

Welcast Steels Limited

Works : Plot No. 15, Phase 1, Peenya Industrial Area, Bangalore - 560 058. INDIA
Phones : (91-80) 2839 4058 , 2839 4059
E-mail : info@welcaststeels.com Website - www.welcaststeels.com
CIN : L27104GJ1972PLC085827



April 30, 2024

To,
The Manager (Listing),
The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Script Code: 504988

Sub.: Submission of recommendations of the committee of Independent Directors of Welcast Steels Limited.

Ref.: Voluntary delisting of equity shares of Welcast Steels Limited ("Company") from BSE Limited in accordance with the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 ("SEBI Delisting Regulations").

Dear Sir / Madam,

With reference to the captioned subject, we are submitting herewith the written reasoned recommendations of the committee of Independent Directors of the Company, approved by way of circular resolution on April 30, 2024, in relation to the delisting offer, pursuant to the provisions of Regulation 28 of the SEBI Delisting Regulations.

Further, the recommendations of the committee of Independent Directors of the Company will be published, tomorrow in the following newspaper:

| Newspaper | Language | Edition |
|-------------------|----------|---------|
| Financial Express | English | All |
| Jansatta | Hindi | All |
| Mumbai Lakswadeep | Marathi | Mumbai |

Accordingly, in terms of Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are hereby enclosing herewith a copy of the recommendations of IDC. The recommendations of IDC will also be made available on the website of the Company at www.welcaststeels.com.

Thanking You,

For Welcast Steels Limited

S. N. Jetheliya
Company Secretary and Compliance Officer
M. No.: 5343
Encl: As above



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WELCAST STEELS LIMITED

Registered Office: 115-116, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad – 382 415, Gujarat | Corporate Identification Number (CIN): L27104GJ1972PLC085827 | Company Secretary And Compliance Officer: Mr. S. N. Jetheliya | Tel. No.: 079-22901078 | Email Id: info@welcaststeels.com | Website: www.welcaststeels.com

Recommendations of the Committee of Independent Directors (“IDC”) of Welcast Steels Limited (“Company”) on the voluntary delisting offer made by AIA Engineering Limited (“Acquirer”), to the public shareholders of the Company for acquiring all the equity shares that are held by public shareholders and voluntary delist the equity shares from BSE Limited (“BSE”) under Regulation 28 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (“SEBI Delisting Regulations”).

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| 1. | Date | April 30, 2024 |
| 2. | Name of the Company | Welcast Steels Limited |
| 3. | Details of the Delisting Offer pertaining to the Company | <p>Voluntary Delisting Offer made by the Acquirer to acquire up to 1,60,500 (One Lakh Sixty Thousand Five Hundred) Equity Shares (“Offer Shares”) representing 25.15% of the Equity Share Capital of the Company from the public shareholders and consequent voluntary delisting of the equity shares of the Company from BSE Limited in accordance with the SEBI Delisting Regulations.</p> <ul style="list-style-type: none">➤ Floor Price: ₹1528 per equity share➤ Methodology for Delisting: Through Reverse Book Building process.➤ Initial Public Announcement dated December 13, 2023 (“IPA”)➤ Detailed Public Announcement dated April 27, 2024 published on April 29, 2024 (“DPA”)➤ Letter of Offer dated April 27, 2024 (“LOF”) issued by Vivro Financial Services Private Limited (“Manager to the Delisting Offer”), on behalf of the Acquirer. |
| 4. | Name(s) of the Acquirer | AIA Engineering Limited. |
| 5. | Name of the Manager to the Offer | <p>Vivro Financial Services Private Limited Address: Vivro House, 11, Shashi Colony, Opp. Suvidha Shopping Center, Paldi, Ahmedabad, Gujarat 380007, India. Tel. No.: +91 (79) 4040 4242 Email ID: investors@vivro.net Website: www.vivro.net SEBI Reg. No.: INM000010122 CIN: U67120GJ1996PTC029182 Contact Person: Shivam Patel</p> |

