

SEC/BSE/33/2018-19

September 21, 2018

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400 001

Kind Attn: Mr. Shyam Bhagirath
Mr. Rakesh Parekh
Scrip Code: 517449

Dear Sirs,

Submission of Annual Report under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby informed that the enclosed Annual Report for the financial year 2017-18 was approved by the Shareholders of the Company at their meeting held on Wednesday, 19th September, 2018.

Kindly take this information on record.

Thanking you

For Magna Electro Castings Limited



Sangeetha C
Company Secretary

**MAGNA
MAGNA**

MAGNA
ELECTRO
CASTINGS
LIMITED

**Annual Report
2017 - 2018**

Board of Directors	Sri.J.Vijayakumar -DIN:00002530 Sri.K.Gnanasekaran -DIN:00133645 Smt.R.Nandini -DIN:00002223 Dr.Jairam Varadaraj -DIN:00058056 Sri.C.R.Swaminathan -DIN:00002169 Sri.N.Krishna Samaraj -DIN:00048547 (Managing Director)
Chief Financial Officer	Sri.R. Ravi
Company Secretary	Smt. Sangeetha.C
Auditors Statutory Auditors	M/s. Srikishen & Co. Firm Reg.No. 004009S Chartered Accountants Coimbatore
Internal Auditors	M/s. S. Krishnamoorthy & Co Firm Reg.No.001496S Chartered Accountants Coimbatore
Secretarial Auditors	M/s. MDS & Associates Company Secretaries Coimbatore
Cost Auditors	M/s. SBK & Associates Firm Reg.No. 000342 Cost Accountants Chennai
Bankers	1. Corporation Bank Industrial Finance Branch 1604 Trichy road Coimbatore - 641 018 2. Indian Bank 31, Variety Hall road Coimbatore 641 001
Registrars & Share Transfer Agents	M/s. S.K.D.C.Consultants Limited Kanapathy Towers, III Floor 1391/A-1, Sathy Road,Ganapathy Coimbatore - 641006.
Listing with Stock Exchanges	BSE Limited, Mumbai
Corporate Identification No	L31103TZ1990PLC002836

Registered Office

43, (Old No.62) Balasundaram Road
Coimbatore 641 018
Phone: 91 422 2240109
Fax : 91 422 2246209

Factory**A. FOUNDRY DIVISION**

SF No.34 and 35 (Part)
Coimbatore Pollachi Main road
Mullipadi village
Tamaraikulam Post
Pollachi Taluk
Coimbatore District 642 109
Phone: 91 4259 259316 ; Fax : 91 4259 259451

B. WIND ENERGY DIVISION

1. Wind mill 1 at Andhiyur Village, Pollachi Taluk
2. Wind mill 2 at Ganapathipalayam village, Pollachi Taluk
3. Wind mill 3 at Kolumamkondan, Pushpathur, Palani Taluk
4. Wind mill 4 at Thotathurai, Palani Taluk

Internet

e-mail : info@magnacast.com

Website : www.magnacast.com

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NOTICE TO MEMBERS:

NOTICE is hereby given that the 28th Annual General Meeting of the Members of Magna Electro Castings Limited will be held at 3.30.P.M. on Wednesday, 19th September, 2018, at 'ARDRA' Conference Centre, North Huzur Road, Coimbatore- 641018, to transact the following businesses.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Statement of Cash Flow and the Statement of Changes in Equity for the year ended on that date together with the Directors' Report and the Auditors' Report thereon.
2. To declare dividend for the year ended 31st March, 2018.
3. To appoint a Director in the place of Sri.J.Vijayakumar (DIN 00002530), who retires by rotation and being eligible, offers himself for reappointment.
4. To consider modification in the terms of appointment of M/s. Srikishen & Co., Chartered Accountants (Firm Registration No.004009S) as the Statutory Auditors of the Company.

RESOLVED THAT in partial modification of the Ordinary Resolution passed at the Annual General Meeting held on 15th September, 2016 and in accordance with the Section 139 (as amended) and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014 (including any statutory modifications or reenactments thereof for the time being in force), the approval of the Members be and is hereby accorded to continue the appointment of M/s. Srikishen & Co., Chartered Accountants (Firm Registration No.004009S), Chartered Accountants, Coimbatore as the Statutory Auditors of the Company on such remuneration as may be decided by the Board of Directors on the recommendation of the Audit Committee, to hold office till the conclusion of the 31st Annual General Meeting and that the said appointment shall not be subject to ratification at every subsequent Annual General Meeting.

SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014, in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 (including any statutory modification(s) or enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded for the proposed related party transactions between the Company and M/s.Samrajyaa and Company for purchase, sale or supply of goods or materials and availing of services for a period of 3 years with effect from 01.04.2018 upto the maximum value of transactions of ₹ 2500 Lakhs per annum, as briefly mentioned in the explanatory statements to this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised 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 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 read with Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. SBK & Associates (Firm Registration No: 000342), Cost Auditors, Chennai, who was appointed as Cost Auditor by the Board of Directors of the Company on the recommendation of the Audit Committee, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2019, on a remuneration of ₹ 1,00,000 (Rupees One lakh only) plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred by him for the purpose of audit be and are hereby ratified and confirmed.

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

7. To consider, and if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) the regulations contained in the new set of Articles as placed on the Company's website www.magnacast.com be and are hereby approved and adopted as the Articles of Association of the Company in place of, in substitution for, and to the entire exclusion of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding

EXPLANATORY STATEMENT IN TERMS OF SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 5

M/s. Samrajyaa and Company, is a Partnership Firm in which the Directors of the Company are interested, is engaged in the business of machining of components as a job worker and they are fully equipped with the latest machinery capabilities. M/s. Samrajyaa and Company is "Related Party" within the meaning of Section 2 (76) of the Companies Act, 2013. A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent (10%) of the annual turnover of the listed entity as per the last audited financial statements of the listed entity. Accordingly, the following proposed transactions with M/s. Samrajyaa and Company is to be as

Material Related Party Transactions as the transactions will exceed 10% of the annual turn over of the Company

Name of the Related Party	M/s. Samrajyaa and Company	
Name of the Director/KMP who is related, if any	Partners of M/s. Samrajyaa and Company are related to Sri.N.Krishna Samaraj, Managing Director and Sri.J.Vijayakumar, Director of the Company	
Nature, Material Terms, monetary value and particulars of the contract or arrangement	Particulars of transaction	Value of Transaction not exceeding per financial year (₹In Lakhs)
	Machining Charges Payable	2000
	Availing/ rendering of any services or Sale/ Purchase of Components/ materials	500
Tenure of the contract	3 Years (w.e.f 01.04.2018)	
Any other information relevant or important for the members to take decision on the proposed resolution	Nil	

In terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, all material related party transactions shall require approval of the Shareholders, notwithstanding such transactions have been done at arm's length basis and in the normal course of business. In the light of above Statutory requirement and based on the recommendation of the Audit Committee, your Directors place before the Members for the approval of the proposed transactions with the related party for three (3) financial years with effect from the financial year 2018-19.

The Board recommends the Ordinary Resolution as set out at Item No. 5 for the approval of the Shareholders. None of the Directors, Key Managerial Personnel or their relatives except Sri.N.Krishna Samaraj and Sri.J.Vijayakumar, Directors and their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM NO: 6

The Board of Directors of the Company based on the recommendations of the Audit Committee of the Company, appointed M/s. SBK & Associates, Cost Accountants, Chennai, to conduct the audit of the cost records of the Company for the financial year 2018-19 and fixed the remuneration of ₹ 1,00,000 (Rupees One Lakh only) along with the payment of applicable taxes and reimbursement of out-of-pocket expenses incurred by them during the course of the audit, payable to them.

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 of the Company shall be recommended by the Audit Committee and approved by the Board of Directors and has to be ratified by the Members at the Annual General Meeting of the Company. Accordingly, the consent of the Members is being sought for the ratification of the remuneration to be paid to the Cost Auditors of the Company for the financial year 2018-19.

The Board recommends the resolution set out in Item No. 6 of the Notice for the approval of the Members of the Company.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the resolution as set out under Item no. 6

ITEM NO: 7

The existing regulations of the Articles of Association of the Company were framed based on the provisions contained in the Companies Act, 1956. However, with the commencement of the Companies Act, 2013, most of the regulations contained in the existing Articles of Association of the Company are not in line with the provisions of the Companies Act, 2013.

Therefore, the Board of Directors of the Company at their meeting held on 30th May, 2018 has approved the proposal of replacement of the existing Regulations of the Articles of Association with a new set of Regulations which are in line with the provisions of the Companies Act, 2013.

Further, pursuant to Section 14 of the Companies Act, 2013, alteration of the Articles of Association of the Company requires the approval of the Members by a special resolution.

The Board recommends the Special Resolution as set out in Item No.7 of the Notice for approval of the Members.

A copy of the draft Articles of Association of the Company is available in the website of the Company and can be viewed by the Members through the web-link “www.magnacast.com”. Both the existing and the new set of Articles of Association of the Company are available for inspection at the registered office of the Company during business hours on any working day up to the date of the Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out in Item No.7 of the Notice.

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 on a poll instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.**

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.

2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members / Proxies should bring the attendance slips duly filled and signed for attending the meeting.
4. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by ICSI in respect of the Director seeking re-appointment at the Annual General Meeting is furnished and forms a part of the notice.
5. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members of the Company will remain closed during the period from 13th September, 2018 to 19th September, 2018 (both days inclusive) for determining the names of the members eligible for dividend on Equity Shares, if declared at the meeting.
6. Dividend when approved will be paid to such of the members whose names appear in the Register of Members of the Company as on 12th September, 2018. In respect of shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership as per the details furnished by the Depositories for this purpose at the end of business hours on 12th September, 2018.
7. The dividend proposed to be declared at the Annual General Meeting will be made payable on or before 18th October, 2018 to those members whose name appear on the Register of Members of the Company on 12th September, 2018
8. Members holding shares in physical form are requested to notify any change in their address/ mandate / bank details to the Company's Registrar and Share Transfer Agents. Members holding shares in electronic form are requested to notify any change in their address / mandate / bank details to their respective Depository Participant(s).
9. The Company has paid the annual listing fees for the period 2018-19 to the Stock Exchange, BSE Limited, Mumbai.

10. Those members who have not encashed dividend warrants of earlier years may return the time barred dividend warrants to the Company or its Registrars and Share transfer Agents for issue of fresh Demand drafts.
11. Members who wish to claim dividends, which remain unclaimed are requested to correspond with the Registrar and Share Transfer Agents of the Company. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 124 of the Companies Act, 2013 be transferred to the Investor Education and Protection Fund. The details of unpaid dividend can be viewed on the Company's website www.magnacast.com

As per the provisions of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company will be transferring unclaimed shares on which the beneficial owner has not encashed any dividend warrant continuously for seven years to the IEPF Account as identified by the IEPF Authority. Details of shares transferred during the year 2017-18 are available at the Company's website www.magnacast.com.

The shareholders, whose unclaimed shares or unpaid amount has been transferred to the IEPF Authority Account, may claim the same from the IEPF Authority by filing Form IEPF-5 along with requisite documents.

12. We invite all our members to visit our website at www.magnacast.com for a virtual tour of our factory and a review of our products and services.
13. Members are requested to bring along with their Annual Report their Client ID and DP ID Numbers for easy identification of attendance at the Annual General Meeting.
14. Shareholders holding shares in Demat form and who have not yet registered their e-mail address are requested to register their email address with their respective Depository Participant (DP) immediately. Shareholders holding shares in physical form are requested to register their email address with our Registrars & Share Transfer Agents, SKDC Consultants Ltd., Kanapathy Towers, 3rd Floor, 139/1A, Sathy Road, Ganapathy, Coimbatore-641 006; email id: green@skdc-consultants.com.
15. 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 account(s). Members holding shares in physical form can submit their PAN details to the Company or Registrar and Share Transfer Agent.
16. Members who are holding shares in identical order of names in more than one folio are requested to send to the RTA, the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the Members after making requisite changes thereon.
17. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

18. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his/her queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
19. Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares.
20. Members are advised to utilize the National Electronic Clearing System (NECS) for receiving dividends by filling the ECS Mandate Form as annexed at the end this Annual Report.
21. Members holding shares in electronic form may please note that as per the regulations of National Security Depository Services Limited(NSDL) and Central Depository Services (India) Limited (CDSL), the Company is obliged to print the details on the Dividend warrants as furnished by these Depositories to the Company and the Company cannot entertain any request for deletion / change of Bank details already printed on dividend warrants as per the information received from the concerned depositories. In this regard, Members should contact their respective Depository Participants (DPs) and furnish the particulars of any changes desired by them.
22. Members are requested to forward their share related queries and communications directly to the Registrars and Share Transfer Agents of the Company – SKDC Consultants Ltd., Kanapathy Towers, 3rdFloor,139/1A,SathyRoad,Ganapathy,Coimbatore-641006;email id:info@skdc-consultants.com or the Company Secretary of the Company; email id: investorscell@magnacast .com
23. Members are requested to note that the venue of the 28th Annual General Meeting at '**ARDRA**' **Conference Center, North Huzur Road, Coimbatore – 641018** and the route map containing the complete particulars of the venue is attached to this Notice
24. The Notice of the 28th Annual General Meeting and the Annual Report for the year ended 31st of March, 2018 will be made available on the Company's website www.magnacast.com for members to 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.

25. VOTING THROUGH ELECTRONIC MEANS

- I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44(1) of SEBI (LODR) Regulations, 2015, the Company is pleased to provide its Members the facility to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).
- II. The Facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote may exercise their voting through polling paper at the Annual General Meeting.

- III. The Members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again

The instructions for Members for voting electronically are as under:-

- (i) The voting period begins at 9.00 A.M. on 16th September, 2018 and ends at 5.00 P.M. on 18th September, 2018. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 12th September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The share holders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letter of their name and the digit of the sequence number in the PAN field.• In case the sequence number is less than 8 digit enter the applicable Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.

<p>Dividend Bank Details</p>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>
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- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN –Magna Electro Castings Limited -on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

- IV.** 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 , viz. 12th September, 2018.
- V.** Mr.B.Krishnamoorthi, Chartered Accountant in Practice, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VI.** The Scrutinizer shall immediately after the conclusion of the Annual General Meeting first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VII.** The Results shall be declared within 2 days of the conclusion of the Annual General Meeting. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website www.magnacast.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges where the Company's shares are listed.

Additional Information on Directors recommended for appointment/ re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by ICSI.

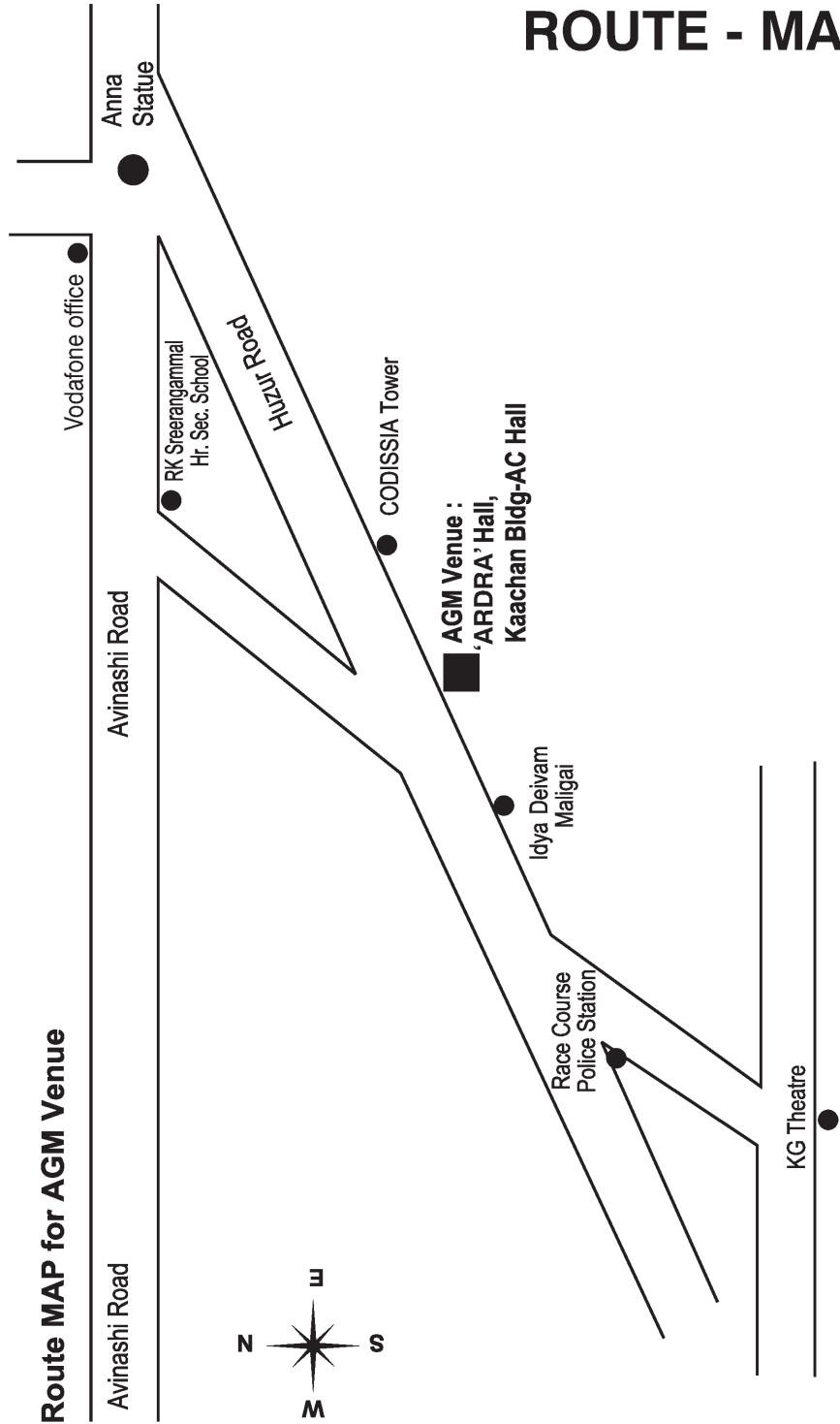
Name	Sri.J. Vijayakumar
DIN	00002530
Date of Birth/Age	09.12.1952 / 65 Years
Nationality	Indian
Year of induction to the Board	1990
Qualification	B.Com, MBA (USA)
Expertise in functional areas	General Administration and Finance
Shareholding	10,100 Equity Shares
Relationship	Not related to any of the other Directors of the Company
Terms of Appointment/ Re-appointment	Liable to retire by rotation.
Remuneration sought to be paid	Sitting fees only
Remuneration last drawn	₹ 1,15,000/-
No. of Board Meetings attended	3
List of Directorships held in other Companies	Veejay Terry Products Limited
Other Companies Committee Details	Veejay Terry Products Limited -Stakeholders Relationship Committee (Member)

By order of the Board
For **MAGNA ELECTRO CASTINGS LIMITED**

N. Krishna Samaraj
Managing Director
DIN: 00048547

Place : Coimbatore
Date : 30th May, 2018

ROUTE - MAP



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 28th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2018.

