy
Chairman

P. Deepak
Managing Director

A. Balasubramanian
Director

A.V. REDDY
Partner
Membership No. 23983
Firm Regn. No. 003256S
Place: Chennai
Date : 29th May 2015

P. Vijaya Bhaskar Reddy
Dy. Managing Director & CFO

S.K. Sivakumar
Head - Group Finance &
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

PARTICULARS	31 st March 2015 (₹ in Lakhs)	31 st March 2014 (₹ in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	2,954.74	3,629.44
Adjustments for:		
Depreciation	1,265.03	1,284.41
Interest Income	(94.35)	(109.55)
(Profit)/Loss on disposal of assets	0.62	0.10
Interest Paid	468.40	185.18
Operating Profit before Working Capital Changes	4,594.44	4,989.58
Adjustments for:		
Inventories	(1,083.30)	(37.75)
Trade Receivables	(132.72)	(715.83)
Long-Term Loans & Advances	(214.46)	48.15
Short-Term Loans & Advances	(405.57)	200.86
Other Current Assets	10.64	150.30
Trade Payables	(193.95)	(864.45)
Other Current Liabilities	454.35	1,347.45
Short-Term Provisions	62.42	46.50
Cash Generated from Operations	3,091.85	5,164.81
Taxes Paid/Provision for Tax	(476.54)	(673.23)
Cash Flow before Prior Period Items	2,615.31	4,491.58
Prior Period Items	-	-
Net Cash from Operating Activities	2,615.31	4,491.58
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,720.95)	(6,438.43)
Sale of Fixed Assets	-	-
(Increase)/Decrease in Capital Work-In-Progress	(548.75)	4,137.31
(Increase)/Decrease in Investments	-	(3.49)
(Increase)/Decrease in Unpaid Dividend A/cs	(1.46)	(1.32)
Interest Income	94.35	109.55
Net Cash from/(used in) Investing Activities	(2,176.81)	(2,196.38)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Long-Term Borrowings	(2,104.76)	218.75
Increase/(Decrease) in Short-Term Borrowings	2,634.89	(1,073.36)
Interest Paid	(468.40)	(185.18)
Dividend Paid (Including DDT)	(730.78)	(712.51)
Net Cash from/(used in) Financing Activities	(569.05)	(1,752.30)
Net increase in Cash and Cash Equivalents	(130.55)	542.90
Cash and Cash Equivalents (Opening Balance)	5,363.41	4,820.51
Cash and Cash Equivalents (Closing Balance)	5,232.86	5,363.41
Reconciliation of Cash and Cash Equivalents with the Balance Sheet :		
Cash and cash equivalents as per balance sheet (Refer Note No.15)	5,247.89	5,376.98
Less: Bank balances not considered as Cash and Cash Equivalents (as defined in AS 3 Cash Flow Statements)		
– Unpaid Dividend Accounts	15.03	13.57
Cash and Cash Equivalents at the end of the year	5,232.86	5,363.41

As per our Report of even date

For REDDY A V & CO
(Formerly J.B.REDDY & CO.,)
Chartered Accountants

A.V. REDDY
Partner
Membership No. 23983
Firm Regn. No. 003256S
Place : Chennai
Date : 29th May 2015

D. Sessa Reddy
Chairman

P. Vijaya Bhaskar Reddy
Dy. Managing Director & CFO

P. Deepak
Managing Director

A. Balasubramanian
Director

S.K. Sivakumar
Head - Group Finance &
Company Secretary

For and on behalf of the Board

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF CONSOLIDATION

The consolidated financial statements of **Nelcast Limited** ("the company") together with its subsidiary **NC Energy Limited** have been prepared under historical cost convention, on accrual basis, to comply, in all material aspects, with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.

