

**SEC/BSE/28/2021-22**

August 20, 2021

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

**Kind Attn:** Mr. Abhay Mungekar/  
Mr. Amol Hosalkar  
**Scrip Code:** 517449

Dear Sir,

**Submission of Annual Report 2020-21**

We enclose herewith a copy of Annual Report for the financial year 2020-21 pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We request you to kindly take the above documents on record.

Thanking you

**For MAGNA ELECTRO CASTINGS LIMITED**

  
**Sangeetha. C**  
Company Secretary.

**MAGNA**

MAGNA  
ELECTRO  
CASTINGS  
LIMITED

**Annual Report  
2020 - 2021**



<b>Board of Directors</b>	Sri.J.Vijayakumar -DIN:00002530
	Sri.K.Gnanasekaran -DIN:00133645
	Dr.R.Nandini -DIN:00002223
	Dr.Jairam Varadaraj -DIN:00003361
	Sri.C.R.Swaminathan -DIN:00002169
<b>Managing Director</b>	Sri.N.Krishna Samaraj -DIN:00048547
<b>Chief Executive Officer</b>	Sri.M.Malmarugan
<b>Chief Financial Officer</b>	Sri.R.Ravi
<b>Company Secretary</b>	Smt.Sangeetha.C
<b>Auditors</b>	
<b>Statutory Auditors</b>	M/s. Srikishen & Co. Firm Reg.No. 004009S Chartered Accountants Coimbatore
<b>Internal Auditors</b>	M/s S.Krishnamoorthy & Co Firm Reg.No.001496S Chartered Accountants Coimbatore
<b>Secretarial Auditors</b>	M/s.MDS & Associates Company Secretaries Coimbatore
<b>Cost Auditors</b>	M/s.SBK & Associates Firm Reg.No.000342 Cost Accountants Chennai
<b>Bankers</b>	1. Union Bank of India (erstwhile Corporation Bank), Industrial Finance Branch 1604 Trichy road Coimbatore 641 018  2. Indian Bank 31, Variety Hall road Coimbatore 641 001
<b>Registrars &amp; Share Transfer Agents</b>	S.K.D.C.Consultants Limited "Surya" 35, Mayflower Avenue Behind Senthil Nagar, Sowripalayam Road,Coimbatore - 641028
<b>Listing with Stock Exchange</b>	BSE Limited, Mumbai
<b>Corporate Identification No.</b>	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](mailto:info@magnacast.com)

Website : [www.magnacast.com](http://www.magnacast.com)

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**NOTICE TO MEMBERS:**

NOTICE is hereby given that the 31st Annual General Meeting of the Members of Magna Electro Castings Limited will be held at 3.30 P.M. Indian Standard Time (IST) on Thursday, 23rd September, 2021 through Video Conferencing ('VC')/ Other Audio Visual Means ("OAVM") without the in-person presence of members to transact the following business(es):-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements including Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow for the year ended on that date together with the Directors' Report and the Auditors' Report thereon.
2. To declare a dividend for the year ended 31st March, 2021.
3. To appoint a Director in place of Sri.J.Vijayakumar (DIN:00002530), who retires by rotation and being eligible, offers himself for reappointment.
4. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. VKS Aiyer & Co., Chartered Accountants, Coimbatore (Firm Registration No.000066S), be and are hereby appointed as Statutory Auditors of the Company in place of the Retiring Auditors M/s. Srikishen & Co., Chartered Accountants, Coimbatore (Firm Registration No.004009S), for a term of 5 years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held in financial year 2026 on such remuneration as shall be fixed by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

**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 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 were appointed as Cost Auditors 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, 2022 on a remuneration of ₹ 1,00,000 (Rupees One Lakh only) plus applicable taxes and re-imbursalment 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 are hereby authorized to do all such 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 a Special Resolution:

RESOLVED THAT in accordance with the provisions of Sections 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including statutory modification or re-enactment thereof, for the time being in force) and subject to such other approvals as may be necessary, the consent of the Company be and are hereby accorded to the re-appointment of Sri.N.Krishna Samaraj (DIN 00048547) as the Managing Director of the Company for a further period of five (5) years from 17/01/2022 to 16/01/2027 and the remuneration for a period of three years (3) from 17/01/2022 to 16/01/2025 be paid to Sri. N.Krishna Samaraj on the following terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors at their respective meetings held on 25th day of June, 2021:

- i. Salary: ₹ 6,00,000 per month
- ii. Contribution to Provident fund, Super annuation fund or annuity fund, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- iii. Gratuity payable at the rate not exceeding half month salary for each completed year of service.
- iv. Encashment of leave at the end of tenure.
- v. Car with driver, telephone at residence, club fees and medical reimbursement.
- vi. Commission on Net profits: 1% in addition to salary and perquisites and the amount determined shall be subject to the limits laid down under Section 197 and 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT in the event of absence of profits or inadequacy of profits in any year, the Managing Director shall be paid the following remuneration

- i. Salary : ₹ 6,00,000 per month
- ii. Contribution to Provident fund, Super annuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- iii. Gratuity payable at the rate not exceeding half months salary for each completed year of Service

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to alter and vary the terms of re-appointment and/or remuneration payable to Sri. N.Krishna Samaraj, Managing Director as it may deem fit, subject to the same not exceeding the limits as approved by the shareholders.

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

### **ITEM NO. 5**

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 2021-22 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 2021-22.

The Board recommends the resolution set out in Item No. 5 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 financially or otherwise in the resolution as set out under Item No. 5.

#### **ITEM NO. 6**

Sri. N.Krishna Samaraj was reappointed as Managing Director of the Company for a period of five years from 17th January, 2017 at the 26th Annual General Meeting held on 15th September, 2016. The remuneration payable to him was approved by the members at the above Meeting for a period of three years from 17th January, 2017 till 16th January, 2020 and by the members at the 29th Annual General Meeting held on 19th August, 2019 for a further period from 17th January, 2020 till the remaining period of his present term, ie. upto 16th January, 2022.

The Board of Directors at their meeting held on 25th day of June, 2021 re-appointed Sri. N.Krishna Samaraj (DIN: 00048547), as Managing Director of the Company with effect from 17th January, 2022 for a period of five years at the remuneration for a period of three years as set out under Item No.6 of the Agenda in accordance with the applicable provisions of Section 196 of the Companies Act, 2013.

As per the provisions of Sections, 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the appointment shall be subject to the approval of the shareholders of the Company in the General meeting. Hence the necessary resolutions set out at Item No. 6 of the Notice is placed before the members for their approval.

In accordance with the Secretarial Standard (SS) - 2, the qualification, experience and expertise of Sri. N.Krishna Samaraj is detailed in the Annexure to this Statement.

Except Sri. N.Krishna Samaraj, being the appointee, none of the Directors and Key Managerial Personnel of the Company and his relatives are concerned or interested, financial or otherwise, in the resolutions set out at Item No. 6 of the Notice.

#### **Statement of disclosures pursuant to Section II (A) of Part II of Schedule V to the Companies Act, 2013 in relation to Item no. 6 above:**

##### **1. General Information:**

###### **1. Nature of Industry**

The Company is engaged in the manufacture and sales of SG Ductile iron and Grey iron castings. The Company has two divisions, namely, Foundry division and Wind Energy Generation division.

###### **2. Date of commencement of commercial production**

30.01.1995

###### **3. In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus**

Not Applicable



**4. Financial performance**

(₹ in lakhs)

Details	2021	2020	2019	2018	2017
Total income	9901.87	9847.19	12587.59	9462.99	8376.08
Net Profit before tax	701.43	850.10	1501.68	787.54	890.97
Dividend paid	63.48	114.56	229.11	91.64	91.64
Rate of dividend in %	15	25	50	20	20

**5. Foreign Investments or collaborations:**

The Company has not incurred any expenditure in foreign exchange on account of foreign investments or collaborations during the last five years as the Company has neither made any foreign investments nor entered into any foreign collaboration agreement.

**6. Export Performance:**

Details of export performance for the last five years are given below:

(₹ in lakhs)

Year	2021	2020	2019	2018	2017
Export Earnings	4743.04	4235.05	4461.05	5226.47	5059.55

**II Information about the appointee:****1. Background details:**

Sri.N.Krishna Samaraj, aged 66, the main promoter of this Company is an Engineering Graduate with a Masters in Business Administration from the University of Michigan, USA. He has over 12 years working experience in the USA and Europe. He has been the Managing Director since inception of the Company. He was also the President of the Institute of Indian Foundry Men for the year 2015-16.

**2. Past remuneration:**

(₹ in lakhs)

Particulars	31.03.2021	31.03.2020	31.03.2019
Salary	67.20	67.29	67.20
Perquisites	0.19	0.19	0.19
Commission	--	--	14.33
Sitting fees	1.80	1.50	1.00
Annual Remuneration	69.19	68.98	82.72

**3. Recognition of awards**

Nil

**4. Job profile & suitability**

Sri.N.Krishna Samaraj is in charge of the day to day operations of the Company and is assisted by a team of qualified and experienced professionals. With the educational qualifications he possesses and the vast experience in the field, and with his administrative capabilities, Sri.N.Krishna Samaraj is best suited for the position.

**5. Remuneration proposed**

As set out in Item No. 6 of the Notice

**6. Comparative remuneration profile**

The proposed remuneration to Sri.N.Krishna Samaraj with respect to industry, size of the Company is comparable to industry standards, Company, profile of the position.

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

Nil

**III. Other information:**

**1. Reason for loss/inadequate profits**

Not Applicable

**2. Steps taken or proposed to be taken for improvement**

Upgradation of technology, improving R&D activities,

**3. Expected increase in productivity and profits in measurable terms**

Both productivity and profits are expected to increase by 10%.

**IV. Disclosures:**

**1. Shareholders of the Company shall be informed of the remuneration package of the Managerial Person**

Information is furnished in the Notice to the shareholders.

**2. The following disclosures shall be mentioned in the Board of Directors' report under the heading ,Corporate Governance, if any, attached to the Annual Report.**

- i) All elements of remuneration package such as salary, benefits, bonus, stock options, pension, etc. of all the Directors

Except Sri.N.Krishna Samaraj, Managing Director, no other Director is paid any remuneration. They are paid only sitting fees for attending meetings of the Board/Committees

- ii) Details of fixed components and performance linked incentives along with performance criteria

Salary of ₹ 6,00,000 per month; 1% commission on Net Profits; there is no performance linked incentive

- iii) Service Contracts, notice period, severance fees

Not applicable

- iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable

Not applicable

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Secretarial Standards on General Meetings, brief profile of the Directors, who are proposed to be re-appointed, nature of their expertise in specific functional areas, other directorships and Committee memberships, their shareholding and relationship with other Directors of the Company are given below:

Name of the Directors	Sri.J.Vijayakumar	Sri. N. Krishna Samaraj
DIN	00002530	00048547
Date of Birth/Age	09.12.1952 / 69 Years	26.03.1955 / 66 Years
Nationality	Indian	Indian
Year of induction to the Board	1990	1990
Qualification	B.Com, MBA (USA)	BE., MBA (USA)
Expertise /Skills	More than 36 years of Industrial Experience. And expertise in General Administration and Finance.  Managing Director of Veejay Terry Products Limited and looking after day to day operations of the Company.	More than 20 years of Experience as an Industrialist
Shareholding	10,100 Equity Shares	8,47,000 Equity Shares
Relationship	Not related to any of the other Directors of the Company	Not related to any of the other Directors of the Company
Terms of Appointment / Re-appointment	Liable to retire by rotation.	Not liable to retire by rotation Re-appointment for 5 years
Remuneration sought to be paid	Sitting fees only	₹ 72 lakhs excluding commission, sitting fees and perquisites
Remuneration last drawn	₹ 2,40,000/-	₹ 69,19,000/-
No. of Board Meetings attended	6	6
List of Directorships held in other Companies	Veejay Terry Products Limited	<ul style="list-style-type: none"><li>• Shanthi Gears Limited</li><li>• Chandra Textiles Private Limited</li><li>• Veejay Terry Products Limited</li><li>• Foundries Development Foundation</li></ul>
Other Companies Committee Details	Veejay Terry Products Limited -Stakeholders Relationship Committee (Member)	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: 25th June, 2021

**NOTES**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020, 13th April, 2020, 15th June, 2020, 28th September, 2020, 31st December, 2020 and 13th January, 2021 (collectively referred to as “MCA Circulars”) and the Securities and Exchange Board of India vide their circulars dated 12th May, 2020 and 15th January, 2021 (collectively referred to as “SEBI Circulars”) permitted the conduct of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), without the physical presence of the Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) MCA Circulars and SEBI Circulars the AGM of the Company is being held through VC / OAVM. Members desirous of participating in the meeting through VC/OAVM, may refer to the procedures mentioned below.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than / individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to bk.scrutiniser@gmail.com with a copy marked to the Company at info@magnacast.com and to its RTA at info@skdc-consultants.com.
4. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report for the financial year 2020-21 is being sent only through electronic mode to those Members whose email address is registered with the Company/Depositories. Members may note that the Notice and Annual Report for the financial year 2020-21 will also be available on the Company’s website [www.magnacast.com](http://www.magnacast.com), websites of Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of Link Intime India Private Limited at [instavote.linkintime.co.in](http://instavote.linkintime.co.in). Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
5. Members attending the meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
7. 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.
8. The Company has paid the annual listing fees for the period 2021-22 to the Stock Exchange, Mumbai.
9. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members of the Company will remain closed during the period from 17th September, 2021 to 23rd September,

2021 (both days inclusive) for determining the names of the members eligible for Annual General Meeting.

10. Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be paid within 30 days from the date of declaration to those Members whose names appear on the Register of Members in respect of shares held in physical form as well as in respect of shares held in electronic form as per the details received from the depositories for this purpose as at the close of the business hours on Monday, 16th September, 2021.
11. Change of Address: Members are requested to notify any change of address and bank details to their Depository Participants in respect of their holdings in electronic form and in respect of shares held in physical form, to the Secretarial Department at the registered office of the Company or to M/s. SKDC Consultants Limited, "Surya" 35, Mayflower Avenue Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028, the Registrar and Share Transfer Agents of the Company.
12. Pursuant to the provisions of Section 72 of the Companies Act, 2013, members may file nomination forms in respect of their physical shareholdings. Any member willing to avail this facility may submit to the Company's Registrar & Share Transfer Agents in the prescribed statutory form. Should any assistance be desired, members should get in touch with the Company's Registrar and Share Transfer Agents.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agents, for consolidation into a single folio.
14. Soft copies of the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members on the website of the Company at [www.magnacast.com](http://www.magnacast.com) during the time of the AGM.
15. Non-Resident Indian ("NRI") Members are requested to inform the Company or its RTA or to the concerned Depository Participants, as the case may be, immediately:
  - a. the change in the residential status on return to India for permanent settlement or
  - b. the particulars of the NRE/NRO Account with a Bank in India, if not furnished earlier.
16. 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 revalidation of such instruments.
17. Members who wish to claim dividends, which remain unclaimed are requested to correspond with the Company / Registrar and Share Transfer Agents of the Company. Members are requested to note that pursuant to Section 124 of the Companies Act, 2013 dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government under Section 125 of the Companies Act, 2013. The details of unpaid dividend can be viewed on the Company's website [www.magnacast.com](http://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 the share(s) on which the beneficial owner has not encashed any dividend during the last seven years to the IEPF demat

account as identified by the IEPF Authority. Details of shareholders whose shares are liable to be transferred to IEPF are available at the Company's website [www.magnacast.com](http://www.magnacast.com).

The shareholders, whose unclaimed dividend/share has been transferred to the 'Investor Education and Protection Fund', may claim the same from the IEPF Authority by filing Form IEPF-5 along with requisite documents. Mrs. Sangeetha C, Company Secretary, is the Nodal Officer of the Company for the purpose of verification of such claims.