FINANCIAL RESULTS

The highlights of the performance of your Company during the fiscal are given hereunder; (₹In Lakhs)

For the Financial year ended	31.03.2018	31.03.2017
Total Revenue	9462.99	8376.08
Gross Profit before interest, depreciation, exceptional, extraordinary items and income tax	1273.18	1466.55
Interest	31.56	54.23
Depreciation	454.08	521.35
Profit before Exceptional & Extra- ordinary items	787.54	890.97
Exceptional Items(Income)	-	11.64
Profit before tax	787.54	902.61
Provision for Income tax	158.61	213.04
for Deferred tax	(57.25)	(42.14)
Profit for the period	686.18	731.71

TRANSITION TO INDIAN ACCOUNTING STANDARDS (IND AS)

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of Companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. For the Company, Ind AS is applicable from April 1, 2017, with a transition date of April 1, 2016.

The following are the areas which had an impact on account of transition to Ind AS:

- Revenue recognition
- Employee costs pertaining to defined benefit obligations
- Recognition of dividend liability and related taxes
- Deferred taxes
- Classification of Fixed Assets

The reconciliations and descriptions of the effect of the transition from IGAAP to Ind AS have been provided in the notes to accounts in the financial statements.

FINANCIAL HIGHLIGHTS

The financial summary /highlights for the last five years is furnished vide Annexure A to this Report.

MAGNA

OPERATIONS

The total revenue of the Company has increased by about 13% from ₹ 8376.08 Lakhs to ₹ 9462.99 Lakhs. The local market was vibrant and the market pick up steadily increased. The Export market was however subdued and the demand in the overseas market was lacklustre.

In spite of an increase in turnover, the margins were under severe pressure throughout the year because of sharp increase in the prices of all raw materials. This has resulted in a sharp decline in the Profit before Tax at ₹ 787.54 Lakhs as against ₹ 902.61 Lakhs and a Net Profit (after Tax) of ₹ 686.18 Lakhs as against ₹ 731.71 Lakhs in the previous year.

The Wind Energy Division generated a revenue of ₹ 507.89 Lakhs as against ₹ 559.51 Lakhs, that is a decrease in 9%. This was mainly because of fact that one of the Wind Energy Generators was not in operation for about a month during the peak wind season due to maintenance work which had to be carried out. Hence the reason for short fall in Wind Generation. Apart from this, the wind velocity as well as evacuation by TANGEDCO was normal.

There has been no change in the nature of business of the Company.

OUTLOOK FOR CURRENT YEAR

We expect the market both domestic and the export market to grow during this financial year. We are hopeful of a good growth consequent upon the various initiatives taken by the Government. The role of the Indian Foundry industry is expected to be vital since the engineering and other sectors use metal castings in manufacture. The business sentiments have improved substantially during the last 3 months and if such growth momentum sustains, we should be in a position to post a decent growth rate in the current financial year.

NEW PROJECTS IMPLEMENTED DURING THE YEAR

The Core shop was upgraded during the year utilizing Industry 4.0 Techniques and enabled process. This will enable the Company to produce quality cores and effectively deploy the existing Personnel of the Core Shop in other areas.

FUTURE EXPANSION PLANS

We are positive on the growth momentum during the current financial year. Consequent upon this we are evaluating the proposals for increasing the scope of the moulding line in order to augment the moulding capacity. This project however will be taken up depending on the capacity utilization and the market trends during the financial year.

QUALITY RECOGNITIONS

The Company received during the year the re-certification from the Performance Review Institute, USA, as an Accredited Manufacturer of Ductile and Gray Iron Castings which is mandatory for supply of castings for applications in locomotives, railway engines etc in the USA. The Company also received re-certification for ISO/TS 16949:2009 standards, Pressure Equipment Directive standards and Marine Certificate under DNV GL Rules for Classification- Ships. Further the Company is in the process of obtaining new Certifications of ISO 9001:2015 & IATF 16949:2016.

FINANCE

The Company has repaid during the financial year all the Long Term Loans and as at the Balance Sheet date there is no Term Loan outstanding. We are pleased to inform the Members that the Company is debt free as at the reporting date.

TRANSFER TO RESERVES

The Company has transferred ₹ 200 Lakhs to General Reserves during the year and an amount of ₹ 2605.90 lakhs is retained in the Statement of Profit & Loss.

DIVIDEND

Your Directors are pleased to recommend, subject to the approval of the shareholders, a dividend at the rate of ₹ 2.00 per share, i.e. at the rate of 20% for the year on the paid-up equity share capital of the Company, the same as in the immediate preceding year. The dividend, if approved, will absorb an amount of ₹ 110.48 Lakhs, inclusive of Corporate tax on Distribution of dividends.

SHARE CAPITAL

The paid-up capital of the Company as at 31.03.2018 stood at ₹ 4,58,22,000/- divided into 45,82,200 equity shares of ₹ 10/- each. During the year under review, the Company has not made any fresh issue of shares.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 124 & 125 of the Companies Act, 2013, any unclaimed or unpaid Dividend relating to the Financial Year 2010-11 is due for remittance on 23rd September, 2018 to the Investor Education and Protection Fund established by the Central Government.

Further, pursuant to Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, 8624 equity shares of ₹ 10/- each on which dividend had remained unclaimed for a period of 7 years have been transferred to the credit of demat Account identified by the IEPF Authority during the year under review.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is furnished in Annexure B and is attached to this report.

BOARD MEETINGS CONDUCTED DURING THE PERIOD UNDER REVIEW

The details of meetings of Board of Directors and Committees thereof and the attendance of the Directors in such meetings have been enumerated in the Corporate Governance Report.

STATEMENT ON COMPLIANCE WITH SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement of Section 134(3)(c) of the Companies Act 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that -

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departure from those standards;
- b) The Directors have 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 and of the profit of the Company for that period;
- c) The Directors have taken proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a going concern basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) The Directors had devised proper system to ensure compliance with the provisions of all the applicable laws and such systems were adequate and operating effectively;

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There were no instances of frauds identified or reported by the Statutory Auditors during the course of their audit pursuant to Section 143(12) of the Companies Act, 2013.

DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND OTHER MATTERS PROVIDED UNDER SECTION 178(3) OF THE COMPANIES ACT, 2013

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for fixing and revising remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and employees of the Company. The Salient features of Remuneration policy of the Company is annexed herewith as Annexure C and the detailed Remuneration Policy can be accessed on the Company's website at the link <http://www.magnacast.com/financial/229.pdf>.

COMMENTS ON AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Srikishen & Co, Statutory Auditor and Mr.M.D.Selvaraj, proprietor of MDS & Associates, Secretarial Auditor in their respective reports.

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

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provisions are not applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the financial year 2017-18 were in the ordinary course of business and on an arm's length basis. Since there are no transactions which are not on arm's length basis and material in nature, Form AOC-2 is not being annexed.

The Policy on Related Party Transactions as approved by the Board of Directors of the Company has been uploaded on the Company's website and may be accessed through the link at <http://www.magnacast.com/financial/224.pdf>.

The Company's transaction with one of the related parties, M/s. Samrajyaa & Company during the financial year 2018-19 is likely to exceed the 10% of aggregate turnover of the Company as set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 of the Companies Act, 2013 and rules made thereunder, in view of the increased demand for Machined Castings from Customers. Necessary resolution is included in the Notice of AGM for the approval of Members to enter into transactions exceeding the limit set out in the SEBI(LODR) Regulations, 2015 and the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial year ended 31st March, 2018 relate and the date of the report.

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

The information pertaining to conservation of energy, technology absorption, 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 furnished in Annexure D and is attached to this report.

RISK MANAGEMENT

The Company continues to focus on the Risks areas identified by the Company. These can be classified under (a) Economic risks (b) Marketing risks and (c) Financial risks. The Company continues to focus attention on the risk areas identified and in case of any adverse situation, suitable mitigation steps are taken. The Company also established risk management plan and assessment and the same has been reviewed by the Audit Committee and the Board on periodical basis.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Board had formed a Corporate Social Responsibility Committee comprising of Sri.C.R.Swaminathan, Dr.R.Nandini and Sri.N.Krishna Samaraj. The CSR policy of the Company deals with allocation of funds, activities, identification of programs, approval, implementation, monitoring and reporting mechanisms under the policy.

As part of the initiatives under CSR for the year 2017-18, the Company has undertaken projects in the areas of Healthcare, Environment, Education and Women Welfare etc,. These projects are by and large in accordance with Schedule VII of the Companies Act, 2013.

The details of CSR activities for the year are furnished separately vide Annexure E to this Report. The policy relating to CSR has been displayed on the Company's website and can be accessed at <http://www.magnacast.com/financial/223.pdf>.

ANNUAL EVALUATION OF THE BOARD ON ITS OWN PERFORMANCE AND OF THE INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors evaluated the annual performance of the members of the Board and its Committees vis a vis the nature of business of the Company, its performance during the year and the contribution of each of the Directors based on the criteria laid down by the Nomination and Remuneration Committee.

The Independent Directors held a meeting during the year and inter-alia, reviewed the performance of the Non-Independent Directors and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company and the Board.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Sri.J.Vijayakumar, Director, retires by rotation at the Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

Key Managerial Personnel of the Company as required pursuant to Section 2 (51) and 203 of the Companies Act, 2013 are Sri. N. Krishna Samaraj- Managing Director, Sri. R. Ravi- Chief Financial Officer and Smt. Sangeetha. C- Company Secretary.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiaries, Joint ventures or Associate Companies.

FIXED DEPOSITS

During the year, the Company did not accept or renew any fixed deposits and no fixed deposits remained unclaimed with the Company as on 31st March, 2018

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operation in future.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has an adequate Internal Control System, commensurate with the size, scale and complexity of its operations. The Audit Committee of the Board periodically reviews the Internal Financial Control Systems and their adequacy and recommends corrective action as and when necessary to ensure that an effective internal control mechanism is in place.

The directors confirm that the Internal Financial Control (IFC) are adequate with respect to the operations of the Company. A report of Auditors pursuant to Section 143(3)(i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Control is annexed with the Auditors Report.

AUDITORS

STATUTORY AUDITORS

M/s. Srikishen & Co, Chartered Accountants, (FRN 004009S) Coimbatore were appointed as the Statutory Auditors of the company for a period of five years at the 26th Annual General Meeting of the company held on 15th September, 2016. Pursuant to the amendment of Section 139 of the Companies Act, 2013, the Company is no longer required to seek the ratification of the appointment of the Auditor at every Annual General Meeting.

The Company has received a certificate from the Statutory Auditors to the effect that their continued appointment as the Statutory Auditors of the Company, would be within the limits prescribed under section 139 of the Companies Act, 2013. Members are requested to grant their approval for the continuation of the appointment of the Auditors for a period up to the conclusion of the 31st Annual General Meeting of the Company which ought to be held during the year 2021 without ratification at every Annual General Meeting.

SECRETARIAL AUDITORS

The Board has appointed Sri.M.D.Selvaraj of M/s. MDS & Associates, Company Secretaries in Practice, Coimbatore as the Secretarial Auditors of the Company for the year 2018-19 to carry out the Secretarial Audit, pursuant to the provisions of Section 204 of the Companies Act, 2013.

The report of the Auditors for the financial year 2017-18 is annexed as Annexure F to this Report.

COST AUDITORS

The Board of Directors on the recommendation of the Audit Committee, have appointed M/s.SBK & Associates, Cost Accountants as the Cost Auditors of the Company for the financial year 2018-19. Pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Accounts) Rules, 2014, the remuneration payable for the year 2018-19 to the Cost Auditors of the Company is subject to ratification by the Shareholders at the ensuing Annual General Meeting. The Board recommends their remuneration.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company has been continuously focusing its attention on nurturing the talent of its employees by recognizing their performance and creating enough opportunities for their growth in the Company. This has ensured to retain talent within the organization.

The relationship between the management and the employees at all levels during the year under review has been cordial and productive.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a policy on Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There were no complaints received from any employee or third parties during the Financial Year 2017-18.

PARTICULARS OF EMPLOYEES

Statement pursuant to Section 134 of the Companies Act, 2013, read with the Companies (Particulars of Employees) Rules, 1975 and Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to Annexure G attached to this report.

CORPORATE GOVERNANCE

A report on Corporate Governance is annexed and forms part of this report. The Company has complied with the conditions relating to Corporate Governance as stipulated in Regulation 27 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.

AUDIT COMMITTEE

The Audit Committee of the Board of Directors has been duly constituted in accordance with the provisions of Section 177 of the Companies Act, 2013. Details relating to the composition, meetings and functions of the Committee are set out in the Corporate Governance Report forming part of this Annual Report. The Board has accepted the Audit Committee recommendations during the year whenever required and hence no disclosure is required under Section 177(8) of the Companies Act, 2013 with respect to rejection of any recommendations of Audit Committee by the Board.

CEO/CFO CERTIFICATION

As required under Regulation 33 (2) (a) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director and the Chief Financial Officer of the Company have furnished necessary certificate to the Board on the Financial Statements presented.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

The Company has provided for adequate safeguards to deal with instances of fraud and mismanagement and to report concerns about unethical behavior or any violation of the Company's Code of Conduct. During the year under review, there were no complaints received under this mechanism. The policy can be accessed on the Company's website at <http://www.magnacast.com/financial/227.pdf>

ACKNOWLEDGEMENT

Your Directors thank the shareholders, customers and suppliers for their continued support during the year. The Directors wish to place on record their appreciation of the support and co-operation extended by the Company's Bankers M/s. Corporation Bank and M/s. Indian Bank, the various Government Agencies and in particular the Tamil Nadu Electricity Board and the employees of the Company at all levels.

We pray for the grace of the Almighty for further growth of the Company.

By Order of the Board
For **MAGNA ELECTRO CASTINGS LIMITED**

Place: Coimbatore
Date : 30th May, 2018

C.R.Swaminathan
Director
DIN: 00002169

N. Krishna Samaraj
Managing Director
DIN: 00048547

FINANCIAL HIGHLIGHTS

(₹In Lakhs)

5 Year Highlights					
Financial year ended 31st March	2014	2015	2016	2017	2018
Operating Results					
Sales and Other Income	7605.18	10188.98	9433.61	8376.06	9462.99
Operating Profit	1524.62	1522.89	1544.12	1501.11	1291.08
Interest	258.01	231.79	156.03	54.23	31.56
Gross Profit	1266.61	1291.10	1388.09	1446.87	1259.53
Depreciation	695.55	441.58	462.57	521.35	454.08
Taxation	108.89	294.12	244.97	170.90	101.36
CSR Expenditure	-	12.55	15.80	22.91	17.90
Net Profit	462.18	542.84	664.75	731.71	686.18
Dividend (including dividend tax)	85.76	101.16	110.30	110.30	110.48
Retained Profit	365.69	441.68	554.45	621.41	575.70
Performance Parameters					
Net Fixed Assets	4071.58	4093.80	4249.31	3663.64	3495.90
Share Capital	458.22	458.22	458.22	458.22	458.22
Reserves	3190.18	3633.76	4188.21	5039.98	5605.90
Net Worth	3648.40	4090.08	4646.43	5498.20	6064.12
Return on Net Worth %	12.66	13.27	14.31	13.31	11.32
Borrowings	875.04	571.52	459.48	145.93	-
Debt Equity Ratio	0.24	0.14	0.10	0.03	-
Dividend (%)	16	18	20	20	20
Earnings per share (Rs.)	10.09	11.85	14.51	15.97	14.98

Note:

The financials for the year 2017 & 2018 are not comparable with earlier years due to changes in methodology on adoption of Indian Accounting Standards (Ind AS).