Investment in subsidiary has been accounted in accordance with accounting principles as defined in Accounting Standard 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

All material inter-company balances and inter-company transactions resulting in unrealized profit/loss are eliminated in full consolidation. The following are the details of the Company's subsidiary:

Name of the Subsidiary	Country of Incorporation	Nature of Interest	% of Interest	Accounting Year
NC Energy Limited	India	Subsidiary	95.05%	31 st March

2. SHARE CAPITAL

	As at 31 st March 2015 (₹ in Lakhs)	As at 31 st March 2014 (₹ in Lakhs)
Authorised: 12,50,00,000 Equity Shares of ₹ 2/- each (Previous Year: 12,50,00,000 Equity Shares of ₹ 2/- each)	2,500.00	2,500.00
Issued, Subscribed and Paidup: 8,70,01,200 Equity Shares of ₹ 2/- each (Previous Year: 8,70,01,200 Equity Shares of ₹ 2/- each)	1,740.02	1,740.02
Total	1,740.02	1,740.02

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 st March 2015		As at 31 st March 2014	
	No. of Shares in Lakhs	₹ in Lakhs	No. of Shares in Lakhs	₹ in Lakhs
(a) At the beginning of the period (₹ 2/- each)	870.01	1,740.02	870.01	1,740.02
(b) Changes during the year	-	-	-	-
(c) At the closing of the period (₹ 2/- each)	870.01	1,740.02	870.01	1,740.02

Details of Equity Shareholders holding more than 5%:

Name of the shareholder	As at 31 st March 2015		As at 31 st March 2014	
	No. of shares	%	No. of shares	%
P. Deepak	3,42,45,905	39.36	3,42,45,905	39.36
P. Deepak (HUF)	1,43,49,500	16.49	1,43,49,500	16.49
P. Divya	1,61,54,249	18.57	1,61,54,249	18.57

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS – (Contd.)

	As at 31 st March 2015 (₹ in Lakhs)	As at 31 st March 2014 (₹ in Lakhs)
3. RESERVES & SURPLUS		
<i>Securities Premium Account</i>		
Opening Balance	8,774.13	8,774.13
Add: Received during the year	–	–
Sub-Total (a)	8,774.13	8,774.13
<i>General Reserve</i>		
Opening Balance	12,000.00	10,500.00
Add: Current Year Appropriation	1,500.00	1,500.00
Sub-Total (b)	13,500.00	12,000.00
Surplus		
Opening Balance	4,181.81	4,144.77
Add: Net profit after tax transferred from Statement of P & L	2,194.33	2,249.55
Profit available for Appropriation	6,376.14	6,394.32
Appropriations:		
– General Reserve	1,500.00	1,500.00
– Final Dividend	609.01	609.01
– Distribution Tax on Final Dividend	121.77	103.50
Closing Balance (c)	4,145.36	4,181.81
Total (a+b+c)	26,419.50	24,955.96
4. LONG-TERM BORROWINGS		
Term Loans from Banks	2,250.93	4,355.69
Total	2,250.93	4,355.69
5. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability	3,439.43	3,155.81
Deferred Tax Asset	(0.35)	(0.61)
Total	3,439.08	3,155.20

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS – (Contd.)

	As at 31 st March 2015 (₹ in Lakhs)	As at 31 st March 2014 (₹ in Lakhs)
6. SHORT-TERM BORROWINGS		
Secured Loans Repayable on Demand to Banks:		
– Working Capital Loans	5,894.71	3,259.82
Total	5,894.71	3,259.82
7. TRADE PAYABLES		
Trade Payables	4,605.01	4,798.96
Total	4,605.01	4,798.96
8. OTHER CURRENT LIABILITIES		
Current Maturities of Long-Term Debt:		
– Term Loans from Banks	1,604.76	1,126.24
– Public Deposits	–	177.64
Unpaid Dividends	15.03	13.57
Statutory Dues	388.84	340.99
Advances received from Customers	241.52	237.03
Outstanding Expenses	1,026.98	927.31
Total	3,277.13	2,822.78
9. SHORT-TERM PROVISIONS		
Provision for Employee Benefits:		
– Gratuity	10.72	12.44
– Bonus	88.39	89.21
Provision for Dividend	609.01	609.01
Provision for Dividend Distribution Tax	121.77	103.50
Provision for Income Tax & Wealth Tax (Net of TDS & Advance Tax)	68.77	22.08
Total	898.66	836.24

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS – (Contd.)