18. We invite all our members to visit our website at [www.magnacast.com](http://www.magnacast.com) for a virtual tour of our factory and a review of our products and services.
19. 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 dematerialize their shares and register their email address with our Registrars & Share Transfer Agents, SKDC Consultants Ltd., "Surya" 35, Mayflower Avenue Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028; email id: [green@skdc-consultants.com](mailto:green@skdc-consultants.com).
20. The Securities and Exchange Board of India has mandated that transfer of securities held in physical form, except in case of transmission or transposition, shall not be processed by the listed entities / Registrars and Share Transfer Agents with effect from 1st April, 2019. Therefore, members holding share(s) in physical form are requested to immediately dematerialize their shareholding in the Company. Necessary prior intimation in this regard was provided to the shareholders.
21. 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 Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Registrar and Share Transfer Agents.
22. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
23. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his/her queries to the Company seven working days prior to the meeting. The same will be replied by the Company suitably.
24. Members are advised to utilize the National Electronic Clearing System (NECS) for receiving dividends. Members holding shares in electronic form are requested to contact their respective Depository Participants for availing NECS facility. Members holding shares in physical form are requested to download the ECS form from the website of the Company viz., [www.magnacast.com](http://www.magnacast.com) fill the ECS Mandate Form as annexed at the end this Annual Report and the same, duly filled up and signed along with original cancelled cheque leaf, may be sent to the Company or to the Registrar and Share Transfer Agents.
25. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of Dividend. The Company or its Registrars and Share Transfer Agents, M/s. SKDC Consultants Limited cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their

respective folios for payment of Dividend are requested to write to the Company or its Registrar and Share Transfer Agents.

26. The Company has entered into agreements with National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”). The Depository System envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, Depository System offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc. Members, therefore, now have the option of holdings and dealing in the shares of the Company in electronic form through NSDL or CDSL. Members are encouraged to convert their holding to electronic mode.
27. Members holding shares in electronic form may please note that as per the regulations of Securities Exchange Board of India (SEBI), National Security Depository Services Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Company is obliged to print the bank 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 Depository Participants (DP) and furnish the particulars of any changes desired by them.
28. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of Shareholders with effect from 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to Shareholders at the prescribed rates. For the prescribed rates for various categories, the Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. Detailed communication regarding the prescribed TDS rates for various categories, conditions for Nil/preferential TDS and details / documents required thereof are being sent to the members. Members are requested to submit the documents using Company’s mail id investorscell@magnacast.com on or before 23rd September, 2021.
29. The shareholders are advised to register/update their e-mail address with the Company/RTA in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in electronic form in order to enable the Company to serve documents in electronic mode.
30. Members are requested to forward their communications in connection with shares held by them directly to the Registrars and Share Transfer Agents of the Company – SKDC Consultants Limited., “Surya” 35, Mayflower Avenue Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028; email id: info@skdc-consultants.com or the Company Secretary of the Company; email id: investorscell@magnacast.com.
31. Registration of email ID and Bank Account details:

In case the shareholder’s email ID is already registered with the Company/its Registrar & Share Transfer Agents (RTA)/Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholders has not registered his/ her/their email address with the Company/its RTA/ Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions are to be followed:



- i. In case of shares held in physical form, kindly provide the required details to M/s SKDC Consultants Limited, "Surya" 35, Mayflower Avenue Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028 or 43, (Old No.62) Balasundaram Road Coimbatore 641 018 (or)
- ii. In the case of Shares held in Demat mode, the shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

## **VOTING THROUGH ELECTRONIC MEANS**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, (as amended) (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS - 2), the Company is providing its members the facility to cast their vote electronically from a place other than venue of the Annual General Meeting ("remote e-voting") using an electronic voting system provided by Link Intime India Private Ltd ('LI IPL'), for all members of the Company to enable them to cast their votes electronically, on all the business items set forth in the Notice of Annual General Meeting and the business may be transacted through such remote e-voting. The instructions to e-voting, as given below, explain the process and manner for casting of vote(s) in a secure manner.

- I. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of Annual General Meeting Notice and holding shares as on Thursday, 16th September, 2021, may refer to this Notice of the Annual General Meeting, posted on Company's website [www.magnacast.com](http://www.magnacast.com) for detailed procedure with regard to remote e-voting. Any person who ceases to be the member of the Company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.
- II. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- III. The voting period begins on 20th September, 2021 at 9.00 AM (IST) and ends on 22nd September, 2021 at 5.00 PM (IST). 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 Thursday, 16th September, 2021 may cast their vote electronically. The e-voting module shall be disabled by LI IPL for voting thereafter.

**Instructions for members for voting electronically are as under:-**





**Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:**

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.



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

Type of shareholders	Login Method
<p><b>Individual Shareholders holding securities in demat mode with NSDL</b></p>	<ul style="list-style-type: none"> <li>• If you are already registered for NSDL IDeAS facility, please visit the e-Servicess website of NSDL. Open web browser by typing the following URL:<a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. . You will have to enter your User ID and Password.</li> <li>• After successful authentication, you will be able to see e-Voting services under value added services. Click on “Access to e-Voting” under e-Voting services and you will be able see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>• If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>• Visit the e-Voting website of NSDL Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul> <p>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>   </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>

<p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p>	<ul style="list-style-type: none"> <li>• Users who have opted for CDSL Easi / Easiest facility, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>• After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider (ESP) name to cast your vote.</li> <li>• If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></li> <li>• Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ul>
<p><b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b></p>	<ul style="list-style-type: none"> <li>• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>• Once login, you will be able to see e-Voting option. Once you click on e- Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<p><b>Individual Shareholders holding securities in Physical mode &amp; evoting service provider is LINKINTIME.</b></p>	<ol style="list-style-type: none"> <li>1. Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> <ul style="list-style-type: none"> <li>▶ Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -                             <ol style="list-style-type: none"> <li>A. User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company.</li> <li>B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</li> <li>C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li> </ol> </li> </ul> </li> </ol>

<b>Individual Shareholders holding securities in Physical mode &amp; evoting service provider is LINKINTIME.</b>	<p>D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</p> <ul style="list-style-type: none"><li>Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above</li></ul> <p>▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</p> <p>▶ Click "confirm" (Your password is now generated).</p> <p>2. Click on 'Login' under 'SHARE HOLDER' tab.</p> <p>3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.</p> <p>4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.</p> <p>5. E-voting page will appear.</p> <p>6. Refer the Resolution description and cast your vote by selecting your desired</p>
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**Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

**Individual Shareholders holding securities in Physical mode & e-voting service Provider is LINKINTIME, have forgotten the password:**

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB / DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:**

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned depository / depository participants website.

- ◆ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ◆ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- ◆ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

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

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.**

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions (‘FAQs’) and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 –4918 6000.

**InstaVote Support Desk**

**Link Intime India Private Limited**

**Process for those shareholders whose email address is not registered with the Company/ Depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:**

1. For physical shareholders – please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in).
2. For Demat shareholders – Members are requested to update their email address with the depository participants by following the procedure advised by them and then follow the instructions as detailed above to login for e-voting.

**Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:**

1. Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 30 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

2. Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 30 (Thirty) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

**Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:**

1. Open the internet browser and launch the URL for InstaMeet <https://instameet.linkintime.co.in> and register with your following details:
  - a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
  - b. PAN: Enter your 10-digit Permanent Account Number (PAN) (members who have not updated their PAN with the Depository Participant or Company shall use the sequence number provided to you, if applicable)
  - c. Enter your Mobile No.
  - d. Enter your Email ID, as recorded with your DP/Company.
2. Click “Go to Meeting”

**Note:**

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/ Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel: (022-49186175)

**InstaMeet Support Desk  
Link Intime India Private Limited**

**Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:**

Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id & mobile number at [investorscell@magnacast.com](mailto:investorscell@magnacast.com) on or before Monday, 20th September, 2021 at 12.00 PM.

The first 20 Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.

Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name, demat account number/folio number, email ID & mobile number at [investorscell@magnacast.com](mailto:investorscell@magnacast.com). The same will be replied by the Company suitably.

**Note:**

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”.
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email ID) received during registration for InstaMeet and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/Against” for voting.
4. Cast your vote by selecting appropriate option i.e., “Favour/Against” as desired.
5. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/ Against’.
6. After selecting the appropriate option i.e., Favour/ Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
7. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:**

Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not cast their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel: (022-49186175)

**InstaMeet Support Desk**  
**Link Intime India Private Limited**

- 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. 16th September, 2021.
- V. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- VI. The Company has appointed Sri. B. Krishnamoorthi, Chartered Accountant in Practice, as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- VII. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow e-voting for all those members who are present at the Annual General Meeting by electronic means but have not cast their votes by availing the remote e-voting facility.
- VIII. The Scrutinizer shall, after the conclusion of the Annual General Meeting, first count the votes casted during the AGM 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, not later than 48 hours of the conclusion of the AGM, a Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- IX. The results shall be declared within 2 days of the conclusion of the Annual General Meeting. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.magnacast.com](http://www.magnacast.com) and communicated to BSE Limited where the Company's shares are listed, by the Chairman or a person authorized by him.

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 31st Annual Report and Audited Accounts of the Company for the year ended 31st March, 2021.

**FINANCIAL RESULTS**

The highlights of the performance of your Company during the financial year 2020-21 are given hereunder;

(₹ in lakhs)

<b>For the Financial year ended</b>	<b>31.03.2021</b>	31.03.2020
Total Revenue	<b>9901.87</b>	9847.19
Gross Profit before interest, depreciation, exceptional, extraordinary items and income tax	<b>1123.77</b>	1298.13
Finance Cost	<b>5.16</b>	11.58
Depreciation	<b>417.18</b>	436.45
Profit before Exceptional & Extra-ordinary items	<b>701.43</b>	850.10
Exceptional Items(Income)	-	-
Profit before tax	<b>701.43</b>	850.10
Provision for Income tax	<b>211.49</b>	207.68
for Deferred tax	<b>(27.92)</b>	(26.24)
Profit for the period	<b>517.86</b>	668.66

**COVID 19 Impact:**

The Covid 19 pandemic has impacted the businesses across the world including India and has emerged as a global challenge to mankind. There was a severe disruption in the operations of the Company, especially during the first quarter of the FY 2020-21, when the Government imposed total lockdown measures and various restrictions were put in place to mitigate the Covid 19 impact.

The Company took various initiatives to support the employees and their families during this crucial period as the well-being, of the employees, both physical and emotional, is of utmost importance.

The Company assessed the impact of Covid 19 on various parameters, especially on the liquidity position, carrying amounts of inventories, trade receivables, fixed and other assets of the Company. This assessment was based on various inputs from internal and external sources and estimates and the same does not indicate any material impact on the carrying value of its assets and liabilities.

The Company will continue to monitor and assess the impact of Covid 19 especially on the financials.

**FINANCIAL HIGHLIGHTS**

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

**OPERATIONS**

The Operating Revenue of the Company has remained more or less at the same level as in the previous year and increased only by about 1.55 % from ₹ 9632.13 Lakhs in the previous year to ₹ 9781.88 Lakhs



in the current year. Whereas the Profit Before Tax has reduced from ₹ 850.10 Lakhs in the previous year to ₹ 701.43 Lakhs in the current year.

The above decline in profitability was mainly because of the fact that the plant did not operate for almost six weeks during April and May 2021 due to the general lockdown arising out of the Covid 19 pandemic. As a result, there were no production and dispatches during this period. Despite the Company was able to marginally increase the turnover compared to the previous year.

The key factors for the sharp decline in the profitability of the Company were because of

- (i) decline in Export Incentive as the Government discontinued the MEIS scheme during the Financial year,
- (ii) increase in Employee costs incurred during the pandemic period in order to retain the employees,
- (iii) one time expenditure incurred for Buy back of Equity Shares and
- (iv) the unprecedented increase in prices of critical raw materials by almost 50% during the last quarter of the financial year. Though the Company has approached its customers for price increase, the compensation from the customers will come about only in the current financial year.

The Wind Energy Division generated a revenue of ₹ 460.72 Lakhs during the year as against ₹ 454.13 Lakhs, in the previous year. The marginal increase in revenue was because of better wind evacuation during the year.

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

## **NEW PROJECTS IMPLEMENTED DURING THE YEAR**

During the year under review, the Company installed Green Sand Reclamation Plant. This will help the Company in conserving the precious natural resource namely sand apart from being environment friendly and cost effective. The Company also installed a new Fume Extraction System in the furnaces which will enable the Company to use alternative raw materials at a lower cost as well as keeping the environment free of pollution. The Company also installed certain balancing equipments to enhance the manufacturing capabilities. The total capital expenditure during the year was ₹ 445.18 Lakhs, out of which Capital work in progress is ₹ 226.44 which will be installed and commissioned during the Financial Year 2021-22.

The Company also developed new grades of castings for its customers especially in the areas of turbo chargers, which have been well received by the customers.

## **FUTURE PLANS**

The Company has plans to enhance its existing furnace capacity by installing one more furnace to augment its melting capacity. This will enable the Company to use its molding capacity more judiciously to meet the requirements of the customers. Necessary orders have been placed and will be commissioned by the second quarter of the current financial year.

## **QUALITY RECOGNITIONS**

The Company has received certification for ISO/TS 16949:2016 standards, Pressure Equipment Directive

and the existing standards 97/23/EC has improved to 2014/68/EU and Marine Certificate under DNV GL Rules for Classification- Ships. Further the Company has also obtained ISO 14001:2015 Certification.

**FINANCE**

We are pleased to inform the members that the Company continues to be 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 ₹ 3075.52 lakhs is retained in the Statement of Profit & Loss.

**SHARE CAPITAL AND BUYBACK OF SHARES**

In terms of Resolution passed by the Board of Directors at their meeting held on and after complying with necessary requirements of SEBI (Buy Back of Securities) Regulations, 2018, the Company had bought back 3,50,096 Equity Shares of ₹ 10/- each at an average cost of ₹ 175/- aggregating to ₹ 6,12,66,800/- from all the existing shareholders on a proportionate basis through Tender Offer process. The Buy-Back commenced on 27th October, 2020 and closed on 10th November 2020. During the Buy-Back equity shares were bought and extinguished in tranches in compliance with the SEBI (Buy-Back of Securities) Regulations, 2018 and SEBI (Depositories and participants) Regulations, 2018.

Consequent to the above, the paid-up share capital of the Company has been changed from ₹ 4,58,22,000/- divided into 45,82,200 equity shares of ₹ 10/- each to ₹ 4,23,21,040/- divided into 42,32,104 equity shares of ₹ 10/- each as at 31.03.2021.

**DIVIDEND**

Your Directors are pleased to recommend, subject to the approval of the shareholders, a dividend at the rate of ₹ 1.50 per share, i.e. at the rate of 15% for the year on the paid-up equity share capital of the Company as on the reporting date. The dividend, if approved, will absorb an amount of ₹ 63.48 Lakhs, subject to deduction of tax at source.

**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 2013-14 is due for remittance on 1st November, 2021 to the Investor and 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, 7250 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.

**WEB LINK OF ANNUAL RETURN**

The Annual Return of the Company for the financial year 2020-21 as required under Section 92(3) of the Companies Act, 2013 is available on the website of the Company and can be accessed on the Company's website at the link <https://www.magnacast.com/uploads/invsubpdf/magna-formmgt-7-2021-5-iwfe60e2ee115320a.pdf>.

## **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. The Company has duly complied with Secretarial Standards issued by the Institute of Company Secretaries of India on meeting of the Board of Directors (SS-1) and General Meetings (SS-2).