ANNEXURE B**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31.03.2018**

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

I. REGISTRATION & OTHER DETAILS

i)	CIN	L31103TZ1990PLC002836
ii)	Registration Date	22/08/1990
iii)	Name of the Company	MAGNA ELECTRO CASTINGS LIMITED
iv)	Category / Sub-Category of the Company	Public Limited Company having share capital / Non-Government Company
v)	Address of the Registered office and contact details	Old No 62 New No.43 Balasundaram Road Coimbatore -641018 Phone: 0422-2240109 Fax: 0422-2246207 E-mail: info@magnacast.com Website: www. magnacast.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	SKDC Consultants Ltd. Kanapathy Towers, 3 rd Floor, 1391/A1, Sathy Road,Ganapathy, Coimbatore-641006 Phone No: 0422-6549995, 2539835, 2539836 Fax: 0422-2539837 E-Mail: info@skdc-consultants.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:

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
	Iron castings including Grey Iron, SG iron and other iron alloy castings-machined and un	24319	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**[No. of Companies for which information is being filled]**

S. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
The Company does not have Holding, Subsidiary and Associate Companies					

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1943155	-	1943155	42.41	1943155	-	1943155	42.41	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub- Total (A)(1)	1943155	-	1943155	42.41	1943155	-	1943155	42.41	-
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Others- Individual	-	-	-	-	-	-	-	-	-
c) Bodies corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
Sub - Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A = (A)(1) + (A)(2))	1943155	-	1943155	42.41	1943155	-	1943155	42.41	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	600	600	0.01	-	-	-	-	(0.01)
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Foreign Portfolio Investments Corporates	32057	-	32057	0.70	65057	-	65057	1.42	0.72
Sub-total (B)(1):-	32057	600	32657	0.71	65057	-	65057	1.42	0.71

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	277915	2800	280715	6.13	291514	2300	293814	6.41	0.28
ii) Overseas	-	156000	156000	3.40	-	156000	156000	3.40	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1098738	343326	1442064	31.47	1116743	267226	1383969	30.20	1.26
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	284101	-	284101	6.20	242039	-	242039	5.28	0.92
c) Others (specify)									
Directors & their Relatives	46005	5000	51005	1.11	46005	5000	51005	1.11	-
Non Resident Indians	48357	234600	282957	6.17	36715	234600	271315	5.92	0.25
Clearing Members	24715	-	24715	0.54	32026	-	32026	0.70	0.16
Hindu Undivided Families	84831	-	84831	1.85	83579	-	83579	1.82	(0.03)
Investor Education & Protection Fund Authority	-	-	-	-	60241	-	60241	1.32	1.32
Sub-total (B)(2):-	1864662	741726	2606388	56.88	1908862	665126	2573988	56.17	0.71
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1896719	742326	2639045	57.59	1973919	665126	2639045	57.59	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3839874	742326	4582200	100.00	3917074	665126	4582200	100.00	-

ii) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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.	N.Krishna Samaraj	751767	16.41	-	751767	16.41	-	-
2.	N.Muthulakshmi	160491	3.50	-	613491	13.39	-	9.89
3.	Ranganayaki N	188000	4.10	-	188000	4.10	-	-
4.	Mahitha Vijayakumar	22600	0.49	-	22600	0.49	-	-
5.	Janardhana Naidu Vijayakumar	10100	0.22	-	10100	0.22	-	-
6.	Vijayakumar VenkatKumar	45000	0.98	-	45000	0.98	-	-
7.	Nivedita Lakshmi Narayanaswamy	210000	4.58	-	210000	4.58	-	-
8.	Ajeya Vel Narayanaswamy	453000	9.89	-	-	-	-	(9.89)
9.	Aditya Vijayakumar	55255	1.21	-	55255	1.21	-	-
10.	N. Krishna Samaraj	46942	1.02	-	46942	1.02	-	-
	TOTAL	1943155	42.41	-	1943155	42.41	-	-

iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	N Muthulakshmi				
	At the beginning of the year	160491	3.50	160491	3.50
	Transfer of Shares on 26.12.2017	453000	9.89	613491	13.39
	At the end of the year	613491	13.39	613491	13.39
2	Ajeya Vel Narayanaswamy				
	At the beginning of the year	453000	9.89	453000	9.89
	Transfer of Shares on 26.12.2017	(453000)	(9.89)	-	-
	At the end of the year	-	-	-	-

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

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	NIVIAM CORPORATION At the beginning of the year Increase/Decrease in Shareholding At the end of the year	156000 - 156000	3.4 - 3.4	156000 - 156000	3.4 - 3.4
2	ELGI EQUIPMENT'S LIMITED At the beginning of the year Increase/Decrease in Shareholding At the end of the year	80000 - 80000	1.75 - 1.75	80000 - 80000	1.75 - 1.75
3	PASSAGE TO INDIA MASTER FUND LIMITED At the beginning of the year Transfer of Shares on 01.09.2017 Transfer of Shares on 08.09.2017 Transfer of Shares on 30.09.2017 Transfer of Shares on 03.11.2017 At the end of the year	32057 1534 20466 5000 6000 65057	0.70 0.03 0.45 0.11 0.13 1.42	32057 33591 54057 65057 65057	0.70 0.73 1.18 1.42 1.42
4	INVESTOR EDUCATION AND PROTECTION FUND** At the beginning of the year Transfer of Shares on 01.12.2017 Transfer of Shares on 08.12.2017 At the end of the year	- 59241 1000 60241	- 1.30 0.02 1.32	- 59341 60241 60241	- 1.30 1.32 1.32
5	V. SHANTHI At the beginning of the year Transfer of Shares on 28.04.2017 Transfer of Shares on 14.07.2017 Transfer of Shares on 21.07.2017 Transfer of Shares on 10.11.2017 Transfer of Shares on 17.11.2017 Transfer of Shares on 01.12.2017 At the end of the year	64400 (1770) (1000) (1874) (262) (340) (697) 58448	1.40 (0.03) (0.02) (0.04) (0.00) (0.01) (0.02) 1.28	64400 62630 61630 59756 59485 59145 58448 58448	1.40 1.37 1.35 1.31 1.31 1.30 1.28 1.28
6	G V NAGABRAHMA At the beginning of the year Increase/Decrease in Shareholding At the end of the year	43029 - 43029	0.94 - 0.94	43029 - 43029	0.94 - 0.94
7	M/S. L.G.B. PUBLIC WELFARE SOCIETY At the beginning of the year Increase/Decrease in Shareholding At the end of the year	40265 - 40265	0.88 - 0.88	40265 - 40265	0.88 - 0.88

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
8	RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED **				
	At the beginning of the year	23693	0.52	23693	0.52
	Transfer of Shares on 21.04.2017	3000	0.06	26693	0.58
	Transfer of Shares on 26.05.2017	3223	0.07	29916	0.65
	Transfer of Shares on 16.06.2017	2595	0.06	32511	0.71
	Transfer of Shares on 23.06.2017	6877	0.15	39388	0.86
	Transfer of Shares on 30.06.2017	45	0.00	39433	0.86
	Transfer of Shares on 07.07.2017	17832	0.39	57265	1.25
	Transfer of Shares on 14.07.2017	9123	0.20	66388	1.45
	Transfer of Shares on 21.07.2017	13676	0.30	80064	1.75
	Transfer of Shares on 28.07.2017	9694	0.21	89758	1.96
	Transfer of Shares on 25.08.2017	145	0.00	89903	1.96
	Transfer of Shares on 30.09.2017	(19452)	(0.42)	70451	1.54
	Transfer of Shares on 06.10.2017	(426)	(0.01)	70025	1.53
	Transfer of Shares on 08.12.2017	(13343)	(0.29)	56682	1.24
	Transfer of Shares on 22.12.2017	(6416)	(0.14)	50266	1.10
	Transfer of Shares on 29.12.2017	(534)	(0.01)	49732	1.09
	Transfer of Shares on 05.01.2018	(1281)	(0.03)	48451	1.06
	Transfer of Shares on 12.01.2018	(1362)	(0.03)	47089	1.03
	Transfer of Shares on 19.01.2018	32463	0.71	79552	1.74
	Transfer of Shares on 19.01.2018	(41326)	(0.90)	38226	0.83
	Transfer of Shares on 26.01.2018	(424)	(0.01)	37802	0.82
	Transfer of Shares on 02.02.2018	(4746)	(0.10)	33056	0.72
	Transfer of Shares on 09.02.2018	(36)	(0.00)	33020	0.72
	At the end of the year	33020	0.72	33020	0.72
9	JEETAY INVESTMENTS PVT LTD				
	At the beginning of the year	31938	0.70	31938	0.70
	Increase/Decrease in Shareholding	-	-	-	-
	At the end of the year	31938	0.70	31938	0.70
10	KANNAN P. CHOCK				
	At the beginning of the year	31800	0.69	31800	0.69
	Increase/Decrease in Shareholding	-	-	-	-
	At the end of the year	31800	0.69	31800	0.69
11	SUBBIAH, SITHAMBARAM				
	At the beginning of the year	31200	0.68	31200	0.68
	Increase/Decrease in Shareholding	-	-	-	-
	At the end of the year	31200	0.68	31200	0.68
12	N. RANGASWAMI				
	At the beginning of the year	31200	0.68	31200	0.68
	Increase/Decrease in Shareholding	-	-	-	-
	At the end of the year	31200	0.68	31200	0.68
13	ANNAMALAI PERIAKARUPPAN				
	At the beginning of the year	31200	0.68	31200	0.68
	Increase/Decrease in Shareholding	-	-	-	-
	At the end of the year	31200	0.68	31200	0.68
14	ODAIYAPPA SAMBANDAM				
	At the beginning of the year	31200	0.68	31200	0.68
	Increase/Decrease in Shareholding	-	-	-	-
	At the end of the year	31200	0.68	31200	0.68

MAGNA ELECTRO CASTINGS LIMITED

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
15	PRIYANKA P DOCTO R##				
	At the beginning of the year	42459	0.93	42459	0.93
	Transfer of Shares on 12.05.2017	(1000)	(0.02)	41459	0.91
	Transfer of Shares on 16.06.2017	(2000)	(0.05)	39459	0.86
	Transfer of Shares on 30.06.2017	(240)	(0.00)	39219	0.86
	Transfer of Shares on 07.07.2017	(5000)	(0.11)	34219	0.75
	Transfer of Shares on 14.07.2017	(450)	(0.01)	33769	0.74
	Transfer of Shares on 21.07.2017	(3635)	(0.08)	30134	0.66
	Transfer of Shares on 28.07.2017	(2790)	(0.06)	27344	0.60
	Transfer of Shares on 04.08.2017	(2000)	(0.05)	25344	0.55
	Transfer of Shares on 08.09.2017	(10000)	(0.22)	15344	0.33
	Transfer of Shares on 15.09.2017	(950)	(0.02)	14394	0.31
	Transfer of Shares on 30.09.2017	(1272)	(0.03)	13122	0.28
	Transfer of Shares on 06.10.2017	(1500)	(0.03)	11622	0.25
	Transfer of Shares on 13.10.2017	(3622)	(0.08)	8000	0.17
	Transfer of Shares on 20.10.2017	(1101)	(0.02)	6899	0.15
	Transfer of Shares on 27.10.2017	(6899)	0.15	0	0.00
	At the end of the year	-	-	-	-

** Not in the list of Top 10 shareholders as on 31.03.2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2018.

Ceased to be in the list of Top 10 shareholders as on 31.03.2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2017.

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	N. KRISHNA SAMARAJ				
	At the beginning of the year	751767	16.41	751767	16.41
	Increase/Decrease in Shareholding	-	-	-	-
	At the end of the year	751767	16.41	751767	16.41
2	J. VIJAYAKUMAR				
	At the beginning of the year	10100	0.22	10100	0.22
	Increase/Decrease in Shareholding	-	-	-	-
	At the end of the year	10100	0.22	10100	0.22
3	N. KRISHNA SAMARAJ				
	At beginning of the year	46942	1.02	46942	1.02
	Increase/Decrease in Shareholding	-	-	-	-
	At the end of the year	46942	1.02	46942	1.02
4	NANDINI RANGASWAMY				
	At beginning of the year	-	-	-	-
	Increase/Decrease in Shareholding	-	-	-	-
	At the end of the year	-	-	-	-

S. No.	Name of Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
5	CHERUKOORI RAMASWAMY NAIDU SWAMINATHAN				
	At beginning of the year	-	-	-	-
	Increase/Decrease in Shareholding	-	-	-	-
6	JAIRAM VARADARAJ				
	At beginning of the year	-	-	-	-
	Increase/Decrease in Shareholding	-	-	-	-
7	KARUPPUSWAMY GNANASEKARAN				
	At beginning of the year	-	-	-	-
	Increase/Decrease in Shareholding	-	-	-	-
8	RAVI RAJAGOPALAN (CFO)				
	At beginning of the year	-	-	-	-
	Increase/Decrease in Shareholding	-	-	-	-
9	SANGEETHA CHINNASAMY (CS)				
	At beginning of the year	-	-	-	-
	Increase/Decrease in Shareholding	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS -

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,87,08,472	--	--	4,87,08,472
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	1,53,196	--	--	1,53,196
Total (i+ ii+ iii)	4,88,61,668	--	--	4,88,61,668
Change in Indebtedness during the financial year				
* Addition	--	--	--	--
* Reduction	(1,42,39,114)	--	-	(1,42,39,114)

MAGNA ELECTRO CASTINGS LIMITED

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Net Change Indebtedness at the end of the financial year				
I) Principal Amount	*3,46,22,554	--	--	3,46,22,554
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	3,46,22,554			3,46,22,554

*Export Bills discounted with Banks. The Company has no long term debt as on 31.03.2018.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managerial Director, Whole - Time Directors and/ or Manager :

(Amount in ₹)

S. No.	Particulars of Remuneration	Sri. N. Krishna Samaraj	Total
		Managing Director	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	67,20,000	67,20,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	19,200	19,200
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission - as % of profit - others, specify...	--	--
5	Others, please specify-Sitting Fees	1,00,000	1,00,000
	Total (A)	68,39,200	68,39,200
	Ceiling as per the Act	As per the limit specified in Sec.197 of the Act.	

B. Remuneration to Other Directors

(Amount in ₹)

S. No	Particulars of Remuneration	Name of Directors					Amount Total
		C.R.Swaminathan	R.Nandini	J.Vijayakumar	Jairam Varadaraj	K.Gnanasekaran	
1	Independent Directors						
	Fee for attending board committee meetings	75,000	50,000	--	60,000	75,000	2,60,000
	Commission	--	--	--	--	--	--
	Others, please specify	--	--	--	--	--	--
	Total B (1)	75,000	50,000	--	60,000	75,000	2,60,000

S. No	Particulars of Remuneration	Name of Directors					Amount Total
		C.R.Swaminathan	R.Nandini	J.Vijayakumar	Jairam Varadaraj	K.Gnanasekaran	
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	--	--	1,15,000	--	--	1,15,000
	Commission	--	--	--	--	--	--
	Others, please specify	--	--	--	--	--	--
	Total B(2)	--	--	1,15,000	--	--	1,15,000
	Total (B)=(1+2)	75,000	50,000	1,15,000	60,000	75,000	3,75,000
	Total Managerial Remuneration (A+B1+B2)						72,14,200
	Overall Ceiling as per the Act	Not Exceeding ₹ 1 Lakh per Meeting					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in ₹)

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Sri. R. Ravi Chief Financial officer	Smt.Sangeetha C Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	37,13,888	5,39,775	42,53,663
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission	--	--	--
	- as % of profit	--	--	--
	Others specify...	--	--	--
5	Others, please specify	--	--	--
	Total	37,13,888	5,39,775	42,53,663

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	--	--	--	--	--

MAGNA ELECTRO CASTINGS LIMITED

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

By Order of the Board
For MAGNA ELECTRO CASTINGS LIMITED

Coimbatore
30th May, 2018

C.R.Swaminathan
Director
DIN: 00002169

N.Krishn a Samaraj
Managing Director
DIN: 00048547

SALIENT FEATURES OF REMUNERATION POLICY:

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board of Directors of the Company has formulated the policy on the nomination and remuneration of Directors, Key Managerial Persons and Senior Management personnel.

The salient features of the policy are:

1. Determination of persons who are qualified to be appointed as Directors and persons who can be appointed as Senior Management and Key Managerial positions and the remuneration payable to such persons.
2. Guide the Board in relation to the appointment of Directors, Key Managerial Persons and the trends and practices prevailing in the industry.
3. Evaluation of the performance of the Directors and Key Managerial and Senior Management Persons.
4. Duties and responsibilities of the Committee.
5. Reporting to the Board on matters relating to the nomination and remuneration of Directors, Key Managerial and Senior Management Persons.

ANNEXURE D

PARTICULARS PURSUANT TO SEC. 134 (3)(m) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014:**A. Conservation of Energy:****(i) Steps Taken for conservation of Energy:**

The Company, being a power intensive one, constantly focuses its attention on conserving energy wherever possible. During the year under review, Variable Frequency Drive was fitted into the Eirich mixer in order to reduce power consumption.

The details of electricity consumed per metric ton of good castings produced over a five year period are given below:

YEAR	2014	2015	2016	2017	2018
Number of Units per Ton of good castings	1735	1667	1674	1724	1680

Power Consumption	2017-18		2016-17	
	No of Units	Percentage	No of units	Percentage
Total Electricity	1,09,36,712	100%	97,19,341	100%
Own Generation – Windmill	75,92,203	69.42%	80,37,573	82.70%
Purchased from TNEB	20,53,525	18.78%	16,81,768	17.30%
Third Party Purchase	12,90,984	11.80%	NIL	NIL

(ii) Steps Taken by the Company for utilizing alternate sources of energy:

The Company has installed four Wind Energy Generators with a total capacity of 4MW as part of the Green initiative and generation of Clean Energy.

(iii) Capital Investment on energy conservation equipment: Nil**B. Technology absorption & Research & Development****1) Efforts made towards technology absorption, adaptation and innovation:**

The Company has developed two new grades of ductile iron castings viz., Nickel Resist Ductile Iron Castings and Vermicular Graphite Cast Iron Castings.

The Nickel Resist Castings provide a base for improved heat, corrosion and wear resistance at such elevated temperatures. Nickel Resist Castings find numerous applications in different fields.

Compacted or Vermicular graphite Cast Iron is the option for castings with property requirements in between grey and ductile cast iron. This grade is suitable for applications like turbine housings, manifold-modules & other cast turbo charger parts, which require high dimensional stability, ductility, oxidation resistance and heat resistance.