(₹ in Lakhs)

10. FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost upto 31.03.2014	Additions	Disposal	Cost upto 31.03.2015	Upto 31.03.2014	2014-15	Accu. Deprn. on Disposal	Upto 31.03.2015	As on 31.03.2015	As on 31.03.2014
(i) Tangible Assets:										
Land	4,690.53	567.06	-	5,257.59	-	-	-	-	5,257.59	4,690.53
Buildings	5,077.09	316.45	-	5,393.54	1,200.16	221.64	-	1,421.80	3,971.74	3,876.93
Plant & Machinery	22,928.45	814.89	-	23,743.34	7,100.75	847.59	-	7,948.34	15,795.00	15,827.70
Office Equipment	53.92	10.21	1.04	63.09	17.82	11.92	0.42	29.32	33.77	36.10
Vehicles	412.59	-	-	412.59	120.48	60.37	-	180.85	231.74	292.11
Furniture & Fittings	181.23	4.12	-	185.35	81.49	17.50	-	98.99	86.36	99.74
Computers	218.21	8.22	-	226.43	152.34	53.81	-	206.15	20.28	65.88
	33,562.02	1,720.95	1.04	35,281.93	8,673.04	1,212.83	0.42	9,885.45	25,396.48	24,888.99
(ii) Intangible Assets:										
Computer Software	217.89	-	-	217.89	118.83	52.20	-	171.03	46.86	99.06
Total	33,779.91	1,720.95	1.04	35,499.82	8,791.87	1,265.03	0.42	10,056.48	25,443.34	24,988.05

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS – (Contd.)

	As at 31 st March 2015 (₹ in Lakhs)	As at 31 st March 2014 (₹ in Lakhs)
11. NON-CURRENT INVESTMENTS		
Trade, Unquoted - At Cost - Fully Paid-Up		
Investment in Equity Instruments:		
– Suzlon Engitech Ltd		
59,903 Equity shares of ₹ 10/- each	5.99	5.99
Total	5.99	5.99
12. LONG-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Capital Advances	582.11	367.65
Total	582.11	367.65
13. INVENTORIES		
Raw Materials	1,240.00	1,756.95
Work-in-Progress	1,382.83	511.11
Finished Goods	1,687.56	1,143.57
Stores and Spares	274.06	254.73
Loose Tools	673.75	526.29
Moulding Boxes & Patterns	320.51	302.75
Total	5,578.71	4,495.40
– Finished Goods, Work-in-Progress and Raw Materials are valued at lower of the cost and net realisable value.		
– Moulding Boxes, Patterns, Loose Tools and Stores & Spares are valued at lower of cost (estimated) and net realisable value.		
14. TRADE RECEIVABLES		
Unsecured, Considered Good	7,040.60	6,907.88
Total	7,040.60	6,907.88
Trade Receivables include an amount of ₹ 39.27 Lakhs (Previous Year: ₹ 32.18 Lakhs), outstanding for a period exceeding six months from the due date.		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS – (Contd.)