## **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 departures 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 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 have devised proper system to ensure compliance with the provisions of all the applicable laws and such systems were adequate and operating effectively;

## **COMPLIANCE WITH REQUIREMENT UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013**

There were no instances of frauds identified or reported by the Statutory Auditors during the course of their audit.

## **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.

Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent:

Sri. C R Swaminathan, Sri. K Gnanasekaran, Dr. R Nandini and Dr. Jairam Varadaraj.

Pursuant to Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, the independent directors have submitted necessary declaration of compliance with Rule 6(1) and Rule 6(2) of the said Rules. They have confirmed that their names have been included in the data bank of the Indian Institute of Corporate Affairs.

**STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR**

During the year 2020-21, there were no appointment/ re-appointment of the Independent Directors. However, the Board of Directors opined that the integrity, expertise, and experience (including proficiency) of the Independent Directors is satisfactory.

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

The Company pursuant to the provisions of Section 178 of the Companies Act, 2013 and in terms of Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has formulated a policy on Nomination and Remuneration for its Directors, Key Managerial Personnel and senior management which interalia provides the diversity of the Board and provides the mechanism for performance evolution of the Directors. The details of this policy can also be accessed on the Company's website at the link <https://www.magnacast.com/uploads/invsubpdf/invsubpdf2020-01-29-5b8n5e315cdee65eb.pdf>

**COMMENTS ON AUDITORS' REPORT:**

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Srikishen & Co, Statutory Auditors and M/s.MDS & Associates, Secretarial Auditors 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 2020-21 were in the ordinary course of business and on an arm's length basis. The particulars of material related party transactions are provided in the Form AOC-2 and annexed to the Board's Report as **Annexure-B**.

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 <https://www.magnacast.com/uploads/invsubpdf/invsubpdf2020-01-29-mfgw5e315d14263f1.pdf>

**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, 2021 relate and the date of the report except COVID-19 impact as stated above in this report and also explained in Management Discussion and Analysis 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 - C** and is attached to this report.

## **RISK MANAGEMENT**

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 is taking on necessary steps to safeguard the health hazards post by the Corona Virus and has put in place necessary measures. 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.

The COVID-19 situation has brought a lot of uncertainties and the indications are that there will be shrinkage of volumes. The Company therefore is taking necessary actions to control variables and fixed costs, thereby increasing margins and lowering Break Even Point.

## **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Board had formed a Corporate Social Responsibility Committee of Board of Directors 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 2020-21, the Company has undertaken projects in the areas of Healthcare facilities exclusively due to Covid 19 spread. The Company also distributed daily household grocery products to the needy people residing in the nearby villages in collaboration with the local authorities. These projects are in accordance with Schedule VII of the Companies Act, 2013.

The Company organized Covid 19 vaccination camps in its facility in collaboration with the local authorities for the benefit of its employees and also for persons residing in the nearby areas.

The response was quite overwhelming.

The details of CSR activities for the year are furnished separately vide **Annexure - D** to this Report. The policy relating to CSR has been displayed on the Company's website and can be accessed at <https://www.magnacast.com/uploads/invsubpdf/csr-policy- tzos608aa07b65155.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 reappointment. Your Directors recommend his re-appointment.

Sri. N. Krishna Samaraj was re-appointed as Managing Director of the Company for a further period of 5 (Five) years with effect from 17th January, 2022 on the terms and conditions as set out in the Notice convening the Annual General Meeting. Necessary resolution in this regard has been proposed for the approval of the members at the ensuing Annual General Meeting.

Other than the above, there was no change in the composition of the Board of Directors of the Company.

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. M. Malmarugan - Chief Executive Officer

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**

Since the Company has not accepted any Fixed Deposits covered under Chapter V of the Companies Act, 2013, there are no deposits remaining unclaimed or unpaid as on 31st March, 2021 and accordingly, the question of default in repayment of deposits or payment of interest thereon, during the year, does not arise.

### **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) systems are adequate with respect to the operations of the Company. The 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, (FRN 004009S) Chartered Accountants, 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. Hence M/s. Srikishen & Co., Chartered Accountants, Coimbatore retire at the forthcoming Annual General Meeting. The Directors take this opportunity in thanking M/s. Srikishen & Co., for the valuable services rendered by them during their tenure of audit.

Consequently the Board recommends the appointment of M/s. VKS Aiyer & Co., ( Firm Registration No.000066S), Chartered Accountants, Coimbatore as Statutory Auditors of the Company for a term of 5 years from the conclusion of the 31st Annual General Meeting of the Company, based on the review and recommendation of the Audit Committee. Further, the Company has received a certificate from the Statutory Auditors to the effect that their appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013. The Directors take this opportunity in welcoming the new auditors M/s VKS Aiyer & Co.

Necessary resolution for the appointment of Statutory Auditors have been included in the Notice of the Annual General Meeting for the approval of the Members.

## **SECRETARIAL AUDITORS**

The Board has appointed M/s. MDS & Associates, Company Secretaries in Practice, Coimbatore as the Secretarial Auditors of the Company for the year 2021-22 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 2020-21 is annexed as **Annexure - E** to this Report.

## **COST AUDITORS**

The Board of Directors on the recommendation of the Audit Committee, has appointed M/s.SBK & Associates, Cost Accountants as the Cost Auditors of the Company for the financial year 2021-22. 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 2021-22 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.

## **DISCLOSURE ON MAINTENANCE OF COST RECORDS**

The maintenance of cost record as specified by the Central Government under Section 148(1) of the Companies Act, 2013 is applicable to the Company and accordingly the cost accounts and records are made and maintained.



**DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR**

No applications have been made and no proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016.

**DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.**

The disclosure under this clause is not applicable as the Company is debt free and has not undertaken any one-time settlement with the banks or financial institutions.

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

During the year under review, the Company has provided necessary facilities especially healthcare insurance coverage and other sanitation facilities to employees of the Company to safeguard them and their family members from COVID-19 infection.

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.

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 complied with the provisions relating to the constitution of Internal Complaints Committee under the 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 define the policy and redress complaints received. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed of during the year 2020-21:

- i. Number of complaints received - Nil
- ii. Number of complaints disposed of – NA

**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 - F** 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 <https://www.magnacast.com/uploads/invsbpdf/invsbpdf2020-02-10-9q3i5e4127030df7c.pdf>

## ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation of the support and co-operation extended by the Company's Bankers M/s. Union Bank of India (erstwhile 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. The Directors would also like to thank all the stakeholders for continuing to repose faith in the Company and its future.

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 : 25.06.2021

C.R.Swaminathan  
Director  
DIN: 00002169

N. Krishna Samaraj  
Managing Director  
DIN: 00048547

**FINANCIAL HIGHLIGHTS**

Financial year ended 31st March	5 Year Highlights					(₹ In Lakhs)
	2017	2018	2019	2020	2021	
<b>Operating Results</b>						
Sales and Other Income	8376.08	9462.99	12587.59	9847.19	9901.87	
Operating Profit	1501.10	1291.08	2093.18	1320.74	1144.93	
Finance Cost	54.23	31.56	29.03	11.58	5.16	
Gross Profit	1446.87	1259.53	2064.15	1309.16	1139.77	
Depreciation	521.35	454.08	543.22	436.45	417.18	
Taxation	170.90	101.36	361.96	181.44	183.57	
CSR Expenditure	22.91	17.91	19.25	22.61	21.16	
<b>Net Profit</b>	731.71	686.18	1139.72	668.66	517.86	
Dividend (including dividend tax)	110.30	110.48	276.20	138.10	63.48	
Retained Profit	621.41	575.70	863.52	530.56	454.38	
<b>Performance Parameters</b>						
Net Fixed Assets	3663.64	3495.90	3149.20	3136.06	2950.34	
Share Capital	458.22	458.22	458.22	458.22	423.21	
Reserves	5039.98	5605.90	6620.94	6891.59	6710.53	
Net Worth	5498.20	6064.12	7079.16	7349.81	7133.54	
Return on Net Worth %	13.31	11.32	16.10	9.10	7.26	
Borrowings	145.92	-	-	-	-	
Debt Equity Ratio	0.03	-	-	-	-	
Dividend (%)	20	20	50	25	15	
Earnings per share (₹ )	15.97	14.97	24.87	14.59	11.67	

**Note:**

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

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

<b>S. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

2. Details of material contracts or arrangements or transactions at Arm's length basis.

<b>Particulars</b>	<b>Details</b>
Name (s) of the related party & nature of relationship	M/s. Samrajyaa and Company
Nature of contracts/arrangements/transaction	Rendering/ receiving of services or purchase/ sale of materials/ components.
Duration of the contracts/arrangements/transaction	3 Years ( w.e.f 01.04.2018)
Salient terms of the contracts or arrangements or transaction including the value, if any	Transaction Price shall be based on the prevailing market price and shall not be less than the price charged for such transactions to unrelated third parties having such dealings or transactions with them.
Date of approval by the Board	30.05.2018
Date of approval at AGM	19.09.2018
Amount paid as advances, if any	NIL

For and on behalf of the Board  
**N Krishna Samaraj**  
Manging Director  
(DIN:00048547)

Place : Coimbatore  
Date : 25.06.2021

## ANNEXURE - C

**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 is constantly taking effective steps to conserve energy wherever possible.

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

YEAR	2021	2020	2019	2018	2017
Number of Units per Ton of good castings	*2033	*1912	1666	1680	1724

\*The Units per Ton of good castings during the year 2020 & 2021 have increased significantly due to frequent disruptions in power supply.

Power Consumption	2020-21		2019-20	
	No of Units	%	No of units	%
Total Electricity	1,13,45,153	100.00	1,19,23,403	100.00
Own Generation – Windmill	59,48,805	52.43	59,17,212	49.63
Purchased from TNEB	8,07,529	7.12	3,67,940	3.08
Third Party Purchase	45,88.819	40.45	56,38,251	47.29

## (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:

A new material grade has been established for a Turbo charging Customers for withstanding strength during high temperature applications.

## 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)

<b>Expenditure on R&amp;D</b>	<b>2020-21</b>	<b>2019-20</b>
Capital (amount in ₹ lakhs)	10.50	15.00
Revenue (amount in ₹ lakhs)	30.96	14.30
Total (amount in ₹ lakhs)	41.46	29.30
R&D Expenditure as a percentage of Turnover	0.43	0.31

**C. Foreign Exchange earnings & outgo:**

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

(₹ in Lakhs)

<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
Foreign Exchange Earnings	4764.63	4235.04
Foreign Exchange Outgo	209.26	87.32

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

Place : Coimbatore  
Date : 25.06.2021

C.R.Swaminathan  
Director  
DIN: 00002169

N. Krishna Samaraj  
Managing Director  
DIN: 00048547

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES****01. Brief outline on CSR Policy of the Company**

As a responsible Corporate Citizen, Magna believes the shared value model is based on the idea that corporate success and social welfare are interdependent. With due respect to society at large, every business decisions of Magna are taken not only considering the interest of its stakeholders but also the society at large.

Magna has long history of spending reasonable amount toward social welfare activities especially in healthcare activities even before mandating corporate social responsibility activities of the Company by statutory authorities.

**02. Composition of CSR Committee**

The CSR Committee of the Board of Directors is optimally balanced between Independent and Non-Independent Directors. The current Committee comprises of the following members:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Sri. C. R. Swaminathan	Independent Director (Chairman of the Committee)	3	3
2	Sri. N. Krishna Samaraj	Managing Director (Member)	3	3
3	Dr. R. Nandini	Independent Director (Member)	3	3

**03. The web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:**

The web-link where the Composition of the CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the web site of the Company is "<https://www.magnacast.com/uploads/invsubpdf/csr-policy-tzos608aa07b65155.pdf>".

**04. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable:**

The Company has not carried out Impact assessment of CSR projects in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014 as the same is not applicable to the Company.

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

There is no amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and hence disclosure under this clause is not applicable to the Company.

**06. Average Net Profit of the Company as per Section 135(5): ₹ 1046.44 Lakhs****07. (a) Two percent of average net profit of the company as per section 135(5): ₹ 20.93 Lakhs**

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

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

**(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 20.93 Lakhs**

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

Total Amount Spent for the Financial Year. (in ₹ )	Amount Unspent (in ₹ )				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
21.16	NIL	Not Applicable	Not Applicable	NIL	Not Applicable

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

The Company has not spent any amount against ongoing projects during the financial year under review.

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

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation – Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Healthcare facilities	Item I of Schedule VII	No	Andhra Pradesh	Tirupati	10,25,000	No	Sri Venkateswara Prana Dhana Trust	NA for this Financial year
2.	Healthcare facilities- Free Eye Surgeries to poor people	Item I of Schedule VII	Yes	Tamilnadu	Coimbatore	10,00,000	No	Sri Kanchi Kamakoti Medical Trust, Coimbatore	NA for this Financial year
3.	Distribution of Food and grocery items to Mullipadi Village Panchayat	Item I of Schedule VII	Yes	Tamilnadu	Coimbatore	91,000	Yes	NA	NA
	Total					21,16,000			

**(d) Amount spent in Administrative Overheads: Nil****(e) Amount spent on Impact Assessment, if applicable: Nil****(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 21,16,000****(g) Excess Amount for set off, if any:**

Sl. No	Particular	Amount (₹ In Lakhs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	20.93
(ii)	Total amount spent for the Financial Year	21.16
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.23
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.23



09. (a) Details of Unspent CSR amount for the preceding three financial years:

The Company does not have any unspent CSR amount in any of the preceding three financial years and hence disclosure under this clause does not arise.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

The Company does not have any ongoing projects in any of the preceding financial years and hence disclosure under this clause does not arise.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

The Company has not created or acquired any capital asset through CSR spending in the financial year and hence reporting under this clause does not arise.

11. Reason if the Company has failed to spend 2% of the average net profits as per section 135(5):

The Company has spent the required amount on CSR activities as per section 135(5) and hence reporting under this clause does not arise.

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

Place : Coimbatore  
Date : 25.06.2021

**C.R.Swaminathan**  
Chairman of CSR Committee  
DIN: 00002169

**N. Krishna Samaraj**  
Member of CSR Committee  
DIN: 00048547

**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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, 2021**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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, 2021 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, 2015;
  - d) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;
  - e) 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; and

f) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

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, 2018;
- 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; and
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

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 all applicable laws, rules, regulations and guidelines.

I further report that during the period covered under the Audit, the Company has made the following specific actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, referred to above:

"The Company has bought back 3,50,096 (Three Lakhs Fifty Thousand and Ninety Six) fully paid-up Equity Shares of face value of ₹ 10/- (Rupees Ten only) each representing 7.64% of the total number of Equity Shares in the issued, subscribed and paid-up share capital of the Company through the "Tender Offer" route, at a price of ₹ 175/- per equity share and complied with the provisions of Section 68, 69, 70 and other applicable provisions, if any, of the Act, 2013 read with the Companies (Share Capital and Debenture) Rules, 2014 (as amended) and Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (as amended) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)".