2) Information of Imported Technology (imported during the last 5 years from the beginning of the Financial Year) :

a) Technology Imported	None
b) Year of Import	N.A.
c) Technology absorption	N.A.

3) Expenditure incurred on Research & Development:

		(₹ in Lakhs)
Expenditure on R&D	2017-18	2016-17
Capital	-	4.84
Revenue	11.63	15.39
Total	11.63	20.23
R&D Expenditure as a percentage of Turnover	0.12	0.24

C. Foreign Exchange earnings & outgo:

The Export market during the year under review was subdued due to weak US and European markets. There is still no sign of recovery in the markets where the Company is supplying its products. The Company is continuously focusing its attention on new customers and new products from its existing customers.

The details of foreign exchange earnings and outgo are furnished below :

Particulars	2017-18	2016-17
Foreign Exchange Earnings	4374.28	4206.02
Foreign Exchange Outgo	353.77	274.55

By Order of the Board
For **MAGNA ELECTRO CASTINGS LIMITED**

Place : Coimbatore
Date : 30th May, 2018

C.R.Swaminathan
Director
DIN: 00002169

N. Krishna Samaraj
Managing Director
DIN: 00048547

ANNEXURE E**Annual Report on Corporate Social Responsibility (CSR) Activities**

- 1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company has identified the areas wherein the CSR activities are proposed to be undertaken by the Company.

Some of the major thrust areas are:

1. Healthcare and medical facilities
2. Promoting education and undertaking activities for improvement of schools, especially Government primary schools.
3. Provide funds for various Annadhana schemes for eradicating hunger and poverty.
4. Ensuring environmental sustainability and ecological balance

The policy relating to CSR has been displayed on the Company's website and can be accessed at <http://www.magnacast.com/financial/223.pdf>.

2. Composition of CSR Committee

The CSR Committee of the Board of Directors has been constituted with the following Directors as its members:

-
- Sri.C.R.Swaminathan - Chairman
- Dr.R.Nandini - Member
- Sri.N.Krishna Samaraj - Member

3. Average Net Profit of the Company for last three Financial Years:

Average net profit: ₹ 892.73 lakhs.

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above):

The Company was required to spend ₹ 17.85 lakhs towards CSR during the year.

5. Details of CSR spent during the Financial Year 2017-18:

- a) Total amount spent for the financial year.
₹ 17.90 lakhs
- b) Amount unspent, if any;
₹ Nil

c) **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	Project or programs (1) Local area or other (2) Specify the State district and where projects or Programs were undertaken	Amount outlay (budget) project or programs wise (₹ in Actuals)	Amount spent on the project or programs Sub-heads: (1) Direct expenditure on projects or programs (2)Over-heads: (₹ in Actuals)	Cumulative Expenditures up to the reporting period (₹ in Actuals)	Amount spent, direct or through implementing agencies*
1	Healthcare	Healthcare	Others Andhra Pradesh	11,00,000	11,00,000	11,00,000	SVPD Trust
2	Environment	Environment	Local	5,00,000	1,10,000	1,10,000	Direct - Coimbatore Zoological Park
3.	Education	Education	Local	3,00,000	5,65,258	5,65,258	Direct-Govt. Hr. Sec. School, Kindathukadavu
4.	Women & Child Welfare	Women Welfare	Local	1,00,000	15,000	15,000	Womens' Voluntary Association - Registered Trust
	TOTAL			20,00,000	17,90,258	17,90,258	

6. Reasons for not spending an amount equal 2% of the Average Net Profits of the last three financial years:

Not applicable.

7. Responsibility statement of the CSR Committee:

The CSR Committee confirms that the implementation and governance of CSR Programs have been elaborated in the Company's CSR policy. The CSR Committee further confirms that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and policy of the Company.

Place: Coimbatore
Date: 30th May, 2018

C R Swaminathan
Chairman of CSR Committee
DIN: 00002169

N Krishna Samaraj
Member of CSR Committee
DIN:00048547

ANNEXURE F

**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2018**

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

To
The Members,
Magna Electro Castings Limited
(CIN: L31103TZ1990PLC002836)
Old No.62, New No.43,
Balasundaram Road
Coimbatore – 641 018.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Magna Electro Castings Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of **M/s.Magna Electro Castings Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit.

I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2018**, 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,
 - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

- a) Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI);
- b) Listing Agreement entered into by the Company with the BSE Limited;

During the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations and Standards etc., mentioned above.

I further report that, during the year under review, there were no actions/ events in pursuant of the following Rules/Regulations requiring compliance thereof by the Company:

- a. 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;
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- c. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014;
- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- f. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;

I further report that based on the information provided by the Company, its officers and authorized representatives, there are no laws specifically applicable to the Company.

I further report that having regard to the compliance system prevailing in the Company and on the review of quarterly compliance reports taken on record by the Board of Directors and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the labour and environmental laws as applicable.

I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. There were no changes in the composition of the Board of Directors during the period under review.

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.

All decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be. I further report that 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.

I further report that during the period, there were no instances of:

- Public / Rights / Preferential issue of Shares / Debentures / Sweat Equity.
- Redemption / buy-back of securities
- Major decision taken by the members in pursuant to Section 180 of the Companies Act, 2013.
- Merger / Amalgamation / Reconstruction etc.
- Foreign technical collaborations.

Place: Coimbatore
Date: 30.05.2018

M D SELVARAJ
MDS & Associates
Company Secretaries
FCS No.: 960, C P No.: 411

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To
The Members,
Magna Electro Castings Limited
(CIN: L31103TZ1990PLC002836)
Old No.62, New No.43
Balasundaram Road
Coimbatore – 641 018.

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable standards, laws, rules and regulation is the responsibility of management. My examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Coimbatore
Date: 30.05.2018

MDS & Associates
Company Secretaries
FCS No.: 960, C P No.: 411

ANNEXURE G

Statement pursuant to Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 and Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1.	Ratio of remuneration of the Managing Director to the median remuneration of the employees of the Company for the financial year	1:25
2.	Percentage increase in remuneration of the Managing Director, CFO and Company Secretary	
	a. Managing Director	10%
	b. CFO	11%
	c. Company Secretary	30%
3.	Percentage increase in median remuneration of employees in the financial year	10%
4.	No of permanent employees on the rolls of the Company	179 (last year 180)
5.	Average percentile increase in employees remuneration (other than managerial remuneration) remuneration) in the last financial year	8 %
	Percentage increase in managerial remuneration	10%
6.	The Directors affirm that the remuneration paid is as per the remuneration policy of the Company	

Disclosure under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Particulars of Top Ten Employees of the Company in terms of remuneration drawn:

Name, Designation & Age of the Employee	Gross Remuneration paid (In ₹)	Date of Commencement of Employment (Experience in-Years)	Qualification & Previous Employment
N. Krishna Samaraj * Managing Director 63 Years	68,39,200	22.08.1990	MBA -
V. Mohanraj Sr. General Manager- Marketing 47 Years	38,88,767	22.09.1994	B.E.,PGDMM., Lucas TVS Limited
M. Malmarugan Vice President (Operations) 46 Years	38,23,288	17.10.2011	MBA., Sanmar Foundries Limited

R. Ravi Chief Financial Officer 60 Years	37,13,888	01.09.2004	B.Com.,ACA.,ACS., Textool Company Limited
Umesh Vasantrya Honkalas General Manager - Quality 46 Years	23,25,080	20.07.2015	M.Tech., J S Auto Cast Foundry India Private Limited
P. Periannan General Manager - Production 46 Years	20,55,104	15.07.2013	B.E., Sakthi Auto Components Limited
Nevillie Gnanaraj V Sr. Manager - Design 45 Years	21,30,473	21.03.1996	B.E., PSG II
L Kannan Sr. Manager - Maintenance 48 years	16,59,258	17.01.2013	B.E., Texmo Precision Castings Private Limited
Krishnan S Manager - Projects 59 Years	14,10,928	12.05.2011	DEEE., KCP Limited
R Sethurajan Sr. Manager - Product Development 64 Years	13,52,281	23.02.2011	DME PSG Foundry

During the financial year 2017-18, there were no employees in the Company who was in receipt of remuneration exceeding ₹1.02 Crores employed for the whole year and ₹8.50 Lakhs per month employed for any part of the year in aggregate.

Note:

1. *Employment is Contractual
2. No employee is relative (in terms of the Companies Act, 2013) of any Director of the Company. Further no employee of the Company is covered by the Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, that is employee, holding by himself or with his family, shares of 2% or more in the Company and drawing remuneration in excess of a Managing Director.
3. The remuneration details are for the year 2017-18 and all other particulars are as on 31st March, 2018.

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

1. A brief statement on Company's philosophy on code of governance

The corporate vision of Magna is to ensure that business is conducted in the best interest of all stakeholders. Magna has consistently adopted the best practices in Corporate governance, thereby ensuring that the highest standards of ethical practices are conducted in such a manner to benefit all stakeholders involved.

2. Board of Directors

The Company's Board of Directors comprises of six (6) Directors (out of which four (4) are Independent Directors, including one (1) Woman Independent Director). Mr.N.Krishna Samaraj is the Managing Director and all others are Non-Executive Directors.

The composition of the Board of Directors of the Company is as under:

S.No.	Name of the Director	Designation	Category	No. of other Companies in which he/she is a Director #	Committee in which he/she is a member/ Chairman in other Companies \$
1	Sri.J.Vijayakumar (DIN: 00002530)	Director	Non-Executive/ Non-Independent	1	1 /Nil
2	Sri. N. Krishna Samaraj (DIN: 00048547)	Managing Director	Promoter & Executive/ Non-Independent	2	1/Nil
3	Sri.K.Gnanasekaran (DIN: 00133645)	Director	Non-Executive/ Independent	1	1/Nil
4	Dr.R.Nandini (DIN: 00002223)	Director	Non-Executive/ Independent	-	Nil/Nil
5	Dr.Jairam Varadaraj (DIN: 00058056)	Director	Non-Executive/ Independent	8	5/1
6	Sri.C.R.Swaminathan (DIN: 00002169)	Director	Non-Executive/ Independent	2	3/2

Excludes directorships in Private Companies and Foreign Companies

\$ Only Audit Committee and Stakeholders Relationship Committee are considered.

None of the Directors on the Board of the Company are related to each other.

As per the disclosures received from the Directors, none of the Directors serve as member of more than 10 committees nor they are the Chairman/Chairperson of more than 5 committees, as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. Number of Board meetings held and attended by the Directors:

The Board met 4 times during the financial Year on 26th May, 2017; 9th August, 2017; 9th November, 2017; 10th February, 2018. Attendance recorded of each of the Directors at the Board Meetings and the Annual General Meeting held during the year is as under:-

Name of the Director	No. of Board Meetings Attended	Attendance at last AGM
Sri.J.Vijayakumar	3	Yes
Sri.K.Gnanasekaran	3	Yes
Dr.R.Nandini	2	Yes
Dr.Jairam Varadaraj	4	No
Sri.C.R.Swaminathan	3	Yes
Sri. N. Krishna Samaraj	4	Yes

Statement showing number of Equity Shares held by the Non - Executive Directors as on 31st March, 2018:

Name of the Director	No. of Shares held (as on 31.03.2018)
Sri.J.Vijayakumar	10,100
Sri.K.Gnanasekaran	-
Dr.R.Nandini	-
Dr.Jairam Varadaraj	-
Sri.C.R.Swaminathan	-

INDEPENDENT DIRECTORS

Familiarization Program for Independent Directors:

The Company through its Managing Director/ Executive Directors / Key Managerial Personnel conducts programs and presentations to familiarize the Independent Directors with the strategy, operations and functions of the Company as and when required.

In order to provide the Independent Directors with a thorough understanding of the activities of the Company and the various initiatives taken with regard to safety, quality, CSR, sustainability, etc., the Independent Directors are provided with an opportunity to visit the Company's plants, where the plant heads apprise them of the operational and sustainability aspects.

At the time of appointment of an Independent Director, a meeting is set-up with the Key Managerial Personnel in order to discuss the functioning's of the Board and the nature of operations of the Company.

The Familiarization Program for Independent Directors have been posted on the Company's website at <http://www.magnacast.com/financial/254.pdf>.

Separate Meeting of the Independent Directors:

The independent Directors' meeting was held on January 18, 2018 without the attendance of Non-Independent Directors and members of Management and they inter alia, reviewed the performance of the Non-Independent Directors and the Board as a whole and accessed the quality, quantity and timeliness of flow of information between the Company and the Board.

COMMITTEES OF THE BOARD**3. Audit Committee**

All the members of the Audit Committee have knowledge of finance, accounts and engineering industry. The quorum for an audit committee meeting is a minimum of two Directors.

The role, powers and functions of the Audit Committee are as per Section 177 of the Companies Act, 2013 and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this Committee are as required by SEBI - under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Besides having access to all the required information within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company. It is authorized to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions, and other related matters. The Committee is empowered to recommend the appointment and remuneration payable to the Statutory Auditors. The Committee meets once in every quarter to carry out its business.

During the year under review, the Committee met four times on 26th May, 2017; 9th August, 2017; 9th November, 2017; 10th February, 2018. The Composition of the Audit Committee and the attendance of each member of the Committee is given below;

Composition, name of members, meetings and attendance during the year:

Name of the Member	Category	No. of Meetings held during the year	No. of Meetings attended
Sri.C.R.Swaminathan (Chairman)	Non-Executive/ Independent	4	3
Sri.J.Vijayakumar (Member)	Non-Executive/ Non-Independent	4	3
Sri.K.Gnanasekaran (Member)	Non-Executive/ Independent	4	3
Dr.R.Nandini (Member)	Non-Executive/ Independent	4	2

The Company Secretary acts as the Secretary to the Audit Committee. The minutes of the Audit Committee meetings were circulated to the Board, where it was discussed and taken note of. The Audit Committee considered and reviewed the accounts for the Financial Year 2017-18, before it was placed in the Board.

The Chairman of the Audit Committee had attended the Annual General Meeting.

4. Nomination and Remuneration Committee

The role, powers and functions of the Nomination and Remuneration Committee are as per Section 178 of the Companies Act, 2013 and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this Committee are as required by SEBI - under regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the Committee met on January 18, 2018.

Composition, name of members, meetings and attendance during the year:

Name of the Members	No. of Meetings held	No. of Meetings Attended
Sri.K.Gnanasekaran (Chairman)	1	1
Dr.Jairam Varadaraj (Member)	1	1
Dr. R. Nandini (Member)	1	-

The Chairman of the Nomination and Remuneration Committee had attended the Annual General Meeting.

The Company pays remuneration to Managing Director by way of salary, perquisites and commission as approved by the members of the Company. The Non-executive Directors are not paid any remuneration except by way of sitting fees for attending the Meetings of the Board / Committee(s).

This Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every Director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independent of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for fixing and revising remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and employees of the Company. The salient features of Remuneration policy of the Company is annexed to the Board's Report and the detailed policy can also be accessed on the Company's website at the link <http://www.magnacast.com/financial/229.pdf>

Performance evaluation of Non-Executive Directors and Independent Directors:

The Securities and Exchange Board of India (SEBI) vide Circular No.SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 5, 2017 had issued a guidance note on Board Evaluation specifying the criteria for evaluation of performance of (i) Board as a whole (ii) individual Directors (including Independent Directors & Chairperson) and (iii) various Committees of the Board.

Based on the parameters suggested, the Nomination and Remuneration Committee has adopted suitable criteria to evaluate the Non- Executive Directors and Independent Directors of the Company.

Accordingly, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees. They also evaluated various aspects of the Board such as adequacy of the composition of the Board and its Committees, Board Diversity, execution and performance of specific duties, obligations and governance.

DETAILS OF REMUNERATION

Remuneration and sitting fees paid to Executive and Non - Executive Directors during the year ended 31st March, 2018:

(Amount in ₹)

Name	Salary	Perquisites	Sitting Fees	Total
Sri.J. Vijayakumar			1,15,000	1,15,000
Sri.K.Gnanasekaran			75,000	75,000
Dr.R.Nandini			50,000	50,000
Dr.Jairam Varadaraj			60,000	60,000
Sri.C.R.Swaminathan			75,000	75,000
Sri.N.Krishna Samaraj	67,20,000	19,200	1,00,000	68,39,200

The Company does not pay remuneration to any of its Non-Executive Directors except sitting fees for attending the Board/Committee Meeting(s).

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-Executive Independent Directors during the year.

The Company currently does not have any Stock Option Scheme.

5. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee comprises of two Directors. The Committee is chaired by Sri.J.Vijayakumar. The Committee meetings were held on (i) May 26, 2017; (ii) August 09, 2017; (iii) November 09, 2017; (iv) February 10, 2018.

Composition, name of members, meetings and attendance during the year:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Sri.J.Vijayakumar (Chairman)	Non-Executive/ Non-Independent	4	4
Sri.N.Krishna Samaraj (Member)	Executive / Non- Independent	4	4

The Chairman of the Stakeholders Relationship Committee had attended the Annual General Meeting.

Smt. Sangeetha .C, Company Secretary of the Company serves as the Compliance Officer.

The Committee deals in matters relating to redressing of investor's complaints such as non-receipt of shares, non-receipt of dividends etc. and other matters related to shares.

The total number of complaints received and replied to the satisfaction of shareholders during the year ended on 31st March, 2018 was Nil. There were no outstanding complaints as on 31st March, 2018.

Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchanges within stipulated time.

Unclaimed Suspense Account:

Since there are no unclaimed shares, the Company has not opened unclaimed suspense account.

Unclaimed Shares Transferred to Investor Education and Protection Fund Authority:

Pursuant to Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred 60,241 shares to IEPF Authority Account during the financial year.