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| 6. | Members of the Committee of Independent Directors <i>(Please indicate the chairperson of the Committee separately)</i> | <ol style="list-style-type: none"> 1. Mr. D. P. Dhanuka - Chairperson 2. Mr. Pradip R. Shah - Member 3. Mr. Ashok A. Nichani - Member |
| 7. | IDC Member's relationship with the Company (Director, Equity shares owned, any other contract / relationship), if any | <p>All the members of the IDC are the Non-Executive and Independent Directors of the Company. The IDC members neither hold any equity shares in the Company nor do they have any contract/ relationship with the Company except the following:</p> <ul style="list-style-type: none"> ➤ Mr. D. P. Dhanuka is an independent director of the Company and is a member of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship committee of the Board of Directors of the Company. ➤ Mr. Pradip R. Shah is an independent director of the Company and is a member of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship committee and Risk Management Committee of the Board of Directors of the Company. ➤ Mr. Ashok A. Nichani is an independent director of the Company and is a member of Audit Committee of the Board of Directors of the Company. |
| 8. | Trading in the Equity Shares/other securities of the Company by IDC Members | <p>None of the IDC members have traded in the Equity Shares/ other securities of the Company during the twelve months preceding the date of the IPA.</p> <p>None of the members of the IDC have traded in any of the Equity Shares of the Company during the period from the date of the IPA and till the date of this recommendation.</p> |
| 9. | IDC Member's relationship with the Acquirer (Director, Equity Shares owned, any other contract/ relationship), if any. | <p>None of the members of IDC:</p> <ol style="list-style-type: none"> a. are directors on the board of promoter group of the Company; b. holds any equity shares or other securities of the Acquirer, and c. have any contracts/ relationship with the Acquirer. |
| 10. | Trading in the Equity Shares/other securities of the Acquirer by IDC Members | <p>None of the IDC members have traded in the Equity Shares/ other securities of the Acquirer during the twelve months preceding the date of the IPA.</p> <p>None of the members of the IDC have traded in any of the Equity Shares of the Acquirer during the period from the date of the IPA and till the date of this recommendation.</p> |

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| 11. | <p>Recommendation on the Delisting Offer, as to whether the Delisting Offer is fair and reasonable</p> | <p>Based on the review of the following:</p> <ol style="list-style-type: none"> 1. Initial Public Announcement dated December 13, 2023. 2. Floor price intimation dated December 16, 2023 along with valuation report dated December 16, 2023. 3. Outcome of meeting of Board of Directors of the Company held on December 18, 2023. 4. Postal ballot notice dated December 21, 2023. 5. Scrutinizer report dated January 22, 2024. 6. In-principle approval from BSE dated April 26, 2024. 7. Detailed Public Announcement dated April 27, 2024 published on April 29, 2024. 8. Letter of Offer dated April 27, 2024. <p>the members of the IDC believe that the Delisting Offer is in accordance with the SEBI Delisting Regulations and to that extent, is fair and reasonable.</p> |
| 12. | <p>Summary of reasons for recommendation</p> <p>(IDC may also invite attention to any other place, e.g. Company's website, where its detailed recommendations along with written advice of the Independent Adviser, if any can be seen by the shareholder)</p> | <p>Based on the review of documents mentioned above, the members of the IDC have considered the following reasons for making recommendations:</p> <ol style="list-style-type: none"> 1. The Target Company is a Subsidiary Company of the Acquirer ("AIA") and is having its manufacturing facility located at Bangalore in Karnataka which was set up several years ago. The Target Company is manufacturing one particular product i.e. Grinding Media primarily for AIA on an exclusive outsourcing basis. AIA has its own state of the art plants primarily in Gujarat and over last few years AIA has made significant investments for capacity augmentation in its own plants. This has resulted into a progressively lower production volumes being outsourced by AIA to the Target Company. Further, going forward, in the foreseeable future, there is no possibility of any material technology upgradation or modernisation project being undertaken in the Target Company's facility. The manufacturing operations of the Target Company has thus now diminished to significant levels and as such, it does not make any commercial sense or justification for continuing the listed status of the Target Company, more so given the fact that AIA, a holding company is also a listed company. 2. The proposed Delisting Proposal would enable the Acquirer to obtain full ownership of the Target Company. |

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| | | <p>3. The Delisting Proposal will provide the Public Shareholders an opportunity to realize immediately a certain value for their Equity Shares. The price will be determined in accordance with the reverse book building mechanism set out in the SEBI Delisting Regulations;</p> <p>4. The delisting of Equity Shares will result in reduction of the on-going compliance cost and will reduce the management time to comply with stock exchange requirements and listing regulations.</p> <p>Based on the review of documents and reasons mentioned above, the members of the IDC believe that the Delisting Offer is in accordance with the SEBI Delisting Regulations and to that extent, is fair and reasonable.</p> <p>IDC recommends the public shareholders to bid their equity shares (as announced by the Acquirer and disclosed in DPA and LOF) in reverse book building process.</p> <p>The IDC, however, suggests that the Public Shareholders of the Company should independently evaluate the Delisting Offer, market performance of the Company's scrip and take informed decision in respect of the Delisting Offer.</p> <p>This statement of recommendation of IDC will be available on the website of the Company at www.welcaststeels.com</p> |
| 13. | Disclosure of the Voting Pattern | The recommendations were unanimously approved by the members of the IDC |
| 14. | Details of Independent Advisors, if any. | None |
| 15. | Any other matter(s) to be highlighted | None |

"To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise and includes all the information required to be disclosed by the Company under the SEBI Delisting Regulations."

For and on behalf of
Committee of Independent Directors of
Welcast Steels Limited


Mr. D. R. Dhanuka
Chairman
Committee of Independent Directors



Date: April 30, 2024
Place: Hyderabad

Regd. Office : 115, G.V.M.M. Estate, Odhav Road, Odhav
Ahmedabad - 382410, Gujarat, India
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