Other than the above, there were no instances of

- Public / Rights / Preferential issue of Shares / Debentures / Sweat Equity.
- Redemption
- 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 : 25.06.2021

**M D SELVARAJ**  
**MDS & Associates**  
**Company Secretaries**  
**FCS No.: 960; C P No.: 411**  
**UDIN: F000960C000494453**  
**Peer Review No. 985/2020**

*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 TO SECRETARIAL AUDIT REPORT ISSUED BY  
COMPANY SECRETARY IN PRACTICE**

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 laws, rules, regulations and standards 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 : 25.06.2021

**M D SELVARAJ**  
**MDS & Associates**  
**Company Secretaries**  
**FCS No.: 960; C P No.: 411**  
**UDIN: F000960C000494453**  
**Peer Review No. 985/2020**

## ANNEXURE - F

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	22:1
2.	Percentage increase in remuneration of the Managing Director, Chief Financial Officer and Company Secretary	
	a. Managing Director	0.30%
	b. Chief Financial Officer	-13%
	c. Company Secretary	-9%
3.	Percentage increase in median remuneration of employees in the financial year	-19%
4.	No of permanent employees on the rolls of the Company	170 (last year 186)
5.	Average percentile increase in employees remuneration (other than managerial remuneration) in the last financial year	6%
6.	Percentage increase in managerial remuneration	0.30%

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

Name, Designation & Age of the Employee	Gross Remuneration paid (₹ in Lakhs)	Date of Commencement of Employment (Experience in years)	Qualification & Previous Employment
N. Krishna Samaraj* Managing Director 66 Years	69.19	22.08.1990 (31)	B.E., MBA.,(USA) -
M. Malmarugan Vice President (Operations) 49 Years	46.82	17.10.2011 (9)	B.E.,MBA., Sanmar Foundries Limited
V . Mohanraj Sr.General Manager- Marketing 51 Years	35.06	22.09.1994 (27)	B.E.,PGDMM., Lucas TVS Limited
R. Ravi Chief Financial Officer 63 Years	33.53	01.09.2004 (17)	B.Com.,ACA.,ACS., Textool Company Limited
Nevillie Gnanaraj V Sr. Manager- Design 48 Years	20.90	21.03.1996 (25)	B.E., PSG Foundry

Name, Designation & Age of the Employee	Gross Remuneration paid (₹ in Lakhs)	Date of Commencement of Employment (Experience in years)	Qualification & Previous Employment
P. Periannan General Manager- Production 50 Years	19.40	15.07.2013 (8)	B.E., Sakthi Auto Component Limited
Thiruppathi Pandian R Asst. General Manager- Maintenance 48 Years	19.15	06.12.2018 (9)	DME., Caparo Engineering India Limited
Manikandan B General Manager- Quality 43 Years	16.48	23.08.2019 (2)	BE., Roots Industries India Limited
Babukrishnan S Sr. Manager- Product Development 42 Years	14.76	02.05.2019 (2)	BE., MBA., Sakthi Auto Ancillary
M Sampathkumar Manager(Electrical)	11.20	06.02.2012 (9)	DEEE., Vakash Steel Private Limited

During the financial year 2020-21, there were no employees in the Company who was in receipt of remuneration exceeding in aggregate ₹ 1.02 Crores, if employed for the whole year and ₹ 8.50 Lakhs per month, if employed for any part of the year.

**Note:**

- \*Employment is Contractual
- 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.
- The remuneration details are for the year 2020-21 and all other particulars are as on 31st March, 2021.

## REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2021, in terms of Regulation 34(3) read with Part C of 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 best align the interests of individual, Company and society at large. Magna has consistently encouraged the efficient use of resources and attributes accountability for the stewardship of those resources. As a good corporate citizen, it is the best endeavor of Magna to improve its focus on Corporate Governance by increasing transparency as detailed below.

### 2. Board of Directors

#### (i) Composition

The Company's Board of Directors presently comprises of six (6) Directors including one (1) Executive and five (5) Non-Executive Directors of which four (4) are Independent Directors and one (1) Woman Director. The Directors are professionals who have expertise in their respective functional areas and bring a wide range of skills and experience to the Board.

The details of composition of Board, no. of other directorships in other public companies, chairmanship and membership in Committees of other public companies as held by the directors of the Company, attendance of directors at board meetings and last annual general meetings are given below:

Name of the Director	Category	Attendance Particulars		No. of Directorships in other Public Companies#	No. of Committee positions held in all Companies \$ (Member/Chairman)
		Board Meeting	Last AGM		
Sri.J.Vijayakumar (DIN: 00002530)	Non-Executive/ Non- Independent	6	Yes	1	3/1
Sri. N. Krishna Samaraj (DIN: 00048547)	Managing Director Promoter	6	Yes	2	2/0
Sri.K.Gnanasekaran (DIN: 00133645)	Non-Executive/ Independent	6	Yes	1	4/2
Dr.R.Nandini (DIN: 00002223)	Non-Executive/ Independent	5	Yes	0	1/0
Dr.Jairam Varadaraj (DIN: 00003361)	Non-Executive/ Independent	4	Yes	8	7/1
Sri.C.R.Swaminathan (DIN: 00002169)	Non-Executive/ Independent	6	Yes	0	1/1

# Excludes directorships in Private Companies, Foreign Companies, Section 8 Companies & Govt. Companies.



\$ Only Audit Committee and Stakeholders Relationship Committee are considered as per regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

None of the Directors holds directorship in more than 20 Companies (including limit of maximum directorships in 10 public companies) pursuant to the provisions of the Companies Act, 2013. Further, none of the Directors including Independent Directors hold directorships in more than the maximum number of Directorships prescribed under Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

## (ii) Board Meetings

The Board meets at least once in every quarter to review quarterly results and other items on agenda. Additional meetings are held whenever necessary. Board meetings were held during the year and the date on which the Board meetings were held are as follows:

S. No	Date of Board Meeting	No. of Directors Attended
1	01.06.2020	6
2	31.07.2020	6
3	18.09.2020	6
4	30.10.2020	5
5	29.01.2021	5
6	29.03.2021	5

## (iii) Other Directorships:

Directors	Details of the other listed entities where the Directors hold directorship	
	Name of the listed entity	Designation
Sri.J.Vijayakumar (DIN: 00002530)	Nil	Nil
Sri. N. Krishna Samaraj (DIN:00048547)	Shanthy Gears Limited	Non-Executive - Independent Director
Sri.K.Gnanasekaran (DIN: 00133645)	Kovilpatti Lakshmi Roller Flour Mills Limited	Non-Executive - Independent Director
Dr.R.Nandini (DIN: 00002223)	Nil	Nil
Dr. Jairam Varadaraj (DIN No.00003361)	Precot Limited	Non-Executive - Independent Director
	Elgi Rubber Company Limited	Non-Executive - Non Independent Director
	Thermax Limited	Non-Executive - Independent Director
	Elgi Equipments Limited	Managing Director- Promoter
Sri.C.R.Swaminathan (DIN: 00002169)	Nil	Nil

**(iv) Shareholdings of Non-Executive Directors:**

Statement showing number of Equity Shares held by the Non-Executive Directors as on 31st March, 2021:

S. No.	Name of Director	No. of equity Shares held (as on March 31, 2021)
1.	Sri.J.Vijayakumar	10,100
2.	Sri.K.Gnanasekaran	NIL
3.	Dr.R.Nandini	NIL
4.	Dr.Jairam Varadaraj	NIL
5.	Sri.C.R.Swaminathan	NIL

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

The Company has not issued any type of convertible instruments to non-executive directors.

**Familiarization Program for Independent Directors:**

The Company familiarizes its Independent Directors of their roles, rights, responsibilities in the Company, nature of the Industry in which the Company operates, business model of the Company, etc., through various programmes. These include orientation programmes as well as other initiatives to update the Directors on a continuing basis.

The details of familiarization programmes imparted to Independent Directors are disclosed on the Company's website at <https://www.magnacast.com/uploads/invsubpdf/invsubpdf2021-01-02-jp955ff0119272a19.pdf>

**(v) Skills / Expertise / Competencies of the Board of Directors:**

The Board of Directors comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective decisions or contributions to the Board, its Committees and the management.

**The list of core skills / expertise / competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for functioning effectively and those already available with the Board are as follows:**

Core Skill/Expertise/Competencies	Whether available with the Board or Not
<b>Industry knowledge/experience</b> Knowledge on Company's businesses (Manufacturing of Ductile Iron Castings), policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.	YES
<b>Behavioral Skills</b> Attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company	YES

Core Skill/Expertise/Competencies	Whether available with the Board or Not
<b>Management Skills</b> Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.	YES
Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making	YES
Technical / Professional skills and specialized knowledge in relation to Company's business.	YES

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted. However, in the absence of mark against a Director does not necessarily mean that the member does not possess the said qualification or skill.

Name of the Director	Area of Expertise				
	Knowledge on Company's businesses	Behavioral skills	Business Strategy	Financial and Management skills	Technical / Professional skills
Sri.J.Vijayakumar (DIN: 00002530)	✓	✓	✓	✓	✓
Sri.K.Gnanasekaran (DIN: 00133645)	✓	✓	✓	✓	✓
Dr.R.Nandini (DIN: 00002223)	✓	✓	✓	✓	✓
Dr.Jairam Varadaraj (DIN: 00003361)	✓	✓	✓	✓	✓
Sri.C.R.Swaminathan (DIN: 00002169)	✓	✓	✓	✓	✓
Sri. N. Krishna Samaraj (DIN: 00048547)	✓	✓	✓	✓	✓

**(vi) Confirmation on the fulfillment of the conditions of independence:**

Based on the declarations received from the Independent Directors, the Board of Directors are of the opinion that the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and are independent of the management.

**(vii) Resignation of Independent Directors before expiry of tenure:**

During the year under review, none of the Independent Directors has resigned before the expiry of the tenure.

**(viii) Separate Meeting of the Independent Directors:**

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 12th March, 2021, as

required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the Independent Directors were present at the meeting.

### 3. Audit Committee

#### (i) Brief Description and Terms of Reference

The Board has constituted a well-qualified Audit Committee in compliance with Section 177 of the Companies Act, 2013 read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the members of the Committee are Independent Directors including Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc.

The role, powers and functions of the 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 1st June, 2020; 31st July 2020; 30th October, 2020; 29th January, 2021. The Composition of the Audit Committee and the attendance of each member of the Committee is given below;

#### (ii) Composition of the Committee, meetings and attendance:

During the year under review, the Committee met 4 (Four) times on 1st June, 2020; 31st July 2020; 30th October, 2020 and 29th January, 2021. The Composition of the Audit Committee and the attendance of each member of the Committee is given below;

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	4
Sri.J.Vijayakumar (Member)	Non-Executive/ Non-Independent	4	4
Sri.K.Gnanasekaran (Member)	Non-Executive/ Independent	4	4
Dr.R.Nandini (Member)	Non-Executive/ Independent	4	3

The Chairman of the Audit Committee attended the Annual General Meeting held on 23rd September, 2020.

The Company Secretary acts as the Secretary to the Committee. The minutes of the Audit Committee meetings were circulated to the Board, and the Board discussed and took note of the same. The Audit Committee considered and reviewed the financial statements, before it was placed in the Board.

#### **4. Nomination and Remuneration Committee**

##### **(i) Brief Description and Terms of Reference**

The Nomination and Remuneration Committee is constituted in compliance with the requirements of Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 of the Companies Act 2013.

The terms of reference of this Committee has been mandated with the same as specified in Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also with the requirement of Section 178 of the Companies Act, 2013

During the year under review, the Committee met on 23rd May, 2020, 2nd September, 2020 and 12th March, 2021.

##### **(ii) Composition, name of members, meetings and attendance during the year:**

During the year under review, the Committee met on 23rd May, 2020, 2nd September, 2020 and 12th March, 2021. The Composition of the Nomination and Remuneration Committee and the attendance of each member of the Committee is given below.

<b>Name of the Member</b>	<b>Category</b>	<b>No. of Meetings held during the year</b>	<b>No. of Meetings attended</b>
Sri.K.Gnanasekaran (Chairman)	Non-Executive/ Independent	3	3
Dr. Jairam Varadaraj (Member)	Non-Executive/ Independent	3	3
Dr.R.Nandini (Member)	Non-Executive/ Independent	3	3

The Chairman of the Nomination and Remuneration Committee had attended the Annual General Meeting on 23rd September, 2020.

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 <https://www.magnacast.com/uploads/invsubpdf/invsubpdf2020-01-29-5b8n5e315cdee65eb.pdf>

**(iii) Performance evaluation of Non-Executive Directors and Independent Directors:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 the Committees of the Board. 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.

**5. Remuneration of Directors**

Details of remuneration paid to the directors for the year ended 31st March, 2021 are as follows:

**(i) Executive Directors**

Remuneration paid / payable to managerial personnel during the year is given below:

(Amount in ₹)

Name	Salary	Perquisites and other benefits	Contribution to various Funds	Commission / Incentive	Total Remuneration
Sri.N.Krishna Samaraj	67,20,000	1,99,000	-	-	69,19,000

**(ii) Non-Executive Directors**

Sitting fees for attending Board / Committee meetings paid and Commission payable to Non-Executive directors for financial year 2020-21 are given below:

S. No.	Name of the Directors	Sitting Fees Paid (₹)	Commission (₹)
1	Sri.J.Vijayakumar	2,40,000	-
2	Sri.K.Gnanasekaran	2,40,000	-
3	Dr.R.Nandini	1,45,000	-
4	Dr.Jairam Varadaraj	80,000	-
5	Sri.C.R.Swaminathan	1,80,000	-

(iii) The criteria of making payments to Non – Executive Directors is appearing on the website of the Company at <https://www.magnacast.com/uploads/invsubpdf/invsubpdf2020-01-29-5b8n5e315cdee65eb.pdf>

(iv) The Company currently does not have any Stock Option Scheme.

**6. Stakeholders Relationship Committee:****(i) Brief Description and Terms of Reference**

The Stakeholders Relationship Committee was constituted in compliance with the provisions of Section 178(5) of the Companies Act, 2013 read with Regulation 20 and Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Stakeholders Relationship Committee is responsible for the satisfactory redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfer and transmission of shares and other miscellaneous complaints. In addition, the Committee looks into other issues including status of dematerialization / re-materialization of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

**(ii) Composition of the Committee, Meetings and attendance**

During the year under review, the Committee met 4 (Four) times on 1st June, 2020, 31st July, 2020, 30th October, 2020 and 29th January, 2021. The Composition of the Stakeholders Relationship Committee and the attendance of each member of the Committee is given below.

<b>Name of the Member</b>	<b>Category</b>	<b>No. of Meetings held during the year</b>	<b>No. of Meetings attended</b>
Sri.J.Vijayakumar (Chairman)	Non-Executive/ Non-Independent	4	4
Sri.N.Krishna Samaraj (Member)	Executive/ Non-Independent	4	4
Sri.K.Gnanasekaran (Member)	Non-Executive/ Independent	4	4

The Chairman of the Stakeholders Relationship Committee had attended the Annual General Meeting held on 23rd September, 2020.

Smt. Sangeetha.C, Company Secretary is Compliance Officer of the Company.

The minutes of the Stakeholders Relationship Committee was placed before the Board Meeting for due ratification and approval

The Stakeholders Relationship Committee of the Board is empowered to oversee the redressal of investors' complaints pertaining to share transfer, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfers and transmission of shares and other miscellaneous complaints. The Committee also approves transfer, transmission, transposition, name deletion and issue of duplicate share certificates.

In addition, the Committee looks into other issues including status of dematerialization / re- dematerialization of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

The total number of complaints received and replied to the satisfaction of shareholders during the year ended on 31st March, 2021 was Nil.

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 7,250 shares to IEPF Authority Account during the financial year.

The voting rights on the outstanding unclaimed shares as on 31st March, 2021 shall remain frozen till the rightful owner of such shares claims the shares by submission of the requisite documentary proof of their identity to the Company's Registrar & Share Transfer Agent.

**7. 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:

- 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:
- To monitor the CSR policy of the Company from time to time:
- 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 3 (Three) times on 23rd May, 2020, 15th July, 2020 and 15th March, 2021. The Composition of the Corporate Social Responsibility Committee and the attendance of each member of the Committee is given below.