6. Corporate Social Responsibility (CSR) Committee:

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted the Corporate Social Responsibility Committee.

The terms of reference of this Committee, assigned by their Board encompasses:

- a. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII:
- b. To recommend the amount of expenditure to be incurred on the activities referred to in clause A:
- c. To monitor the CSR policy of the Company from time to time:
- d. Any other matter that may be referred by the Board from time to time or as may be necessary for compliance with the Companies Act, 2013 or Rules made thereunder or any other statutory laws of India:

During the year under review, the Committee met on May 26, 2017.

Composition, name of members, meetings and attendance during the year:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Sri.C.R Swaminathan (Chairman)	Non-Executive/ Independent	1	1
Dr. R Nandini (Member)	Non- Executive / Independent	1	1
Sri.N.Krishna Samaraj (Member)	Executive / Non- Independent	1	1

The Chairman of the Corporate Social Responsibility Committee had attended the Annual General Meeting.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report forms a part of this Annual Report.

7. General Body Meetings

Location and time for last three AGMs held and the special resolutions, if any, passed thereat, are as given below:

Year	Date of Meeting	Time of Meeting	Venue of the Meeting	Special Resolutions Passed if any
2016-17	11.09.2017	03.30 pm	Ardra Conference Center, North Huzur Road, Coimbatore 641 018	-Nil-
2015-16	15.09.2016	10.30 am	Ardra Conference Center, North Huzur Road, Coimbatore 641 018	Appointment and payment of Remuneration to Sri. N. Krishna Samaraj, Managing Director of the Company.
2014-15	23.09.2015	3.30 pm	Ardra Conference Center, North Huzur Road, Coimbatore 641 018	-Nil-

8. EGM and POSTAL BALLOT:

During the year no EGM was held. No resolutions were put through postal ballot last year. No Special resolution requiring postal ballot is being proposed.

9. Means of Communication

The Company is regularly publishing quarterly unaudited and audited financial results and notice advertisements in The Business Line/ Financial Express and Malaimalar (vernacular language).

MAGNA

The Company is posting the quarterly results and other statutory information in the Company's website www.magnacast.com. The Company has not made any presentations to the institutional investors or to the analysts.

10. General shareholder information:

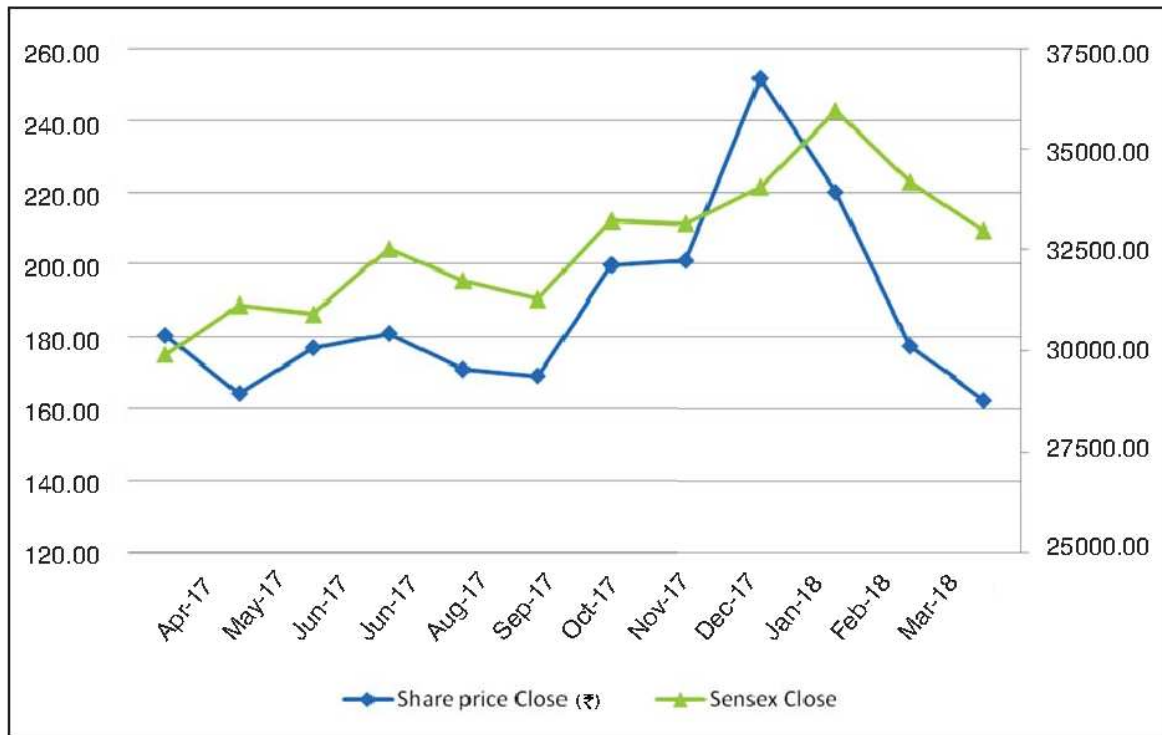
i

i.	AGM date, time and venue	19 th September, 2018 at 3.30 P.M. Ardra Conference Center North Huzur Road Coimbatore 641 018.
ii.	Financial calendar	1 st April, 2017 to 31 st March, 2018
iii.	Date of Book Closure	13 th September, 2018 to 19 th September, 2018 (Both days inclusive)
iv.	Dividend payment date	On or after 19 th September, 2018 within 30 days from the date of AGM
v.	Listing on Stock Exchanges	BSE Limited, Mumbai
vi.	Scrip Code Scrip Name ISIN No.	517449 MAGNAELQ NE437D01010
vii.	Registrars and Share Transfer Agents for both Dematerialised and physical shares	M/s SKDC Consultants Limited Kanapathy Towers, III Floor 1391/A-1, Sathy Road, Ganapathy Coimbatore 641 006.
viii.	Details of Compliance Officer	Smt. Sangeetha C Company Secretary 43 (Old No.62) Balasundaram Road Coimbatore – 641 018. Ph: 0422 2240109 Fax: 0422 2246209 Email: sangeetha.c@magnacast.com
ix.	Share Transfer system	Share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects, by the Share Transfer Committee which meets at regular intervals.

ii. The Stock market during the year at BSE Limited, Mumbai is furnished below (₹)

Month	High	Low
Apr-17	192.00	179.00
May-17	187.80	164.00
Jun-17	187.00	163.05
Jul-17	195.00	171.20
Aug-17	194.00	156.00
Sep-17	188.00	162.00
Oct-17	210.00	166.10
Nov-17	209.00	186.05
Dec-17	264.50	194.50
Jan-18	254.50	210.10
Feb-18	220.00	173.00
Mar-18	184.85	159.00

iii. Share Price Performance in comparison with BSE Sensex:



Month	Magna Electro Castings Limited	BSE Sensex
	Share price - Close (₹)	Sensex - Close
Apr-17	180.50	29918.40
May-17	164.20	31145.80
Jun-17	177.00	30921.61
Jul-17	181.05	32514.94
Aug-17	170.95	31730.49
Sep-17	169.20	31283.72
Oct-17	199.70	33213.13
Nov-17	200.90	33149.35
Dec-17	251.60	34056.83
Jan-18	220.00	35965.02
Feb-18	177.45	34184.04
Mar-18	162.40	32968.68

iv. Shareholding pattern as on 31.03.2018

Category	No of shares held	% of Share Holding
Indian Promoters	19,43,155	42.41
Mutual Funds and UTI	-	-
Foreign Portfolio Investors - Corporate	65,057	1.42
Private Corporate Bodies	2,93,814	6.41
Indian Public	17,41,613	38.01
NRIs / OCBs	4,27,315	9.32
Directors & Relatives	51,005	1.12
IEPF Authority	60,241	1.31
Grand Total	45,82,200	100.00

v. Distribution of shareholding as on 31.03.2018

Shareholding (Range)	No. of Holders	% of Holders	No. of Shares	% of Shares
1 - 500	3680	86.57	4,80,467	10.48
501 - 1000	193	4.54	1,53,757	3.36
1001 - 2000	133	3.13	2,02,143	4.41
2001 - 3000	134	3.15	3,39,123	7.40
3001 - 4000	20	0.47	70,852	1.55
4001 - 5000	20	0.47	95,590	2.09
5001 - 10000	28	0.66	2,16,484	4.72
10001 and above	43	1.01	30,23,784	65.99
Total	4251	100.00	45,82,200	100.00

vi.	Dematerialisation of shareholding and liquidity	Number of shares dematerialized :39,17,074 Percentage : 85.48 % (Promoters have completely dematerialized their shareholdings)
vii.	Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity	Not Applicable
viii.	Plant location	SF No.34 and 35 Part Coimbatore Pollachi Main Road Mullipadi village, Tamaraikulam Post Pollachi Taluk, Coimbatore District Pin: 642 109
ix.	Address for Correspondence and Registered office	43 (Old No.62), Balasundaram Road Coimbatore 641 018, Tamil Nadu.

11. Disclosure

a. **Disclosures on materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large:**

All the Related Party Transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

The details of the transactions with Related Party are provided in the Company's Financial Statements in accordance with the Accounting Standards. All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all the Related Party Transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

Kindly refer to the notes forming part of accounts for the details of Related Party Transactions.

b. **Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock exchange or SEBI or any statutory authority, on any matter related to capital market during the last three years:**

No Penalties, strictures was imposed on the Company by Stock Exchanges or SEBI or any Statutory Authorities, on any matter relating to capital markets, during the last three years.

c. **Whistle Blower policy and affirmation that no personnel has been denied access to the Audit Committee:**

The Company has provided for adequate safeguards to deal with instances of fraud and mismanagement and to report concerns about unethical behaviour or any violation of the Company's code of conduct. The Audit Committee has been authorized to review the cases received under the Whistle Blower Policy of the Company and address the grievances of all the personnel in the Company.

The Whistle Blower policy can be accessed on the Company's website at <http://www.magnacast.com/financial/226.pdf>

d. **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e. Details on the compliance of non-mandatory requirements:

The Company has adopted the non-mandatory requirement relating to Reporting of internal Auditors to Audit Committee as recommended in terms of Regulation 27(1) read with Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

f. Disclosure of commodity price risks and commodity hedging activities:

During the financial year ended, the Company did not engage in commodity hedging activities.

g. Disclosure on accounting treatment:

In the preparation of the financial statements, the Company has followed the accounting standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

h. Disclosure on risk management:

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

There has been no instance of non-compliance of any requirement of Corporate Governance Report as stated above.

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12. Certificate from CEO and CFO:

The CEO and CFO certification of the Financial Statements for the year has been submitted to the Board of Directors, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

13. Code of Conduct:

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company have laid down the Code of Conduct for the Directors and the Senior Management Personnel. A declaration has been received from the Managing Director to the effect that the Directors and Senior Management Personnel have confirmed compliance with the said Code of Conduct.

14. Code for prevention of Insider Trading:

The Company has framed a code of conduct to regulate, monitor and report trading by Insiders based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all Directors / Officers / Designated Employees.

The Company has also formulated “The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII)” in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 and the same has been displayed on the Company's official website www.magnacast.com.

Declaration for code of conduct

I, N. Krishna Samaraj, Managing Director of Magna Electro Castings Limited, declare that all the members of the Board of Directors and Senior Management have, for the year ended March 31, 2018 affirmed compliance with the Code of Conduct laid down by the Board of Directors and Senior Management in terms of Regulation 26(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

By order of the Board

N.Krishna Samaraj
Managing Director
(DIN: 00048547)

Place: Coimbatore
Date: 30th May, 2018

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview:

Magna's corporate vision is to ensure a sustainable business model, provide customers with products and services consistently conforming to customer requirements at the right time, cost and quality and maintain a leadership position in the segments in which it is operating. This objective is sought to be achieved through total employee involvement, plant improvements, continuous process developments and conforming to ethical business practices.

The financial statements presented here have been prepared in compliance with the requirements of the Companies Act, 2013, various statutory enactments and Indian Accounting Standards.

Industry structure and developments:

The Indian Foundry Industry is a vital industrial segment of the manufacturing sector, especially the engineering sub-sector. Globally, it is ranked 2nd and produces 11.35 million MT of cast components of various specifications. The new manufacturing policy envisages the increase in the share of manufacturing in the GDP to 25% from current 15% & to create 100 Million additional jobs in next 10 years

The Capital Goods Policy of Govt. envisages the Auto sector to grow from USD 35 Bn to USD 115 Bn Industry by 2025 .Whereas the auto sector as per Automotive Mission plan 2016-26 envisages auto sector to grow at 3.5 to 4 times of the current value of USD 74 billion to USD 260 billion to 300 billion, even if these plans are realized by 75-80% ,it will augur well for the Indian Foundry Industry .The casting demand for iron & Aluminium castings could grow by 35-40 % by 2019-20 from current levels

The Company's performance during the year 2017-18:

The Operating Revenue of the Company has increased by about 13% from ₹ 8335.47 Lakhs to ₹ 9424.01 Lakhs. The local market was vibrant and the market pick up steadily increased.

In spite of an increase in turnover, the margin were under severe pressure throughout the year because of sharp increase in the prices of all raw materials. This has resulted in a sharp decline in the Profit before Tax at ₹ 787.54 Lakhs as against ₹ 902.61 Lakhs in the previous year, and resulting in a Net Profit of ₹ 686.18 Lakhs as against ₹ 731.71 Lakhs in the previous year.

Opportunities and Threats:

Auto, Auto Components & Capital Goods Industries have drawn up ambitious plans to grow three fold in the next 10 years. This will drive the demand for metal casting industry and this will enable steady growth in automotive industries. Magna is well placed to capitalize on opportunity that arises out of this growth.

The major threats in the foundry industry is steady increase in raw material prices and includes a major challenge in compliance with stringent environment standards reducing business returns. Lack of skilled and unskilled labour poses a great threat to the Industry.The Export market was however subdued and the demand in the overseas market was lacklustre.

Environment, Safety and Energy Conservation Policy:

Magna is aware of its responsibility to protect the Nature's scarce resources and the environment and invested in improved equipments and improving water conservation efforts. Magna considers its employee welfare and having proper safety management system in place.

Risks and concerns:

Magna has adopted a comprehensive and integrated risk mitigation and management process. The risk mitigation measures are placed before the Audit Committee and the Board for its periodical review and improvements.

Internal control systems and their adequacy:

Magna is having well established Internal Control Systems and from the annual business plan, detailed budgets for revenue and capital for each month/ quarter is determined. The actual performances are reviewed and compared with budget, the deviations from there is addressed properly. Magna is also having established internal audit team, statutory audit teams and Audit Committee of Board of Directors to control internal systems adequately.

Personnel:

Magna is committed to a well talented employee and satisfied human capital. The Company is aware that the employees of the Company are its greatest asset and also provides in terms of training, skill developments, health & safety, hygiene, education etc., to improve human efficiency over the years.

Cautionary Statement:

The view expressed herein may be forward looking within the legal frame-work, but the actual results may differ from what has been expressed due to various factors. The information given herein is based on information available with the Company and its judgement. This judgement depends upon the Company's perception. Any investment by shareholders/ investors should therefore be based on their individual analysis.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of **Magna Electro Castings Limited**

1. We have examined the compliance conditions of Corporate Governance by **Magna Electro Castings Limited** for the financial year ended **31st March, 2018** as stipulated in Regulations 17 to 27 and Clause (b) to (i) of Regulation 46(2), Schedule II and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our Examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated above. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and Clause (b) to (i) of Regulation 46(2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Srikishen & Co.
Chartered Accountants
(Reg.No.004009S)

Coimbatore
30th May, 2018

K Murali Mohan
Proprietor
Membership No.14328

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAGNA ELECTRO CASTINGS LIMITED

Report on IND AS Financial Statements

We have audited the accompanying IND AS financial statements of **Magna Electro Castings Limited** ('the Company'), which comprise the Balance Sheet as at **31st March, 2018**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information. (herein after referred to as "IND AS financial statements")

Management's Responsibility for the IND AS 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 of these IND AS financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive income, Cash flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (INDAS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

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 IND AS 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 Ind AS 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the IND AS 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 IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 IND AS 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 IND AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS 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 including the IND AS, of the state of affairs of the Company as at 31st March, 2018, its profit (including other comprehensive income), its cashflows and changes in the equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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 of the aforesaid IND AS Financial Statements.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance sheet, the statement of Profit and loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid IND AS financial statements comply with the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with the relevant Rules issued there under.
 - (e) On the basis of the written representations received from the Directors as on 31st March, 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2018 from being appointed as a Director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, a separate report has been given in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

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

For Srikishen &Co
Chartered Accountants
Firm Registration No 004009S

K.Murali Mohan
Proprietor, Auditor
Membership No.14328

Coimbatore
30.05.2018

Annexure - A to the Independent Auditor's Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the IND AS Financial Statements for the year ended 31st March, 2018.

According to the information and explanations sought by us and given by the Company and the books and records examined by us during the course of our Audit and to the best of our knowledge and belief we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The fixed assets of the Company have been physically verified in a phased periodical manner, by the management, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties of the Company shown under the Fixed Assets schedule are held in the name of the Company.
- (ii) The physical verification of inventory has been conducted by the management at reasonable intervals. The Company has maintained proper record of inventory and no material discrepancies were noticed on the physical verification of inventories as compared to the book records.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 during the financial year.
- (iv) The Company has not granted loans or made investments or given guarantees and securities during the year and hence compliance with Section 185 and 186 are not applicable.
- (v) The Company has not accepted any deposits and therefore paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has prescribed the maintenance of cost records under Section 148(1) of the Act. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however carried out a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues with the appropriate authorities.

There are, no undisputed arrears of statutory dues which were outstanding as at 31 March, 2018 for a period of more than six months from the date they became payable.