	As at 31 st March 2015 (₹ in Lakhs)	As at 31 st March 2014 (₹ in Lakhs)
15. CASH AND CASH EQUIVALENTS		
Balances with Banks:		
– In Current Accounts	133.76	245.43
– Short-Term Fixed Deposits	5,092.62	5,110.54
– Unpaid Dividend Accounts	15.03	13.57
Cash on Hand	6.48	7.44
Total	5,247.89	5,376.98
Of the above, the balances that meet the definition of Cash & Cash Equivalents as per AS 3 Cash Flow Statements is:	5,232.86	5,363.41
16. SHORT-TERM LOANS & ADVANCES		
(Unsecured, Considered Good)		
Deposits with / Receivables from Statutory / Govt. Authorities	1,342.06	1,275.87
Call Deposits with Companies	1,365.77	1,157.43
Advances for Supplies & Services	363.95	380.21
Advances given to Employees	20.42	23.11
Rental Advance	67.80	67.80
MAT Credit Entitlement	260.63	110.64
Total	3,420.63	3,015.06
17. OTHER CURRENT ASSETS		
Accrued Interest on Fixed Deposits	191.92	202.56
Total	191.92	202.56

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS – (Contd.)

	Year ended 31 st March 2015 (₹ in Lakhs)	Year ended 31 st March 2014 (₹ in Lakhs)
18. REVENUE FROM OPERATIONS		
Sale of Products - Iron Castings	60,658.85	57,500.97
Less: Excise Duty	6,170.20	5,984.89
Total	54,488.65	51,516.08
19. OTHER INCOME		
Interest Income	94.35	109.55
Gain on Foreign Currency Transaction (Net)	–	18.19
Export Incentive	7.74	5.74
Sales Tax Incentive	70.49	109.85
Total	172.58	243.33
20. COST OF MATERIALS CONSUMED		
Steel Scrap	21,108.76	18,439.98
Others	9,675.61	8,393.75
Total	30,784.37	26,833.73
Others include other raw materials and production consumables, none of which individually accounts for more than 10% of the total consumption.		
21. CHANGES IN INVENTORIES OF FINISHED GOODS (FG) & WORK-IN-PROGRESS (WIP)		
Closing Stock		
Finished Goods	1,687.56	1,143.57
Work-in-Progress	1,382.83	511.11
	3,070.39	1,654.68
Opening Stock		
Finished Goods	1,143.57	1,162.16
Work-in-Progress	511.11	884.19
	1,654.68	2,046.35
Changes in Inventories of FG & WIP	(1,415.71)	391.67
22. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	2,837.02	2,748.77
Contribution to Provident and Other Funds	230.05	257.32
Staff Welfare Expenses	495.54	476.44
Total	3,562.61	3,482.53

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS – (Contd.)

	Year ended 31 st March 2015 (₹ in Lakhs)	Year ended 31 st March 2014 (₹ in Lakhs)
23. FINANCE COSTS		
Interest Expense	821.11	625.31
Other Borrowing Costs	146.61	35.17
	967.72	660.48
Interest on Short-Term Deposits	(499.32)	(475.30)
Total	468.40	185.18
24. OTHER EXPENSES		
Consumption of Stores and Spares	1,813.15	1,348.50
Fettling and Other Manufacturing Expenses	3,835.92	3,433.24
Power and Fuel	7,923.51	8,378.37
Freight and Forwarding Charges	1,251.08	960.77
Repairs and Maintenance:		
– Plant and Machinery	1,167.46	925.51
– Buildings	122.44	94.87
Rent	117.58	110.75
Insurance	42.01	37.89
Rates and taxes	26.32	15.10
Printing and Stationery	31.04	30.59
Travelling and Conveyance	322.05	356.76
CSR Expenses	36.54	–
Advertisement	3.07	2.89
Legal and Professional Charges	126.93	95.14
Communication Charges	36.43	36.74
Payment to Auditors:		
– Audit Fee	11.00	9.00
– Tax Audit Fee	2.00	2.00
Sitting Fee to Directors	4.70	4.40
Books, Periodicals & Subscriptions	4.61	4.82
Vehicle and Office Maintenance	71.11	56.91
Selling Expenses	79.44	40.75
Sales Commission	1.88	2.76
Loss on Foreign Currency Transaction (Net)	2.95	–
Loss on Disposal of Assets	0.62	0.10
Miscellaneous Expenses	7.95	4.59
Total	17,041.79	15,952.45

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS – (Contd.)