Name of the Member	Category	No. of Meetings held during the year	No. of Meetings attended
Sri.C.R.Swaminathan (Chairman)	Non-Executive/ Independent	3	3
Dr.R.Nandini (Member)	Non-Executive/ Independent	3	3
Sri.N.Krishna Samaraj (Member)	Executive/ Non-Independent	3	3



**8. Buy Back Committee:****(i) Brief Description and Terms of Reference**

The Buyback Committee has the power to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper in connection with the Buyback. It shall assist the Board in implementing the share buy-back scheme in the best interest of the Company and in accordance with the laws, rules and regulations as may be imposed by the regulatory authority.

**(ii) Composition of the Committee, Meetings and attendance**

During the year under review, the Committee met 7 (Seven) times on 21st September, 2020; 28th September, 2020; 16th October, 2020; 20th October, 2020; 18th November, 2020; 19th November, 2020 and 4th December, 2020. The Composition of the Buyback Committee and the attendance of each member of the Committee is given below;

<b>Name of the Member</b>	<b>Category</b>	<b>No. of Meetings held during the year</b>	<b>No. of Meetings attended</b>
Sri.J.Vijayakumar (Chairman)	Non-Executive/ Non-Independent	7	7
Sri.N.Krishna Samaraj (Member)	Executive/ Non-Independent	7	7
Sri.K.Gnanasekaran (Member)	Non-Executive/ Independent	7	7

**9. Management Discussion and Analysis Report**

The contents of the Management Discussion and Analysis Report have been included in the Directors' Report at the appropriate places and thus the said report forms part of the Annual Report.

**10. General Body Meetings**

Location and time where the last three Annual General Meetings were held and details of the special resolutions passed

**11. EGM AND POSTAL BALLOT:**

During the year under review no Extra Ordinary General Meeting was held. No resolutions were put through postal ballot last year. No Special resolution requiring postal ballot is being proposed.

**12. Means of Communication**

- (i) The quarterly / half yearly unaudited financial and the annual audited financial results are normally published in Financial Express and The Malai Malar (vernacular language). The financial results are also placed on the Company's website [www.magnacast.com](http://www.magnacast.com).
- (ii) The copies of the results are forwarded to concerned stock exchanges immediately after they are approved by the Board for publication in their website. The Company has a dedicated help desk at [www.magnacast.com](http://www.magnacast.com) for providing necessary information to investors.
- (iii) There were no specific presentations made to Institutional Investors or to the analysts during the year.

**13. General shareholder information:**

i.

i.	31st Annual General Meeting date, time and venue	23rd September, 2021 at 3.30 P.M. The meeting is being convened through video conferencing / other audio-visual means and hence the registered office of the Company will be deemed to be the venue of the AGM.
ii.	Financial calendar	1st April, 2020 to 31st March, 2021
iii.	Date of Book Closure	17th September, n2021 to 23rd September, 2021 (Both days inclusive)
iv.	Dividend payment date	on or before 22nd October, 2021
v.	Listing on Stock Exchanges	The shares are listed in BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai – 400 001
vi.	Stock Market Data	Type of Security : Equity Stock / Scrip Code : BSE Limited - 517449 Scrip Name : MAGNAELQ ISIN No : INE437D01010
vii.	Registrars and Share Transfer Agents for both Dematerialised and physical shares	M/s SKDC Consultants Limited “Surya” 35, Mayflower Avenue Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028
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	The Company's shares being in compulsory dematerialized (demat) list are transferable through the depository system and no physical transfers are allowed as per SEBI's Instructions. Shares in physical form for transmission/ transposition are being processed by the Registrar and Share Transfer Agents, SKDC Consultants Limited and approved by the Share Transfer Committee of the Company . The Share transfers are processed within a period of 15 days from the date of receipt of the transfer documents by SKDC Consultants Limited, if the documents are complete in all respects. All requests for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The Stakeholders Relationship Committee generally meets quarterly and acknowledges the Share Transfer

The Company has paid the Listing Fees for the financial year 2021-2022 to the above Stock Exchange.

**ii. Share Price Movements (Monthly High & Low)**

The high and low prices during each month in the last financial year on BSE Limited is given below:

Month	High (₹)	Low (₹)
Apr-2020	150.00	96.05
May-2020	130.00	105.70
Jun-2020	124.00	98.60
Jul-2020	125.80	102.60
Aug-2020	143.00	110.00
Sep-2020	169.55	116.00
Oct-2020	162.00	140.00
Nov-2020	179.15	149.30
Dec-2020	199.85	165.05
Jan-2021	189.90	161.45
Feb-2021	188.00	139.00
Mar-2021	199.00	159.00

**iii. Performance in comparison to broad-based indices such as BSE Sensex:**

Month	Magna Electro Castings Limited	BSE Sensex
	Share price- Close (₹)	Sensex- Close
Apr-20	129.00	33717.62
May-20	111.80	32424.10
Jun-20	115.00	34915.80
Jul-20	115.40	37606.89
Aug-20	131.00	38628.29
Sep-20	159.00	38067.93
Oct-20	159.85	39614.07
Nov-20	176.95	44149.72
Dec-20	176.75	47751.33
Jan-21	165.6	46285.77
Feb-21	174.75	49099.99
Mar-21	171.65	49509.15



#### (iv) Reconciliation of Share Capital Audit

A qualified Chartered Accountant carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Reconciliation of Share Capital Audit report confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL & CDSL.

#### (v) Shareholding pattern as on 31.03.2021

Category	(₹ 10/- each)	
	No of shares	% of Share Holding
Indian Promoters	22,25,046	52.58
Foreign Portfolio Investors- Corporate	50,000	1.18
Private Corporate bodies	1,77,937	4.20
Indian Public	14,11,470	33.35
NRIs/ OCBs	2,35,631	5.57
Directors & Relatives	48,005	1.13
IEPF Authority	84,015	1.99
<b>Grand Total</b>	<b>42,32,104</b>	<b>100.00</b>

## (vi) Distribution of shareholding as on 31st March, 2021

Shareholding (Range)	No. of Share Holders	% of Share Holding	No. of Shares	% of Share Holding
1 -500	2767	85.53	350027	8.27
501 - 1000	159	4.91	126322	2.98
1001 - 2000	108	3.34	160094	3.78
2001 - 3000	108	3.34	272490	6.44
3001 - 4000	20	0.62	70961	1.68
4001 - 5000	10	0.31	47459	1.12
5001 - 10000	24	0.74	175173	4.14
10001 and above	39	1.21	3029578	71.59
<b>Total</b>	<b>3235</b>	<b>100.00</b>	<b>4232104</b>	<b>100.00</b>

vii.	Dematerialisation of shareholding and liquidity	<p>Number of shares dematerialized : 39,99,378 Percentage : 94.50 % (Promoters have completely dematerialized their shareholdings)</p> <p>With effect from 1st April, 2019, the applications for transfer of shares held in physical form will not be processed by the listed entity / Registrar and Share Transfer Agents, except in case of transmission or transposition, in accordance with the amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p>
viii.	Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity	Not Applicable
ix.	Plant location	SF No.34 and 35 (Part) Coimbatore Pollachi Main Road Mullipadi village, Tamaraikulam Post Pollachi Taluk, Coimbatore District Pin: 642 109
x.	Address for Correspondence / Contact address for shareholder:	S.K.D.C. Consultants Ltd, "Surya" 35, Mayflower Avenue Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028 Tel: 0422-6549995, 2539836 Fax: 0422-2539837 Email: info@skdc-consultants.com
xi.	For annual report, transfer of physical / demat shares, dividend on shares, change of address & other query relating to shares of the Company and investors correspondence, may be addressed to:	Smt. Sangeetha C, Company Secretary and Compliance Officer Magna Electro Castings Limited 43 (Old No.62) Balasundaram Road Coimbatore – 641 018. Ph: 0422 2240109; Fax: 0422 2246209; Email: sangeetha.c@magnacast.com

xii.	Registrars and Share Transfer Agents for both Dematerialised and physical shares	M/s SKDC Consultants Limited "Surya" 35, Mayflower Avenue Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028
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#### 14. Disclosures

##### a. Disclosures on materially significant Related Party Transactions

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.. 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.

The Related Party Transaction Policy as approved by the Board is uploaded on the Company's website viz <https://www.magnacast.com/uploads/invsubpdf/invsubpdf2020-01-29-mfgw5e315d14263f1.pdf>.

##### 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 were 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. Details of establishment of vigil mechanism, Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee:

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

Your Company hereby affirms that no complaints were received during the year under review.

##### 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.

The Company has adopted the following non-mandatory requirements.

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,

**e. Policy for determining material subsidiaries and Policy on Related Party Transactions**

The Company does not have any material subsidiaries

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

The Company has not engaged in commodity hedging activities.

Forex exposure is being reviewed by the Board in every quarter. Forex exposure is being adequately covered as per the advice of consultant.

**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 read with the relevant rules issued there under. 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.

**i. Credit Rating:**

The Company does not have any Debt instruments or fixed deposit programme or any scheme or proposal involving mobilization of funds either in India or abroad that requires Credit Rating.

**j. Other disclosures:**

1. The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Security Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to this report.

During the year under review, the recommendations made by the different Committees have been accepted and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.

The Company has paid a sum of ₹ 11.08 Lakhs as fees on consolidated basis to the Statutory auditor and all entities in the network firm / entity of which the Statutory auditor is a part for the services rendered by them.

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee. During the year 2020-21, no complaint was received by the Committee. As such, there are no complaints pending as at the end of the financial year.

There has been no instance of non-compliance of any requirement of Corporate Governance Report as stated above in sub-paras (b) to (j) 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.

**15. Certificate from CEO and CFO:**

The Managing Director 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.

**16. Code of Conduct and prevention of Insider Trading:**

The Board of Directors have laid down a code of conduct for all Board members and senior management of the Company. The same has been posted on the website of the Company. All Board members and senior management personnel have affirmed their compliance with the code of conduct for the year under review. The Company's Managing Directors' declaration to this effect forms part of this report.

The Company has framed a Code of Conduct for prevention of insider trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all directors / officers / designated employees. The code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

**DECLARATION**

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, 2021 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  
**For MAGNA ELECTRO CASTINGS LIMITED**

Place : Coimbatore

Date : 25.06.2021

**N. Krishna Samaraj**  
Managing Director  
DIN: 00048547



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To

**The Members of**  
**M/s. MAGNA ELECTRO CASTINGS LIMITED**  
(CIN: L31103TZ1990PLC002836)  
Old no 62 New No.43  
Balasundaram Road  
Coimbatore - 641018

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. MAGNA ELECTRO CASTINGS LIMITED** having CIN:L31103TZ1990PLC002836 and having registered office at Old no 62 New No.43, Balasundaram Road, Coimbatore – 641018 (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in Company</b>
1	Sri. Krishna Samaraj Narayanaswamy (Managing Director)	00048547	22/08/1990
2	Sri. Vijayakumar Naidu Janardhana	00002530	22/08/1990
3	Sri. Karuppuswamy Gnanasekaran	00133645	19/09/2001
4	Dr. Nandini Rangaswamy	00002223	27/10/2003
5	Dr. Jairam Varadaraj	00003361	28/10/2004
6	Sri. Cherukoori Ramaswamy Naidu Swaminathan	00002169	25/01/2012

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Coimbatore  
Date : 25.06.2021

**M D SELVARAJ**  
**MDS & Associates**  
**Company Secretaries**  
**FCS No.: 960; C P No.: 411**  
**UDIN: F000960C000494464**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:****Overview:**

Magna's corporate vision is to provide a business model which will enable it to build an inclusive, equitable, sustainable growth for all its stakeholders at large. This is sought to be achieved by empowering and prioritizing its focus on continuous process developments and conforming to ethical business standards.

The financial statements presented here have been prepared in accordance with the various regulatory enactments in force.

**Industry structure and Development:**

The outbreak of the Covid 19 pandemic has brought the entire global economy to a grinding halt for the last eighteen months. All industries were severely impacted due to a two month long complete national lockdown which was followed by a gradual withdrawal of the lockdown. Apart from this, most of the countries were faced with a severe recession which compounded the problems further. India was no exception to the above economic crisis with a majority of the sectors of the economy witnessing lower than anticipated growth.

Our foundry industry also saw a steep decline in growth as sectors like auto which is its biggest consumer registered a sharp decline in volumes during FY 21. Further the auto sector also witnessed transition from BS IV to BS VI which will impact the foundry industry in the coming years.

**Operations:**

The Operating Revenue of the Company has remained more or less at the same level as in the previous year and increased only by about 1.55 % from ₹ 9632.13 Lakhs to ₹ 9781.88 Lakhs. Whereas the Profit Before Tax has reduced from ₹ 850.10 Lakhs in the previous year to ₹ 701.43 Lakhs in the current year.

The above decline in operating revenue and profitability was mainly because of the fact that the plant did not operate for almost six weeks during April and May 2021 due to the general lockdown arising out of the Covid 19 pandemic. As a result there was no production and dispatches during this period. In spite of this the Company was able to marginally increase the turnover compared to the previous year.

The key factors for the sharp decline in the profitability of the Company were because of

(i) decline in Export Incentive as the Government discontinued the MEIS scheme during the Financial year, (ii) increase in Employee costs incurred during the pandemic period in order to retain the employees, (iii) a one time expenditure incurred for Buy back of Equity Shares and (iv) the unprecedented increase in prices of critical raw materials by almost 50% during the last quarter of the financial year. Though the Company has approached its customers for price increase, the compensation from the customers will come about only in the current financial year.

The Wind Energy Division generated a revenue of ₹ 488.47 Lakhs during the year as against ₹ 454.13 Lakhs, in the previous year. The marginal increase in revenue was because of better wind evacuation during the year.

**Opportunities and Threats:****Opportunities:**

The focus and main thrust of the government is to improve the infra structure which will present opportunities to the foundry sector. The global economies are already showing signs of a major rebound in growth as the Covid 19 pandemic impact is slowly tapering off in most of the developed economies.

## Threats:

The economic uncertainty presents a large threat as the basic raw material costs as well as prices of commodities are highly volatile.

The economic slowdown as a result of the Covid 19 pandemic poses a major threat to the foundry industry.

The switch over to the BS VI norms as well as advent of Electric Vehicles (EV) in the coming years poses a threat to the foundry industry.

## Environment, Safety and Energy Conservation Policy:

The Company is committed to conserve natural resources and to protect the same for future generations. During the year, the Company installed Green Sand Reclamation plant, this will enable the Company to conserve precious natural resources apart from being environmental friendly. Further the Company is constantly taking necessary efforts to conserve energy by adopting new technologies to the extent possible.

## Risks and concerns:

Cost of production is highly dependent on material and labour cost which is the major part of the expenses. Value addition is one of the solutions to mitigate the risk. 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:

The Company is having well established and adequate Internal Control Systems commensurate to the size of the business. The actual performances are reviewed and compared with budget, the deviations from there is addressed regularly. The Company is also having established internal audit team, statutory audit teams and Audit Committee of Board of Directors to control internal systems adequately.

## Personnel:

Magna also concentrates on employees' safety measures, good infrastructures, healthy food and sanitation facilities etc., at its workplace. Further the Company ensures utmost care for employees safety at workplace by providing necessary equipments and safety measures and guidelines at regular intervals. During this pandemic period, the Company took various measures to protect life of employees.

## Key Financial Ratios:

There is significant change in some key financial ratios when compared with previous year and below are ratios;

Particulars	2020-21	2019-20
Debtors Turnover Ratio	110 days	94 days
Inventory Turnover Ratio	11 times	10 times
Interest Coverage Ratio	NIL	NIL
Current Ratio	3.31	4.34
Debt Equity Ratio	NIL	NIL
Operating Profit Margin	11.70%	13.71%
Net Profit Margin	5.29%	6.79%
Return on Network	7.26%	9.10%

Further the Company confirms that there is no different accounting treatment has been followed than prescribed in accounting standard while preparing financial statements.