- (b) There are no dues of Sales tax, Service tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Cess and which have not been deposited with the appropriate authorities on account of any dispute, except for the following.

Name of statute	Nature of the dues	Amt. as on 31.03.2017 (in ₹)	Period to which the amt. relates	Forum where the dispute is pending	Remarks
Income Tax Act, 1961	Regular	5,40,247	Asst. Year 2007-2008	ITAT	Assessment set aside
Income Tax Act, 1961	Regular	15,76,640	Asst. Year 2014-15	Deputy Commissioner	Rectification of mistake

- (viii) The Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the Government and has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, Clause 3(ix) of the order is not applicable.
- (x) No fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has paid/ provided for managerial remuneration in accordance with the requisite approval mandated by the provisions of Section 197, read with Schedule V of the Act.
- (xii) The Company is not a Nidhi Company and therefore this Clause is not applicable.
- (xiii) All transactions with the related parties are in compliance with Section 177 and Section 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made preferential allotment or private placement of shares or issued any debentures during the year.
- (xv) The Company has not entered into non-cash transactions with Directors or persons connected with them.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Srikishen & Co
Chartered Accountants
Firm Registration No 004009S

K.Murali Mohan
Proprietor, Auditor
Membership No.14328

Coimbatore
30.05.2018

Annexure - B to the Auditor's Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Magna Electro Castings Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the IND AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Srikishen & Co**
Chartered Accountants
Firm Registration No 004009S

K. Murali Mohan
Proprietor, Auditor
Membership No.1432

Coimbatore
30.05. 2018

MAGNA

BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in Lakhs)

Particulars	Notes	31.03.2018	31.03.2017	01.04.2016
I. ASSETS				
Non-current assets				
Property, plant and equipment	3	3,495.90	3,663.64	4,084.29
Capital work in progress		-	29.34	-
Other intangible assets	4	2.10	3.39	0.66
Investment properties	5	191.38	199.07	206.79
Financial assets				
i. Other Financial Assets	6	148.60	169.95	192.72
Other non-current assets	7	29.05	76.19	42.57
Total non-current assets		<u>3,867.03</u>	<u>4,141.58</u>	<u>4,527.03</u>
Current assets				
Inventories	8	806.82	576.62	626.42
Financial assets				
i. Trade receivables	9	2,846.35	2,061.04	1,862.23
ii. Cash and cash equivalents	10	86.38	186.87	133.84
iii. Other bank balances	11	19.75	18.88	17.55
iv. Other financial assets	12	35.69	9.90	20.90
Other current assets	13	557.75	504.37	463.71
Total current assets		<u>4,352.74</u>	<u>3,357.68</u>	<u>3,124.65</u>
Total Assets		<u>8,219.77</u>	<u>7,499.26</u>	<u>7,651.68</u>
II. EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	458.22	458.22	458.22
Other equity	15	5,605.90	5,039.98	4,418.44
Total equity		<u>6,064.12</u>	<u>5,498.20</u>	<u>4,876.66</u>
Liabilities				
Non-current liabilities				
Financial liabilities				
i. Borrowings	16	-	31.06	261.61
Employee benefit obligations	17	-	18.26	15.14
Deferred tax liabilities	18	311.56	372.65	414.73
Government grants	19	19.09	24.71	33.52
Total non-current liabilities		<u>330.65</u>	<u>446.68</u>	<u>725.00</u>

BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in Lakhs)

Particulars	Notes	31.03.2018	31.03.2017	01.04.2016
Current liabilities				
Financial liabilities				
i. Borrowings	16	346.23	342.69	511.80
ii. Trade payables	20	1,294.41	980.96	1,253.10
iii. Other financial liabilities	21	28.20	136.38	223.50
Employee benefit obligations	17	42.45	4.82	3.79
Government grants	19	9.04	8.81	8.91
Current tax liabilities	22	25.07	55.55	28.31
Other current liabilities	23	79.60	25.17	20.61
Total current liabilities		<u>1,825.00</u>	<u>1,554.38</u>	<u>2,050.02</u>
Total liabilities		<u>2,155.65</u>	<u>2,001.06</u>	<u>2,775.02</u>
Total equity and liabilities		<u>8,219.77</u>	<u>7,499.26</u>	<u>7,651.68</u>
see accompanying notes to financial statements	33-42			

For and on behalf of the Board

As per our report annexed

C R Swaminathan
Director
DIN:00002169

R Ravi
Chief Financial Officer

for **Srikishen & Co.**
Chartered Accountants (Reg No.004009S)

N Krishna Samaraj
Managing Director
DIN:00048547

Sangeetha C
Company Secretary

K Murali Mohan
Proprietor, Auditor
Membership No.14328

Coimbatore
30th May, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

Particulars	Notes	31.03.2018	31.03.2017
Income			
Revenue from operations	24	9,424.01	8,335.47
Other income	25	38.98	40.61
Total income		<u>9,462.99</u>	<u>8,376.08</u>
Expenses			
Cost of material consumed	26	3,313.24	2,154.19
Changes in inventories of finished goods, Stock-in -Trade and work in progress	27	(113.88)	67.92
Excise duty		116.65	441.43
Employee benefit expenses	28	951.17	901.08
Depreciation and amortisation expense	29	454.08	521.35
Other expenses	30	3,922.63	3,344.91
Finance costs	31	31.56	54.23
Total expenses		<u>8,675.45</u>	<u>7,485.11</u>
Profit before exceptional items and tax		787.54	890.97
Exceptional items		-	11.64
Profit before tax		<u>787.54</u>	<u>902.61</u>
Income tax expense	32		
Current tax		158.61	213.04
Deferred tax		(57.25)	(42.14)
Profit for the period		<u>686.18</u>	<u>731.71</u>
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of post employment benefit obligations		(13.80)	0.20
Income tax relating to these items		3.84	(0.07)
Other comprehensive income for the period, net of tax		<u>(9.96)</u>	<u>0.13</u>
Total comprehensive income for the period		<u>676.22</u>	<u>731.84</u>
Earnings per equity share			
Basic earnings per share	37	14.98	15.97
Diluted earnings per share	37	14.98	15.97
see accompanying notes to financial statements	33-42		

For and on behalf of the Board

As per our report annexed

C R Swaminathan
Director
DIN:00002169

R Ravi
Chief Financial Officer

for **Srikishen & Co.**
Chartered Accountants (Reg No.004009S)

N Krishna Samaraj
Managing Director
DIN:00048547

Sangeetha C
Company Secretary

K Murali Mohan
Proprietor, Auditor
Membership No.14328

Coimbatore
30th May, 2018

STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2018

(₹ in Lakhs)

I) Equity Share Capital

	Notes	Amounts
Balance as at April 1, 2016		458.22
Changes in equity share capital during the year	14	-
Balance as at March 31, 2017		458.22
Changes in equity share capital during the year	14	-
Balance as at March 31, 2018		458.22

II) Other Equity**Reserves and surplus**

	Notes	General reserve	Retained earnings	Total
Balance as at April 1, 2016		2,600.00	1,818.44	4,418.44
Profit for the period	15	-	731.71	731.71
Other comprehensive income	15	-	0.13	0.13
General reserve appropriation	15	200.00	(200.00)	-
Dividends and taxes thereon	15	-	(110.30)	(110.30)
Balance as at March 31, 2017		2,800.00	2,239.98	5,039.98
Profit for the period	15	-	686.18	686.18
Other comprehensive income	15	-	(9.96)	(9.96)
General reserve appropriation	15	200.00	(200.00)	-
Dividends and taxes thereon	15	-	(110.30)	(110.30)
Balance as at March 31, 2018		3,000.00	2,605.90	5,605.90

For and on behalf of the Board

As per our report annexed

C R Swaminathan
Director
DIN:00002169

R Ravi
Chief Financial Officer

for **Srikishen & Co.**
Chartered Accountants (Reg No.004009S)

N Krishna Samaraj
Managing Director
DIN:00048547

Sangeetha C
Company Secretary

K Murali Mohan
Proprietor, Auditor
Membership No.14328

Coimbatore
30th May, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

Particulars	31.03.2018	31.03.2017
Cash flow from operating activities		
Profit before income tax	787.54	902.61
Adjustments for		
Depreciation and amortisation expense	454.08	521.35
Deferred revenue - Advance against Depreciation	-	-
(Gain)/loss on disposal of property, plant and equipment	(0.04)	(1.49)
Provisions Written Back	-	-
Amortisation of government grants	(9.25)	(8.91)
Receipt of government grants	-	-
Unwinding of discount on security deposits	-	-
Dividend and interest income classified as investing cash flows	(8.76)	(9.71)
Finance costs	31.56	54.23
Change in operating assets and liabilities		
(Increase)/Decrease in Other Bank balances	(0.87)	(1.34)
(Increase)/Decrease in trade receivables	(785.21)	(195.84)
(Increase) in inventories	(230.20)	49.81
Increase in trade payables	313.46	(272.14)
(Increase) in other Loans	21.35	22.79
(Increase) in other financial assets	(25.79)	11.00
(Increase)/decrease in other non-current assets	47.14	(33.62)
(Increase)/decrease in other current assets	(53.38)	(40.66)
Increase/(decrease) in provisions	-	-
Increase in employee benefit obligations	5.57	4.34
Increase in other financial liabilities	(108.19)	(87.12)
Increase in other current liabilities	54.43	4.56
Cash generated from operations	493.44	919.86
Income taxes paid	(189.10)	(185.80)
Net cash inflow from operating activities	304.34	734.06
Cash flows from investing activities		
Payments for property, plant and equipment	(244.97)	(169.25)
Loans to employees and subsidiaries	-	-
Receipts of government grants	-	-
Proceeds from sale of subsidiary	-	-
Proceeds from sale of property, plant and equipment	0.76	42.71
Repayment of loans by employees and subsidiaries	-	-
Dividends received	-	-
Interest received	8.76	9.71
Net cash outflow from investing activities	(235.45)	(116.83)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

Particulars	31.03.2018	31.03.2017
Cash flow from financing activities		
Loans taken	(27.52)	(399.66)
Interest paid	(31.56)	(54.23)
Dividends paid to Company's Shareholders	(110.30)	(110.30)
Dividend Tax paid		
Net cash inflow (outflow) from financing activities	<u>169.38</u>	<u>(564.19)</u>
Net increase (decrease) in cash and cash equivalents	(100.49)	53.04
Cash and cash equivalents at the beginning of the financial year	186.87	133.83
Cash and cash equivalents at end of the year	<u>86.38</u>	<u>186.87</u>

For and on behalf of the Board

As per our report annexed

C R Swaminathan
Director
DIN:00002169

R Ravi
Chief Financial Officer

for **Srikishen & Co.**
Chartered Accountants (Reg No.004009S)

N Krishna Samaraj
Managing Director
DIN:00048547

Sangeetha C
Company Secretary

K Murali Mohan
Proprietor, Auditor
Membership No.14328

Coimbatore
30th May, 2018

NOTES TO THE FINANCIAL STATEMENTS

1. Company overview

Corporate Information:

Magna Electro Castings Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The address of its registered office and principal place of business are disclosed in the introduction to the Annual report. Its shares are listed on the Bombay Stock Exchange- BSE Limited. The Company is engaged in the manufacturing and selling of Cast Iron Components. The Company caters to both domestic and international markets. The financial statements are approved for issue by the Company's Board of Directors on 30th May, 2018.

2. Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Upto the year ended 31st March, 2017, the Company prepared financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These are Company's first Ind AS based financial statements. The date of transition to Ind AS is 1st April, 2016. The Company has opted certain exemptions while first-time adoption of Ind AS based Financial statement (refer transition note no. 41 in Financial Statement)

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services. The principal accounting policies are set out below:

All assets and liabilities have been classified as current or noncurrent according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

2.3 Going concern

The Board of Directors have considered the financial position of the Company at 31st March, 2018 and projected cash flows and financial performance of the Company for at least twelve months

from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected. Below are the significant estimates made

- 1) Estimation of employee benefit obligation note no: 17

2.5 Revenue recognition

The Company recognizes revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria in relation to significant risk.

2.5.1 Sale of goods

Revenue from sale of products is recognised when the products are delivered to the customer or when delivered to the carrier, when risks and rewards of ownership pass to the customer, as per terms of contract.

Revenue is measured at the fair value of the consideration received or receivable and net of returns, trade allowances and rebates. It includes excise duty but excludes Value Added Tax, Sales Tax and Goods and Services Tax (GST).

2.5.2 Income from service

Income from services is accounted over the period of rendering of services.

2.6 Foreign currencies

2.6.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in Indian rupee, which is the Company's functional and presentation currency.

2.6.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign

currencies at year end exchange rates are generally recognized in profit or loss.

2.7 Employee Benefits

2.7.1 Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

2.7.2 Other long term employee benefit

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee upto the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as Short-term employee benefit.

The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

2.7.3. Post-employment obligation

The Company operates the following post-employment schemes:

- a) Defined benefit plans such as gratuity for its eligible employees, and
- b) Defined contribution plans such as Provident fund.

Defined contribution plan:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme and pension scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

Defined benefit plan:

The Company has a gratuity defined benefit plans for its employees. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and the balance sheet. The Company has funded this with Life Insurance Corporation of India ('LIC'). The contributions made to the LIC are treated as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

2.7.4 Bonus plans

The Company recognizes a liability and an expense for bonus. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.8.1. Current tax

The income tax expenses or credit is based on taxable profit for the year. Taxable profit differs from profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted.

2.8.2. Deferred tax

Deferred tax is provided in full, using the balance sheet approach, on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.8.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

2.9 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. The other repairs and maintenance of revenue nature are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to adopt fair value as its deemed cost for the land and apply Ind-AS 16 retrospectively for other class of assets as at 1st April, 2016.

Depreciation methods, estimated useful lives and residual value.

Depreciation is calculated using the straight-line method on a prorata basis from the month in which each asset is put to use to allocate their cost, net of their residual values, over their estimated useful lives.

Company has ascertained and adopted the useful life of the asset as mentioned in the schedule II of Companies Act, 2013

The assets' residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to profit or loss.

2.9.1 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.9.1.1 Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognised as of 1 April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.10. Intangible assets

Intangible assets are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

2.10.1. Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.11. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2.12. Inventories

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

The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and appropriate proportion of variable and fixed overhead expenditure. Overhead expenditures are being allocated on the basis of normal operating capacity.

Raw materials are valued at weighted average cost. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Semi finished goods cost is taken as cost of the materials and other cost of manufacture upto various stage of completion. Stores and spares are valued at cost on First in First out basis .

2.13. Provisions and contingencies

Provisions: Provisions are recognised when there is a present obligation or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessment of the time value of money and the risks specific to the liability

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.14. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

2.15. Financial assets

2.15.1. Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those measured at amortised cost

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which The company classifies its debt instruments:

Amortised cost : Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI) : Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss : Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain or losses in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2.15.2. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

2.15.3. Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques and drafts in hand, balances with bank and deposits held at call with financial institutions, short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement. Book overdraft are shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

2.15.4. Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortized cost
- Financial assets measured at fair value through other comprehensive income
- Expected credit loss are measured through a loss allowance at an amount equal to :
- The twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

2.16. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

2.16.1. Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

2.16.2. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.16.3. Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

2.18. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

2.19. Leases

Leases of property, plant and equipment where the Company, as a lessee has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Contingent rents are payable as per the agreed terms.

Where Company is lessor in case of an operating lease the lease income is recognised on a straight line basis over the tenor.

2.20. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

2.21. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented with in other income.

2.22. Earning Per Share

Basic earnings per share have been computed by dividing the net income by the weighted average number of shares outstanding during the year. Diluted earnings per share has been computed using the weighted average number of shares and diluted potential shares, except where the result would be anti-dilutive.

New Amendments issued yet not effective:

1) Ind AS 115, Revenue from contracts with customers

- a. It deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices. The new standard is mandatory for financial years commencing on or after 1st April, 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption.
- b. The Company is in the process of evaluating the impact of the standard.

- 2) Amendments to Ind AS 40 Investment property - Transfers of investment property**
- a. The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property.
 - b. The Company doesn't have any investment property. Accordingly no impact is envisaged.
- 3) Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses**
- a. The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base.
 - b. The Company is in the process of evaluating the impact of the standard.
- 4) Notification of Appendix B to Ind AS 21 Foreign currency transactions and advance consideration**
- a. The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.
 - b. The Company has assessed the impact of the above the notification and concluded there will be no impact on the above.