25. COMMITMENTS

(₹ in Lakhs)

Particulars	31 st March 2015	31 st March 2014
Estimated amount of contracts remaining to be executed and not provided for in these accounts (net of advances) in respect of purchase of Tangible Fixed Assets.	949.12	106.72

26. CONTINGENT LIABILITIES

(₹ in Lakhs)

Particulars	31 st March 2015	31 st March 2014
Bank Guarantees	194.02	242.64
Claims against the company not acknowledged as debts primarily towards (net of amount paid to statutory authorities):		
(i) Central Excise	331.67	–
(ii) Sales Tax	26.30	–

Claims against the company not acknowledged as debts represent demands raised by central excise and sales tax authorities during the financial year 2014-15, 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 will likely 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.

27. RELATED PARTY DISCLOSURE

As identified by the Management and relied upon by the auditors

(a) List of Related Parties (2014-15) :

Associate Company:- Nelcast USA INC

Key Management Personnel (2014-15) :-

1. Mr. P. Deepak, Managing Director
2. Ms. P. Divya, Director
3. Mr. P. Vijaya Bhaskar Reddy, Dy. Managing Director & CFO

Transactions with Related Parties (2014-15)

(₹ in Lakhs)

Nature of Transactions	KMP	Relatives to KMP
Managerial Remuneration	281.85	–
Other Payments	12.00	145.27

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS – (Contd.)

(b) List of Related Parties (2013-14):

Associate Company:- **Nelcast USA INC**

Key Management Personnel:- 1. Mr. P. Deepak, Managing Director
2. Ms. P. Divya, Whole-Time Director
3. Mr. P. Vijaya Bhaskar Reddy, Dy. Managing Director

Transactions with Related Parties (2013-14) (₹ in Lakhs)

Natre of Transactions	Key Management Personnel
Managerial Remuneration	275.49

28. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date

For and on behalf of the Board

For REDDY A V & CO
(Formerly J.B.REDDY & CO.,)
Chartered Accountants
A.V. REDDY
Partner
Membership No. 23983
Firm Regn. No. 003256S
Place: Chennai
Date : 29th May 2015

D. Sessa Reddy
Chairman
P. Vijaya Bhaskar Reddy
Dy. Managing Director & CFO

P. Deepak
Managing Director

A. Balasubramanian
Director
S.K. Sivakumar
Head - Group Finance &
Company Secretary



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

**THIRTY THIRD ANNUAL GENERAL MEETING - 6th AUGUST 2015
ATTENDANCE SLIP**

To be handed over at the entrance of the meeting hall

I hereby record my presence at the **33rd Annual General Meeting (AGM)** of the Company held on **Thursday, 6th August 2015 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 2014-15 and the Notice of the 33rd 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 2014-15 and Notice of the 33rd 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 THIRD ANNUAL GENERAL MEETING - 6th AUGUST 2015
E-VOTING PARTICULARS**

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN
102147		

Note: Please read instructions given in the Notice of the 33rd AGM carefully before voting electronically.



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**THIRTY THIRD ANNUAL GENERAL MEETING - 6th AUGUST 2015
PROXY FORM**

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 **33rd Annual General Meeting** of the Company, to be held on **Thursday, 6th August 2015 at 11 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 of the Company, Auditors Report and Directors Report for the year ended 31 st March, 2015		
2	To declare Dividend for the financial year 2014-15		
3	To appoint a Director in the place of Ms. P. Divya, who retires by rotation and being eligible offers herself for re-appointment		
4	To appoint M/s. REDDY A V & CO Chartered Accountants as Auditors and to determine their remuneration		
5	To re-appoint Mr. P. Deepak as Managing Director		
6	To approve Remuneration paid to Cost Auditors of the Company		

Signed this day of 2015

Signature of Shareholder(s)

Signature of Proxy



* This is only optional. Please put a 'X' 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.