**Cautionary Statement:**

Statements in this Management Discussion and Analysis describing the Company's views, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied. Any investment by shareholders/ investors should therefore be based on their individual analysis.

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**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, 2021** 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)

**K Murali Mohan**  
Proprietor

Place : Coimbatore

Date : 25.06.2021

Membership No.14328  
UDIN: 21014328AAAAJM5922

## INDEPENDENT AUDITORS REPORT

### TO THE MEMBERS OF MAGNA ELECTRO CASTINGS LIMITED

#### Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of MAGNA ELECTRO CASTINGS LIMITED (the “Company”), which comprise the Balance Sheet as at March, 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (“SA”s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- Effects of COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19. The Company has used internal and external sources of information in developing the assumptions relating to the possible future uncertainties in the global economic conditions.

The Company’s Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s

Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibilities for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143(3) of the Act, we report that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies(Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the Directors as on March 31, 2021 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2021 from being appointed as a Director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act and is within the limit specified under the said Section.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company does not have any pending litigations which would impact it's 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.

Place : Coimbatore  
Date : 25.06.2021

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

**K Murali Mohan**  
Proprietor  
Membership No.14328  
UDIN: 21014328AAAAJE3023

## **ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

### **(Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements)**

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. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets 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, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii. The physical verification of inventory has been conducted by the management at reasonable intervals. The Company has maintained proper records 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.
- iv. The Company has not advanced any loans to it's Directors or any other person in whom the Directors are interested or given any guarantee or provided any security in connection with any loan taken by the Directors or such other persons as contemplated under Section 185 of the Act.
- v. The Company has not accepted deposits from the public. Therefore the provisions of the Clause 3 (v) of the Order are not applicable to the Company.

- vi. The Central Government has prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013. 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 same.
- vii.
- (a) The Company is regular in depositing statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues with the appropriate authorities. There are no undisputed arrears of statutory dues which were outstanding as at 31.03.2021 for a period of more than six months from the date they became payable.
- (b) There are no dues of Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues that have not been deposited on account of any dispute.
- viii. The Company has not defaulted in repayment of dues to banks. The Company has no other borrowing from financial institutions or Government and has not issued any debentures till date.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not availed any term loans during the year. Accordingly Clause 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In our opinion managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company. Accordingly, Clause 3 (xii) of the Order is not applicable.
- xiii. In our opinion the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year and hence reporting under Clause 3 (xiv) of the Order is not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place : Coimbatore  
Date : 25.06.2021

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

**K Murali Mohan**  
Proprietor  
Membership No.14328  
UDIN: 21014328AAAAJE3023

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT****(Referred to in paragraph 2(f) of Report on Other Legal and Regulatory Requirements)****Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of MAGNA ELECTRO CASTINGS LIMITED (the “Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company 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 (the “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 respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

- (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 authorisations of management and Directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the 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 explanations 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 March 31, 2021, based on the internal financial 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 ICAI.

Place : Coimbatore

Date : 25.06.2021

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

**K Murali Mohan**  
Proprietor  
Membership No.14328  
UDIN: 21014328AAAAJE3023

**BALANCE SHEET AS AT 31ST MARCH, 2021**

(₹ in lakhs)

Particulars	Notes	31.03.2021	31.03.2020
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	2,950.34	3,136.07
Right-of-use assets	4	10.26	15.80
Capital work in progress	3	226.44	-
Other intangible assets	3	0.80	0.80
Investment properties	5	168.23	175.95
Financial assets			
i. Other Financial Assets	6	92.33	126.71
Other non-current assets	7	38.41	74.96
<b>Total non-current assets</b>		<b>3,486.81</b>	<b>3,530.29</b>
<b>Current assets</b>			
Inventories	8	731.80	980.29
Financial assets			
i. Trade receivables	9	2,916.08	2,412.44
ii. Cash and cash equivalents	10	71.73	287.55
iii. Bank balances other than (ii) above	11	1,464.63	1,162.91
iv. Other financial assets	12	369.99	420.57
Current Tax Assets	13	-	5.05
Other current assets	14	80.01	85.23
<b>Total current assets</b>		<b>5,634.24</b>	<b>5,354.04</b>
<b>TOTAL ASSETS</b>		<b>9,121.05</b>	<b>8,884.33</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	423.21	458.22
Other equity	16	6,710.53	6,891.59
<b>Total equity</b>		<b>7,133.74</b>	<b>7,349.81</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
i. Lease liabilities	4	7.71	13.45
Employee Benefit Obligations	17	25.11	26.69
Deferred Tax Liabilities	18	245.63	273.55
Government Grants	19	4.92	8.04
<b>Total Non-Current Liabilities</b>		<b>283.37</b>	<b>321.73</b>

## BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in lakhs)

Particulars	Notes	31.03.2021	31.03.2020
<b>Current Liabilities</b>			
Financial Liabilities			
i. Trade payables			
-Due to Micro and Small Enterprises	20	27.02	10.22
-Due to Others	20	1,551.48	1,129.38
ii. Lease liabilities	4	5.75	5.10
iii. Other financial liabilities	21	61.17	26.17
Employee Benefit Obligations	17	6.18	5.07
Government Grants	19	3.12	3.80
Current Tax Liabilities	22	19.24	-
Other Current Liabilities	23	29.98	33.05
<b>Total Current Liabilities</b>		<b>1,703.94</b>	<b>1,212.79</b>
<b>Total Liabilities</b>		<b>1,987.31</b>	<b>1,534.52</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,121.05</b>	<b>8,884.33</b>

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  
Membership No. A34056

**K Murali Mohan**  
Proprietor, Auditor  
Membership No. 14328

Coimbatore  
25.06.2021

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021**

(₹ in lakhs)

Particulars	Notes	31.03.2021	31.03.2020
<b>Income</b>			
Revenue from Operations	24	9,781.88	9,632.13
Other Income	25	119.99	215.06
<b>Total Income</b>		<b>9,901.87</b>	<b>9,847.19</b>
<b>Expenses</b>			
Cost of Material Consumed	26	3,367.82	3,367.55
Changes in Inventories of Finished Goods, Stock-in-Trade and Work in Progress.	27	273.43	(32.67)
Employee benefit Expense	28	1,195.89	1,081.41
Finance Costs	29	5.16	11.58
Depreciation and Amortisation Expense	30	417.18	436.45
Other Expenses	31	3,940.96	4,132.77
<b>Total Expenses</b>		<b>9,200.44</b>	<b>8,997.09</b>
<b>Profit before exceptional items and tax</b>		701.43	850.10
<b>Profit before tax</b>		<b>701.43</b>	<b>850.10</b>
Income tax expense			
Current tax		211.49	207.68
Deferred tax		(27.92)	(26.24)
<b>Tax Expense</b>		<b>183.57</b>	<b>181.44</b>
<b>Profit for the period</b>		<b>517.86</b>	<b>668.66</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		17.75	22.56
Income tax relating to these items		(4.47)	(6.27)
<b>Other comprehensive income for the period, net of tax</b>		<b>13.28</b>	<b>16.29</b>
<b>Total comprehensive income for the period</b>		<b>531.14</b>	<b>684.95</b>
Earnings per equity share of ₹ 10 each			
Basic earnings per share		11.67	14.59
Diluted earnings per share		11.67	14.59

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)

Coimbatore  
25.06.2021

**N Krishna Samaraj**  
Managing Director  
DIN : 00048547

**Sangeetha C**  
Company Secretary  
Membership No. A34056

**K Murali Mohan**  
Proprietor, Auditor  
Membership No. 14328

## STATEMENT OF CHANGES IN EQUITY

(₹ in lakhs)

I Equity Share Capital		Notes	Amount			
<b>Balance as at March 31, 2020</b>			<b>458.22</b>			
Changes in equity share capital during the year			(35.01)			
<b>Balance as at March 31, 2021</b>		15	<u><b>423.21</b></u>			
II Other Equity		Notes	Reserves and surplus		Total	
			General Reserve	Retained Earnings	Capital Redemption Reserve	
<b>Balance as at March 31, 2020</b>			<b>3,400.00</b>	<b>3,491.59</b>	<b>-</b>	<b>6,891.59</b>
Profit for the period			-	517.86	-	517.86
Other comprehensive income			-	13.28	-	13.28
General reserve appropriation			200.00	(200.00)	-	-
Buy Back of Shares and Taxes on Buyback			-	(712.20)	-	(712.20)
Transfer to Capital Redemption Reserve			-	(35.01)	35.01	-
<b>Balance as at March 31, 2021</b>	16		<u><b>3,600.00</b></u>	<u><b>3,075.52</b></u>	<u><b>35.01</b></u>	<u><b>6,710.53</b></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**  
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**Sangeetha C**  
Company Secretary  
Membership No. A34056

**K Murali Mohan**  
Proprietor, Auditor  
Membership No. 14328

Coimbatore  
25.06.2021



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

(₹ in lakhs)

Particulars	31.03.2021	31.03.2020
<b>Cash flow from operating activities</b>		
<b>Profit before income tax</b>	701.43	850.10
Adjustments for		
Depreciation and amortisation expense	417.18	436.45
(Gain)/loss on disposal of property, plant and equipment	(2.56)	(2.69)
Amortisation of government grants	(3.80)	(7.25)
Dividend and interest income classified as investing cash flows	(62.69)	(45.71)
Finance costs	5.16	11.58
Lease interest recognised	2.34	2.91
<b>Change in operating assets and liabilities</b>		
(Increase)/Decrease in Other Bank balances	(301.72)	(631.11)
(Increase)/Decrease in trade receivables	(503.65)	679.23
(Increase) in inventories	248.48	(65.98)
Increase in trade payables	438.91	(319.28)
(Increase) in other financial assets	84.95	358.52
(Increase)/decrease in other non-current assets	36.56	(48.23)
(Increase)/decrease in other current assets	10.27	(26.44)
Increase in employee benefit obligations	17.29	(5.02)
Increase in other financial liabilities	35.00	(18.28)
Increase in other current liabilities	(3.07)	(3.08)
<b>Cash generated from operations</b>	<u>1,120.08</u>	<u>1,165.72</u>
Income taxes paid	(196.70)	(235.80)
<b>Net cash inflow from operating activities</b>	<u><b>923.38</b></u>	<u><b>929.92</b></u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(445.18)	(401.97)
Proceeds from sale of property, plant and equipment	3.10	3.05
Interest received	62.69	45.71
<b>Net cash outflow from investing activities</b>	<u><b>(379.39)</b></u>	<u><b>(353.21)</b></u>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in lakhs)

Particulars	31.03.2021	31.03.2020
<b>Cash flows from financing activities</b>		
Borrowings	-	-
Interest paid	(5.16)	(11.58)
Principal portion of lease liability	(5.10)	(4.53)
Interest portion of lease liability	(2.34)	(2.91)
Dividends paid to Company's shareholders	-	(343.67)
Dividend Tax paid	-	(70.64)
Buy Back of Shares	(612.66)	-
Buy Back Taxes paid	(134.55)	-
<b>Net cash inflow (outflow) from financing activities</b>	<b>(759.81)</b>	<b>(433.33)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(215.82)</b>	<b>143.38</b>
Cash and cash equivalents at the beginning of the financial year	287.55	144.17
<b>Cash and cash equivalents at end of the year</b>	<b>71.73</b>	<b>287.55</b>

## For and on behalf of the Board

**C R Swaminathan**  
Director  
DIN : 00002169

**R Ravi**  
Chief Financial Officer

**N Krishna Samaraj**  
Managing Director  
DIN : 00048547

**Sangeetha C**  
Company Secretary  
Membership No. A34056

Coimbatore  
25.06.2021

As per our report annexed

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

**K Murali Mohan**  
Proprietor, Auditor  
Membership No. 14328

## 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 25th June, 2021.

### 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.

#### 2.2 Basis of preparation and presentation

The financial statements have been prepared in accordance with Ind AS 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 noncurrent classification of assets and liabilities.

#### 2.3 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, 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

#### 2.4 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.

The applicability of Ind AS 115, Revenue Recognition provides for a single model of accounting revenue from contracts with customers based on the identification and satisfaction of performance obligations.

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.

#### **2.4.1 Sale of goods**

Revenue from sale of products is recognized 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).

#### **2.4.2 Income from service**

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

### **2.5 Foreign currencies**

#### **2.5.1 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.

#### **2.5.2 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.

### **2.6 Employee Benefits**

#### **2.6.1 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.

#### **2.6.2 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.

### **2.6.3. 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.

### **2.6.4 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.

## **2.7 Taxation**

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

### **2.7.1. 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.

### **2.7.2. 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.

### **2.7.3 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.

## **2.8 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.

The Company records profit arising on compulsory acquisition on receipt basis. Profit is recognized after deduction of the carrying value of the asset from the sale consideration.

### **2.8.1 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. Intangible assets**

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

## **2.10. 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.

## **2.11. Inventories**

Inventories are valued at the lower of cost and net realizable value exclusive of applicable GST which is utilized as Input Tax Credit. 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.

## **2.12. 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.

## **2.13. 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.

## **2.14. Financial assets**

### **2.14.1. 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.

#### **2.14.2. Trade receivables**

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

#### **2.14.3. 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.

#### **2.14.4. 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.

#### **2.15. 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.

##### **2.15.1. 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.

##### **2.15.2. 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.

### **2.15.3. 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.

### **2.16. Segment reporting**

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

### **2.17. Leases**

The Company as a lessee;

The Company's lease asset class consist of lease for land and building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## **2.18. 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.

## **2.19. 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 noncurrent 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.

## **2.20. Earnings 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.

## 3 Property, Plant and Equipment, Capital Work in Progress &amp; Intangible Assets

Particulars	Land-Free Hold	Building - own	Plant & Machinery	Office Equipments	Furniture and Fixtures	Vehicle	Computer Equipment	Total	Intangible Assets- Computer Software acquired	Capital Work in Progress
<b>Year ended March 31, 2021</b>										
Gross Carrying amount as at 01.04.2020	189.31	1,177.45	3,439.84	82.26	29.60	75.18	44.76	5,038.40	3.55	-
Additions	-	44.13	166.59	3.46	1.59	-	2.97	218.74	-	226.44
Deletions						(10.69)		(10.69)		-
Closing Gross Carrying Amount	<b>189.31</b>	<b>1,221.58</b>	<b>3,606.43</b>	<b>85.72</b>	<b>31.19</b>	<b>64.49</b>	<b>47.73</b>	<b>5,246.45</b>	<b>3.55</b>	<b>226.44</b>
<b>Accumulated Depreciation</b>										
Opening accumulated depreciation	-	199.08	1,619.78	14.99	15.02	29.05	24.41	1,902.33	2.75	-
For the year	-	55.37	317.89	6.47	1.94	10.51	11.76	403.94	-	-
Deletions	-	-	-	-	-	(10.16)	-	(10.16)	-	-
Closing Accumulated Depreciation	-	<b>254.45</b>	<b>1,937.67</b>	<b>21.46</b>	<b>16.96</b>	<b>29.40</b>	<b>36.17</b>	<b>2,296.11</b>	<b>2.75</b>	-
<b>Net Block as at 31.03.2021</b>	<b>189.31</b>	<b>967.13</b>	<b>1,668.76</b>	<b>64.26</b>	<b>14.23</b>	<b>35.09</b>	<b>11.56</b>	<b>2,950.34</b>	<b>0.80</b>	<b>226.44</b>
Net Block as at 31.03.2020	189.31	978.37	1,820.06	67.27	14.58	46.13	20.35	3,136.07	0.80	-

\* Addition made to land is the expense incurred for fencing in the windmill location, for which no depreciation has been claimed.