NOTES TO THE FINANCIAL STATEMENTS

3 Property, plant and equipment & 4. Other Intangible Assets

(₹ in Lakhs)

Particulars	Land - Free hold	Building-own	Plant & Machinery	Office Equipments	Furniture and Fixtures	Vehicle	Computer Equipment	Total	Intangible Assets- Computer Software acquired	Total
Year ended March 31,2018										
Gross Carrying Amount								4172.09	3.55	3.55
Deemed Cost as at April 1, 2017	184.05	983.42	2882.20	31.25	20.72	57.18	13.27			
Additions	-	18.71	255.83	0.56	1.42	-	1.64			
Deletions/ Adjustments	-	-	(0.80)	-	-	-	-	(0.80)		
Closing Gross Carrying Amount	184.05	1002.13	3137.23	31.81	22.14	57.18	14.91	4449.45	3.55	3.55
Accumulated Depreciation										
Opening accumulated Depreciation	-	49.98	488.91	2.50	7.86	3.05	6.15			0.16
For the year	-	49.12	375.02	3.16	4.04	10.64	3.12			1.29
Deletions	-	-	-	-	-	-	-			-
Closing Accumulated Depreciation	-	99.10	813.93	5.66	11.90	13.69	9.27	953.55	1.45	1.45
Net Block as at 31.03.2018	184.05	903.03	2323.30	26.15	10.24	43.49	5.64	3495.90	2.10	2.10
Net Block as at 31.03.2017	184.05	933.44	2443.29	28.75	12.86	54.13	7.12	3663.64	3.39	3.39
Year ended March 31,2017										
Gross Carrying Amount								4084.29	0.66	0.66
Deemed Cost as at April 1, 2016	184.05	983.42	2801.62	20.65	20.30	62.46	11.79			
Additions	-	-	124.52	10.60	0.42	-	1.48			
Deletions/ Adjustments	-	-	(43.94)	-	-	(5.28)	-	(49.22)		
Closing Gross Carrying Amount	184.05	983.42	2882.20	31.25	20.72	57.18	13.27	4172.08	3.55	3.55
Accumulated Depreciation										
Opening accumulated Depreciation	-	-	-	-	-	-	-			-
for the year	-	49.98	488.91	2.50	7.86	8.07	6.15			0.16
Deletions	-	-	-	-	-	(5.02)	-	(5.02)		-
Closing Accumulated Depreciation	-	49.98	488.91	2.50	7.86	3.05	6.15	508.45	0.16	0.16
Net Block as at 31.03.2017	184.05	933.44	2443.29	28.75	12.86	54.13	7.12	3663.64	3.39	3.39
Net Block as at 31.03.2016	184.05	983.42	2801.62	20.65	20.30	62.46	11.79	4084.29	0.66	0.66

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	31.03.2018	31.03.2017	01.04.2016
5 Investment property			
Building on Lease			
Gross carrying amount			
Opening gross carrying amount / Deemed cost	206.79	206.79	204.57
Additions	-	-	2.22
Closing gross carrying amount	206.79	206.79	206.79
Accumulated depreciation			
Opening accumulated depreciation	7.71	-	-
Depreciation charge	7.70	7.71	-
Closing accumulated depreciation	15.41	7.71	-
Net carrying amount	191.38	199.07	206.79
Fair value			
Investment property	<u>217.52</u>	<u>238.31</u>	<u>246.03</u>
Estimation of fair value			
The fair value of investment property has been determined with reference to the guideline value as determined by the Government for the location at which the property is situated and adjusted for the depreciated value of buildings.			
6 Other Financial Assets			
Non-Current			
Security deposits*	148.60	169.95	192.72
Total other financial Assets	<u>148.60</u>	<u>169.95</u>	<u>192.72</u>
*Security deposits comprises of deposits given for service providers such as electricity, telephone and etc.,			
7 Other non-current assets			
Capital advances	29.05	67.39	30.68
Advances other than capital advances:			
Prepaid Gratuity	-	8.80	11.89
Total other non-current assets	<u>29.05</u>	<u>76.19</u>	<u>42.57</u>
8 Inventories			
Raw Materials & Bought Out Components	148.67	97.47	89.93
Work in Progress	339.22	178.11	224.55
Finished Goods	64.59	111.82	133.30
Stores, Consumables and Spares	254.34	189.22	178.64
Total Inventories	<u>806.82</u>	<u>576.62</u>	<u>626.42</u>
9 Trade receivables			
Unsecured, considered good	2,846.35	2,061.04	1,862.23
Total trade receivables	<u>2,846.35</u>	<u>2,061.04</u>	<u>1,862.23</u>
10 Cash and cash equivalents			
Balances with banks			
- in current accounts	86.27	186.72	133.74
Deposits with maturity of less than three months	-	-	-
Cash on hand	0.11	0.15	0.10
Total cash and cash equivalents	<u>86.38</u>	<u>186.87</u>	<u>133.84</u>

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	31.03.2018	31.03.2017	01.04.2016
11 Other Bank Balances			
Unpaid dividends	19.75	18.88	17.55
Total other Bank balances	<u>19.75</u>	<u>18.88</u>	<u>17.55</u>
12 Other Financial assets current			
Export Incentive Receivable	-	-	-
Total current financial assets	<u>35.69</u>	<u>9.90</u>	<u>20.90</u>
13 Other current assets			
Advance to Suppliers	18.43	43.21	13.53
Employee Advances	2.53	3.82	2.07
Receivable from statutory authorities	498.79	422.22	415.50
Prepaid expenses	38.00	35.12	32.61
Total other current assets	<u>557.75</u>	<u>504.37</u>	<u>463.71</u>

14 Equity share capital

	Number of shares (in lakhs)	Amount
Authorised equity share capital		
As at 1 April 2016	50.00	500.00
Increase during the year	-	-
As at 31 March 2017	50.00	500.00
Increase during the year	-	-
As at 31 March 2018	50.00	500.00

(i) Movements in equity share capital

	Number of shares (in lakhs)	Equity share capital (par value)
As at 1 April 2016	45.82	458.22
Increase during the year	-	-
As at 31 March 2017	45.82	458.22
Increase during the year	-	-
As at 31 March 2018	45.82	458.22

Terms and rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10/- each. All these equity shares have the same rights and preferences with respect to payment of dividend, repayment of capital and carries one vote for every such class of shares held. In the event of liquidation, the excess assets shall be distributed amongst the members in proportion to the capital.

(ii) Details of shareholders holding more than 5% shares in the Company

	March 31, 2018		March 31, 2017		April 1, 2016	
	Number of shares (in lakhs)	% holding	Number of shares (in lakhs)	% holding	Number of shares (in lakhs)	% holding
Sri.N Krishna Samaraj	7.99	17.44%	7.99	17.44%	7.99	17.44%
Sri.Ajeyavel Narayanaswamy	-	0.00%	4.53	9.89%	4.53	9.89%
Smt.N.Muthulakshmi	6.13	13.38%	1.60	3.49%	1.60	3.49%
	<u>14.12</u>	<u>30.82%</u>	<u>14.12</u>	<u>30.82%</u>	<u>14.12</u>	<u>30.82%</u>

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	31.03.2018	31.03.2017	01.04.2016
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15 Other Equity

General reserve	3,000.00	2,800.00	2,600.00
Retained earnings	2,605.90	2,239.98	1,818.44
Total other equity	<u>5,605.90</u>	<u>5,039.98</u>	<u>4,418.44</u>

a) General reserve

Opening balance	2,800.00	2,600.00
Additions during the year	200.00	200.00
Deductions/Adjustments during the year	-	-
Closing balance	<u>3,000.00</u>	<u>2,800.00</u>

The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

b) Retained earnings

Opening balance	2,239.98	1,818.44
Net profit for the period	686.18	731.71

Items of other comprehensive income recognised directly in retained earnings

- Remeasurements of post-employment benefit obligation, net of tax	(9.96)	0.13
- Transfer to retained earnings of FVOCI equity investments, net of tax	-	-
Appropriations		
- General Reserve	(200.00)	(200.00)
Dividends and taxes thereon	(110.30)	(110.30)
Closing balance	<u>2,605.90</u>	<u>2,239.98</u>

In Financial Year 2017-18 on September 2017, a dividend of ₹ 2.00 per share (total dividend ₹ 110.30 Lakhs) was paid to holders of fully paid equity shares. In Financial Year 2016-17 on September 2016, a dividend of ₹ 2.00 per share (total dividend ₹ 110.30 Lakhs) was paid to holders of fully paid equity shares.

In respect of the year ended March 31, 2018, the Directors propose that a dividend of ₹ 2.00 per share be paid on fully paid equity shares. The equity dividend is subject to approval of shareholders at the ensuing Annual General Meeting. The total estimated equity dividend to be paid is ₹ 110.48 Lakhs.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	31.03.2018	31.03.2017	01.04.2016	
16 Borrowings				
(a) Non-current borrowings				
Secured				
Term Loans				
		Terms of Repayment		
From Indian Bank - Term Loan for INR 425 Lakhs	Repayable in 60 monthly instalments of INR 708,335 each	-	-	49.33
From Indian Bank - Term Loan for INR 320 Lakhs	Repayable in 60 monthly instalments of INR 533,340 each	-	31.06	94.80
(All the above Loans are Secured by paripasu charge by hypothecation of the entire fixed assets and current assets of the Company, in favour of both the banks. There is no continuing default in repayment of Principal and Interest.)				
Unsecured				
Supplier's Credit				
For purchase of Machinery from Italy - EUR 218,450 @ 3%.p.a	Repayable in 6 half-yearly instalments of EUR 36,408.33 each	-	-	117.48
Total non-current borrowings	-	31.06	261.61	
Split of Term loans between non-current and current maturities				
Total long term borrowings	-	145.93	462.39	
Less: Non-current portion	-	(31.06)	(261.60)	
Current maturities of long term loans	-	114.87	200.79	
(b) Current borrowings				
Secured				
From Banks				
Corporation Bank -Purchase bills discounted	346.23	342.69	511.80	
Total current borrowings	346.23	342.69	511.80	
*There are no non-cash transaction in borrowings, for cash transaction refer cash flow statement				
17 Employee benefit obligations				
		March 31, 2018		
		Current	Non-current	Total
Compensated absences	25.80	-	-	25.80
Gratuity	16.65	-	-	16.65
Total employee benefit obligations	42.45	-	-	42.45
Employee benefit obligations		March 31, 2017		
		Current	Non-current	Total
Compensated absences	4.82	18.26	-	23.08
Gratuity	-	-	-	-
Total employee benefit obligations	4.82	18.26	-	23.08
Employee benefit obligations		April 1, 2016		
		Current	Non-current	Total
Compensated absences	3.79	15.14	-	18.93
Gratuity	-	-	-	-
Total employee benefit obligations	3.79	15.14	-	18.93

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	31.03.2018	31.03.2017	01.04.2016
(i) Compensated absences			
Current leave obligations expected to be settled within the next 12 months	25.80	4.82	3.79
(ii) Gratuity			
	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2016	84.51	(96.40)	(11.89)
Current service cost	9.58	-	9.58
Interest expense/(income)	6.76	(7.76)	(0.99)
Total amount recognised in profit or loss	<u>16.34</u>	<u>(7.76)</u>	<u>8.59</u>
Remeasurements	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/losses	(0.20)	-	(0.20)
Total amount recognised in other comprehensive income	<u>(0.20)</u>	<u>-</u>	<u>(0.20)</u>
Employer contributions	-	(5.30)	(5.30)
Benefit payments	(4.81)	4.81	-
March 31, 2017	<u>95.84</u>	<u>(104.64)</u>	<u>(8.80)</u>
April 1, 2017	95.84	(104.64)	(8.80)
Current service cost	11.21	-	11.21
Past service cost	12.88	-	12.88
Interest expense/(income)	7.35	(8.51)	(1.16)
Total amount recognised in profit or loss	<u>31.44</u>	<u>(8.51)</u>	<u>22.93</u>
Remeasurements	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/losses	13.46	0.34	13.80
Total amount recognised in other comprehensive income	<u>13.46</u>	<u>0.34</u>	<u>13.80</u>
Employer contributions	-	(11.28)	(11.28)
Benefit payments	(7.86)	7.86	-
March 31, 2018	<u>132.88</u>	<u>(116.23)</u>	<u>16.65</u>
The net liability disclosed above relates to funded and unfunded plans are as follows:			
Present value of funded obligations	132.89	95.84	84.51
Fair value of plan assets	116.23	104.64	96.40
Deficit of funded plan	<u>16.66</u>	<u>(8.80)</u>	<u>(11.89)</u>

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	31.03.2018	31.03.2017	01.04.2016
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(iv) Post-Employment benefits

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Discount rate	7.55%	7.20%	8.00%
Salary growth rate	6.50%	7.50%	6.50%

(v) Sensitivity analysis for the year ended March 31, 2018

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption March 31, 2018	Increase in assumption March 31, 2018	Decrease in assumption March 31, 2018
Discount rate	0.50%	3.00%	-3.00%
Salary growth rate	0.50%	-3.00%	3.00%

(vi) Expected benefit payments in following years

Within the next one year	16.55
After one year but within five years	66.32
After five years	58.02

18 Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

Depreciation	334.43	397.16	432.86
Others	-	-	-
Total deferred tax liabilities	334.43	397.16	432.86
Set-off of deferred tax liabilities pursuant to set-off provisions	-	-	-
Tax Reduction available on payment Basis	(22.87)	(24.51)	(18.13)
Total deferred tax assets	(22.87)	(24.51)	(18.13)
Net deferred tax liabilities	311.56	372.65	414.73

Movement in deferred tax liabilities and assets

	Depreciation	Tax Reduction available on payment Basis	Total
At April 1, 2016	432.86	(18.13)	414.73
(Charged)/credited:			
- to profit or loss	(35.70)	(6.45)	(42.15)
- to other comprehensive income	-	0.07	0.07
At March 31, 2017	397.16	(24.51)	372.65
(Charged)/credited:			
- to profit or loss	(62.73)	5.49	(57.25)
- to other comprehensive income	-	(3.84)	(3.84)
At March 31, 2018	334.43	(22.87)	311.56

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	31.03.2018	31.03.2017	01.04.2016
19 Government grants			
Deferred Income	28.13	33.52	42.43
Total Government grants	<u>28.13</u>	<u>33.52</u>	<u>42.43</u>
Non-current portion	19.09	24.71	33.52
Current portion	9.04	8.81	8.91
20 Trade payables			
Current			
Dues to Micro and Small Enterprises **	8.08	3.81	7.41
Dues to enterprises other than Micro and Small Enterprises	1,286.33	977.15	1,245.69
Total trade payables	<u>1,294.41</u>	<u>980.96</u>	<u>1,253.10</u>
** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. The entire closing balance represents the principal amount payable to these enterprises. There are no interests due or outstanding on the same.			
21 Other financial liabilities			
Non-current			
Capital creditors	-	-	-
Total other non-current financial liabilities	-	-	-
Current			
Current maturities of long term debt	-	114.87	200.79
Salaries and wages	-	-	-
Bonus	-	-	-
Other employee benefits	-	-	-
Unpaid dividends	19.75	18.88	17.55
Capital creditors	8.45	2.63	5.16
Proposed dividend	-	-	0.00
Others	-	-	-
Total other current financial liabilities	<u>28.20</u>	<u>136.38</u>	<u>223.50</u>
22 Current tax liabilities (Net)			
Opening balance	55.55	28.31	
Add: Current tax payable for the year	158.62	213.04	
Less: Taxes paid	(189.10)	(185.80)	
Total current tax liabilities	<u>25.07</u>	<u>55.55</u>	
23 Other current liabilities			
Advance from Customers	58.85	5.15	2.24
Statutory liabilities	20.75	20.02	18.37
Total other current liabilities	<u>79.60</u>	<u>25.17</u>	<u>20.61</u>

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	31.03.2018	31.03.2017
24 Revenue from operations		
Sale of products	9,238.10	8,220.41
Other operating revenue	185.91	115.06
Total revenue	<u>9,424.01</u>	<u>8,335.47</u>
25 Other income		
Interest income from financial assets mandatorily measured at fair value through profit or loss	8.76	9.71
Rental Income	20.50	18.00
Profit on sale of assets	0.04	1.49
Government Grants	9.25	8.91
Miscellaneous income	0.43	2.50
Total other income	<u>38.98</u>	<u>40.61</u>
26 Cost of materials consumed		
Raw materials at the beginning of the year	97.47	89.93
Add: Purchases	3,364.44	2,161.73
Less: Raw materials at the end of the year	148.67	97.47
Total Cost of materials consumed	<u>3,313.24</u>	<u>2,154.19</u>
27 Changes in inventories of finished goods and work-in-progress		
Opening Balance		
Work-in-progress	178.11	224.55
Finished goods	111.82	133.30
Total Opening Balance	<u>289.93</u>	<u>357.85</u>
Closing Balance		
Work-in-progress	339.22	178.11
Finished goods	64.59	111.82
Total Closing Balance	<u>403.81</u>	<u>289.93</u>
Total changes in inventories of finished goods and work-in-progress	<u>(113.88)</u>	<u>67.92</u>
28 Employee benefit expense		
Salaries, wages and bonus	809.12	787.81
Contribution to provident and other funds	49.44	38.76
Gratuity	22.94	9.74
Staff welfare expenses	69.67	64.77
Total employee benefit expense	<u>951.17</u>	<u>901.08</u>
29 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	445.09	513.47
Depreciation of investment property	7.70	7.72
Amortisation of intangible assets	1.29	0.16
Total depreciation and amortisation expense	<u>454.08</u>	<u>521.35</u>

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	31.03.2018	31.03.2017
30 Other expenses		
Labour Charges	188.03	192.60
Machining Charges	1362.57	1,119.48
Processing Charges	366.13	364.67
Pattern Making Charges	208.21	123.92
Consumption of Stores and Spare Parts	216.91	184.30
Repairs & Maintenance - Machinery	134.80	109.83
Power & Fuel	602.28	468.21
(Net of WTG Generation ₹ 507.89 Previous Year ₹ 559.51 lakhs)		
Rent	3.64	3.23
Repairs & Maintenance - Building	111.39	80.42
Insurance	56.29	45.56
Rates & Taxes	6.57	8.29
Carriage Outwards	56.02	38.59
Packing Material	250.22	218.81
Payment to Auditors	7.50	7.48
(a) auditor	0.10	0.58
(b) taxation matters	-	0.12
(c) for other services	2.75	3.33
Effect of exchange differences	17.90	22.91
CSR Expenses (Refer note below)	331.32	352.58
Miscellaneous Expenses		
Total other expenses	3,922.63	3,344.91
CSR Expenses		
Amount spent through trusts- Implementing agencies	11.15	12.15
Amount spent directly	6.75	10.76
Total	17.90	22.91
Amount required to be spent as per Section 135 of the Act	17.85	15.45
Amount spent during the year on:		
(i) Construction/ acquisition of an asset	-	-
(ii) On purposes other than (i) above	17.90	22.91
31 Finance costs		
Interest on Bank Loans	4.30	26.80
Interest on Discounting of Bills	25.84	20.10
Hire Purchase Charges	-	0.09
Other borrowing cost	1.42	7.24
Finance costs expenses	31.56	54.23
32 Income tax expense		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	170.00	230.00
Adjustments for current tax of prior periods	(11.39)	(16.96)
Total current tax expense	158.61	213.04
Deferred tax		
(Decrease) increase in deferred tax liabilities	5.49	(35.70)
Decrease (increase) in deferred tax assets	(62.74)	(6.44)
Total deferred tax expense/(benefit)	(57.25)	(42.14)
Income tax expense	101.36	170.90

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	31.03.2018	31.03.2017	01.04.2016
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(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Profit before income tax expense	686.18	731.71	
Tax at the Indian tax rate of 33.063% (2016-2017 – 33.063%)	226.87	241.93	
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Corporate social responsibility expenditure	5.99	7.67	
Income exempt from tax	(111.47)	(129.73)	
Adjustments for current tax of prior periods	11.39	16.96	
Change in rate	(59.09)	-	
Others	27.67	34.07	
Income tax expense	101.36	170.90	

33 Fair value measurements

	31.03.2018	31.03.2017	01.04.2016
Financial instruments by category		Amortised cost	
Financial assets			
Trade receivables	2,846.35	2,061.04	1,862.23
Cash and cash equivalents	86.38	186.87	133.83
Security deposits	148.60	169.95	192.72
Other Bank Balances	19.75	18.88	17.55
Export Incentive Receivable	35.69	9.90	20.90
Total financial assets	3,136.77	2,446.64	2,227.23
Financial liabilities			
Long - term borrowings (Includes current maturities)	-	145.93	462.40
Short - term borrowings	346.23	342.69	511.80
Unpaid dividends	19.75	18.88	17.55
Trade payables	1,294.41	980.96	1,253.10
Capital creditors	8.44	2.63	5.16
Total financial liabilities	1,668.83	1,491.09	2,250.01

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

NOTES TO THE FINANCIAL STATEMENTS

Level 2 : The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no investments in equity instruments.