Particulars	31.03.2021	31.03.2020
<b>4 Leases</b>		
<b>Right of use (ROU) Asset</b>		
Gross value	23.09	23.09
Less: Accumulated Depreciation	12.83	7.29
Carrying amount	<u>10.26</u>	<u>15.80</u>
<b>Lease liability</b>		
Gross value	23.09	23.09
Less: Reduction in lease liability	9.63	4.53
Carrying amount	<u>13.46</u>	<u>18.56</u>
Non-current portion of lease liability	7.71	13.45
Current portion of lease liability	5.75	5.10
Amount recognised as lease interest during the year	2.34	2.91
<b>Transition to Ind AS 116</b>		
Effective April 1, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to its lease contracts existing on April 1, 2019 using the modified retrospective approach under which the ROU Asset is measured at an amount equal to lease liability, which in turn is measured based the remaining lease payments. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate.		
<b>5 Investment property</b>		
<b>Building on Lease</b>		
<b>Gross carrying amount</b>		
Opening gross carrying amount / Deemed cost	206.79	206.79
Additions	-	-
<b>Closing gross carrying amount</b>	<u>206.79</u>	<u>206.79</u>
Accumulated depreciation		
Opening accumulated depreciation	30.84	23.13
Depreciation charge	7.72	7.71
<b>Closing accumulated depreciation</b>	<u>38.56</u>	<u>30.84</u>
<b>Net carrying amount</b>	<u>168.23</u>	<u>175.95</u>
<b>Fair value</b>		
Investment property	192.29	200.01
<b>Estimation of fair value</b>		

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.

## NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2021	31.03.2020
<b>6 Other Financial Assets</b>		
Non-Current		
Security deposits*	92.33	126.71
<b>Total other financial Assets</b>	<b>92.33</b>	<b>126.71</b>
*Security deposits comprises of deposits given for service providers such as electricity, telephone etc.,		
<b>7 Other non-current assets</b>		
Capital advances	38.41	74.96
<b>Total other non-current assets</b>	<b>38.41</b>	<b>74.96</b>
<b>8 Inventories (Valued at Cost)</b>		
Raw Materials & Bought Out Components	271.26	190.02
Work in Progress	236.18	487.66
Finished Goods	34.79	56.73
Stores, Consumables and Spares	189.57	245.88
<b>Total Inventories</b>	<b>731.80</b>	<b>980.29</b>
<b>9 Trade receivables</b>		
Unsecured, considered good	2,916.08	2,412.44
<b>Total trade receivables</b>	<b>2,916.08</b>	<b>2,412.44</b>
<b>10 Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	4.39	6.48
- Cash Credit	66.94	280.83
Cash on hand	0.40	0.24
<b>Total cash and cash equivalents</b>	<b>71.73</b>	<b>287.55</b>
<b>11 Bank balances other than those above</b>		
Unpaid dividends	20.21	21.47
Bank Guarantee Deposit	27.75	17.72
Term Deposit (Original Maturity of more than 3 months but less than 12 months)	1,416.67	1,123.72
<b>Total other Bank balances</b>	<b>1,464.63</b>	<b>1,162.91</b>

Particulars	31.03.2021	31.03.2020
<b>12 Other Financial assets-Current</b>		
Export Incentive Receivable	5.82	43.00
Interest Receivable	3.29	12.06
Receivable from statutory authorities	360.88	365.51
<b>Total current financial assets</b>	<b><u>369.99</u></b>	<b><u>420.57</u></b>
<b>13 Current tax assets</b>		
Taxes paid	-	205.75
Less: Current tax payable for the year	-	200.70
<b>Total current tax assets</b>	<b><u>-</u></b>	<b><u>5.05</u></b>
<b>14 Other current assets</b>		
Advance to Suppliers	15.49	25.39
Employee Advances	1.86	1.87
Prepaid expenses	46.97	52.57
Gratuity asset	15.69	5.40
<b>Total other current assets</b>	<b><u>80.01</u></b>	<b><u>85.23</u></b>
<b>15 Equity share capital</b>		
Authorised equity share capital	<b>Number of shares (in lakhs)</b>	<b>Amount</b>
As at 1 April 2020	50.00	500.00
Increase during the year	-	-
<b>As at 31 March 2021</b>	<b><u>50.00</u></b>	<b><u>500.00</u></b>
(i) Movements in equity share capital	<b>Number of shares (in lakhs)</b>	<b>Equity share capital (par value)</b>
As at 1 April 2020	45.82	458.22
Decrease during the year	3.50	35.01
<b>As at 31 March 2021</b>	<b><u>42.32</u></b>	<b><u>423.21</u></b>

**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.

## NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

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

	March 31, 2021		March 31, 2020	
	Number of shares (in lakhs)	% holding	Number of shares (in lakhs)	% holding
Sri.N Krishna Samaraj	8.47	20.01	8.42	18.37
Smt.N.Muthulakshmi	7.77	18.36	8.07	17.61
Smt.Nivedita Lakshmi Narayanaswamy	2.30	5.44	2.30	5.02
Total	18.54	43.81	18.79	41.00

**Buy Back of Shares**

In terms of Board Resolution dt.,18th September, 2020 the Company bought back 3,50,096 equity shares of ₹ 10 each at a price of ₹ 175 per share from the eligible shareholders on the record date 01.10.2021 fixed for the purpose aggregating to 7.64% of the paid up capital. As required under Section 69 read with Section 68 of the Companies Act, 2013 an amount of ₹ 35 lakhs has been transferred to Capital Redemption Reserve from the surplus in Profit & Loss A/c / General Reserve. The aggregate expenses incurred for the Buy-Back was ₹ 44.77 lakhs. This amount is written off under Other Expenses in Schedule No.31.

Particulars	31.03.2021	31.03.2020
<b>16 Other Equity</b>		
General reserve	3,600.00	3,400.00
Capital Redemption Reserve	35.01	-
Retained earnings	3,075.52	3,491.59
<b>Total other equity</b>	<b>6,710.53</b>	<b>6,891.59</b>
<b>a) General reserve</b>		
Opening balance	3,400.00	3,200.00
Additions during the year	200.00	200.00
Additions/Adjustments during the year	-	-
<b>Closing balance</b>	<b>3,600.00</b>	<b>3,400.00</b>
<b>b) Capital Redemption Reserve</b>		
Opening balance	-	-
Additions during the year	35.01	-
Additions/Adjustments during the year	-	-
<b>Closing balance</b>	<b>35.01</b>	<b>-</b>
<b>c) Retained earnings</b>		
Opening balance	3,491.59	3,420.94
Net profit for the period (after tax)	517.86	668.66



## NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2021	31.03.2020
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	13.28	16.29
- Transfer to retained earnings of FVOCI equity investments, net of tax Appropriations	-	-
- General Reserve	(200.00)	(200.00)
- Capital Redemption Reserve	(35.01)	-
- Buyback of 3,50,096 shares ( face value of ₹ 10 each)	(577.66)	-
- Buyback distribution tax paid for 3,50,096 shares	(134.54)	-
Dividends and taxes thereon	-	(414.30)
<b>Closing balance</b>	<b>3,075.52</b>	<b>3,491.59</b>

### 17 Employee Benefit Obligations

Provision for Earned Leave Encashment	31.29	31.76
<b>Employee Benefit Obligations</b>	<b>31.29</b>	<b>31.76</b>

March 31, 2021

	Current	Non-Current	Total
Compensated absences	6.18	25.11	31.29
	<b>6.18</b>	<b>25.11</b>	<b>31.29</b>

March 31, 2020

	Current	Non-Current	Total
Compensated absences	5.07	26.69	31.76
	<b>5.07</b>	<b>26.69</b>	<b>31.76</b>

## OTHER DISCLOSURES

### (i) Gratuity

#### I. PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]

Discount Rate	6.46%	6.56%
Rate of increase in compensation levels	6.00%	7.00%
Attrition Rate	10.00%	7.00%
Expected rate of return on Plan Assets	6.46%	6.56%
All amounts are in Lakhs Rupees		

## NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2021	31.03.2020
<b>II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO)</b>		
PVO as at the beginning of the period	156.21	164.44
Interest Cost	10.08	11.76
Current service cost	15.59	15.35
Past service cost	-	-
Benefits paid and Charges deducted	(5.01)	(13.65)
Actuarial loss/(gain) on obligation (balancing figure)	(16.26)	(21.66)
PVO as at the end of the period	160.62	156.24
<b>III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:</b>		
Fair value of plan assets as at the beginning of the period	161.60	133.83
Expected return on plan assets	10.68	10.59
Contributions	7.53	29.93
Benefits paid and Charges deducted	(5.01)	(13.65)
Actuarial gain/(loss) on plan assets [balancing figure]	1.49	0.90
Fair value of plan assets as at the end of the period	176.29	161.60
<b>IV. ACTUAL RETURN ON PLAN ASSETS</b>		
Expected return on plan assets	10.68	10.59
Actuarial gain (loss) on plan assets	1.49	0.90
Actual return on plan assets	12.17	11.49
<b>V. ACTUARIAL GAINS AND LOSSES RECOGNIZED</b>		
Actuarial gain (loss) for year - obligation	16.26	21.66
Actuarial gain (loss) for year - plan assets	1.49	0.90
Subtotal	17.75	22.56
Actuarial (gain) / loss recognized	(17.75)	(22.56)
Unrecognized actuarial gains (losses) at the end of the period	-	-

Particulars	31.03.2021	31.03.2020
<b>VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSES</b>		
Present value of the obligation	160.62	156.21
Fair value of plan assets	176.29	161.60
Amount determined under para 63 of Ind AS19	(15.68)	(5.39)
Net Defined Benefit Liability recognized in the balance sheet	-	-
Present value of future reduction in contribution under para 65 of Ind AS 19	15.68	5.39
Net Defined Benefit Asset recognised under para 64 of Ind AS19	<b>15.68</b>	<b>5.39</b>
<b>VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:</b>		
Current service cost	15.59	15.35
Net Interest on Net Defined Benefit Obligations	(0.60)	1.17
Net actuarial (gain)/loss recognised during the period	-	-
Past service cost	-	-
Expenses recognized in the statement of profit and loss	<b>14.99</b>	<b>16.52</b>
<b>VIII. AMOUNT RECOGNIZED FOR THE CURRENT PERIOD IN THE STATEMENT OF OTHER COMPREHENSIVE INCOME [OCI]</b>		
Actuarial (gain)/loss on Plan Obligations	(16.26)	(21.66)
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	(1.49)	(0.90)
Effect of Balance Sheet asset limit	-	-
Amount recognized in OCI for the current period	(17.75)	(22.56)
<b>IX. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET</b>		
Opening net liability adjusted for effect of balance sheet limit	(5.39)	30.58
Amount recognised in Profit and Loss	14.99	16.52
Amount recognised in OCI	(17.75)	(22.56)

## NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2021	31.03.2020
Contribution paid	(7.53)	(29.92)
Closing net liability	<b>(15.68)</b>	<b>(5.39)</b>
<b>X. AMOUNT FOR THE CURRENT PERIOD</b>		
Present Value of obligation	<b>160.62</b>	<b>156.21</b>
Plan Assets	176.29	161.60
Surplus (Deficit)	15.68	5.38
Experience adjustments on plan liabilities -(loss)/gain	8.77	31.24
Impact of Change in Assumptions on Plan Liabilities-(loss)/gain	7.49	(9.58)
Experience adjustments on plan assets -(loss)/gain	1.49	0.90
<b>(ii) Compensated absences</b>		
<b>I. PRINCIPAL ACTUARIAL ASSUMPTIONS</b>		
<b>[Expressed as weighted averages]</b>		
Discount Rate	6.46%	6.56%
Rate of increase in compensation levels	6.00%	7.00%
Attrition Rate	10.00%	7.00%
Expected rate of return on Plan Assets	0.00%	0.00%
All amounts are in Lakhs Rupees		
<b>II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO)</b>		
PVO as at the beginning of the period	31.76	28.76
Interest Cost	2.08	2.09
Current service cost	5.47	4.92
Past service cost	-	-
Benefits paid	-	(1.39)
Actuarial loss/(gain) on obligation (balancing figure)	(8.02)	(2.62)
PVO as at the end of the period	31.29	31.76

Particulars	31.03.2021	31.03.2020
<b>III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:</b>		
Fair value of plan assets as at the beginning of the period	-	-
Expected return on plan assets	-	-
Contributions	-	1.39
Benefits paid	-	(1.39)
Actuarial gain/(loss) on plan assets [balancing figure]	-	-
Fair value of plan assets as at the end of the period	-	-
<b>IV. ACTUAL RETURN ON PLAN ASSETS</b>		
Expected return on plan assets	-	-
Actuarial gain (loss) on plan assets	-	-
Actual return on plan assets	-	-
<b>V. ACTUARIAL GAINS AND LOSSES RECOGNIZED</b>		
Actuarial gain (loss) for year - obligation	8.02	2.62
Actuarial gain (loss) for year - plan assets	-	-
Subtotal	8.02	2.62
Actuarial (gain) / loss recognized	(8.02)	(2.62)
Unrecognized actuarial gains (losses) at the end of the period	-	-
<b>VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSES</b>		
Present value of the obligation	31.29	31.76
Fair value of plan assets	-	-
Difference	31.29	31.76
Liability recognized in the balance sheet	31.29	31.76

## NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2021	31.03.2020
<b>VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:</b>		
Current service cost	5.47	4.92
Interest on obligation	2.08	2.09
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised during the period	(8.02)	(2.62)
Past service cost	-	-
Expenses recognized in the statement of profit and loss	(0.47)	4.39
<b>VIII. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET</b>		
Opening net liability	31.76	28.76
Expense as above	(0.47)	4.39
Contribution paid	-	(1.39)
Closing net liability	31.29	31.76
<b>IX. AMOUNT FOR THE CURRENT PERIOD</b>		
Present Value of obligation	31.29	31.76
Plan Assets	-	-
Surplus (Deficit)	(31.29)	(31.76)
Experience adjustments on plan liabilities - (loss)/gain	6.45	4.57
Impact of change in assumptions on plan liabilities - (loss) / gain	1.57	(1.94)
Experience adjustments on plan assets - (loss)/gain	-	-

**18 Deferred Tax Liabilities (Net)**

The balance comprises temporary differences attributable to:

Depreciation	247.23	276.11
Total deferred tax liabilities	<b>247.23</b>	<b>276.11</b>

Set-off of deferred tax liabilities pursuant to set-off provisions

Particulars	31.03.2021	31.03.2020
Tax Reduction available on payment Basis	(1.60)	(2.56)
Total deferred tax assets	(1.60)	(2.56)
Net deferred tax liabilities	<u>245.63</u>	<u>273.55</u>

**Movement in deferred tax liabilities and assets**

	Depreciation	Tax Reduction available on payment Basis	Total
At April 1, 2020	276.11	(2.56)	273.55
(Charged)/credited:			
- to profit or loss	(28.88)	0.96	(27.92)
- to other comprehensive income	-	-	-
<b>At March 31, 2021</b>	<u>247.23</u>	<u>(1.60)</u>	<u>245.63</u>

**19 Government grants**

Deferred Income	8.04	11.84
<b>Total Government grants</b>	<u>8.04</u>	<u>11.84</u>
Non-current portion	4.92	8.04
Current portion	3.12	3.80

**20 Trade payables**

Current		
Dues to Micro and Small Enterprises **	27.02	10.22
Dues to enterprises other than Micro and Small Enterprises	1,551.48	1,129.38
<b>Total trade payables</b>	<u>1,578.50</u>	<u>1,139.60</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 and interest amount payable to these enterprises.