There are no transfers between levels 1 and 2 during the year. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk.

(a) Credit risk

Company faces credit risk from cash and cash equivalents, deposits with banks and financial institutions and unsecured trade receivables. The Company doesn't face any credit risk with other financial assets.

(i) Credit risk management

Credit risk on deposit is mitigated by depositing the funds in reputed scheduled bank.

For trade receivables, the primary source of credit risk is that these are unsecured. The Company sells the products to customers only when the collection of trade receivables is certain and whether there has been a significant increase in the credit risk on an on-going basis is monitored throughout each reporting period. As at the balance sheet date, based on the credit assessment the historical trend of low default is expected to continue. An impairment analysis is performed at each reporting date on an individual basis for major clients. Any recoverability of receivables is provided for based on the impairment assessment. Historical trends showed as at the transition date, 31st March, 2017 and 31st March, 2018 Company had no significant credit risk.

(b) Liquidity risk

Objective of liquidity risk management is to maintain sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these balance sheet liquidity ratios against internal requirements.

(i) Financing Arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	31 March, 2018	31 March, 2017	1 April, 2016
Floating rate - Expiring within one year (cash credit)	1,653.77	1,657.31	1,488.20

The bank cash credit facilities may be drawn at any time and may be terminated by the bank without notice.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity of 1 year.

(ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- a) all non-derivative financial liabilities, and
- b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is immaterial.

Contractual maturities of financial liabilities

31 March 2018				
Non-derivatives	Maturing within 3 months	Maturing after 3 months but within a year	Maturing after a year	Total
Borrowings	346.23	-	-	346.23
Unpaid dividends	-	2.51	17.24	19.75
Trade payables	1228.18	66.23	-	1294.41
Capital creditors	8.44	-	-	8.44
Total non-derivative liabilities	1582.85	68.74	17.24	1668.83

31 March 2017				
Non-derivatives	Maturing within 3 months	Maturing after 3 months but within a year	Maturing after a year	Total
Borrowings	457.55	-	31.06	488.61
Unpaid dividends	-	2.28	16.60	18.88
Trade payables	900.00	70.00	10.96	980.96
Capital creditors	2.63	-	-	2.63
Total non-derivative liabilities	1,360.18	72.28	58.62	1,491.08

1' April 2016				
Non-derivatives	Maturing within 3 months	Maturing after 3 months but within a year	Maturing after a year	Total
Borrowings	712.58	-	261.61	974.19
Unpaid dividends	-	1.78	15.77	17.55
Trade payables	1,199.00	54.10	-	1,253.10
Capital creditors	5.16	-	-	5.16
Total non-derivative liabilities	1,916.74	55.88	277.38	2,250.00

(c) Market Risk

(i) Foreign currency risk

The company activities exposes it to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	31 March, 2018		
	USD	EUR	GBP
Financial assets			
Trade receivables	1,285.08	112.08	38.93
Exposure to foreign currency risk (assets)	1,285.08	112.08	38.93
Financial liabilities			
Borrowings	-	-	-
Trade payables	6.79	-	-
Exposure to foreign currency risk (liabilities)	6.79	-	-
Net exposure to foreign currency risk	1,278.29	112.08	38.93

	31 March, 2017		
	USD	EUR	GBP
<i>Financial assets</i>			
Trade receivables	891.31	86.13	11.44
Exposure to foreign currency risk	891.31	86.13	11.44
<i>Financial liabilities</i>			
Borrowings	-	-	-
Trade payables	5.28	-	-
Exposure to foreign currency risk	5.28	-	-
Net exposure to foreign currency risk	886.03	86.13	11.44

	1' April 2016		
	USD	EUR	GBP
Financial assets			
Trade receivables	850.08	62.33	16.82
Exposure to foreign currency risk	850.08	62.33	16.82
Financial liabilities			
Borrowings	-	117.48	-
Trade payables	-	-	-
Exposure to foreign currency risk	-	117.48	-
Net exposure to foreign currency risk	850.08	(55.15)	16.82

The sensitivity of profit or loss to changes in the exchange rates arises mainly from major foreign currency denominated financial instruments

Impact on profit after tax		
USD sensitivity	31 March 2018	31 March 2017
INR/USD Increases by 5%	42.78	29.65
INR/USD Decreases by 5%	(42.78)	(29.65)

Impact on profit after tax		
EURO sensitivity	31 March 2018	31 March 2017
INR/EUR Increases by 5%	3.75	2.89
INR/EUR Decreases by 5%	(3.75)	(2.89)

Impact on profit after tax		
GBP sensitivity	31 March 2018	31 March 2017
INR/GBP Increases by 5%	1.30	0.38
INR/GBP Decreases by 5%	(1.30)	(0.38)

* Holding all other variables constant

35 Capital management

(a) Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet).

	March 31, 2018	March 31, 2017	April 1, 2016
Net debt	-	146	462
Total equity	6,064	5,498	4,877
Net debt to equity ratio	0.00%	2.65%	9.48%

(b) Dividends

	Amount(₹)
Final Dividend for the year ended March 31, 2017 of ₹10 per fully paid share (For year ended March 31, 2016 : ₹ 2.00)	2.00
Final Dividend for the year ended March 31, 2016 of ₹10 per fully paid share (For year ended March 31, 2015 : ₹ 1.80)	2.00

Proposed Dividend

The Board of Directors has recommended to pay ₹ 2/- per share final dividend for the year ended March 31, 2018 subject to approval of shareholders in Annual General Meeting and has not been included as a liability in these financial statements.

36 Related Party Disclosures:

A. Related Party Relationships:

- | | |
|--|---|
| 1. Key Managerial Personnel | Sri. N. Krishna Samaraj- Managing Director |
| 2. Relatives of Key Managerial Personnel | Smt. N. Muthulakshmi- Mother |
| 3. Other Related Parties | 1. Samrajyaa & Company |
| | 2. Magna Dignitech India LLP
(erstwhile Magna Dignitech India Private Limited) |
| | 3. Elgi Equipments Limited |

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

B. Transactions with Related Parties

Particulars	31.03.2018	31.03.2017	01.04.2016
Sri.N.Krishna Samaraj			
Managerial Remuneration	67.39	61.12	53.30
Sitting Fees	1.00	0.88	0.58
Smt.N.Muthulakshmi			
Rent & Ammenities	7.28	6.46	6.46
Samrajyaa And Company			
Machining Charges Paid	687.43	687.40	883.94
Rent Received	20.50	18.00	18.00
Magna Digitech India Pvt Ltd.			
Data Conversion Paid	-	22.68	15.17
Sale of Castings	-	0.27	-
Magna Digitech India LLP			
Data Conversion Paid	20.50	4.13	-
Purchase of Cores	15.75	-	-
Sale of Castings	3.16	1.25	-
Sale of Other Items	1.35	-	-
Elgi Equipments Ltd.			
Purchase of Goods & Services	1.76	13.60	2.40
Sale of Service	0.10	-	-
Outstandings			
Payables	254.97	247.88	246.11
Receivables	-	-	0.01

37 Earnings per share

	31.03.18	31.03.17
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company	686.18	731.71
Number of equity shares (in lakhs) of INR 10 each	45.82	45.82
Basic earnings per share	14.98	15.97
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company	686.18	731.71
Number of equity shares (in lakhs) of INR 10 each	45.82	45.82
Diluted earnings per share	14.98	15.97

38 Contingent liabilities and contingent assets

Contingent liabilities On Account of Capital Expenditure ₹30.22 Lakhs

39 EQUITY RECONCILIATION

	31.03.17	01.04.16
Total Equity as per (IGAAP) audited financials	5,392.56	4,646.43
Impact of revenue deferral	(34.28)	(14.74)
Restatement of foreign exchange balances	(23.26)	(17.19)
Gratuity asset recognised	8.80	11.89
Deffered Tax	154.38	139.97
Reversal of Proposed dividend	-	110.30
Total Equity as per Ind AS	5,498.20	4,876.66

PROFIT RECONCILIATION	31.03.2017
Profit as per IGAAP Financials	746.12
Impact of revenue deferral	(18.91)
Remeasurement of Employee benefits	(0.13)
Foreign Exchange Reinstatement	(6.71)
Gratuity asset recognised	(3.09)
Deffered Tax	14.42
Profit as per Ind AS	<u>731.71</u>
Other Comprehensive Income	
Remeasurement of Employee benefits (net of tax)	0.13
Total Comprehensive Income	<u>731.84</u>

40 Disclosure on dues to Micro, Small and Medium Enterprises:

As defined under Micro, Small and Medium Enterprises Development Act, 2006, the disclosure in respect of the amounts payable to such enterprises as at the end of the year has been made in the financial statements based on information received and available with the Company.

Particulars	31.03.2018	31.03.2017	01.04.2016
1. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	8.08	3.81	7.41
2. The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year	Nil	Nil	Nil
3. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil	Nil
4. The amount of interest accrued and remaining unpaid at the end of the year	Nil	Nil	Nil
5. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil	Nil

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

41 Segment Information:**A. Opening Segment**

The Company is organised into two main reportable segments viz.,

(1) Manufacture and Sale of Castings Division-Foundry (2) Wind Energy Division

Particulars	31.03.2018	31.03.2017
Segment Revenue:		
1. Foundry Division	9424.01	8335.47
2. Wind Energy Division	507.89	559.51
	9931.90	8894.98
Less: Inter segment Revenue	507.89	559.51
Net Sales/ Income from Operations	9424.01	8335.47
Segment Result:		
1. Foundry Division	504.64	575.51
2. Wind Energy Division	314.46	369.69
Total Profit before Interest	819.10	945.20
Less: Finance Costs		
1. Foundry Division	31.56	54.23
2. Wind Energy Division	-	-
Profit Before Tax & Exceptional items	787.54	890.97

Particulars	31.03.2018	31.03.2017	01.04.2016
Segment Assets			
1. Foundry Division	7089.20	6683.15	7011.27
2. Wind Energy Division	1130.57	816.11	640.41
3. Unallocable Assets	-	-	-
Total	8219.77	7499.26	7651.68
Segment Liabilities			
1. Foundry Division	1844.10	1628.41	2360.29
2. Wind Energy Division	-	-	-
3. Unallocable Liabilities	311.55	372.65	414.73
Total	2155.65	2001.06	2775.05

B. Geographical Segment

The Company operates in two principal geographical areas, India (Country of Domicile) and outside India.

Particulars	31.03.2018	31.03.2017
1. Inside India	4863.82	4052.75
2. Outside India	4374.28	4167.66

41 First-time adoption of Ind AS**Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March, 2018, the comparative information presented in these financial statements for the year ended 31 March, 2017 and in the preparation of an opening Ind AS balance sheet at 1 April, 2016 (The Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions**A.1.1 Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, The Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

A.1.2 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

A.2 Ind AS mandatory exceptions**A.2.1 Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for certain items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

B: Notes to first-time adoption:**Note 1: Investment Property**

Under the previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Note 2: Revenue

On adoption on Ind AS, Company has reassessed its revenue recognition and has de-recognised where it had continuing managerial involvement post the sale. Consequently, the total equity as at 31 March, 2017 decreased by ₹ 32.29 (1 April, 2016 ₹ 14.71) and profit for the year ended 31 March, 2017 decreased by ₹ 19.51.

Note 3: Proposed Dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend as at 1 April, 2016 – ₹ 110.30 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 4: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

Under IGAAP Company has not recognised net asset position in gratuity, On adoption of Ind-AS group has recognised net asset position as on 1 April, 2016 which has resulted in increase of retained earnings by ₹ 8.80 and retained earnings by ₹ 11.89 as at 31 March, 2017 and profit for the year ended 31 March, 2017 increased by ₹ 3.09.

Note 5: Deferred Taxes

Deferred tax have been recognised on the adjustments made on transition to Ind AS and adoption of balance sheet approach.

Note 6: Other adjustments

Foreign currency balance were restated. The total equity as at 31 March, 2017 decreased by ₹ 23.26 (1 April, 2016 ₹ 17.19) and profit for the year ended 31 March, 2017 decreased by ₹ 6.07.

42 Previous years' figures have been restated to comply with IND AS to make them comparable with the current period. Further, previous years' figures have been regrouped / reclassified, wherever necessary, to conform with the current period presentation.

For and on behalf of the Board

As per our report annexed

C R Swaminathan
Director
DIN:00002169

R Ravi
Chief Financial Officer

for **Srikishen & Co.**
Chartered Accountants (Reg No.004009S)

N Krishna Samaraj
Managing Director
DIN:00048547

Sangeetha C
Company Secretary

K Murali Mohan
Proprietor, Auditor
Membership No.14328

Coimbatore
30th May, 2018

MAGNA ELECTRO CASTINGS LIMITED
Regd. Office: 43, BALASUNDARAM ROAD, COIMBATORE - 641 018
ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORMAT

To

S.K.D.C. Consultants Limited,
 "Kanapathy Towers", 3rd Floor,
 1391/A-1, Sathy Road,
 Ganapathy,
 Coimbatore- 641 006.

Dear Sirs,

FORM FOR ELECTRONIC CLEARING SERVICE FOR PAYMENT OF DIVIDEND

Please fill-in the information in capital Letters in English only. Please whichever is applicable.

For shares held in physical form

Master Folio No.

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FOR OFFICE USE ONLY

ECS

Ref. No.

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Name of the First Holder											
Bank Name											
Branch Name											
Bank Address											
Branch Code	<table border="1" style="width: 100%; height: 28px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table> <p style="font-size: small;">(9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank). Please attach a xerox copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the banks name, branch name and code number.</p>										

Account type	→	<table border="1" style="width: 100%; height: 28px;"> <tr> <td style="width: 50%; text-align: center;">Savings</td> <td style="width: 50%;"></td> </tr> </table>	Savings		<table border="1" style="width: 100%; height: 28px;"> <tr> <td style="width: 50%; text-align: center;">Current</td> <td style="width: 50%;"></td> </tr> </table>	Current		<table border="1" style="width: 100%; height: 28px;"> <tr> <td style="width: 50%; text-align: center;">Cash Credit</td> <td style="width: 50%;"></td> </tr> </table>	Cash Credit														
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Effective Date of this mandate		<table border="1" style="width: 100%; height: 28px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>																					

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, SKDC Consultants Limited will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by RBI/Magna Electro Castings Limited.

I further undertake to inform the Company any change in my Bank / branch and account number.

Date : _____ (Signature of the First holder)

- Note :
1. Shareholders holding shares in Demat form and wish to avail ECS facility are requested to contact their Depository Participants.
 2. In case the Scheme does not meet with the desired response or due to any other operational reasons it is found to be unviable, the Company reserves the right to pay dividend by issue of Warrants.



MAGNA ELECTRO CASTINGS LIMITED
Regd. Office: 43, BALASUNDARAM ROAD, COIMBATORE - 641 018
E-MAIL ADDRESS REGISTRATION FORM

To

S.K.D.C. Consultants Limited,
"Kanapathy Towers", 3rd Floor,
1391/A-1, Sathy Road,
Ganapathy,
Coimbatore- 641 006.

Dear Sirs,

FORM FOR REGISTRATION OF E-MAIL ADDRESS FOR SERVING THE DOCUMENTS
(For shares held in physical form only)

Please fill-in the information in capital Letters in English only.

Master Folio No.

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FOR OFFICE USE ONLY

Ref. No.

--

Name of the First Holder	
Name of Joint Holder(s)	
E-mail Address	

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Company will not be held responsible.

I further undertake to inform the Company any change in my e-mail address

Date :

Signature of the first holder

Note :

1. Shareholders holding their shares in physical form are requested to inform to the Registrars and Share Transfer Agents i.e., SKDC Consultants Limited their e-mail address / change in their email address.
2. Shareholders holding their shares in demat form are requested to update their e-mail Address with their respective Depository Participants.



MAGNA

Notes