**21 Other financial liabilities**

Current		
Unpaid dividends	20.21	21.47
Capital creditors	40.96	4.70
<b>Total other current financial liabilities</b>	<u>61.17</u>	<u>26.17</u>

## NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2021	31.03.2020
<b>22 Current tax liabilities (Net)</b>		
Opening balance	-	-
Add: Current tax payable for the year	215.84	-
Less: Taxes paid	(196.60)	-
<b>Total Current Tax Liabilities</b>	<b>19.24</b>	<b>-</b>
<b>23 Other current liabilities</b>		
Advance from Customers	1.78	8.67
Statutory liabilities	28.20	24.38
<b>Total other current liabilities</b>	<b>29.98</b>	<b>33.05</b>
<b>24 Revenue from operations</b>		
Sale of Products**	9,678.36	9,405.83
Other Operating Revenue	103.52	226.30
** Includes an amount of ₹ 21.34 Lakhs towards price increase billed in April 2021, relating to goods shipped and invoiced before 31.03.2021		
<b>Total revenue</b>	<b>9,781.88</b>	<b>9,632.13</b>
<b>25 Other income</b>		
Interest income from financial assets mandatorily measured at fair value through profit or loss	62.69	45.71
Rental Income	21.00	21.00
Profit on sale of Assets	2.56	2.69
Effect of exchange differences	28.30	138.36
Government Grants	3.80	7.25
Miscellaneous income	1.64	-
Agricultural income	-	0.05
<b>Total other income</b>	<b>119.99</b>	<b>215.06</b>
<b>26 Cost of materials consumed</b>		
Raw materials at the beginning of the year	190.02	199.81
Add: Purchases (including Imported)	3,449.06	3,357.76
Less: Raw materials at the end of the year	271.26	190.02
<b>Total Cost of materials consumed</b>	<b>3,367.82</b>	<b>3,367.55</b>



Particulars	31.03.2021	31.03.2020
<b>27 Changes in Inventories of Finished goods &amp; Work-in-progress</b>		
<b>Opening Balance</b>		
Work-in-progress	487.66	440.04
Finished goods	56.73	71.68
<b>Total Opening Balance</b>	<b>544.39</b>	<b>511.72</b>
<b>Closing Balance</b>		
Work-in-progress	236.18	487.66
Finished goods	34.79	56.73
<b>Total Closing Balance</b>	<b>270.96</b>	<b>544.39</b>
<b>Total changes in Inventories of Finished goods &amp; Work-in-progress</b>	<b>273.43</b>	<b>(32.67)</b>
<b>28 Employee Benefit Expense</b>		
Salaries, Wages and Bonus	1046.91	934.99
Contribution to Provident and Other funds	43.56	48.98
Gratuity	17.46	17.44
Staff Welfare expenses	87.96	80.00
<b>Total Employee Benefit Expense</b>	<b>1,195.89</b>	<b>1,081.41</b>
<b>29 Finance costs</b>		
Interest on CC	1.00	0.50
Interest on Discounting of Bills	0.00	1.00
Other borrowing charges	4.16	10.08
<b>Finance costs expenses in profit or loss</b>	<b>5.16</b>	<b>11.58</b>
<b>30 Depreciation and Amortisation Expense</b>		
Depreciation of property, plant and equipment	403.94	421.45
Depreciation of investment property	7.72	7.71
Amortisation of intangible assets	-	-
Depreciation on lease liability	5.52	7.29
<b>Total Depreciation and Amortisation expense</b>	<b>417.18</b>	<b>436.45</b>

## NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2021	31.03.2020
<b>31 Other expenses</b>		
Labour Charges	169.96	177.35
Machining Charges	1,417.18	1,533.34
Processing Charges	421.53	441.35
Pattern Making Charges	102.92	101.95
Consumption of Stores and Spare Parts	244.29	206.98
Repairs to Machinery	121.10	166.88
Repairs to Building	51.95	51.01
Power & Fuel	702.18	706.65
(Net of WTG Generation ₹ 460.72 lakhs, Previous Year ₹ 454.13 lakhs)		
Lease expense	2.34	2.91
Insurance	52.87	52.11
Rates & Taxes	13.80	15.79
Clearing & Forwarding	57.36	35.28
Packing Material	260.95	255.92
Payment to Statutory Auditor		
(a) Audit Fee	9.00	9.00
(b) Taxation matters	1.80	1.80
(c) for Other services	0.28	0.85
CSR Expenses (Refer note 41)	21.16	22.61
Managerial Remuneration	67.20	67.29
Expenses on Buyback of Equity Shares	44.77	-
Miscellaneous Expenses	178.32	283.70
<b>Total other expenses</b>	<b>3,940.96</b>	<b>4,132.77</b>
<b>32 Income tax expense</b>		
<b>(a) Income Tax Expense</b>		
Current tax on profits for the year	211.37	200.70
Adjustments for current tax of prior periods	0.12	6.98
Deferred Tax	(27.92)	(26.24)
Total current tax expense	<b>183.57</b>	<b>181.44</b>

Particulars	31.03.2021	31.03.2020
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b>		
Profit before income tax expense	701.43	850.10
<b>Tax at the Indian tax rate of 25.17% (Previous year - 27.82%)</b>	176.54	236.50
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	5.34	6.29
Income exempt from tax	-	(64.80)
Adjustments for current tax of prior periods	0.12	6.98
Others	1.57	(3.53)
<b>Income tax expense</b>	<b>183.57</b>	<b>181.44</b>

**33 Fair value measurements**

<b>Financial instruments by category</b>	<b>Amortised Cost</b>	
<b>Financial assets</b>		
Trade receivables	2,916.08	2,412.44
Cash and cash equivalents	71.73	287.55
Security deposits	92.33	126.71
Other Bank Balances	1,464.63	1,162.91
Export Incentive Receivable	5.82	43.00
Interest receivable	3.29	12.06
Receivable from statutory authorities	360.88	365.51
<b>Total financial assets</b>	<b>4,914.76</b>	<b>4,410.18</b>
<b>Financial Liabilities</b>		
Unpaid dividends	20.21	21.47
Trade payables	1,578.50	1,139.60
Capital creditors	40.96	4.70
Lease liabilities	13.46	18.56
<b>Total financial liabilities</b>	<b>1,653.13</b>	<b>1,184.33</b>

**(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.

**NOTES TO 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 tra

**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

**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.

**34 Financial risk management**

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

**(A) Credit risk**

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

**(i) Credit risk management**

Credit risk on deposit is mitigated by the 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 31st March, 2021 and 31st March, 2020 the 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.

**NOTES TO THE FINANCIAL STATEMENTS:****(i) Financing arrangements**

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

(₹ In Lakhs)

	31 March, 2021	31 March, 2020
<b>Floating rate</b>		
Expiring within one year (Cash Credit)	2,000.00	2,000.00

The bank cash credit facilities may be drawn at any time and may be terminated by the bank without notice. 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 immaterial balances as the impact of discounting is

**Contractual maturities of financial liabilities:**

(₹ In Lakhs)

	31st March 2021		
	Maturing with a year	Maturing after a year	Total
Non-derivatives			
Borrowings	-	-	-
Trade payables	1,578.50	-	1,578.50
Other Financial Liabilities	61.17	-	61.17
<b>Total non-derivative liabilities</b>	<b>1,639.67</b>	<b>-</b>	<b>1,639.67</b>

	31st March 2020		
	Maturing with a year	Maturing after a year	Total
Non-derivatives			
Borrowings	-	-	-
Trade payables	1,139.60	-	1,139.60
Other Financial Liabilities	26.17	-	26.17
<b>Total non-derivative liabilities</b>	<b>1,165.77</b>	<b>-</b>	<b>1,165.77</b>

**NOTES TO THE FINANCIAL STATEMENTS:****(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.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

(₹ In Lakhs)

	31st March 2021		
	USD	EUR	GBP
Financial assets			
Trade receivables	1,201.62	141.14	28.01
Exposure to foreign currency risk (assets)	1,201.62	141.14	28.01
Financial liabilities			
Trade payables	-	-	-
Exposure to foreign currency risk (liabilities)	-	-	-
Net exposure to foreign currency risk	1,201.62	141.14	28.01

	31st March 2020		
	USD	EUR	GBP
Financial assets			
Trade receivables	926.41	139.40	16.29
Exposure to foreign currency risk (assets)	926.41	139.40	16.29
Financial liabilities			
Trade payables	-	-	-
Exposure to foreign currency risk (liabilities)	-	-	-
Net exposure to foreign currency risk	926.41	139.40	16.29

**Sensitivity**

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

Impact on profit after tax		
	31 March 2021	31 March 2020
USD Sensitivity		
INR/USD Increases by 5%	44.96	33.43
INR/USD Decreases by 5%	(44.96)	(33.43)

**NOTES TO THE FINANCIAL STATEMENTS:**

Impact on profit after tax		
EUR sensitivity	31 March 2021	31 March 2020
INR/Euro Increases by 5%	5.28	5.03
INR/Euro Decreases by 5%	(5.28)	(5.03)

Impact on profit after tax		
GBP sensitivity	31 March 2021	31 March 2020
INR/GBP Increases by 5%	1.05	0.59
INR/GBP Decreases by 5%	(1.05)	(0.59)

\* 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).

(₹ In Lakhs)

	March 31, 2021	March 31, 2020
Net debt	-	-
Total equity	7,133.74	7,349.81
<b>Net debt to equity ratio</b>	-	-

**(b) Dividends**

In respect of the year ended 31st March 2021, the Directors propose that a dividend of ₹ 1.50 per share be paid on fully paid Equity Shares. The Equity Dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 63.48 Lakhs

**NOTES TO THE FINANCIAL STATEMENTS:****36 Related Party Disclosures:****A. Related Party Relationships:**

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

**B.Transactions with Related Parties:**

(₹ In Lakhs)

Particulars	31.03.2021	31.03.2020
<b>Sri.N.Krishna Samaraj</b>		
Managerial Remuneration	67.39	67.48
Sitting Fees	1.80	1.50
<b>Smt.N.Muthulakshmi</b>		
Rent & Amenities	7.44	7.44
<b>Samrajyaa And Company</b>		
Machining Charges Paid	862.59	917.59
Rent Received	21.00	21.00
<b>Magna Digitech India LLP</b>		
Data Conversion Paid	19.30	22.05
Purchase of Cores	33.47	47.82
Sale of Castings	28.15	24.79
Sale of Other Items	10.10	6.95
Pattern charges	1.69	2.26
<b>Elgi Equipments Limited</b>		
Sale of Goods	15.13	-
<b>Outstandings</b>		
Payables	111.45	26.05
Receivables	-	0.56



**NOTES TO THE FINANCIAL STATEMENTS:**

(₹ in lakhs)

Particulars	31.03.2021	31.03.2020
<b>37 Earnings per share</b>		
<b>(a) Basic earnings per share</b>		
Basic earnings per share attributable to the equity holders of the Company	517.86	668.66
Weighted Average Number of equity shares (in lakhs) of ₹ 10 each	44.36	45.82
Basic earnings per share	11.67	14.59
<b>(b) Diluted earnings per share</b>		
Diluted earnings per share attributable to the equity holders of the Company	517.86	668.66
Weighted Average Number of equity shares (in lakhs) of ₹10 each	44.36	45.82
Diluted earnings per share	11.67	14.59
<b>38 Contingent liabilities and contingent assets</b>		
<b>Contingent liabilities</b>		
On Account of Capital Expenditure	128.26	30.00
<b>39 Disclosure on dues to Micro, Small and Medium Enterprises:</b>		
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.		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	27.02	10.22
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
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
The amount of interest accrued and remaining unpaid at the end of the year	Nil	0.06
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

## NOTES TO THE FINANCIAL STATEMENTS:

(₹ in lakhs)

Particulars	31.03.2021	31.03.2020
<b>40 Leasing arrangements</b>		
The Company holds one property on lease for operating purposes and the future minimum lease payments are as under:		
a) Not later than one year	1.70	3.72
b) Later than one year and not later than five years	0.97	0.62
c) Later than five years	-	-
d) Lease payments recognised in the statement of profit and loss	2.34	2.91
Maintenance expenses payable to the lessor as per the lease agreement is ₹ 31,000/- per month		
<b>41 CSR Expenditure</b>		
Amount spent through Trusts / Implementing Agencies	20.25	17.25
Amount spent directly	0.91	5.36
<b>Total</b>	<b>21.16</b>	<b>22.61</b>
Amount required to be spent as per Section 135 of the Companies Act, 2013	20.93	21.28
Actual amount spent during the year		
i) Construction/acquisition of an asset	-	-
ii) On purposes other than (i) above		
1) Healthcare	20.25	15.10
2) Covid Care	0.91	-
3) Women and Children Welfare	-	2.15
4) Education	-	5.36
<b>Total</b>	<b>21.16</b>	<b>22.61</b>
<b>42 Segment Information</b>		
<b>A. Operating Segment</b>		
The Company is organised into two main reportable segments viz.,		
(1) Manufacture and Sale of Castings Division - Foundry		
(2) Wind Energy Division		
<b>Segment Revenue:</b>		
1. Foundry Division	9,781.88	9,632.13
2. Wind Energy Division	460.72	454.13
	<b>10,242.60</b>	<b>10,086.26</b>
Less: Inter Segment revenue	460.72	454.13
<b>Net Sales/Income from operations</b>	<b>9,781.88</b>	<b>9,632.13</b>

**NOTES TO THE FINANCIAL STATEMENTS:**

(₹ in lakhs)

Particulars	31.03.2021	31.03.2020
<b>Segment Result:</b>		
1. Foundry Division	429.51	626.96
2. Wind Energy Division	277.08	234.72
<b>Total Profit before Interest</b>	<b>706.59</b>	<b>861.68</b>
Less: Finance Costs		
1. Foundry Division	5.16	11.58
2. Wind Energy Division	-	-
<b>Profit before Tax and Exceptional items</b>	<b>701.43</b>	<b>850.10</b>
<b>Segment Assets</b>		
1. Foundry Division	7,170.49	7,183.09
2. Wind Energy Division	1,950.56	1,701.24
3. Unallocable Assets	-	-
<b>Total</b>	<b>9,121.05</b>	<b>8,884.33</b>
<b>Segment Liabilities</b>		
1. Foundry Division	1,741.68	1,260.97
2. Wind Energy Division	-	-
3. Unallocable Assets	245.64	273.55
<b>Total</b>	<b>1,987.32</b>	<b>1,534.52</b>

**B. Geographical Segment**

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

1. Inside India	4,935.31	5,170.79
2. Outside India	4,743.04	4,235.04

Previous years figures have been regrouped wherever necessary to conform with the current period's presentation.

**For and on behalf of the Board****C R Swaminathan**

Director  
DIN : 00002169

**N Krishna Samaraj**

Managing Director  
DIN : 00048547

Coimbatore  
25.06.2021

**R Ravi**

Chief Financial Officer

**Sangeetha C**

Company Secretary  
Membership No. A34056

As per our report annexed

for **Srikishen & Co.**

Chartered Accountants  
(Reg No.004009S)

**K Murali Mohan**

Proprietor, Auditor  
Membership No. 14328

# 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,  
"Surya", 35, Mayflower Avenue,  
Behind Senthil Nagar,  
Sowripalayam,  
Coimbatore- 641 028.

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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<b>Name of the First Holder</b>											
<b>Bank Name</b>											
<b>Branch Name</b>											
<b>Bank Address</b>											
<b>Branch Code</b>	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> <p>(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>										

<b>Account type</b>	→	Savings		Current		Cash Credit											
<b>A/c. No. (as appearing in the cheque book)</b>																	
<b>Effective Date of this mandate</b>																	

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, "Surya",  
35, Mayflower Avenue,  
Behind Senthil Nagar,  
Sowripalayam,  
Coimbatore- 641 028.

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.

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<b>Name of the First Holder</b>	
<b>Name of Joint Holder(s)</b>	
<b>E-mail Address</b>	

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.



